

IMIA 2014 Country Analysis

| Country | Premium Development | Claims development | Underwriting Profitability | Business Outlook |
|----------------------|--|---|---|--|
| <p>Taiwan</p> | <p>The total premium income of engineering insurance has decreased from NT\$4.42 billion in 2013 to NT\$3.94 billion in 2014. The share Engineering Insurance holds of the total premium spent on Commercial Property & Casualty (P&C) insurance in Taiwanese market was 2.97% with the entire insurance premium income of NT\$132,220 million in 2014 and fell by 0.55% in comparison with the previous year's share of 3.52%. As usual, the majority of engineering insurance premium income came from non-renewable business, such as CAR and EAR insurances. Only 12.66% of its premium income was generated from renewable engineering insurances, such as CPM, BPV, MI and EEI. Loss of Profits & IDI has not developed in this market so far.</p> | <p>The claim of the engineering insurance increased from NT\$1,526,073,647 in 2013 to NT\$1,808,315,679 in 2014 with the percentage of 18.49. Albeit there is no major Typhoon and other territorial natural hazard events of CAR business in 2014, there is a reason due to fierce competition in the engineering insurance market with soft conditions. Loss amount in other line of business is insignificant due to the scale and exposure of risk is small</p> | <p>The loss ratio of engineering insurance increased moderately from 34.54% in 2013 to 45.89% in 2014. The local market situation is still very soft since there are nearly 20 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 acceptable.</p> | <p>The nation's economy may grow moderately this year at 3.77%. Since the Taiwanese engineering insurance market varies according to the construction industry's fluctuation. In 2014 there is no major optimistic boost to the construction industry from government's economic policy. Construction businesses are not increased, which is also affecting the engineering insurance. Development of promotion of the CECR insurance since 2014 is also not optimistic in 2015 under chaotic political situation.</p> |