

# NATIONAL REPORT

## TAIWAN – 2020

### A. Premium Development

The total premium income of engineering insurance has increased from NT\$6.72 billion in 2019 to NT\$7.14 billion in 2020. The share Engineering Insurance holds of the total premium spent on Property & Casualty (P&C) insurance in Taiwanese market was 3.80% with the entire insurance premium income of NT\$188,110 million in 2020 and decreased by 0.1% in comparison with the previous year's share of 3.81%.

As usual, the majority of engineering insurance premium income came from non-renewable business (86.12%), as relied mostly on government's policies of Contractors' All Risks and Erection All Risks insurances. Only 13.88% of its premium income was generated from renewable engineering insurances in 2020, such as CPM, BPV, MI and EEI. IDI has not developed at all in this market so far.

Type of Insurance	Gross Premium written (NT\$)				
	2018	2019	Change	2020	Change
MB / BE + LoP *)	150,617,702	165,308,124	14,690,422	202,692,045	37,383,921
EAR + ALoP *)	967,873,974	2,184,901,803	1,217,027,829	2,698,884,318	513,982,515
CAR + ALoP *)	2,637,747,389	3,636,611,078	998,863,689	3,450,661,499	-185,949,579
EEI *)	363,227,693	418,712,439	55,484,746	458,933,966	40,221,527
CPM	282,163,039	317,619,915	35,456,876	329,121,887	11,501,972
CECR					
IDI *)					
<b>TOTAL</b>	<b>4,401,629,797</b>	<b>6,723,153,359</b>	<b>2,321,523,562</b>	<b>7,140,293,715</b>	<b>417,140,356</b>

**Source:** Taiwan Insurance Institute

There is no IDI business in Taiwanese market

1 US\$ = 28.3 NT\$

### B. Claims Development

The claim of the engineering insurance decreased from NT\$2,744,771,257 in 2019 to NT\$1,529,534,071 in 2020 with percentage of 44.27%. There is no major Typhoon and other territorial natural hazard events of CAR & EAR insurance business (Taiwanese market major business) in 2020. Loss amount in other line of business is insignificant due to the scale and exposure of risk is small.

Type of Insurance	Claims (paid & reserved) NT\$				
	2018	2019	Change	2020	Change
MB / BE + LoP *)	80,274,719	12,919,993	-67,354,726	16,709,503	3,789,510
EAR + ALoP *)	545,384,305	551,790,057	6,405,752	221,847,413	-329,942,644
CAR + ALoP *)	1,241,181,728	1,987,806,687	746,624,959	1,105,374,230	-882,432,457
EEL *)	50,493,706	77,527,544	27,033,838	41,438,004	-36,089,540
CPM	128,065,076	114,726,976	-13,338,100	144,164,921	29,437,945
CECR					
IDI *)					
<b>TOTAL</b>	<b>2,045,399,534</b>	<b>2,744,771,257</b>	<b>699,371,723</b>	<b>1,529,534,071</b>	<b>-1,215,237,186</b>

Source: Taiwan Insurance Institute

There is no IDI business in Taiwanese market.

1 US\$ = 28.3 NT\$

### C. Underwriting Profitability

The loss ratio of overall engineering insurance decreased from 40.83% in 2019 to 21.42% in 2020. The local market situation is still very soft since there are nearly 19 insurers providing engineering insurance capacity in Taiwan.

Type of Insurance	Loss ratio %				
	2018	2019	Change	2020	Change
MB / BE + LoP *)	53.30%	7.82%	-45.48%	8.24%	0.42%
EAR + ALoP *)	56.35%	25.25%	-31.10%	8.22%	-17.03%
CAR + ALoP *)	47.05%	54.66%	7.61%	32.03%	-22.63%
EEL *)	13.90%	18.52%	4.62%	9.03%	-9.49%
CPM	45.39%	36.12%	-9.27%	43.80%	7.68%
IDI *)					
<b>Overall</b>	<b>46.47%</b>	<b>40.83%</b>	<b>-5.64%</b>	<b>21.42%</b>	<b>-19.41%</b>

Source: Taiwan Insurance Institute

There is no IDI business in Taiwanese market 1 US\$ =

28.3 NT\$

#### **D. Business Outlook**

The economic growth rate is forecast to grow 5.46% in 2021 according to the Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C.(Taiwan).Although Taiwan's economic is affected by the COVID-19 pandemic, the growth rate is expected to benefit from the strong export this year.

The government will continue to promote the “Forward-looking Infrastructure Development Program” funding for 8 categories of infrastructures.

In order to reach the target of generating 20 percent of electricity from renewable energy by 2025,Taiwan will raise its offshore wind power capacity to 5.7 gigawatts (GW) by 2025.The total investments will reach nearly NT\$1 trillion (US\$35.3 billion).