

IMIA 2016 Country Analysis

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Country	Premium Development	Claims development	Underwriting Profitability	Business Outlook
Taiwan	<p>The total premium income of engineering insurance has increased slightly from NT\$3.47 billion in 2015 to NT\$3.51 billion in 2016. The share Engineering Insurance holds of the total premium spent on Property & Casualty (P&C) insurance in Taiwanese market was 2.39% with the entire insurance premium income of NT\$145,926 million in 2015 and increased by 6.72% in comparison with the previous year's fall share of -0.42%.</p> <p>As usual, the majority of engineering insurance premium income came from non-renewable business, as relied mostly on government's CAR and EAR insurances need.</p>	<p>The claim of the engineering insurance decreased from NT\$2,501,074,255 in 2015 to NT\$1,952,545,960 in 2016 with percentage of -28.09%. There is no major Typhoon and other territorial natural hazard events of CAR & EAR insurance business in 2016. Loss amount in other line of business is insignificant due to the scale and exposure of risk is small.</p> <p>No claims are above USD1Mio in 2016 (within EIA pool's portfolio).</p>	<p>The loss ratio of overall engineering insurance decreased from 72.08% in 2015 to 55.64% in 2016. The local market situation is still very soft since there are nearly 17 insurers providing engineering insurance capacity in Taiwan. The capacity available is not increasing, but more and more local insurers retain risks which they write as in a tough situation.</p>	<p>According to the Directorate General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan, the estimated Economic Growth Rate(yoy) is 1.92 % in 2017 (1.2% in 2016). Barring unforeseen political disturbances after election in 2016, it is still expected that the Taiwanese economy will continue to grow slightly</p> <p>There is not much change of the environment situation as compared with last year. As Taiwanese engineering insurance market varies according to the construction industry's fluctuation, thus CAR and EAR insurance businesses will only have small increased from small and medium size construction projects. No jumbo construction projects are expected. Other lines of engineering business are small which below 15% of the engineering portfolio.</p>