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NON-LIFE INSURANCE BUSINESS IN TAIWAN

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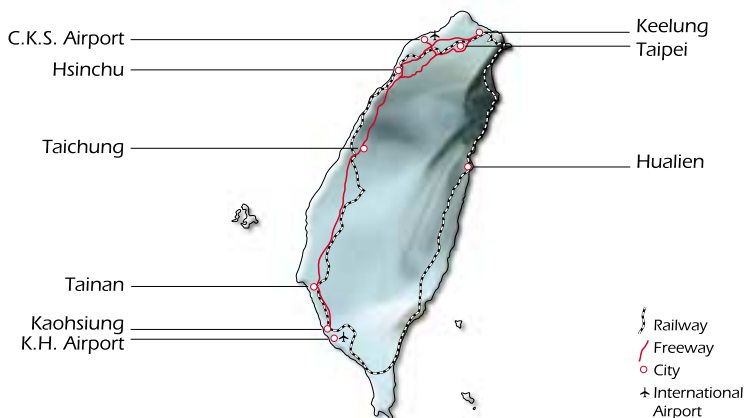
GENERAL INFORMATION

	1999	2000	2001
Population (million)	22.0	22.0	22.3
Area (sq. km)	36,000	36,000	36,000
GNP (US\$ billion)	290.5	314.4	288.3
GDP (US\$ billion)	287.9	310.1	282.4
GNP per Capita (US\$)	13,235	14,216	12,941
Value of Imports (US\$ billion)	110.69	140.01	107.24
Value of Exports (US\$ billion)	121.59	148.38	122.9
Real Economic Growth Rate	5.42%	5.98%	-1.91%
Annual Changes in Wholesale Price Index	-4.60%	1.8%	-1.3%
Annual Changes in Consumer Price Index	0.2%	1.3%	-0.0%
Unemployment Ratio	2.90%	3.00%	4.6%
Motorvehicles (thousand)	5,359	5,599	5,731
Motorcycles (thousand)	10,958	11,423	11,733
Telephone Sets (thousand)	23,584	30,515	34,478
Exchange Rates US\$/NT\$	31.40	32.99	34.99
Annual Interest Rates (Money Market Rate)	4.50%	4.63%	2.13%

Data Source : Publications of the Directorate-General of Budget, Accounting and Statistics, Executive Yuan

1. GEOGRAPHY

Taiwan, also known as Formosa, is an island about 160 km off the southeast coast of Mainland China, 360 km from the northern tip of the Philippines, and 1,070 km from the southern tip of Japan. It is separated from Fukien Province on Mainland China by the Taiwan Straits. The island measures 377 km long and 142 km wide at its widest point.





2. MAJOR CITIES

City Name	Population	Noted For
Taipei	2.63 million	Political/Economic center
Keelung	0.39 million	Northern major port city
Hsinchu	0.37 million	Northern hi-tech industrial park
Taichung	0.98 million	Largest central city with ports some 50 km west of the city
Tainan	0.74 million	Southern city with historic relics
Kaohsiung	1.50 million	Largest industrial city; also noted for its major ports; largest commercial city in the south
Hualien	0.35 million	Major city and port on the east coast

3. CLIMATE

Taiwan's climate is subtropical and pleasant. The average temperature is 22°C in the north and 24.5°C in the south. Summer runs from May to October, and there is a mild winter from December to February. Rainfall is abundant, averaging 2,500 millimeters (100 inches) annually. Local and seasonal variations are numerous. The North is often rainy in the winter, and the South sees heavy rains in the summer. Winter snows occur in the higher mountains.

4. PEOPLE

Apart from approximately 410,000 aborigines, the ancestors of Taiwan people originated in mainland China and settled here mainly during the 17th and 18th centuries.

5. LANGUAGES

The main official language is Mandarin Chinese. Taiwanese and Hakka are the two most popular dialects. As for foreign languages, English is the most popular and is taught from junior high school onwards. Japanese is the second most studied foreign language.

6. EDUCATION

A nine-year compulsory education system, from elementary school to junior high school, is taken nationwide. The enrollment of eligible students is 99.9%. Most of them continue with senior high school education. After their graduation from senior high school, more than 720,000 students attend 134 universities, colleges and academies in Taiwan each year.

7. TRANSPORTATION

International Airports:

Taoyuan CKS Airport is located in the north, around 40 km southwest of Taipei. Kaohsiung Airport serves the south.

Domestic Airports:

Located in Taipei, Kaohsiung, Taichung, Chiayi, Tainan, Hualien, Taitung and main offshore islands.

North-South Freeway:

The first freeway was built in 1975 linking Keelung and Kaohsiung (a distance of 381 km). The second freeway is under construction and part of its northern section opened in 1993.

Railway:

Taiwan's railway network totals a distance of 2,409.1 km, circling the whole island. Local as well as express trains serve travellers.

High Speed Rail:

The high-speed rail is constructed by adopting the Build-Operated-Transfer (BOT). The construction work of high-speed rail system had been started on March 27, 2000. It starts from the Taipei Station and ends at Kaohsiung with total distance of 345 km. There are 10 stations will be built along the line.

Highway Network:

A total of 20,180 km of roads connect all major cities and small towns island-wide.

Mass Rapid Transit:

Taipei's Metropolitan Area MRT System network totals a distance of 67.2 km, the system is comprised of 7 lines. Kaohsiung's Metropolitan Area MRT system is under construction; The completed system will comprise of 2 lines running 42.7 km.

Harbors:

Kaohsiung Harbor is now the world's third largest harbor for container cargo. Keelung Harbor is the second largest harbor in Taiwan. Its service has played a vital role in international trade for Taipei and northern Taiwan. Other major harbors are Taichung Harbor (central west coast), Hualien Harbor and Suao Harbor (east coast) .

International Telecommunications

Sophisticated IDD telephone exchange systems are common in Taiwan. Facsimiles and telegrams work 24 hours a day through satellites, submarine cables, and microwave transmitters.

8. ECONOMY

Under the impact of the weakening global economy, Taiwan's economy plunged to a point that it has not seen in recent years. With the exception of the slight growth in overall consumer demand in the domestic market, Taiwan's public and private investments, as well as exports and imports all suffered substantial declines. In particular, semiconductor companies within the high-tech sector significantly reduced their production and utilization rates as a result of the inventory glut in the international market and consequent stagnation of orders. This has greatly impacted public and private investments and leading to a decline in Taiwan's exports and imports. The adverse economic environment has been exacerbated by the onslaught of major man-made and natural disasters in 2001: In May, a number of companies suffered deep losses from the catastrophic fire at Hsichih's Eastern Science Park; In September, typhoon Nari brought unprecedented floods to many residential and commercial sections of Taipei and northern Taiwan, wreaking more havoc on the island than the 921 earthquake in 1999. Moreover, the plunge in the stock market, the rapid devaluation of the NT Dollar, the successive decrease of interest rates, a record-breaking 4.6% unemployment rate, all led to an economic growth of -1.91 % in Taiwan, the lowest in 50 years. The nation's imports and exports were valued at US\$107.24 billion (decreased 30.56%) and US\$122.90 billion (decreased 20.73%) respectively.



Chief exports included computers, electronic products, polymerization and plastic products, garments, footwear and sporting goods. Important trade partners are the U.S.A., Japan, Germany, Southeast Asian Countries and others.

Economically, the service industry has surpassed the manufacturing industry to become the most important sector. It accounted for 67.20 GDP in 2001 while manufacturing and construction industries together made up 30.89%, leaving agriculture accounting for a mere 2.1%.

The manufacturing base is an important component of the industrial sector, employing over one quarter of the national work force. During recent years, Taiwan has shifted more toward capital and technology intensive industries, Electronics production is a successful-example. In 2001, Taiwan continued to be one of the most important information products suppliers in the world.

The private sector of Taiwan's economy is responsible for some 80% of industrial production and nearly 90% of manufacturing. In addition, more than 70% of Taiwan's industries are small-and-medium-sized enterprises. State-owned industries include power and water supply, petroleum, railway, post, fertilizer, sugar, tobacco and wine. However, the government has recently begun privatizing some of the state-owned industries, (e.g., telecommunications, banking, etc.).

Local industries have also rapidly increased their investment overseas. High-tech industries are investing in well-developed countries, such as the United States and the United Kingdom, whereas labor-intensive industries are moving to Mainland China and Southeast Asian countries where labor is cheaper.

As for commodity prices, Taiwan has maintained a low level of inflation for decades, The 2000 Wholesale Price Index was -1.3 % and the Consumer Price Index was -0.0%.

The government would like to ensure that domestic and foreign enterprises use Taiwan as a business hub for their investments and operations in Southeast Asia and mainland China. The official plan to encourage this focuses on a broad spectrum and all ministries are expected to contribute. The Council for Economic Planning and Development will focus on creating the right macro-economic environment. The Ministry of Finance and The Central Bank are responsible for improving the financial services sector, while the Ministry of Transportation will focus on building an air and ocean transshipment center and at the same time developing a telecommunications center. The Government Information Office will help improve the environment for media development by establishing high-tech media parks. Government efforts have been aimed at enhancing the level of deregulation and further globalizing of Taiwan's economy-facilitating international cross-border dissemination of personnel, goods, services, capital and information. After all, the ultimate goal of liberalization efforts in Taiwan is to make life for consumers as a whole better. No one group should be favored, be it the farmer, the foreign investor or people from hi-tech industries, but the consumer as a whole should be the targeted group.

After its unprecedented economic success during the past twenty years, Taiwan would like to play a more active role in international society and is willing to establish formal ties with all friendly nations. Internationalization, deregulation, and privatization remain the government's goals for finance and major industries. Sharing global responsibilities and joining international organizations like WHA and the United Nations are Taiwan's major goals for the near future.

MARKET CONDITIONS

1. The Market in General

In 2001, Taiwan experienced its most severe recession and the economic growth rate was negative for the first time ever since Taiwan economy took off many years ago.

Nevertheless, all non-life insurance companies still created a total premium income of NT\$90,828 million, up 3.41% from the previous year's NT\$87,835 million. The growth rate of 3.41% showed a slight increase of 0.33% in comparison with 3.08% growth rate achieved in 2000. The growth of the total premiums was greatly due to increase of Fire, Aviation and Miscellaneous Casualty insurance premiums.

Out of the total premiums, NT\$19,754 million came from fire insurance. Marine cargo insurance posted NT\$4,298 million; marine hull with NT\$2,395 million; Automobile insurance had a share of NT\$47,254 million. Although automobile insurance premium fell 6.69% compared to NT\$50,640 million in 2000, it remained as the leading line amongst all classes of non-life insurance business: Aviation insurance produced a total premium of NT\$2,389 million; engineering insurance and miscellaneous casualty insurance recorded NT\$4,585 million and NT\$10,153 million respectively. In terms of percentage, automobile insurance accounted for a share of 52.02% out of 100% of the total non-life insurance written premiums and the remaining 47.98% was allocated as fire insurance 21.75%, marine cargo insurance 4.73%, marine hull insurance 2.64%, aviation insurance 2.63%, engineering insurance 5.05% and miscellaneous casualty insurance 11.18%.

The average loss ratio of the entire non-life insurance business in 2001 was 74.44%, up 17.35% from 57.09% in 2000. Some significant typhoon and fire losses occurred in 2001 led to this dramatic increase of average loss ratio.

In checking individual loss ratio of the above seven lines, both fire and engineering loss ratios went up again from 41.43% and 47.40% in 2000 to 96.68% and 142.44% respectively in 2001. The loss ratio of marine cargo insurance and automobile insurance stayed somewhere at the same level, while aviation insurance continued to keep a good loss record with a loss ratio of only 12.51%, down 2.61% from 15.12% in 2000. Marine hull loss ratio was a lot improved. It decreased from a high loss ratio of 125.18% in 2000 to 71.50% in 2001. As regards the loss ratio of miscellaneous casualty insurance, it reduced from 75.61% in 2000 to 68.14% in 2001, a 7.47% drop and the first drop since 1996. Although the total premium of miscellaneous casualty insurance was doubled in five years time, the loss ratio also went up continuously from 41.67% in 1996 to 75.61% in 2000. Therefore, to keep the loss ratio under control is very important for the future development of miscellaneous casualty insurance.

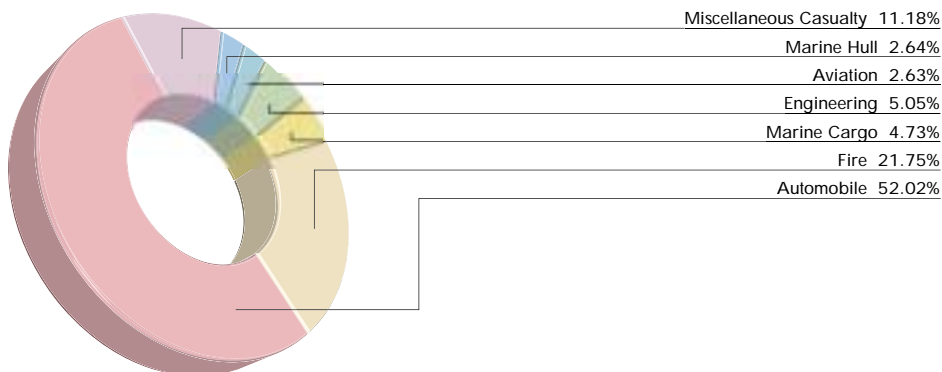




Table 1

(in million NTS & %)

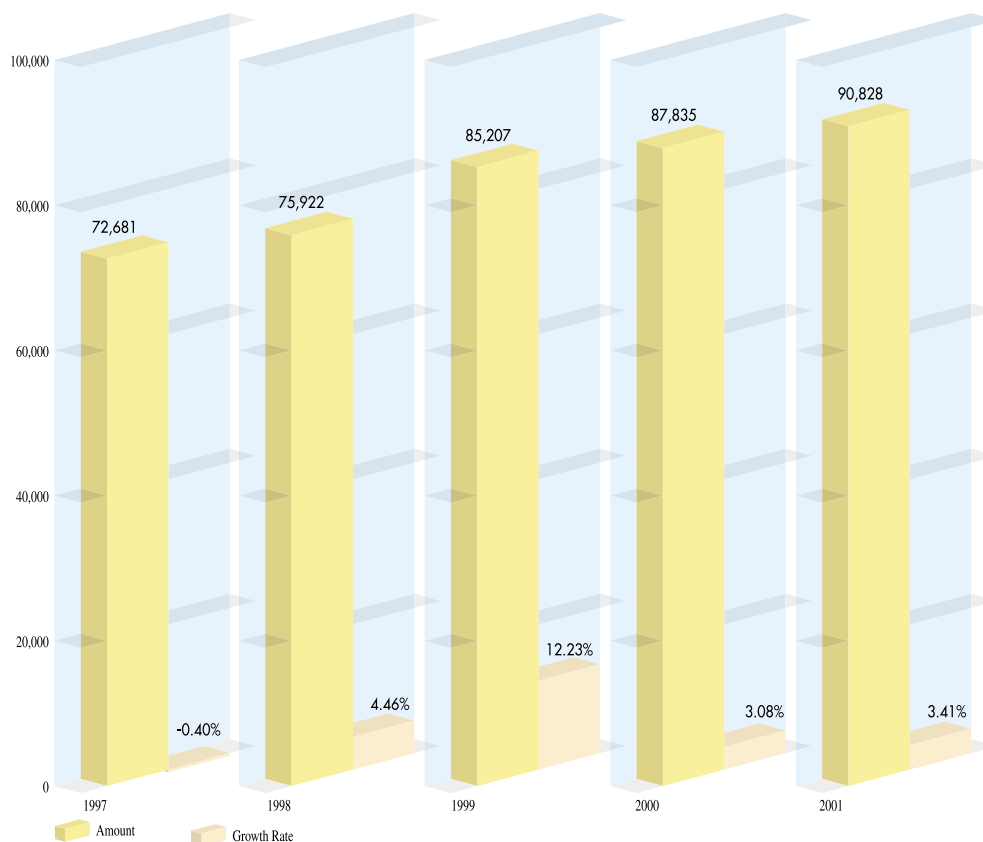
Year		1997	1998	1999	2000	2001
Fire	Amount	16,825	14,886	14,764	16,692	19,754
	Growth Rate	2.32	-11.52	-0.82	13.06	18.34
Marine Cargo	Amount	4,482	4,493	3,912	4,374	4,298
	Growth Rate	3.03	0.23	-12.93	11.81	-1.73
Marine Hull	Amount	2,316	2,151	1,956	2,008	2,395
	Growth Rate	7.97	-7.12	-9.07	2.66	19.27
Automobile	Amount	38,937	41,927	51,096	50,639	47,254
	Growth Rate	-4.05	7.68	21.87	-0.89	-6.69
Aviation	Amount	1,460	2,192	2,531	1,814	2,389
	Growth Rate	-21.27	50.19	15.47	-28.32	31.69
Engineering	Amount	3,737	3,737	3,597	4,266	4,585
	Growth Rate	11.03	0.01	-3.75	18.60	7.48
Miscellaneous Casualty	Amount	4,925	6,537	7,352	8,042	10,153
	Growth Rate	16.26	32.73	12.47	9.39	26.25
Total	Amount	72,681	75,922	85,207	87,835	90,828
	Growth Rate	-0.40	4.46	12.23	3.08	3.41

Remarks: 1. Marine hull includes ocean hull and fishing vessel insurance.

2. Miscellaneous casualty includes liability, bonding and miscellaneous property insurance.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China.



2. Fire Insurance

Direct written premium for fire insurance increased by 18.35% from NTS 16,692 million in 2000 to NTS 19,754 million in 2001 with an increase of NTS 3,062 million, which was mainly attributed to premium rate raise on natural perils coverage and increase sum insured in high-tech industries.

The loss ratio for fire insurance went up considerably from 41.43% in 2000 to 96.68% in 2001 with an increase of 133.36%, higher loss ratio in 2001 was a result of Eastern Science Park fire and Nari etc.. three typhoons followed by heavy flood.

Table 2

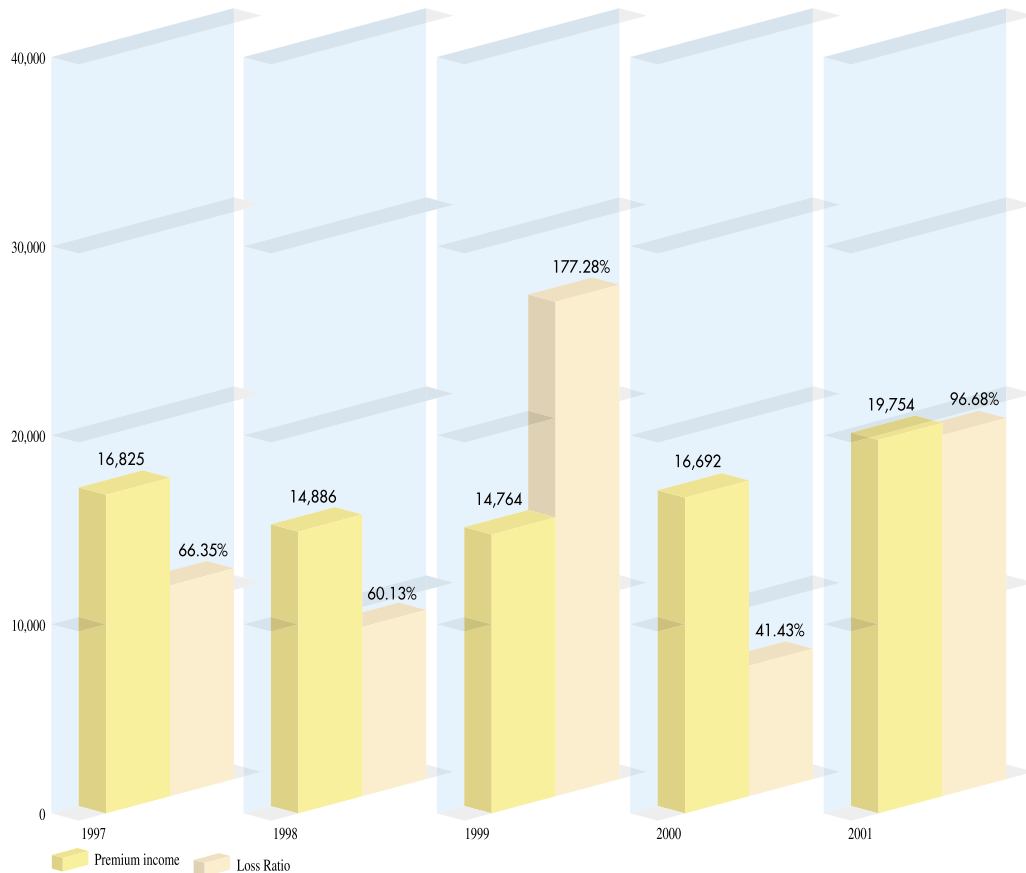
(in million NTS & %)

year	1997	1998	1999	2000	2001
Direct Written Premium	16,825	14,886	14,764	16,692	19,754
Loss Ratio	66.35	60.13	177.28	41.43	96.68

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China





3. Marine Cargo Insurance

Direct written premium for marine cargo insurance in 2001 was NT\$4,298 million, which was NT\$76million less than NT\$4,374 million in 2000. The total written premium was slightly decreased by 1.73%.

Although the impact of 911 event incurred the increased rate of additional war risk, the substantial decrease of overall cargo quantities for import and export finally brought about a slight decrease of the Marine Cargo written premium.

As to the loss ratio of marine cargo insurance, it increased from 50.80% in 2000 to 60.88% in 2001 by 10.08% due to the losses incurred in Typhoon Nari.

Table3

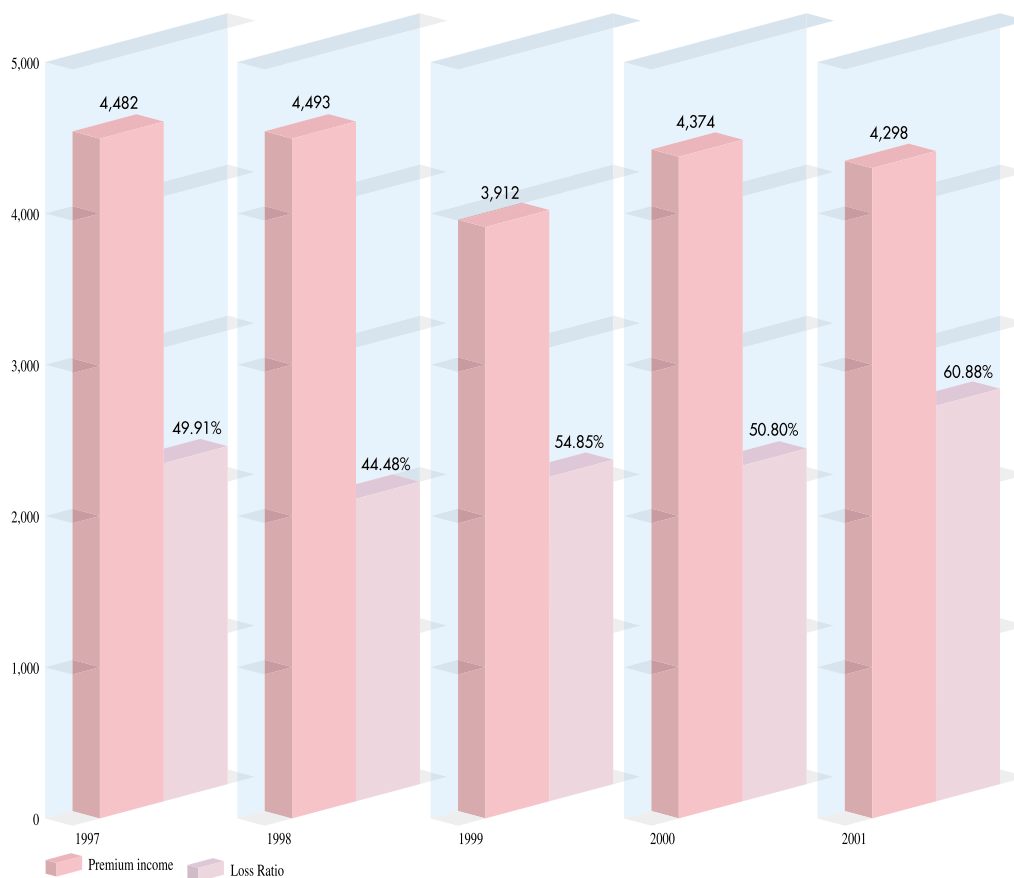
(in million NT\$ & %)

Year	1997	1998	1999	2000	2001
Direct Written Premium	4,482	4,493	3,912	4,374	4,298
Loss Ratio	49.91	44.48	54.85	50.80	60.88

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China



4. Marine Hull Insurance

The total written premium of marine hull insurance increased by NT\$387 million from NT\$2,008 million in 2000 to NT\$2,395 million in 2001 due to the impact of 911 event, which brought about a tremendous increase in premium for additional war risk and basic cover risk

The loss ratio for ocean hull decreased to 71.02% in 2001, a substantial decrease of 78.75% in comparison with 149.77% in 2000. Incidentally, the loss ratio for fishing vessels decreased from 83.11% in 2000 to 72.52% in 2001 by 10.59%.

The average loss ratio for marine hull insurance, including ocean hull and fishing vessels, considerably decreased from 125.18% in 2000 to 71.50% in 2001.

Table4

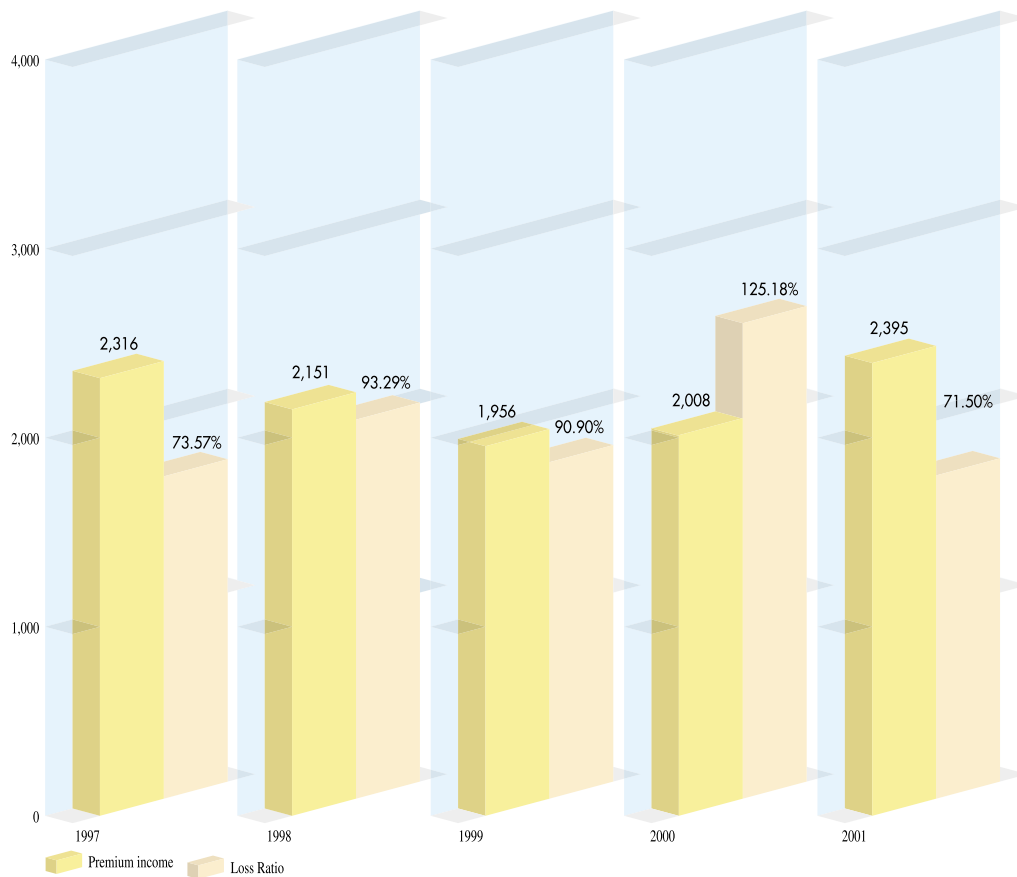
(in million NT\$ & %)

Year	1997	1998	1999	2000	2001
Direct Written Premium	2,316	2,151	1,956	2,008	2,395
Loss Ratio	73.57	93.29	90.90	125.18	71.50

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China





5. Automobile Insurance

The total direct premium written in 2001 was NT\$47,254 million, showing a negative growth of 6.69% in comparison to NT\$50,639 million in 2000. The negative growth of automobile insurance written premium in 2001 was mainly due to decrease of the compulsory motorcycle liability insurance. The direct written premium from voluntary automobile insurance, i.e. physical damage and optional third party liability was NT\$30,616 million in 2001, which was a decrease of 4.11%. The direct written premium of compulsory automobile liability insurance in 2001 was NT\$16,638 million.

The average loss ratio for voluntary automobile liability insurance increased by 2.54% from 53.51% in 2000 to 56.05% in 2001.

The revised rating system and basic deductibles applied to each and every physical loss prevented the loss ratio of automobile physical damage insurance from rising. We can expect good profitability for automobile physical damage insurance in coming years.

Table5

Voluntary Automobile Insurance

(in million NTS & %)

Year	1997	1998	1999	2000	2001
Direct Written Premium	32,418	30,001	30,000	31,927	30,616
Loss Ratio	61.02	60.34	56.98	53.51	56.05

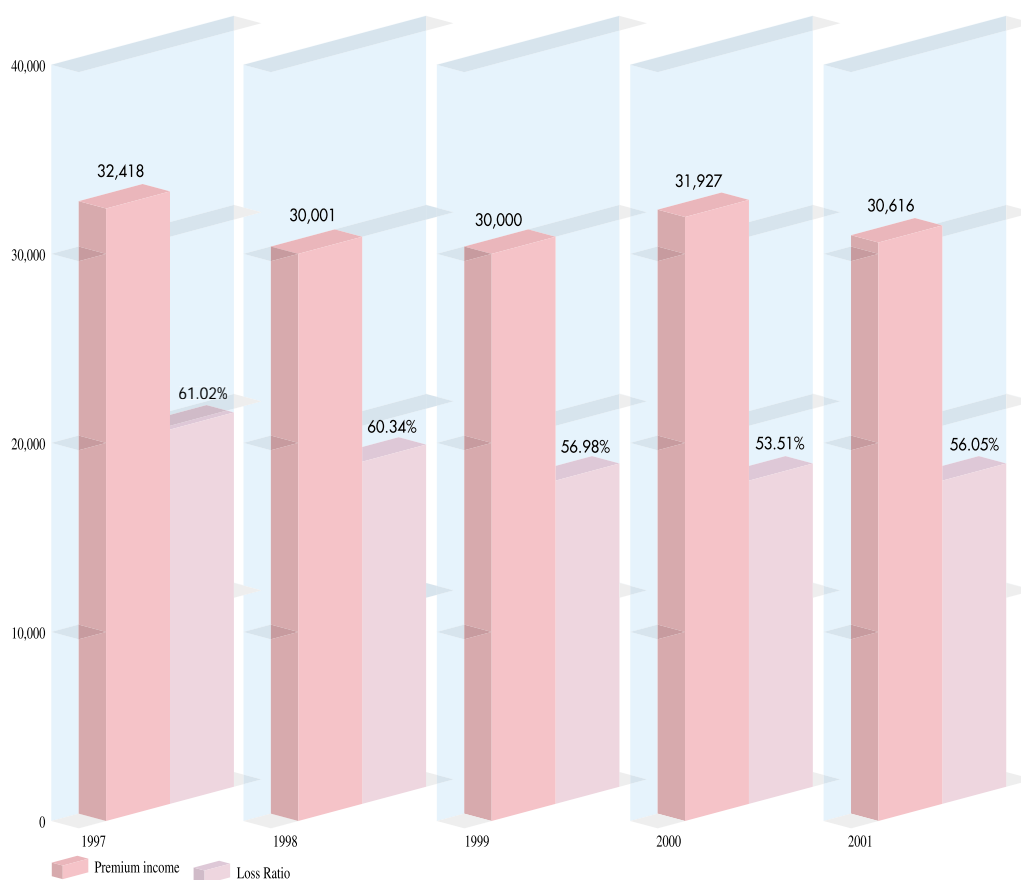


Table 6
Compulsory Automobile Liability Insurance

(in million NT\$ & %)

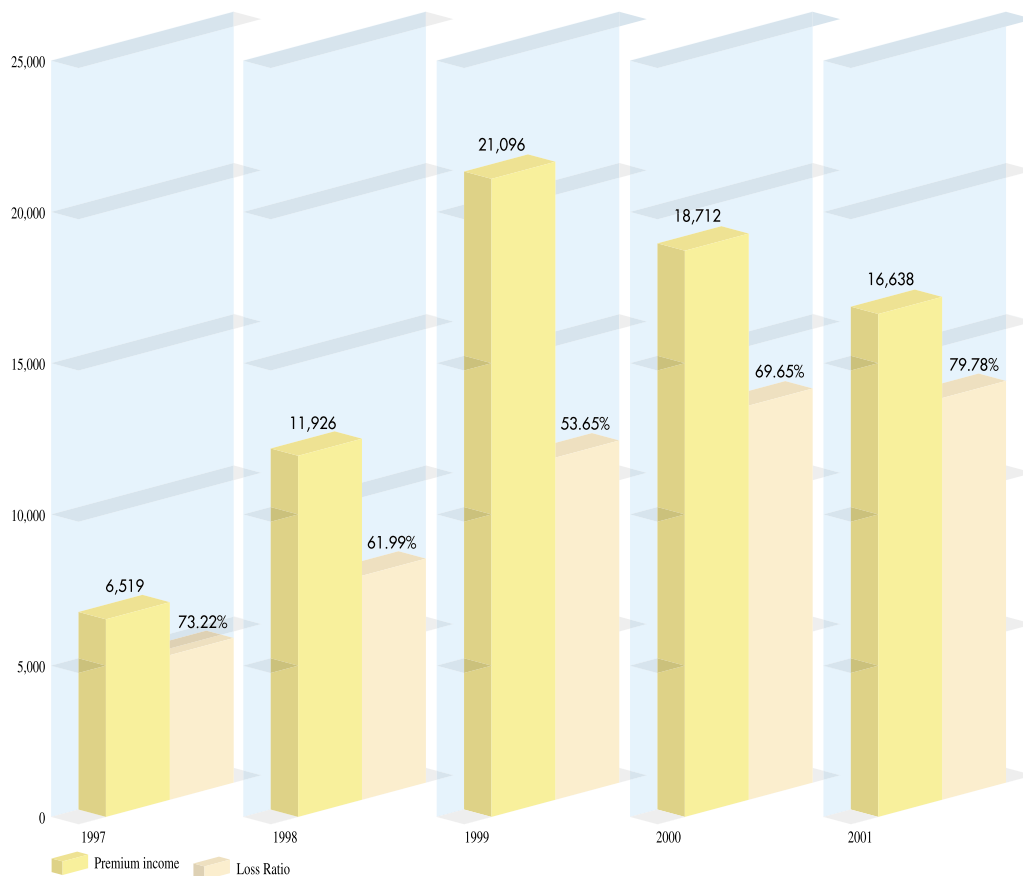
Year	1997	1998	1999	2000	2001
Direct Written Premium	6,519	11,926	21,096	18,712	16,638
Loss Ratio	73.22	61.99	53.65	69.65	79.78

Remarks: 1.Loss Ratio on written to incurred basis.

2.Direct written premium includes motorcycle compulsory liability insurance.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China





6. Aviation Insurance

The direct written premium reached NTS2.389 million in 2001, which was NTS575 million or 31.69% higher than the direct premium of NTS1,814 million in 2000. The tremendous increase of direct written premium was mainly attributed to 911 event, which incurred a considerably increased premium in the basic cover and additional war risk.

The loss ratio of the aviation insurance was maintained to be less than that of 2000. It decreased slightly from 15.12% in 2000 to 12.51% in 2001.

Table 7

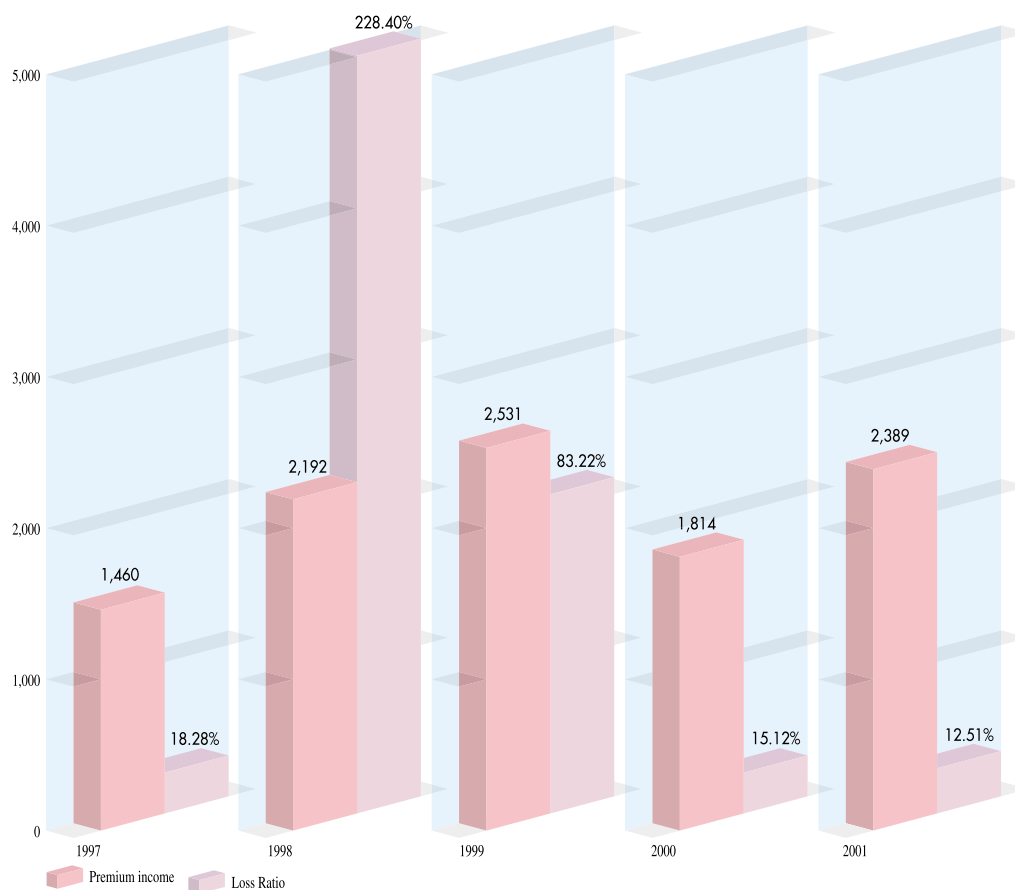
(in million NT\$ & %)

year	1997	1998	1999	2000	2001
Direct Written Premium	1,460	2,192	2,531	1,814	2,389
Loss Ratio	18.28	228.40	83.22	15.12	12.51

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China



7. Engineering Insurance

The introduction of the CAR Target Rates table by Munich Reinsurance Company to Taiwan engineering insurance market in 2001 has prevented local rate-cutting campaign from worsening. However, the ratings level for engineering insurance did not improve satisfactorily because of intense competition. Although rate-cutting was still a problem but we were happy to see that total engineering insurance premium in 2001 soared up 7.48% to NT\$4,585 million from NT\$4,266 million in 2000. Both Taiwan High-Speed Railway project and substantial increase in the number of small sized engineering firms contributed to its growth.

The statistics showed that majority of total engineering insurance premium came from CAR & EAR insurance with only about 12% out of 100% premium written was from renewable engineering insurance business, such as CPM, BPV, MB and EEI.

Although rating levels for engineering insurance improved in 2001 slightly but with typhoon "Toraji" and "Nari" occurring in July and September 2001 respectively, gave rise to the heavy flood losses. The total amount of typhoon and flood losses in 2001 was estimated over two to three billion New Taiwan dollars, a record high for flooding losses in engineering insurance industry.

According to the news reports, typhoon "Nari" hit Taiwan with precipitation up to a return period of 400 years. This resulted in a great number of water damage losses for electronic equipment and other properties. Therefore, average loss ratio of engineering insurance in 2001 increased by 95.04% from 47.40% in 2000 to 142.44%.

Table 8

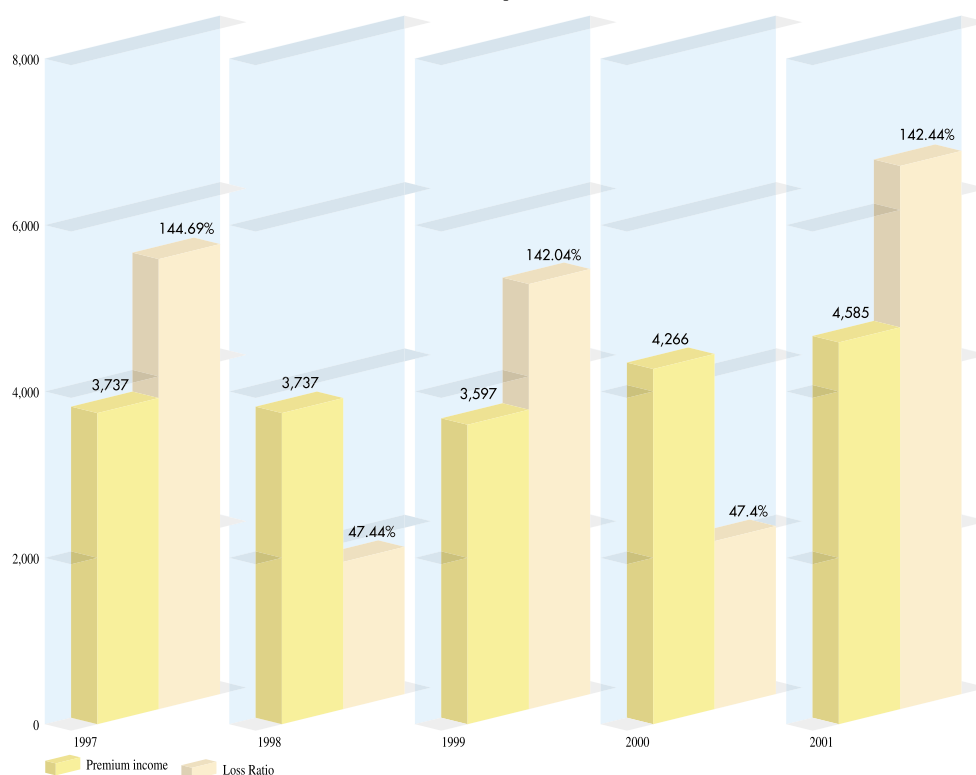
(in million NT\$ & %)

Year	1997	1998	1999	2000	2001
Direct Written Premium	3,737	3,737	3,597	4,266	4,585
Loss Ratio	144.69	47.44	142.04	47.40	142.44

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China.





8. Miscellaneous Casualty Insurance

The miscellaneous casualty insurance consists of liability, bond & credit and miscellaneous insurance. During 2001, the miscellaneous casualty insurance business generated a total direct written premium of NT\$10,153 million with a growth rate of 26.25% or NT\$2,111 million over 2000's NT\$8,042 million in direct written premium.

It was remarkable that the miscellaneous casualty insurance market achieved an average growth of NT\$1,183 million in total direct written premium each year over the last 5 years. It is clear that the miscellaneous casualty insurance has very good potential in this market and its direct written premium will grow constantly in the future.

The loss ratio of miscellaneous casualty insurance was decreased by 7.47% from 75.61% in 2000 to 68.14% in 2001. This 68.14% loss ratio reflects a combined loss ratio of three classes of business. The respective loss ratio are 53.14% for liability, 99.03% for bond & credit, and 67.84% for miscellaneous. In order to keep the loss ratio within a reasonable range, it is necessary for insurers to pay more attention to underwrite the risks and watch the rating levels of Bond & Credit and monitor developments in the frequency and severity for all miscellaneous casualty insurance business as well.

Table 9

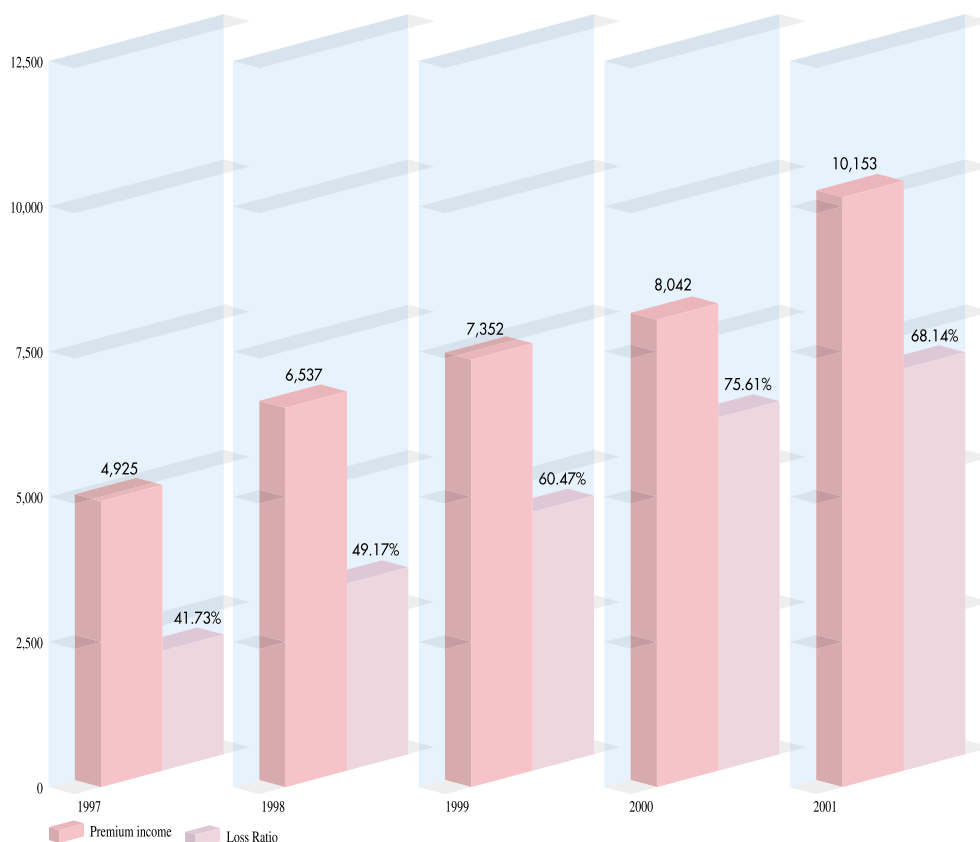
(in million NTS & %)

Year	1997	1998	1999	2000	2001
Direct Written Premium	4,925	6,537	7,352	8,042	10,153
Loss Ratio	41.73	49.17	60.47	75.61	68.14

Remarks: Loss Ratio on written to incurred basis.

Sources: Insurance Institute of the Republic of China.

The Non-Life Insurance Association of the Republic of China.



9. Reinsurance Premium Ceded Abroad

Table 10

(in million NT\$ & %)

Assuming Country	1999		2000		2001	
	Ceded Premium	% of Direct Premium	Ceded Premium	% of Direct Premium	Ceded Premium	% of Direct Premium
United kingdom	4,052	4.76	2,860	3.26	3,519	3.87
France	654	0.77	668	0.76	711	0.78
Germany	4,728	5.55	5,083	5.79	4,139	4.56
Rest of Europe	5,033	5.91	5,304	6.04	4,395	4.84
Japan	3,282	3.85	2,966	3.38	1,960	2.16
South East Asia	9,316	10.93	12,592	14.33	14,546	16.01
U.S.A.	3,039	3.57	3,763	4.28	3,832	4.22
Rest of America	0	0	40	0.05	71	0.08
Australia	29	0.03	36	0.04	49	0.05
Total	30,133	35.37	33,312	37.93	33,222	36.57

Sources: 17 domestic non-life insurance companies
7 foreign non-life insurance companies, Taiwan Branch



PRODUCTS AVAILABLE

1. Fire Insurance

Two versions of fire insurance policies, residential form and commercial form were available to the market.

1.1 Residential

Approved by the Ministry of Finance, a new version of residential fire & earthquake insurance has been brought into the market since April 01, 2002. The policy consists of residential fire insurance and residential earthquake insurance.

Residential fire insurance provides coverage for building and personal property against loss or damage caused by Fire, Explosion, Lightning, Aircraft Impact, Vehicle Damage, and smoke damage. Moreover, residential fire insurance provides reimbursement of debris removal charges and additional living expense. The amount of debris removal charges is limited not exceeding sum insured in aggregate. The limit of additional living expense is NT\$ 3,000 per day and 60 days per occurrence without limitation of under insurance.

Instead of being extended coverage of fire insurance policy optionally, earthquake insurance becomes a politic insurance company with residential fire insurance since April 01, 2002. This insurance provides cover for building loss caused by earthquake, fire/explosion caused by earthquake and consequential accidents such as subsidence, slide, breach and excavation due to earthquake occurrence. The limit of insured value is NT\$ 1,200,000. The claim is based on total-damage basis. The residential earthquake insurance also provides reimbursement for additional living expense up to NT\$ 180,000. Residential earthquake insurance is co-insured by local insurers and managed by CRC.

The residential fire & earthquake insurance could optionally be extended to cover loss by the perils of typhoon, flood, SRCC, leakage, and hail.

According to the regulation provided by the Ministry of Finance, the insurance period for residential fire & earthquake insurance is one year. The long-term residential insurance policy could not be sold since April 01, 2002. The existing long-term residential insurance policy will be effective until the end of insurance period.

1.2 Commercial

The commercial fire insurance policy provides coverage for building, machinery, and stock against loss or damage caused by Fire and Lightning and coverage for other perils including Explosion, Earthquake, Typhoon, Theft, SRCC, and Malicious Damage. Besides these, there is a variety of comprehensive fire insurance policies developed by some insurers which are also available in this market.

2. Marine Cargo Insurance

Local marine cargo policies mainly use the Institute Cargo Clauses (ICC) 1982 to cover transportation risks of cargo.

There are special trade clauses for shipments of coal, oil, frozen food, meat etc.

War and strike risks are always excluded in the basic form coverage, but may be, if desired,

expressly included with special clauses at an additional premium.

3. Marine Hull Insurance

3.1 Marine Hull Insurance:

Institute Time Clauses (ITC)-Hulls is the most widely used policy form. It may cover hull, machinery, collision liability, and disbursement as expressly declared.

3.2 Fishing Vessel Insurance:

Fishing vessel is usually insured with the local fishing vessel policy form. The local fishing vessel insurance pool was established in 1978. All fishing vessels insured by the pool member companies are subjected to tariff produced by the Non-Life Insurance Association of the R.O.C..

4. Automobile Insurance

Local automobile insurance is subject to a tariff scheme which has been revised several times since it was first introduced in 1968. The existing tariff took effect in July 1996. It consists of the following four major sections of coverage and various kinds of extended coverage under the automobile insurance tariff.

4.1 The Compulsory Automobile Liability Insurance

The Compulsory Automobile Liability Insurance Law was enacted on December 27, 1996 and implemented on January 1, 1998. This new regulation led Taiwan's automobile insurance to a new era. In addition to being run on no-loss and no-profit basis, the definition of victims in the new system was extended to drivers and passengers of any car involved in an accident. The Motor Vehicle Accident Compensation Fund was also set up in order to provide full protection to victims of accidents caused by a hit-and-run or an uninsured vehicle.

The limits of indemnity under the compulsory automobile liability insurance is 200,000 NT dollars for each bodily injury, 1.2 million NT dollars for each death or seriously disabled and unlimited for any one accident.

From the beginning of 1999, all owners of motorcycles must buy the Compulsory Automobile Liability Insurance. In order to make operations smooth and convenient, the insurance companies began to accept application early in October 1998.

The limit of indemnity concerning death and disablement has been revised to 1.4 million which took effect since August 2000.

The Compulsory Automobile Liability Insurance is very helpful for the victims to claim basic indemnity and reduce the number of uninsured cases. The implementation of Compulsory Liability Insurance gives the insurance companies an essential function for serving the public.

4.2 Optional Third Party Liability Coverage

This coverage provides an additional cover for bodily injury or death in excess of compulsory liability coverage and property damage at the insured's option. The limit of this injury/death coverage could be decided by the individual insurance company.

This optional coverage covers the insured's legal liability against the third party in respect to bodily injury/death or property damage arising out of an accident involving the insured's vehicle when it is used by the insured or any permitted driver.



The principal extended coverages of this option are as follows:

1. Third party liability to automobile dealers.
2. Third party liability to automobile manufacturer.
3. Third party liability to garage owner.
4. Third party liability to automobile used for coaching.
5. Medical payment.
6. Passenger liability.
7. Automobile employer's liability.
8. Truck carrier's liability.

4.3 Physical Damage Coverage

This section is divided into type A and type B based on the perils they cover. The perils covered under type A are collision, upset/overturning, fire, lightning, thundering, explosion, falling objects, malicious act of a third party and any other perils which are not excluded in the policy.

As for type B, the perils covered under this coverage are collision, upset/overturning, fire, lightning, thundering, explosion and falling objects. With difference from type A, some situations such as the damage caused by unidentified vehicles or objects, unknown-reason scratch or damage, and malicious act of a third party are explicitly excluded in type B.

Both type A and B are bearing a basic deductible which is 3,000 NT dollars for the first claim, 5,000 for the second claim and 7,000 for any claim thereafter.

Other of the extended coverage include:

1. Typhoon, earthquake, tsunami, hail, flood and accumulated rainwater.
2. Strike, riot and civil commotion.
3. Comprehensive physical loss to automobile used for coaching.
4. Comprehensive physical loss to automobile for automobile dealers.

4.4 Theft Loss Coverage

The theft loss insurance covers losses of the insured vehicle due to theft, forceful taking or robbery.

The loss of car accessories or parts can also be covered at the insured's option. Here are some of the options

1. Theft loss of accessories, spare parts coverage.
2. Theft loss coverage for automobile used for coaching.
3. Theft loss coverage for automobile dealers.
4. Loss of automobiles during transportation.

4.5 Other Optional Coverages

There are also some coverages provided by individual insurance company. Before selling this type of product, the companies are requested to submit the relative documents to the Insurance Department of the Ministry of Finance to obtain the permission of issuing new policy.

These coverages are summarized as follows:

1. Motorcyclist' personal accident coverage

This endorsement covers bodily injury (including death) sustained by motorcyclist of the insured automobile due to accident arising out of the operation of the insured automobile

which did not involve any other motor vehicle.

2. The transportation expenses coverage

The transportation expenses coverage could be endorsed to the theft loss coverage. Accordingly, the insurers will pay a fixed amount of daily transportation fee to the insured during the contracted recovery period in case of a theft claim.

3. The high deductible coverage

The high deductibles, which are a fixed amount ranging from 30,000 to 100,000 NT dollars to each claim for physical damage coverage, satisfy some car owners who prefer to saving premium by retaining a certain amount of losses by themselves.

4. The severe damage coverage

The severe damage coverage covers only in case of the loss amount over the total loss threshold, which is defined as 75% of the insured amount after calculating the contracted depreciation. As a result, the insured can avoid from losing his property by paying a relatively low premium.

5. The mechanical breakdown coverage

The mechanical breakdown coverage covers the losses arising from improper design, manufacturing and assembly of a car. The insured can also get a certain amount of transportation expenses reimbursed in case of a mechanical breakdown.

6. The none-deductible for theft loss coverage

Under this option, the insured can avoid paying any deductible for damages resulted from any theft or robbery incident.

7. The none-depreciation for theft loss coverage

Under this option, the insured can avoid paying any depreciation in case of a theft or robbery incident.

8. The long-term serious damage coverage

In order to match the two or three years car mortgage period, a policy with the same period as car mortgage period is available in the market. For the same period of time, this policy merely covers theft loss and serious damage.

9. The none-deductible for car to car collision coverage

The endorsement covers losses arising from car to car accidents only. The owners may choose this coverage to save premium. Under this coverage, the insured can claim car to car collision losses without deductible.

10. The consolatory expenses insurance coverage

To settle a claim smoothly, the consolatory expenses coverage sometimes is very helpful for both the insured and victim. Although the insured may not be liable for the claim, this coverage could provide another alternative to achieve a faster settlement.

5. Aviation Insurance

Aviation insurance covers the owners or operators of aircraft and helicopters. The general coverage for commercial airlines against accidental loss are:

Aircraft Hull Insurance

Third Party Liability Insurance

Passenger Legal Liability Insurance



Due to the unique nature of the aviation insurance, the relevant rating and policy forms are usually decided by International Aviation Underwriters.

6. Engineering Insurance

6.1 Contractors' All Risks (CAR) Insurance

CAR policy was developed to provide a comprehensive cover for the Insured against any unforeseen and sudden physical loss of or damage to the insured contract works at a construction site from any cause, other than those specifically excluded.

CAR insurance provides the following coverages:

- A. Material Damage
 - B. Third Party Liability
 - C. Liabilities arising from cracking and collapse of third parties' buildings
 - D. Employers' Liability
 - E. Contractors' Plant and Machinery
- Coverage B, C, D and E are optional.

6.2 Erection All Risks (EAR) Insurance

EAR insurance protects the Insured against any unforeseen and sudden physical loss or damage suffered by the erection or installation works from any cause not specifically excluded at the job site during the period of insurance that shall commence from unloading of the insured items at the site and shall continue until immediately after taking over or after the first test operation or test loading is completed.

EAR policy covers:

- A. Material Damage
 - B. Third Party Liability
 - C. Employers' Liability
 - D. Contractors' Plant and Machinery
- Coverage B, C and D are optional.

6.3 Contractors' Plant and Machinery (CPM) Insurance

CPM policy is an annual policy and needs to be renewed yearly. CPM insurance covers any unforeseen and sudden physical loss of or damage to the insured plants and machinery, such as Excavators, Front shovels, Bulldozer, Loaders, Scrapers, Graders, Tower Crane and other Lifting equipments being at work or at rest whilst at the location or in the geographical area mentioned in the policy from any cause, other than those specifically excluded.

6.4 Machinery Insurance

Machinery insurance is designed to cover any unforeseen and sudden physical loss of or damage to the insured items or any part thereof whilst on the premises mentioned in the policy from causes such as defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit, or from any other cause not specifically excluded.

6.5 Boiler Insurance

The Insurers of boiler Insurance will indemnify the Insured against damage (other than by fire) to any boiler or pressure vessel under steam or air pressure caused by and solely due to explosion or collapse of any insured boiler or pressure vessel.

Boiler insurance also provides third party liability cover for the Insured against liability of the Insured at law for damage to property not belonging to the Insured as well as Insured's liability at law on account of fatal or non-fatal injuries to any persons other than the Insured's own employees or workmen or members of the Insured's family.

6.6 Electronic Equipment (EEI) Insurance

EEI policy applies whether the insured items are at work or at rest, or being dismantled for the purpose of cleaning, overhauling or of being shifted within the premises, or in the course of the aforesaid operations themselves, or during subsequent re-erection, but in any case only after successful commissioning.

EEI policy contains three sections of coverage as follows:

Section 1 - Material Damage:

This section covers the Insured against any unforeseen and sudden physical loss of or damage to the insured items or any part thereof from any cause other than those specifically excluded.

Section 2 - External Data Media:

Under this section, the Insurers will indemnify the Insured if the external data media suffer any material damage indemnifiable under Section 1.

Section 3 - Increased Cost of Working:

The Insurers will indemnify the Insured for any additional expenditure incurred for the use of substitute EDP equipment not covered under the policy up to an amount not exceeding the agreed indemnification per day and not exceeding in all the sum insured in anyone year of insurance if material damage indemnifiable under Section 1 gives rise to a total or partial interruption of operation of the EDP equipment.

7. CASUALTY INSURANCE

7.1 General Liability Insurance

Public Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage arising from operation at the insured's premises.

Employers' Liability Insurance

Covers the insured's legal liability against the insured's employees for accidental bodily injury or death during the performance of duty in the course of employment by the insured.

Products Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage arising out of the use of the defective products sold or manufactured by the insured.

Elevators / Lifts Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage arising from getting on or off or the insured's elevators.

Contractors' Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage resulting from the insured's operations on the designated construction site.

Pollution Liability Insurance

Covers the insured's legal liability against third party for bodily injury and property damage



resulting from the sudden and accidental pollution caused by the insured.

Golfers' Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage resulting from the insured's playing golf. It may be extended to cover the insured's golf clubs and the caddies medical payments.

Hotel Comprehensive Liability Insurance

Covers the insured's legal liability against its customers for accidental bodily injury and property damage caused by the following:

- (1) loss or damage for declared valuable property in the care of safety box by the insured's operation
- (2) food poisoning at the insured's premises
- (3) premises and operation
- (4) limousine service from premises to airport, wharf, train station or bus station
- (5) robbery at the insured's premises
- (6) parking lot liability

Security Company's Liability Insurance

Covers the insured's legal liability against third party for accidental bodily injury and property damage resulting from the insured's operation at customers' site.

Kindergarten's Liability Insurance

Covers the insured's legal liability against accidental bodily injury or death of kindergartners resulting from the insured's premises and/or school bus pick-up and/or food poisoning and/or swimming activity and/or outside school teaching activities.

It also covers the insured's legal liability against the insured's employees for accidental bodily injury or death during the performance of duty in the course of employment by the insured and the legal liability against third party for accidental bodily injury or property damage arising from operation at the insured's premises.

Rapid Transit System Passengers' Liability Insurance

Covers the insured's legal liability against passengers for accidental bodily injury or death and property damage arising from operation at the insured's premises.

7.2 Bond & Credit Insurance

Banker's Blanket Bond

It provides coverages to meet the special needs of the bankers. The coverage is set forth in seven insured agreements:

1. Infidelity of employees
2. Property on premises
3. Property in transit
4. Forgery or alteration of cheques
5. Counterfeited currency
6. Damage to offices and contents
7. Securities

Fidelity Bond

It provides protection against financial loss caused by dishonesty or fraud of the insured's employees.

Surety Bonds

The surety bond, which are only available to engineering related business in this market, include Bid Bond, Performance Bond, Advance Payments Bond, Labor and Material Payments Bond, Retention Bond and Maintenance Bond. They provide monetary compensation should there be a failure to fulfill the insured's obligations and so on.

Consumer's Credit Insurance

It provides protection against insured's financial loss caused by failure to collect payment of loan including interest from the insured's consumers.

7.3 Professional Liability Insurance

Medical Practitioners' Liability Insurance

Covers the practicing physician, surgeon or dentist's legal liability against patient for bodily injury or death resulting from the rendering of professional services.

Medical Institution Liability Insurance

Covers the medical institution's legal liability against third party for bodily injury or death arising from its operation at the insured's premises or while rendering professional services.

Accountants' Liability Insurance

Covers the accountant's legal liability against third party for loss arising from their professional activities.

Lawyers' Liability Insurance

Covers the attorney's legal liability against third party for loss arising from their professional activities.

Architects' and Engineers' Liability Insurance

Covers the architect's and engineer's legal liability against third party for loss arising from their professional activities.

Safe-Deposit Box Insurance (Bankers' Legal Liability)

Covers the insured's legal liability for accidental loss or damage to their customers' property (bank notes, jewelry, etc.) stored in safe-deposit boxes within the vault/strong room of the premises while under their care, control and custody.

Travel Agency's Comprehensive Insurance

The travel agency's comprehensive insurance consists of the following four sections:

- (1) Legal liability against the customer traveler for bodily injury or death and property damage arising from the negligence of the insureds' travel agency.
- (2) The personal accident indemnity for the customer traveler's damage undertaken by the named insured in accordance with the traveling agreement.
- (3) Payment for repatriation expenses for the necessary additional travel and/or accommodation as a consequence of travel accident involving death or serious injury of the customer traveler.
- (4) payment for extra expenses for the necessary additional travel and/or accommodation as a consequence of unavoidable travel delays.

Insurance Adjusters' Professional Liability Insurance

Covers the insured's legal liability against third party for loss arising from their professional activities.

Insurance Brokers' and Agents' Professional Liability Insurance



Covers the broker's and agent's legal liability against third party for loss arising from their professional activities.

Rehouse Agencies' Liability Insurance

Covers the rehouse agency's legal liability against third party for loss arising from their professional activities.

7.4 Miscellaneous

Money Insurance

The money insurance policy provides the following coverages:

- (1) Cash-in-Transit
- (2) Cash-in-Safe
- (3) Cash-on-Counter or Premises

It covers loss or damage caused by burglary/theft, fire, explosion, robbery and traffic accident while in transit.

Commercial Floater Insurance

Covers accidental property loss or damage for floating assets caused by

- (1) fire and fire allied perils at the insured's storage site;
- (2) in transit from one insured's site to another.

Burglary and Theft Insurance

It provides protection against

- (1) burglary, larceny and theft
- (2) robbery
- (3) breaking and entering a dwelling place

Glass Insurance

Covers accidental glass breakage except those caused by fire and fire allied perils.

Nuclear Energy Insurance

This insurance covers loss arising from a nuclear accident and is provided by the Nuclear Energy Insurance Pool of the R.O.C..

The scope of coverage of nuclear energy insurance policy includes accidental material damage, legal liability, pollution and contamination.

Personal Accident

Covers the Insured's bodily injury due to external accidents, sudden and independent of all diseases. Benefits paid for personal accident insurance may include payment for accidental death, and medical treatment/hospitalization allowance caused.

THE SYSTEM FOR SOLICITORS

The non-life insurance marketing system in Taiwan is divided into the broker system, the agent system and the soliciting system.

Effective December 31, 1991, all brokers and agents are required to pass a qualifying examination and be registered with the Ministry of Finance. Only registered brokers and agents are authorized to practice.

Effective November 22, 1993, all solicitors are required to pass a qualifying examination. Unless he or she is registered with a principal which may be an insurance company, agent, or broker, an individual is not allowed to conduct business.

A solicitor can only represent one principal company which authorizes him or her to do so in writing. From then on, all acts of the solicitor are deemed to be those of the principal. The types of products which may be marketed by a solicitor are determined by the respective principal. Effective April 28, 1998, a solicitor is allowed to represent one life insurance company and one non-life insurance company. Consequently, the change provides customers with more effective insurance services.

The number of licensed non-life insurance brokers, agents and solicitors for the past three years are reported in the table below.

Class/year	1999	2000	2001
Brokers	129	97	87
Agents	273	257	247
Solicitors	24,273	31,916	37,209





PROFESSIONAL EXAMINATION FOR QUALIFICATION

1. Examination for Underwriters and Claims Adjusters

The examination for this area, which first took place in January, 1983, is now held twice a year. Those who pass the examination get a certificate and are recognized throughout the nation as licensed professionals. People with the certificate have better opportunities to obtain higher position in the insurance industry.

Before April 1995, all candidates who wished to become underwriters of in-house claims adjusters in the Republic of China must pass this examination as conducted by the Non-life Underwriters Society (NLUS) of the Republic of China under the authorization of the Ministry of Finance.

From 1995, the examination conducted by NLUS is recognized by the insurance industry as only a professional examination for Underwriters and Claims Adjusters.

2. Examination for Brokers, Agents, and Adjusters

Candidates who wish to be brokers, agents, or adjusters in the Republic of China must pass this examination which is conducted by the Examination Yuan under the sponsorship of the Ministry of Finance.

Those who pass the examination get a certificate which is recognized as professional. After they finish training courses provided by the Ministry of Finance, these candidates must be registered and authorized before conducting any business.

3. Examination for Solicitors

Candidates who wish to be solicitors in the Republic of China must pass this examination as conducted by the Non-Life Insurance Association of R.O.C..

All solicitors are required to pass an examination which covers the principles of insurance, insurance laws and all ancillary regulations and the practical aspects of property and casualty insurance.

Those who pass the examination get a certificate which is recognized as professional. Solicitors are not allowed to solicit businesses unless they are registered with an insurance company, insurance broking company or insurance agency company.

4. Examination for CPCU

CPCU (Chartered Property and Casualty Underwriters) examination is designed by the American Institute for Property and Casualty.

The ten-semester CPCU program focuses on the insurance industry and the way it fits into the business, economic and legal environment. The purpose of CPCU program is to develop property and liability insurance professionals. In addition to passing the examinations, candidates for CPCU professional designation must satisfy certain ethical and experience requirements.

Located in Taipei, The Insurance Institute of the Republic of China is one of the overseas locations in which the CPCU examination is given every year.

5. Examination for CII

CII (Chartered Insurance Institute) qualifying examination program is designed by CII in England to meet the educational needs of professionals in the insurance industry.

Those who pass the examination will earn a diploma which is recognized throughout the world as a hallmark of a sound and comprehensive insurance education. The knowledge gained through the study will also enhance career prospects and obtain greater job opportunities.

The Insurance Institute of The Republic of China is one of the overseas locations in which the CII examination is given annually.

6. Examination for PRM and CRM

PRM (Personal Risk Manager) and CRM (Commercial Risk Manager) examinations are designed by the Risk Management Society of Taiwan.

The PRM program focuses on the principles of risk management, non-life risk management and life risk management. The CRM program focuses on the principles of commercial risk management and civil law, industrial safety and health management, financial management and insurance. The purpose of PRM and CRM programs is to develop risk management professionals. The examination is now held twice a year.

7. Examination for CAS

CAS (Casualty Actuarial Society) examination is designed by the Casualty Actuarial Society, U.S.A.

The Actuarial Institute of the Republic of China is one of the overseas locations in which the CAS examination is given twice a year.

8. Examination for AIRC

AIRC (Actuarial Institute of the Republic of China) examination is designed by the Actuarial Institute of the Republic of China.

Those who pass all 8 examinations with at least one year of working experience in Taiwan insurance industry will be qualified to apply for FAIRC (Fellow of Actuarial Institute of the Republic of China) from the Actuarial Institute of the Republic of China.

The examination is now held twice a year.

INTRODUCTION TO THE NON-LIFE INSURANCE ASSOCIATION OF THE R.O.C.



1. History

The Non-Life Insurance Association of the R.O.C., formerly the Taipei Non-Life Insurance Association, was established on April 1, 1949. Its members were originally composed of life and non-life insurance companies in Taiwan. Its objectives were:

- (1) To assist and comply with the government in enforcing all insurance laws;
- (2) To promote development of the insurance industry in Taiwan.
- (3) To protect and ensure the mutual goals and interests of its members;
- (4) To accelerate the growth of the insurance industry and to provide welfare to the general public.

According to the insurance law, it is illegal for an insurer to do both life and non-life insurance business. Therefore, with the approval of the Ministry of Finance in the fall of 1964, the Taipei Insurance Association officially split into The Taipei Non-Life Insurance Association and The Taipei Life Insurance Association.

Among the twenty-six current member companies, nine of them are foreign insurers. Branches of member companies are spread throughout island wide. The local companies have a total of 149 branches and 553 liaison offices. Altogether, the member companies have 13,554 employees. Although the association headquarter is situated in Taipei, it could provide its member companies reach every corner of Taiwan province through their numerous branches and liaison offices. In compliance with the revised Business Organization Act, The Non-life Insurance Association of the R.O.C. was founded on June 7, 1998. In order to avoid overlapping and wasting of resources, the Taipei Insurance Association was merged into the Non-life Insurance Association of the R.O.C. in June 1999.

2. Missions

The missions of The Non-Life Insurance Association of the R.O.C. are:

- (1) To assist its members in conducting survey, statistics, research and development programs and activities;
- (2) To coordinate, negotiate and establish insurance business rules, regulations and premium standards;
- (3) To protect and improve the mutual welfare of its member companies;
- (4) To eradicate business misconduct or legal violations by its member companies and to arbitrate dispute resolutions;
- (5) To sponsor technical and business related continuing education programs for insurance professionals;
- (6) To assist in applying, updating, and renewing professional/business licenses and handling

- related tasks for its members;
- (7) To keep abreast and maintain contact with domestic and international insurance markets;
 - (8) To support government administrations on special projects and activities;
 - (9) To appeal and make suggestions to government administrations on behalf of its members;
 - (10) To administer and fulfill public obligations of the insurance industry;
 - (11) To coordinate and conduct public announcement and business promotions for its members;
and
 - (12) To support the government in participating in public events.

3. Functions and Services

The Non-Life Insurance Associations of the R.O.C. offers the following functions and services,:

- (1) Serves as a bridge among government agencies, insurance companies, consumers and society, and sponsors programs and events which benefit the general public.
- (2) Designs new insurance services and forms to accommodate the ever changing needs of the society and the customers. In addition to the traditional insurance services, the Non-Life Insurance Association of the R.O.C. has designed special policies such as insurance for security companies and banker's legal liability insurance, covering safe-deposit boxes.
- (3) Establishes and updates insurance tariff to stabilize the insurance market and to protect rights and benefits of the consumers.
- (4) Audits the special fire insurance premium to accommodate the unique requirements of special industries and large businesses via the establishment of a Special Premium Review Committee.
- (5) Organizes and administers Fishing Vessel Insurance Pool and Bulk Cargo Insurance Pool via two especially designated committees.
- (6) Improves the underwriting and claims adjusting procedure to enhance the effectiveness of automobile insurance claims auditing and minimizes insurance costs by researching for more efficient automobile maintenance and repair, and by establishing standard hourly labor rate for automobile mechanics.
- (7) Leads research and development tasks for the insurance industry to keep up with the social changes. As a society advances, its complexity and danger increases accordingly. Under that environment, insurance becomes the best shield against life and property casualties. Therefore, it is critical to constantly improve the existing service and design new items to meet the insurance needs of the ever changing society.
- (8) Establishes the Consumer Help and Complaint Service Center to support the Ministry of Finance's initiative on "improving automobile insurance service quality" by answering consumer inquiries and taking care of customer complaints.
- (9) Promotes public recognition of the compulsory automobile insurance practice to ensure public understanding of the necessity and benefits of automobile insurance for the protection of society at large and to make known the direction and strategy of the automobile insurance administration industry.
- (10) Advocates international business affairs to manage reinsurance tasks, explore international

insurance market and handle relevant international affairs by establishing an International Affairs Committee.

- (11) Establishes a committee of solicitors under the authority of the Ministry of Finance to conduct qualification test, training, and registration of solicitors.



INTRODUCTION TO THE INSURANCE INSTITUTE OF THE R.O.C.

The Insurance Institute of the Republic of China (R.O.C.) is a non-profit research and educational organization that was founded in July, 1985. Its purpose is to promote the development of the insurance industry in the R.O.C., thereby providing a solid foundation for the nation's economic growth while supporting improvements in social welfare.

The Institute's main functions include:

- (1) Statistics. Currently, all compiled statistics concerning non-life insurance are gathered by the Institute. Its responsibilities include: ① collecting, amending, and editing business and financial data for each non-life insurance company, ② analyzing premium incomes, paid claims, and the loss ratio for every type of insurance. In turn, supervisors, insurers, and the public are given a clearer picture of the market and its growth.
- (2) Providing classroom training, seminars, workshops, and lectures. Most participants are insurance company employees. Lecturers and speakers include both academic and industrial experts with years of experience in insurance related fields. In addition, the Institute publishes various publications.
- (3) Research. The Institute also funds various research projects. "Insurance Information Monthly" is one of the journals published by the Institute. Topics covered include insurance know-how, information, and related statistics "Insurance Monograph Quarterly" is also published by the Institute and includes articles on current insurance issues in the R.O.C. The Institute also invites specialists, both local and foreign, to conduct insurance-related research assigned by government administrations, and other organizations. As a result of these research projects, the local market has access to the most up-to-date information available. Moreover, the Institute funds an insurance library with publications from around the world pertaining to many insurance and insurance-related topics.
- (4) Others. Consulting services, promotion projects and matters related to the development of insurance industry.



MAJOR EVENTS

1. The Insurance Law was revised on July 9, 2001. The major changes are as follows:
 - The limitations of insurance companies' investment are loosened. The scope is extended to include financial services business, e.g. banking, securities, futures, leasing, credit cards, trust funds, and insurance. This will allow an insurance company to merge or acquire other financial institute and operate additional financial services business that was restricted before. For example, a non-life company can own a life company or vice versa.
 - The maximum limit of investment in real estate is increased from 19% to 30% of the total available investment fund. The maximum limit for investment in share of a company is increased from 5% to 10% of its capital.
 - Non-life insurers are officially allowed to write personal accident business. Before August 17, 2000, only life companies could write PA business. After that, the non-life companies were able to write PA business only as an extension attached to a non-life policy. Effective from July 9, 2001, non-life company can directly issue PA policies as a life company does.
2. According to the statutory requirement, the property and casualty insurance companies are bound to equip with in house actuary staff from July 2004. However, in order to ascertain local companies to prepare for such requirement, MOF also requires that insurance companies equip with assistant actuary from July 2001. To become an actuary or assistant actuary, one must pass the exams held by The Actuarial Institute of ROC or other listed actuarial organizations abroad.

MOF requires that the rate filings must be certified by the appointed actuary. For those companies that are not able to meet the above requirements, external actuary must be appointed to certify the filings with the MOF. In the future, reserving of an insurance company will also apply the same requirement.
3. Mr. Frank Wang, president of the Union Insurance Co., Ltd. was elected Chairman of the Non-life Insurance Association of R.O.C. on August 30. The election is held every 3 years. Mr. Wang has been the Chairman of the Association since 1998.
4. The September 11 terrorist attacks on the World Trade Center and Pentagon in United States had caused severe damage to the insurance industry world wide. The property/casualty insurance market was already hardening, and the terrorist attacks would further exacerbate market conditions. The world wide available property/casualty reinsurance capacity would shrink and become pronounced at the 2002 renewals. Insolvency of some reinsurers will lead to recoverability problems although the extent is difficult to assess at present. The local property/casualty insurance premiums are thus expected to be much more expensive over the next year or two.
5. The International Nuclear Insurance Conference 2001 was held in Taipei for three days from October 24. 31 delegates representing 21 nuclear insurance pools of different countries participated.

Nuclear insurance of each individual country relies on pooling among international market heavily. The conference is held annually and provides good opportunity for participating countries to exchange information and discuss common issues concerning underwriting, reinsurance, claims handling and accounting transactions.
6. Ministry of Finance has announced the "Three stages rate deregulation time frame" in respect of the local non-life insurance. The existing statutory regulations concerning premium rating will be

revised in accordance with the three stages plan. The first stage will commence from April 1, 2002 and will enter into the following stages every three years.

Within the first stage, local company must still follow the current motor insurance and fire insurance tariff schemes in terms of risk premium; however, the control concerning loadings will be set free. Each company may decide the premium loading for each policy depending on its own cost structure. During the second stage and third stage, the company can file for their own rates subject to production of supporting statistics. However, during the second stage, there will be rate reduction limits e.g. 20% lower than the existing tariff rates. When the third stage comes, the MOF will mainly supervise the financial structure and solvency of the insurance companies. The file and use system will apply for personal line business and the use and file system for commercial line business.

7. The new Financial Holding Company Law was introduced from November 1, 2001. The new law provides legal measures for financial institutes to form a holding company. The subsidiaries under the holding company can do business using each other's channel more effectively. Mergers and acquisitions have started in the fourth quarter of 2001 among financial institutes such as banks, insurance companies, securities companies, financial companies, and investment companies. It is expected that there will be around 10 financial holdings starting operations in 2002.
8. Effective from December 27, 2001, the MOF removed the maximum limit for the Insurance Stability Funds. The fund limits used to be NTS 4 billion for life insurance and NTS 2 billion for non-life insurance. The Insurance Stability Funds are used to protect policyholders' interest when any of the insurance companies becomes insolvent. The funds are accumulated from the levy that is imposed on written premium of insurance companies. The levy rates remain at 0.1% on life premium and 0.2% on non-life premium.
9. Formation of the nationwide earthquake insurance scheme for dwelling risks is under way. The project was organized by the MOF and commenced shortly after the earthquake (magnitude of 7.3) on September 21, 1999. The scheme will be introduced on April 1, 2002. The dwelling earthquake insurance provides the insured with basic coverage against total loss and constructed total loss of building due to earthquake. The earthquake cover must attach to an annual dwelling fire policy and a common earthquake cover limit of NT\$1,200,000 will apply. The current long term dwelling fire policy will discontinue when the earthquake scheme is introduced. However, the existing long-term fire policies of the policyholders will remain in-force until expiry.



PUBLICATIONS

1. Statistics

Title	Publisher
1. Insurance Annual Report of The Republic of China	Department of Insurance, Ministry of Finance, The Republic of China
2. Insurance Year Book	Insurance Institute of The Republic of China
3. Insurance Review	Insurance Institute of The Republic of China
4. Summary of Non-Life Insurance The Republic of China	Insurance Institute of The Republic of China
5. Non-Life Insurance Review The Republic of China	Insurance Institute of The Republic of China
6. Annual Statistics for Marine Insurance The Republic of China	Insurance Institute of The Republic of China
7. Annual Statistics for Fire Insurance The Republic of China	Insurance Institute of The Republic of China
8. Annual Statistics for Automobile Insurance The Republic of China	Insurance Institute of The Republic of China
9. Annual Statistics for Other Property and Liability Insurance The Republic of China	Insurance Institute of The Republic of China
10. Fact Book Non-Life Insurance	The Non-Life Insurance Association of The Republic of China

2. Periodicals

Title	Publisher	Contents	Interval
1. Risk Management and Insurance Magazine	Risk Management and Insurance Magazine, Inc.	Reports and comments on national insurance market	Monthly
2. Professional Insurance Agent	Professional Insurance Agent Magazine, Inc.	Insurance sales-people's news	Monthly
3. Reinsurance Information	Central Reinsurance Corporation	Information on international insurance market	Monthly
4. Insurance Monograph Quarterly	Insurance Institute of The Republic of China	Insurance thesis and comments	Quarterly
5. Insurance Journal	The Non-Life Insurance Association of The Republic of China	Loss control and loss prevention	Quarterly
6. Journal of Risk Management	The Risk Management Society of Taiwan	Risk management thesis and comments	Half-Yearly
7. Risk Management of Taiwan	The Risk Management Society of Taiwan	Risk management news	Quarterly

MAJOR LOSSES

1. Taiwan Oil Product Corporation Fire Date of Loss: January 09, 2001

A fire occurred on January 09, 2001. The fire caused a severe damage to building, machinery/equipment and stocks in the plant of Taiwan Oil Product Corporation, which is located at Chang Pin Industrial Zone, Chang Hwa Hsien. The loss amount is about NTS 330,000,000.

2. Eastern Science Park Fire Date of Loss: May 12, 2001

A fire occurred on May 12, 2001. At about 3:00 AM, the fire started in the 3F of Building #A of Eastern Science Park, which is located at Shi-Jr city, Taipei Hsien. Uncontrolled fire was spreading to building #B & #C. The fire was extinguished after 38 hours. The fire caused a severe property damage to around 236 tenants (such as Tuntex Group, Acer Computer, and Wei Chuan Corp.) in the park. The loss amount is about NTS 5 billion. About 195 tenants have fire insurance coverage with total sum insured of about NTS 13 billion to mitigate the financial impact. The claim for this fire is about NTS 4.1 billion.

3. Hann Star Board Corp. Fire Date of Loss: May 31, 2001

A fire occurred on May 31, 2001. The fire caused a severe damage to building, machinery/equipment and stocks in the plant of Hann Star Board Corp., which is located at TaYuan Hsiang, Taoyuan Hsien. The loss amount is about NTS 234,000,000.

4. Trami Typhoon Date of Loss: July 11, 2001

On July 11, 2001, the Trami Typhoon swept across Southern Taiwan by carrying heavy rainfall. It caused overflow of the rivers/streams in the Kaohsiung district and resulted in severe flood damage. The flood caused significant damage to Yieh United Group located at Chiao Tou Hsiang, Kaohsiung Hsien. The loss amount for Yieh Hsing Enterprise Co., Ltd. reached about NTS 250,000,000.

5. Toraji Typhoon Date of Loss: July 30, 2001

On July 30, 2001, the Toraji Typhoon swept across Central Taiwan. The heavy rainfall caused severe flood and debris flow in Nantou and Hualien districts. It results: significant damage of about NTS 3.94 billion to husbandry.

It also caused over 100 persons dead and 114 missing. The major property damage is Lemidi Hotel located at Nantou Hsien. The insured value for Typhoon/Flood insurance policy for this location is about NTS 900,000,000

The claim for this loss is estimated about NTS 670,000,000 and two insurers are involved in this insurance policy.

6. Nari Typhoon Date of Loss: September 17, 2001

On September 17, 2001, the Nari Typhoon swept across the whole Taiwan by carrying heavy rainfall. It caused overflow of some rivers/streams in the Taipei district (such as Hsichih, Nankang, Nei Hu) and resulted in severe flood damage to property. There are about 3,300 claims for this loss. The loss amount is about NTS 14.3 billion.

7. WUS Printed Circuit Co., Ltd. Fire Date of Loss: October 01, 2001

A fire occurred on October 01, 2001. The fire caused a severe damage to building, machinery/equipment and stocks in the plant of WUS Printed Circuit Co., Ltd., which is located at



Nantze Export Processing Zone, Kaohsiung City. The loss amount is about NTS 300,000,000.

8. GTM Corporation Fire

Date of Loss: December 14, 2001

A fire occurred on December 14, 2001. The fire caused a severe damage to building, machinery/equipment and stocks in the plant of GTM Corporation, which is located at Hsin Chuang City, Taipei Hsien. The loss amount is about NTS 100,000,000.

9. Mokoh & Associates, Inc. Fire

Date of Loss: December 23, 2001

A fire occurred on December 23, 2001. The fire caused a severe damage to building and stocks in the plant of Mokoh & Associates, Inc., which is located at Taoyuan Hsien. The loss amount is about NTS 100,000,000.



NON-LIFE INSURANCE COMPANIES



Taiwan Fire & Marine Insurance Co., Ltd.

Date of Establishment: March 12, 1948

Chairman: W. Y. Lee

President: Joseph N.S. Chang

Paid-up Capital: NT\$2,431,809,000

Number of Contact Office: (11) Branch Office, (38) Liaison Office

Number of Employees: 481

Premium Income: a. Direct Written Premium
NT\$ 3,551,901,960
b. Reinsurance Premium
NT\$383,883,996

Reserves: a. Unearned Premium Reserves
NT\$ 1,776,236,000
b. Outstanding Loss Reserves
NT\$491,553,000
c. Special Loss Reserves
NT\$1,257,218,000

Address: 8-9F, No. 49, Kuan Chien Rd., Taipei, Taiwan,
R.O.C.

Telephone: (02)2382-1666

Telefax: (02)2388-2555

http: //www.tfmi.com.tw



The Taiping Insurance Co., Ltd.

Date of Establishment: Jan 5, 1951

Chairman: C. C. Huang

President: Y. T. Lee

Paid-up Capital: NT\$1,560,000,000

Number of Contact Office: (6) Branch Office, (8) Liaison Office

Number of Employees: 412

Premium Income: a. Direct Written Premium
NT\$2,498,519,946
b. Reinsurance Premium
NT\$242,106,721

Reserves: a. Unearned Premium Reserves
NT\$941,947,749
b. Outstanding Loss Reserves
NT\$789,854,291
c. Special Loss Reserves
NT\$936,304,267

Address: No. 550, Sec. 4, Chung Hsiao E. Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)2758-2700

Telefax: (02)2729-5681

http: //www.taiping.com.tw



China Mariners' Assurance Corporation

Date of Establishment: August, 11, 1948

Chairman: Thang-Sou Chiu

President: Wellson Shih

Paid-up Capital: NT\$1,100,000,000

Number of Contact Office: (8) Branch Office, (36) Liaison Office

Number of Employees: 581

Premium Income: a. Direct Written Premium
NT\$3,174,850,582
b. Reinsurance Premium
NT\$371,863,388

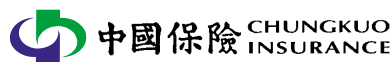
Reserves: a. Unearned Premium Reserves
NT\$1,023,410,945
b. Outstanding Loss Reserves
NT\$651,928,788
c. Special Loss Reserves
NT\$551,496,900

Address: 11-12F, No. 2, Kuan Chien Rd., Taipei, Taiwan,
R.O.C.

Telephone: (02)2375-7676

Telefax: (02)2375-6363

http: //www.cmac.com.tw



Chung Kuo Insurance Co., Ltd.

Date of Establishment: November 1, 1931

Chairman: S. Y. Liu

President: C. Y. Liu

Paid-up Capital: NT\$4,368,977,260

Number of Contact Office: (9) Branch Office, (16) Liaison Office

Number of Employees: 530

Premium Income: a. Direct Written Premium
NT\$4,887,734,412
b. Reinsurance Premium
NT\$923,288,346

Reserves: a. Unearned Premium Reserves
NT\$1,697,058,900
b. Outstanding Loss Reserves
NT\$1,735,900,478
c. Special Loss Reserves
NT\$670,344,952

Address: 10-12F, No. 100, Chilin Rd., Taipei, Taiwan,
R.O.C.

Telephone: (02)2551-3345

Telefax: (02)2541-4046

http: //www.cki.com.tw



Fubon Insurance Co., Ltd.

Date of Establishment: April 19, 1961

Chairman: Ming-Chung Tsai

President: Tsan-Ming Shih

Paid-up Capital: NT\$30,000,000,000

Number of Contact Office: (29) Branch Office, (57) Liaison Office

Number of Employees: 2,201

Premium Income: a. Direct Written Premium
NT\$17,943,521,402
b. Reinsurance Premium
NT\$888,636,486

Reserves: a. Unearned Premium Reserves
NT\$8,040,405,364
b. Outstanding Loss Reserves
NT\$1,941,561,292
c. Special Loss Reserves
NT\$6,457,016,715

Address: No. 237, Sec. 1, Chien Kuo S. Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2706-7890

Telefax: (02)2704-1118

http: //www.518fb.com



TAIAN

Taian Insurance Co., Ltd

Date of Establishment: May 1, 1961

Chairman: Chao-Hon Chen

President: Patrick S. Lee

Paid-up Capital: NT\$2,354,361,230

Number of Contact Office: (7) Branch Office, (27) Liaison Office

Number of Employees: 827

Premium Income: a. Direct Written Premium
NT\$5,019,943,013
b. Reinsurance Premium
NT\$297,891,845

Reserves: a. Unearned Premium Reserves
NT\$2,508,611,235
b. Outstanding Loss Reserves
NT\$543,139,160
c. Special Loss Reserves
NT\$1,901,472,584

Address: No. 59, Kwantsien Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2381-9678

Telefax: (02)2311-6990

http: //www.taian.com.tw



MINGTAI

Mingtai Fire & Marine Insurance Co., Ltd.

Date of Establishment: September 22, 1961

Chairman: P. C. Lin

President: H. T. Chen

Paid-up Capital: NT\$1,885,907,830

Number of Contact Office: (17) Branch Office, (48) Liaison Office

Number of Employees: 1,250

Premium Income: a. Direct Written Premium
NT\$8,286,345,724
b. Reinsurance Premium
NT\$518,915,910

Reserves: a. Unearned Premium Reserves
NT\$3,691,955,933
b. Outstanding Loss Reserves
NT\$845,223,139
c. Special Loss Reserves
NT\$2,367,755,211

Address: No. 1, Sec. 4, Jen Ai Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2772-5678

Telefax: (02)2772-6666

http: //www.mingtai.com.tw



ZURICH

蘇黎世

Zurich Insurance (Taiwan) Ltd.

Date of Establishment: April 25, 1961

Chairman: Mr. Dean Chiang

President: Mr. Yung Chen

Paid-up Capital: NT\$2,000,000,000

Number of Contact Office: (5) Branch Office, (32) Liaison Office

Number of Employees: 860

Premium Income: a. Direct Written Premium
NT\$4,640,913,958
b. Reinsurance Premium
NT\$523,776,208

Reserves: a. Unearned Premium Reserves
NT\$2,625,231,581
b. Outstanding Loss Reserves
NT\$600,056,931
c. Special Loss Reserves
NT\$1,613,585,839

Address: No. 56, Tun Hwa North Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2731-6300

Telefax: (02)2741-6004

http: //www.zurich.com.tw



Central Insurance Co., Ltd.

Date of Establishment: March 1, 1962
 Chairman: Hsien-Kuang She
 President: Lawrence Lee
 Paid-up Capital: NT\$3,344,500,000
 Number of Contact Office: (8) Branch Office, (21) Liaison Office
 Number of Employees: 517
 Premium Income: a. Direct Written Premium
 NT\$5,594,536,559
 b. Reinsurance Premium
 NT\$252,408,181
 Reserves: a. Unearned Premium Reserves
 NT\$1,433,938,631
 b. Outstanding Loss Reserves
 NT\$364,351,677
 c. Special Loss Reserves
 NT\$1,052,026,420
 Address: 15-19F, No. 6, Sec. 1, Chung Hsiao West Rd.,
 Taipei, Taiwan, R.O.C.
 Telephone: (02)2381-9910
 Telefax: (02)2311-6901
 http: //www.cins.com.tw



The First Insurance Co., Ltd.

Date of Establishment: September 4, 1962
 Chairman: C. H. Lee
 President: James Y.L. Lai
 Paid-up Capital: NT\$2,000,000,000
 Number of Contact Office: (3) Branch Office, (30) Liaison Office
 Number of Employees: 738
 Premium Income: a. Direct Written Premium
 NT\$4,103,500,985
 b. Reinsurance Premium
 NT\$227,591,779
 Reserves: a. Unearned Premium Reserves
 NT\$1,865,829,819
 b. Outstanding Loss Reserves
 NT\$458,352,764
 c. Special Loss Reserves
 NT\$1,319,061,292
 Address: No. 54, Sec. 1, Chung Hsiao E. Rd., Taipei,
 Taiwan, R.O.C.
 Telephone: (02)2391-3271
 Telefax: (02)2341-2864
 http: //www.firstins.com.tw



Kuo Hua Insurance Co., Ltd.

Date of Establishment: December 24, 1962
 Chairman: Jiin-Biau Wang
 President: Jiin-Biau Wang
 Paid-up Capital: NT\$1,000,000,000
 Number of Contact Office: (8) Branch Office, (28) Liaison Office
 Number of Employees: 650
 Premium Income: a. Direct Written Premium
 NT\$3,513,672,402
 b. Reinsurance Premium
 NT\$320,458,071
 Reserves: a. Unearned Premium Reserves
 NT\$1,289,224,990
 b. Outstanding Loss Reserves
 NT\$255,877,706
 c. Special Loss Reserves
 NT\$313,035,279
 Address: No. 166, Sec. 2, Chang An E. Rd.,
 Taipei, Taiwan, R.O.C.
 Telephone: (02)2751-4225
 Telefax: (02)2781-7801
 http: //www.kuohua.com.tw



Union Insurance Co., Ltd.

Date of Establishment: February 20, 1963
 Chairman: S. H. Chin
 President: Frank Wang
 Paid-up Capital: NT\$4,035,414,240
 Number of Contact Office: (7) Branch Office, (28) Liaison Office
 Number of Employees: 683
 Premium Income: a. Direct Written Premium
 NT\$4,101,383,185
 b. Reinsurance Premium
 NT\$535,189,010
 Reserves: a. Unearned Premium Reserves
 NT\$1,632,352,076
 b. Outstanding Loss Reserves
 NT\$811,389,906
 c. Special Loss Reserves
 NT\$1,105,602,047
 Address: 12F, No. 219, Sec. 4, Chung-Hsiao E. Rd.,
 Taipei, Taiwan, R.O.C.
 Telephone: (02)2776-5567
 Telefax: (02)2711-8610
 http: //www.unionins.com.tw



ShinKong Insurance Co., Ltd.

Date of Establishment: May 1, 1963

Chairman: Anthony T.S. Wu

President: Yih Hsiung Lee

Paid-up Capital: NT\$2,021,669,520

Number of Contact Office: (16) Branch Office, (54) Liaison Office

Number of Employees: 1,147

Premium Income: a. Direct Written Premium
NT\$6,741,283,412
b. Reinsurance Premium
NT\$413,115,380

Reserves: a. Unearned Premium Reserves
NT\$3,600,834,828
b. Outstanding Loss Reserves
NT\$588,604,649
c. Special Loss Reserves
NT\$1,913,432,284

Address: No. 15, Sec. 2, Chien Kuo N. Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)2507-5335

Telefax: (02)2504-6312

http: //www.skinsurance.com.tw



South China Insurance Co., Ltd.

Date of Establishment: May 1, 1963

Chairman: C.F. Liao

President: I. R. Huang

Paid-up Capital: NT\$1,836,935,950

Number of Contact Office: (7) Branch Office, (29) Liaison Office

Number of Employees: 596

Premium Income: a. Direct Written Premium
NT\$3,481,004,611
b. Reinsurance Premium
NT\$247,222,452

Reserves: a. Unearned Premium Reserves
NT\$2,002,745,773
b. Outstanding Loss Reserves
NT\$395,714,223
c. Special Loss Reserves
NT\$1,466,994,224

Address: 5F, No. 560, Sec. 4, Chung Hsiao E. Rd.,
Taipei, Taiwan, R.O.C.

Telephone: (02)2758-8418

Telefax: (02)2723-9478

http: //www.south-china.com.tw



Tong Tai Insurance Co., Ltd.

Date of Establishment: July 19, 1993

Chairman: Kuan-Huang Fan

President: Wan-Chie Mar

Paid-up Capital: NT\$2,317,005,600

Number of Contact Office: (3) Branch Office, (41) Liaison Office

Number of Employees: 717

Premium Income: a. Direct Written Premium
NT\$4,718,021,491
b. Reinsurance Premium
NT\$359,810,763

Reserves: a. Unearned Premium Reserves
NT\$3,186,536,644
b. Outstanding Loss Reserves
NT\$499,492,415
c. Special Loss Reserves
NT\$1,811,260,483

Address: 5F, No. 296, Sec. 4, Jen Ai Rd., Taipei, Taiwan,
R.O.C.

Telephone: (02)2755-1299

Telefax: (02)2709-3899

http: //www.tong-tai.com.tw



Allianz President General Insurance Co., Ltd.

Date of Establishment: August 23, 1996

Chairman: Chang-Shen Lin

President: Bruce Bowers

Paid-up Capital: NT\$2,000,000,000

Number of Contact Office: (5) Branch Office, (16) Liaison Office

Number of Employees: 470

Premium Income: a. Direct Written Premium
NT\$2,475,626,618
b. Reinsurance Premium
NT\$234,924,939

Reserves: a. Unearned Premium Reserves
NT\$1,032,645,580
b. Outstanding Loss Reserves
NT\$362,399,774
c. Special Loss Reserves
NT\$463,837,515

Address: 11F, No. 69, Sec. 3, Min Sheng E. Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)2515-7177

Telefax: (02)2509-1573

http: //www.allianz.com.tw



Newa Insurance Co., Ltd.

Date of Establishment: March 1, 1999

Chairman: Kenneth K.T. Yen

President: C. K. Chen

Paid-up Capital: NT\$2,000,000,000

Number of Contact Office: (2) Branch Office, (18) Liaison Office

Number of Employees: 421

Premium Income: a. Direct Written Premium
NT\$3,538,985,000
b. Reinsurance Premium
NT\$175,208,000

Reserves: a. Unearned Premium Reserves
NT\$1,279,707,000
b. Outstanding Loss Reserves
NT\$362,978,000
c. Special Loss Reserves
NT\$514,751,000

Address: 7F, No. 458, Sec. 4, Hsin Yi Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)2720-5522

Telefax: (02)8789-1190

http: //www.newa.com.tw



Insurance Company of North America, Taipei Branch

Date of Establishment: January 22, 1982

President: Elton Chang

Paid-up Capital: NT\$50,000,000

Number of Contact Office: (0) Branch Office, (1) Liaison Office

Number of Employees: 31

Premium Income: a. Direct Written Premium
NT\$408,320,164
b. Reinsurance Premium
NT\$201,170,790

Reserves: a. Unearned Premium Reserves
NT\$75,088,668
b. Outstanding Loss Reserves
NT\$63,636,682
c. Special Loss Reserves
NT\$129,640,076

Address: 11F, No. 184, Sec. 4, Hsin-Yi Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)7711-8989

Telefax: (02)2705-6616

http: //www.ace-ina.com.tw



AIU Insurance Company Taiwan Branch

Date of Establishment: April 17, 1982

President: Chyen Chen

Paid-up Capital: NT\$290,487,680

Number of Contact Office: (0) Branch Office, (13) Liaison Office

Number of Employees: 294

Premium Income: a. Direct Written Premium
NT\$125,539,365
b. Reinsurance Premium
NT\$42,678,826

Reserves: a. Unearned Premium Reserves
NT\$707,435,387
b. Outstanding Loss Reserves
NT\$91,409,589
c. Special Loss Reserves
NT\$307,230,893

Address: 16F, No. 200, Kee-Lung Rd., Sec.1, Taipei,
Taiwan, R.O.C.

Telephone: (02)2723-6666

Telefax: (02)8788-4698

http: //www.AUAI.com.tw



Federal Insurance Company, Taipei Branch

Date of Establishment: February 6, 1987

President: Irene Liang

Paid-up Capital: NT\$353,009,292

Number of Contact Office: (1) Branch Office, (0) Liaison Office

Number of Employees: 21

Premium Income: a. Direct Written Premium
NT\$152,011,226
b. Reinsurance Premium
NT\$63,433,558

Reserves: a. Unearned Premium Reserves
NT\$55,496,000
b. Outstanding Loss Reserves
NT\$2,163,911
c. Special Loss Reserves
NT\$149,904,987

Address: Suite 606, No. 129, Sec. 3, Min Sheng E. Rd.,
Taipei, Taiwan, R.O.C.

Telephone: (02)2718-1580

Telefax: (02)2713-9097

http: //www.chubb.com



CGU International Insurance plc, Taiwan Branch

Date of Establishment: December 22, 2000

President: Jacksen Tang

Paid-up Capital: NT\$112,000,000

Number of Contact Office: (0) Branch Office, (0) Liaison Office

Number of Employees: 31

Premium Income: a. Direct Written Premium
NT\$141,280,477
b. Reinsurance Premium
NT\$37,717,437

Reserves: a. Unearned Premium Reserves
NT\$85,829,385
b. Outstanding Loss Reserves
NT\$128,278,994
c. Special Loss Reserves
NT\$72,123,789

Address: Unit No. 704-6, Worldwide House, No. 129,
Sec. 3, Ming Sheng E. Rd., Taipei, Taiwan,
R.O.C.

Telephone: (02)2514-9755

Telefax: (02)2514-9581

http: //www.cguasia.com



Asia Insurance Co., Ltd. Taiwan Branch

Date of Establishment: July 11, 1996

Chairman: Mr. Robin Y.H. Chen

President: An-Lo Sung

Paid-up Capital: NT\$75,000,000

Number of Contact Office: (0) Branch Office, (0) Liaison Office

Number of Employees: 12

Premium Income: a. Direct Written Premium
NT\$32,278,623
b. Reinsurance Premium
NT\$6,406,258

Reserves: a. Unearned Premium Reserves
NT\$5,757,829
b. Outstanding Loss Reserves
NT\$2,144,613
c. Special Loss Reserves
NT\$2,071,914

Address: Suite 905, 9F., No. 18, Sec. 1, Chang-An E.
Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2568-3080/2521-7766

Telefax: (02)2563-8246



AXA Assurances I.A.R.D. Taiwan Branch

Date of Establishment: January 3, 1997

Chairman: Henride de Castries

President: Paul Lin

Paid-up Capital: NT\$148,825,281

Number of Contact Office: (0) Branch Office, (0) Liaison Office

Number of Employees: 11

Premium Income: a. Direct Written Premium
NT\$121,618,064
b. Reinsurance Premium
NT\$34,016,000

Reserves: a. Unearned Premium Reserves
NT\$48,650,333
b. Outstanding Loss Reserves
NT\$80,877,343
c. Special Loss Reserves
NT\$12,145,686

Address: Room A, 6F, No. 138, Sec. 3, Min Sheng E.
Rd., Taipei, Taiwan, R.O.C.

Telephone: (02)2547-5566

Telefax: (02)2545-4355

http: //www.axatwn.com.tw



三井住友海上

Mitsui Sumitomo Insurance Co., Ltd. Taipei Branch

Date of Establishment: March 16, 1999

President: Keiichi Yoshinaga

Paid-up Capital: NT\$195,000,000

Number of Contact Office: (0) Branch Office, (2) Liaison Office

Number of Employees: 41

Premium Income: a. Direct Written Premium
NT\$184,688,256
b. Reinsurance Premium
NT\$250,178,261

Reserves: a. Unearned Premium Reserves
NT\$58,490,804
b. Outstanding Loss Reserves
NT\$38,447,747
c. Special Loss Reserves
NT\$59,629,169

Address: 7F, No. 260, Tun Hua North Rd., Taipei,
Taiwan, R.O.C.

Telephone: (02)8712-1350

Telefax: (02)8712-1360

http: //www.ms-ins.com.tw



Cardif Risques Divers Insurance Co., Taiwan Branch

Date of Establishment: July, 12, 2000

Chairman: Gerard Binet

President: Gerard Binet

Paid-up Capital: NT\$60,000,000

Number of Contact Office: (1) Branch Office, (0) Liaison Office

Number of Employees: 7

Premium Income: a. Reinsurance Premium
NT\$17,647
b. Retained Premium
NT\$0

Reserves: a. Unearned Premium Reserves
NT\$8,824
b. Outstanding Loss Reserves
NT\$88
c. Special Loss Reserves
NT\$3,234

Address: Rm 703, 7F, No. 88, chunghsiao E. Rd.,
Sec. 2, Taipei, Taiwan, R.O.C.

Telephone: (02)2392-1438

Telefax: (02)2397-3873

http: //www.cardif.com



Central Reinsurance Corporation

Date of Establishment: October 31, 1968

Chairman: Ching-Hsien Lin

President: Cheng -Tui Yang

Paid-up Capital: NT\$3,000,000,000

Number of Contact Office: (1) Branch Office, (0) Liaison Office

Number of Employees: 121

Premium Income: a. Reinsurance Premium
NT\$14,413,577,000
b. Retained Premium
NT\$9,798,535,000

Reserves: a. Unearned Premium Reserves
NT\$5,130,441,000
b. Outstanding Loss Reserves
NT\$3,769,510,000
c. Special Loss Reserves
NT\$1,684,887,000

Address: No. 53, Nanking E. Rd., Sec. 2, Taipei,
Taiwan, R.O.C.

Telephone: (02)2511-5211

Telefax: (02)2523-5350, 2567-1565

http: //www.crc.com.tw



LIAISON OFFICES OF FOREIGN NON-LIFE INSURANCE COMPANIES IN THE R.O.C.

Company	Representative	Address	Tel Fax
The Tokio Marine & Fire Insurance Co., Ltd., Taipei Liaison Office	Kenji Kawanishi	14F, 111, Sung Chiang Rd., Taipei	25064507 25064506
The Nippon Koa Insurance Co., Ltd., Taipei Liaison Office	Masahiro Tamaru	Rm. 1403, 205, Sec. 1, Tun Hwa S. Rd., Taipei	27766484 27725456
The Nissan Fire & Marine Insurance Company Ltd., Taipei Liaison Office	Akifumi Isobe	Rm. C, 10F, 146 Sung Chiang Rd., Taipei	25232268 25628982
The Yasuda Fire & Marine Insurance Co., Ltd., Taipei Liaison Office	Shuei Yoshida	Rm. C, 10F, 146 Sung Chiang Rd., Taipei	25612761 25622134
The Aoi Insurance Co., Ltd., Taipei Liaison Office	Kohji Ohnishi	Rm. 2212, 22F, No. 333, Sec. 1, Keelung Rd., Taipei	27576300 27576095

LIAISON OFFICES OF FOREIGN REINSURANCE COMPANIES IN THE R.O.C.

Company	Representative	Address	Tel Fax
Swiss Re. Taipei Liaison Office	Judith Chen	9F-5 & 6, 156, Sec. 3, Min Sheng E. Rd., Taipei	27161388 27135774
Hannover Ruckversicherungs-Aktiengesellschaft, Taipei Liaison Office	Kent Chow	Rm A2, 12F, 296, Sec. 4, Jen Ai Rd., Taipei	27011096 27048117
The Cologne Re. Taipei Liaison Office	Roger Chen	Rm. B1, 20F, 216, Sec. 2, Tun Hwa S. Rd., Taipei	87331179 27330110
Gerling-Global Re. Taipei Liaison Office	Anthony Tuan-An Chen	Rm. 2211, 333, Sec. 1, Keelung Road, Taipei	23456609 23456657
Munich Reinsurance Company, Taipei Liaison Office	Christian Kraut	16F, 109, Sec. 3, Min Sheng E. Rd., Taipei	27177231 27124959
The Toa Reinsurance Co., Taipei Liaison Office	Hsing-Tan. Wang	4F-2 No. 128, Sec. 3, Ming Sheng E. Rd., Taipei	27151015 27151628

REPRESENTATIVE OFFICES OF INTERNATIONAL BROKERS

Company	Representative	Address	Telephone
Jardine Lloyd Thompson Limited	Terence Yuen	13F, World Trade Building, No. 50 Sec. 1, Hsin Sheng South Rd., Taipei, Taiwan, R.O.C.	2395-4611
Aon Risk Services Taiwan Ltd.,	Y. C. Wei	Room 902, 9F, No. 136, Sec. 3, Lotus Building, Jen Ai Rd., Taipei, Taiwan, R.O.C.	2325-2221
Marsh Ltd., Taiwan Branch	Paul Wilkins	9F, No. 367, Fu Hsing N. Rd., Taipei 10483, Taiwan, R.O.C.	2716-8840
Willis Taiwan Ltd.	Michael Faber	2F, No. 114, Sec. 2, Chung Shan N. Rd., Taipei, Taiwan, R.O.C.	2560-3000
Nacora Insurance Brokers Limited	Richard Huang	5F, No. 219, Sec. 3, Nanking E. Rd., Taipei, Taiwan, R.O.C.	2716-0682
Worldwide Insurance Services Enterprise Ltd.	C.T. Sha	5F, No. 112 Sec. 1, Chung-Hsiao East Rd., Taipei, Taiwan, R.O.C.	2393-9788
Yo Pont Insurance Services Ltd.	Theodosia W. G. Liu	11F, No. 18, Sec. 1, Chang-An East Rd., Taipei 104, Taiwan, R.O.C.	2562-1628

OTHER INSTITUTIONS

Institution	Representative	Address	Tel Fax
Insurance Institute of the Republic of China	Chiang, Chao-Kuo Ban-Shen Wei	6F, 3, Nan Hai Rd., Taipei http://www.iiloc.org.tw	23972227 23517508
Motor Vehicle Accident Compensation Fund	Chang, Susan Been-Hou Kuo	18F, 2, lane 150, Shin-Yi Road, Sec. 5, Taipei	87898897 87896061
The Non-Life Insurance Association of the Republic of China	Frank Wang Martin Sha	13F, 125, Nanking E. Rd., Sec. 2, Taipei	25071566 25178069
The Life Insurance Association of the Republic of China	Sunny Wen-In Lin Tsann-Nan Horng	5F, 152, Sung Chiang Rd., Taipei http://www.lia-roc.org.tw	25612144 25613774
The Non-Life Underwriters Society of the R.O.C.	Tsan-Ming Shi I.T. Huang	13F, 125, Nanking E. Rd., Sec. 2, Taipei	25065941 25075245
Engineering Insurance Association	Cheng-Yi Liu Song-Ji Wang	9F, 39, Sec. 1, Chung Hsiao W. Rd., Taipei	23820051 23820001
R.O.C. Nuclear Energy Insurance Association	S.Y. Liu C.Y. Liu	12F, 100, Chi-Liu Rd., Taipei	25514235 25611176
Risk Management Society of Taiwan, R.O.C.	Solomon Chiu Christina Wang	13F, 237, Sec. 2, Fu Hsing S. Rd., Taipei http://www.rmst.org.tw	27058393 27549459
The Actuarial Institute of the R.O.C.	Won-How Lo Shun-Shan Yah	122, Tun Hwa N. Rd., Taipei	27169947 27169920
Life Insurance Management Institute of the R.O.C.	Hsing-Hong Hsu	42, Sec. 2, Chang-Shan N. Rd., Taipei	25117090 25366774
Insurance Society of the R.O.C.	Charles C.T. Wang Simon Lin	12F, 56, Tun Hwa N. Rd., Taipei	27316300- 1250
Insurance Agents Association of the R.O.C.	C. H. Huang	3F, 439, Sung Chiang Rd., Taipei	25055891 25155390
Insurance Brokers Association of the R.O.C.	Jack Sha	4F, 45, Sec. 3, Ming-Chun E. Rd., Taipei	25174939 25174857
The Insurance Brokers Association of the R.O.C.	Fan Huang	3F-2, 58, Lane 85, Lin Sen N. Rd., Taipei	25642809 25642814
Surveyors Association of Taipei	Kuo-Ming Chen Liao-Wei Ping	Rm 705, 7F, 43, Sec. 1, Chung- Chin S. Rd., Taipei	23707617 23755407
Surveyors Association of Kaohsiung	Shieh Wan Fa	8F-2, 224, San Duo Road II, Lin Ya District, Kaohsiung	07-7132207 07-7131853