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NON-LIFE INSURANCE BUSINESS IN TAIWAN

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GENERAL INFORMATION

	2000	2001	2002
Population (million)	22.0	22.3	22.0
Area (sq. km)	36,000	36,000	36,000
GNP (US\$ billion)	314.4	288.3	288.8
GDP (US\$ billion)	310.1	282.4	281.5
GNP per Capita (US\$)	14,216	12,941	12,900
Value of Imports (US\$ billion)	140.01	107.24	112.69
Value of Exports (US\$ billion)	148.38	122.9	130.64
Real Economic Growth Rate	5.98%	-1.91%	3.54%
Annual Changes in Wholesale Price Index	1.8%	-1.3%	0.3%
Annual Changes in Consumer Price Index	1.3%	-0.0%	-0.3%
Unemployment Ratio	3.00%	4.6%	5.2%
Motorvehicles (thousand)	5,599	5,731	5,924
Motorcycles (thousand)	11,423	11,733	11,983
Telephone Sets (thousand)	30,515	34,478	37,004
Exchange Rates US\$/NT\$	32.99	34.99	34.76
Annual Interest Rates (Money Market Rate)	4.63%	2.13%	2.03%

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. Capital City
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 official language is Mandarin Chinese. Taiwanese and Hakka are the two most popular dialects. English is the most popular foreign language and is taught from elementary 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 available nationwide. The enrollment of eligible students is 99.9%. Most of them continue with senior high school education. After graduation from senior high school, more than 927,000 students attend 141 universities, colleges and academies in Taiwan each year.

7. TRANSPORTATION

International Airports:

Taoyuan CKS Airport is 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 Freeways:

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 entire island. Local as well as express trains serve travelers.

High Speed Rail:

The high-speed rail is being constructed by adopting the Build-Operate-Transfer (BOT). The construction work on the high-speed rail system started on March 27, 2000. It starts from the Taipei Station and ends at Kaohsiung with a total distance of 345 km. There will be 10 stations built on 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 and the system is comprised of 7 lines. Kaohsiung's Metropolitan Area MRT system is under construction. The completed system will comprise 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

In Taiwan, while public and private investments still lagged, imports and

exports rebounded in the second quarter, growing by over double digits during the third quarter. Accumulated trade surplus was over US\$ 12.4 billion. With continued orders from abroad, exports have become the main force supporting Taiwan's economy. Furthermore, activation of the High Speed Rail construction project has stimulated private investments and economic growth. According to the Directorate-General of Budget, Accounting and Statistics of the



Executive Yuan, due to strong demand in the basic metals and mechanical equipment markets, as well as the substantial increase in the export of cement and information products, economic growth for the fourth quarter reached 4.22%. This figure was 1.05% higher than expected and helped boost economic growth for 2002 up to 3.54%, not only leaving behind the shadow of the previous year's negative growth but also indicating more recovery in the future. The nation's imports and exports were valued at US\$112.59 billion (increased 4.98%) and US\$130.64 billion (increased 6.32,%) 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 be one of the most important sectors. It accounted for 64.05% GDP in 2002 while manufacturing and construction industries together made up 33.37%, leaving agriculture accounting for 2.58%.

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 2002, 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. Government industries include power and water supply, petroleum, railway, post, fertilizer, sugar, tobacco and wine. However, the government has 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 2002 Wholesale Price Index was 0.3% and the Consumer Price Index was -0.3%.

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 is responsible for improving the financial services sector, while the Ministry of Transportation will focus on building an air and ocean transshipment center and 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 dere-



gulation and further globalizing of Taiwan's economy by facilitating the free flow of personnel, goods, services, capital and information. 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 WHO and the United Nations are Taiwan's major goals for the near future.

MARKET CONDITIONS

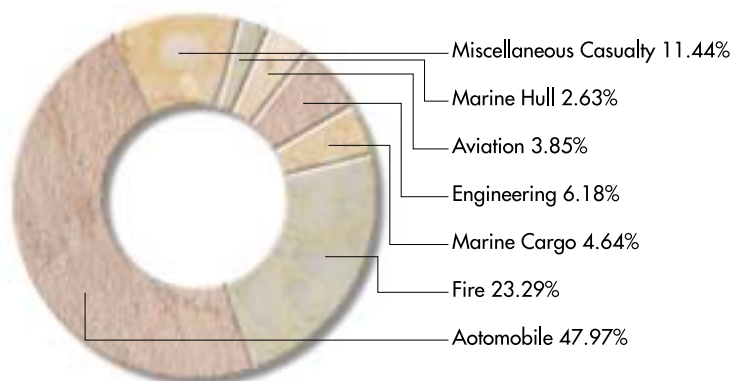
1. The Market in General

Despite the weakness of the Taiwan's domestic economy, all the non-life insurance companies were still able to increase the total written premium by an amount of around NT\$10,409 million from NT\$90,830 million in 2001 to NT\$101,434 million in 2002 with a growth rate of 11.47%, the highest growth rate in the past three years. Moreover, this was for the first time total written premium reached a level of over NT\$100 billion ever since non-life insurance business began in Taiwan. It was encouraging to achieve such a success in the year 2002 despite the difficult business environment in Taiwan market. If we look at the individual growth rate, aviation, engineering and liability insurance were the top three and grew by 63.51%, 36.68% and 23.34% respectively.

To arrive at the total premium income of NT\$101,434 million for the year 2002, fire insurance generated a premium of NT\$23,627 million, up 19.61% compared with the premium of NT\$19,754 million in 2001. Marine cargo insurance increased from NT\$4,298 million in 2001 to NT\$4,705 million; marine hull posted NT\$2,664 million. Automobile insurance swung up slightly to NT\$48,659 million from NT\$47,254 million in 2001. Although the market share of automobile insurance dropped from 52.02% in 2001 to 47.97% in 2002, the automobile insurance maintained its leading share amongst all classes of non-life insurance business. As to aviation insurance, it scored a total premium of NT\$3,908 million in 2002 with a 63.51% growth rate in comparison with the 2001 premium income of NT\$2,390 million; engineering insurance achieved a remarkable growth rate of 36.68% from NT\$4,585 million in 2001 to NT\$6,267 million in 2002 and miscellaneous casualty insurance recorded NT\$11,603 million in 2002 and NT\$10,153 million in 2001. As far as the market share of each individual line was concerned, automobile insurance had 47.97% share and the remaining 52.03% share was split up into fire insurance 23.29%, marine cargo insurance 4.64%, marine hull insurance 2.63%, aviation insurance 3.85%, engineering insurance 6.18% and miscellaneous casualty insurance 11.44%.

The average loss ratio of the entire non-life insurance business in 2002 was 46.62%, down 27.82% from 74.44% in 2001. Lack of major typhoon, heavy rain and fire losses made 2002 an especially good underwriting year.

To take a general view of individual loss ratio for the year 2002,



both fire and engineering had incredible reductions from 96.68% and 142.44% in 2001 to 12.18% and -4.78% in 2002 respectively; marine cargo insurance hit a loss ratio of 37.34%, its lowest in the past five years. The loss ratio of automobile insurance went down slightly from 64.41% in 2001 to 61.18% in 2002 while aviation insurance suffered a high loss ratio of 107.28% in 2002, up 94.77% in comparison to that of 12.51% in 2001; Marine hull improved its loss ratio further for the second year from 125.18% in 2000 and 71.50% in 2001 to 35.21% in 2002. With regards to the loss ratio of miscellaneous casualty insurance, it rose 1.26% from 68.14% in 2001 to 69.40% in 2002. Since 1999, the loss ratio of miscellaneous casualty insurance stayed at a level of over 60%. Although the non-life insurance industry was pleased with the development of premium growth of miscellaneous casualty insurance in the past five years, we should also bear in mind the upward trends of the loss ratio.

Table 1

(in million NT\$ & %)

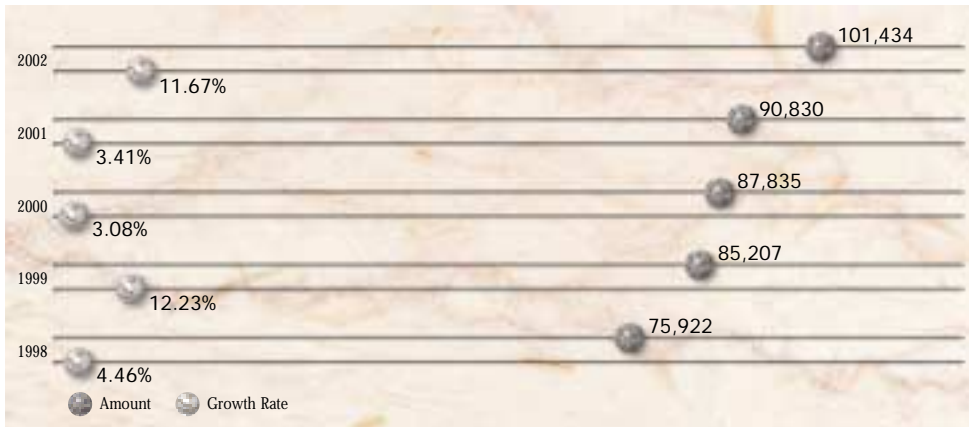
Year		1998	1999	2000	2001	2002
Fire	Amount	14,886	14,764	16,692	19,754	23,627
	Growth Rate	-11.52	-0.82	13.06	18.34	19.61
Marine Cargo	Amount	4,493	3,912	4,374	4,298	4,705
	Growth Rate	0.23	-12.93	11.81	-1.73	9.46
Marine Hull	Amount	2,151	1,956	2,008	2,395	2,664
	Growth Rate	-7.12	-9.07	2.66	19.27	11.23
Automobile	Amount	41,927	51,096	50,639	47,254	48,659
	Growth Rate	7.68	21.87	-0.89	-6.69	2.97
Aviation	Amount	2,192	2,531	1,814	2,390	3,908
	Growth Rate	50.19	15.47	-28.32	31.69	63.51
Engineering	Amount	3,737	3,597	4,266	4,585	6,267
	Growth Rate	0.01	-3.75	18.60	7.48	36.68
Miscellaneous Casualty	Amount	6,537	7,352	8,042	10,153	11,603
	Growth Rate	32.73	12.47	9.39	26.25	14.28
Total	Amount	75,922	85,207	87,835	90,830	101,434
	Growth Rate	4.46	12.23	3.08	3.41	11.67

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 NT\$3,873 million, or 23.34%, from NT\$19,754 million in 2001 to NT\$23,627 million in 2002. This was mainly attributed to the premium rate increase in commercial line and increased sum insured in high-tech industries.

The loss ratio for fire insurance dropped substantially from 96.68% in 2001 to 12.18% in 2002 with a decrease of 693.76%. This low loss ratio in 2002 was a result of premium income increase and lower frequency of natural perils.

Table 2

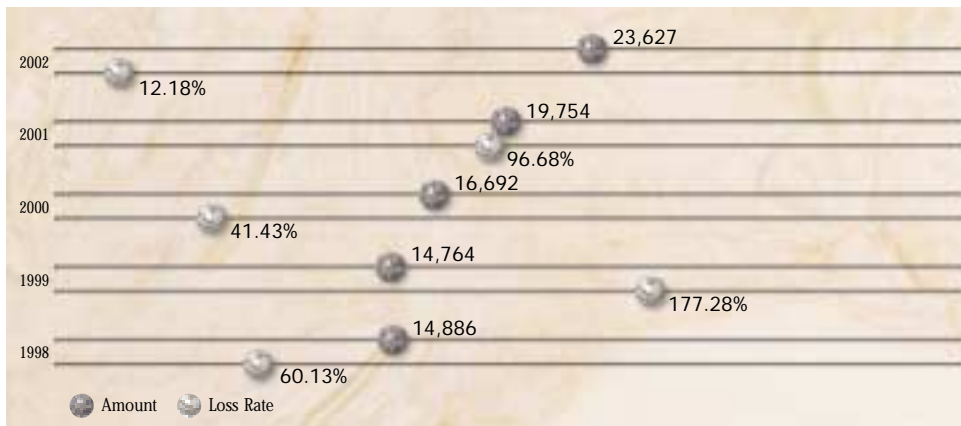
(in million NT\$ & %)

Year	1998	1999	2000	2001	2002
Direct Written Premium	14,886	14,764	16,992	19,754	23,627
Loss Ratio	60.13	177.28	41.43	96.68	12.18

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 2002 was NT\$4,705 million, which was NT\$407 million higher than the NT\$4,298 million in 2001. The total written premium did increase by 9.47%.

Not only the impact of 911 event incurred the increased rate of additional war risk, but the increase in cargo quantities for export to Mainland China & Hong Kong, also brought about a substantial increase in the Marine Cargo written premium.

As to the loss ratio of marine cargo insurance, it decreased by 23.54% from 60.88% in 2001 to 37.34% in 2002 because no major loss was incurred.

Table3

Year	1998	1999	2000	2001	2002
Direct Written Premium	4,493	3,912	4,374	4,298	4,705
Loss Ratio	44.48	54.85	50.80	60.88	37.34

(in million NT\$ & %)

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 for marine hull insurance increased by NT\$269 Million from NT\$2,395 million in 2001 to NT\$2,664 million in 2002 due to 911 event with the prosperity of the shipping and fishing industry, which brought about an increase in premium.

The loss ratio for ocean hull decreased to 30.38% in 2002, a substantial decrease of 40.65% in comparison with 71.03% in 2001. Incidentally, the loss ratio for fishing vessels decreased from 72.53% in 2001 to 47.72% in 2002 by 24.81%.

The average loss ratio for marine hull insurance, including ocean hull and fishing vessels, decreased considerably from 71.50% in 2001 to 35.20% in 2002.

Table4

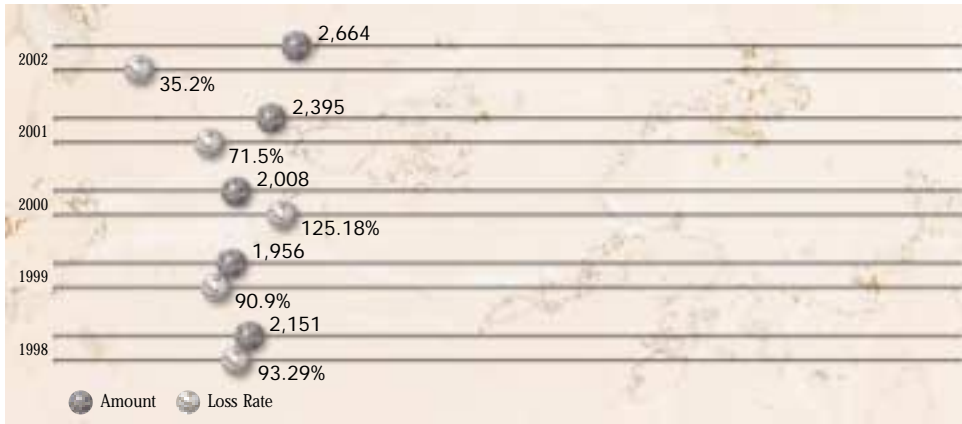
(in million NTS & %)

Year	1998	1999	2000	2001	2002
Direct Written Premium	2,151	1,956	2,008	2,395	2,664
Loss Ratio	93.29	90.90	125.18	71.50	35.20

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 premium written in 2002 was NT\$48,659 million, showing a growth of 2.56% in compared to NT\$47,254 million in 2001. The growth of automobile insurance written premium in 2002 was mainly due to increase of long-term policy and the compulsory motorcycle liability insurance. The direct written premium from voluntary automobile insurance, i.e. physical damage and optional third party liability was NT\$31,531 million in 2002 which was an increase of 2.99%. The direct written premium of compulsory automobile liability insurance in 2002 was NT\$17,128 million.

The average loss ratio for voluntary automobile insurance decreased by 2.52% from 56.05% in 2001 to 53.53% in 2002. The loss ratio for compulsory insurance decreased by 4.51% from 79.78% in 2001 to 75.27% in 2002.

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 the coming years.

Table5

Voluntary Automobile Insurance

(in million NT\$ & %)

Year	1998	1999	2000	2001	2002
Direct Written Premium	30,001	30,000	31,927	30,616	31,531
Loss Ratio	60.34	56.98	53.51	56.05	53.53

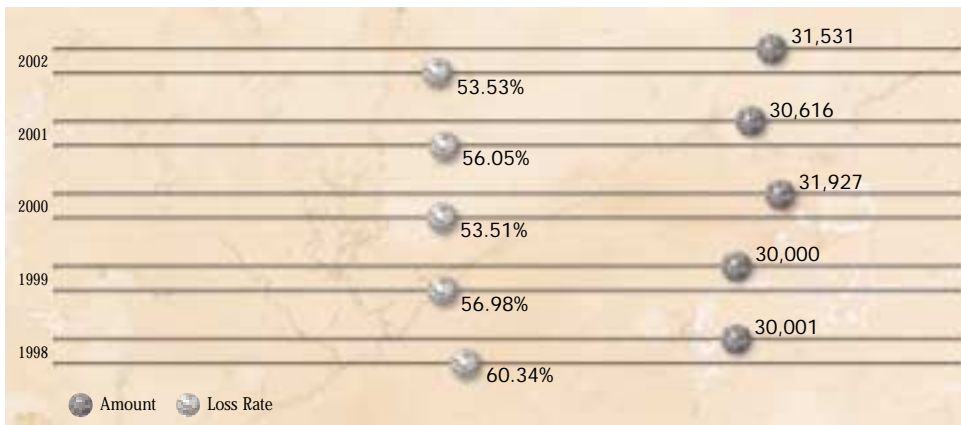


Table 6

Compulsory Automobile Liability Insurance

(in million NTS & %)

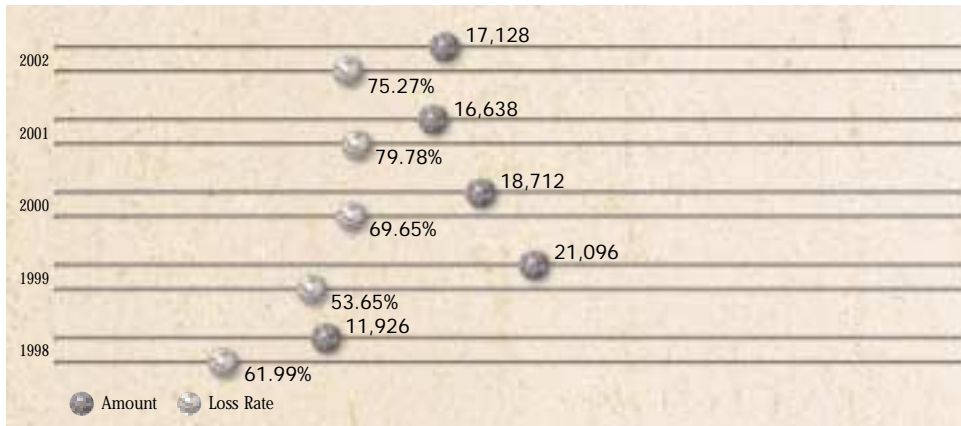
Year	1998	1999	2000	2001	2002
Direct Written Premium	11,926	21,096	18,712	16,638	17,128
Loss Ratio	61.99	53.65	69.65	79.78	75.27

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 NT\$3,908 million in 2002, which was NT\$1,519 million or 63.51% higher than the direct premium of NT\$2,389 million in 2001. The tremendous increase of direct written premium was mainly attributed to 911 event and claims from the Penghu air crash, which incurred a considerably increased premium in the basic cover and additional war risk.

The loss ratio of the Aviation insurance was much higher than those of the previous two years, from 12.51% in 2001 to 107.27% in 2002.

Table 7

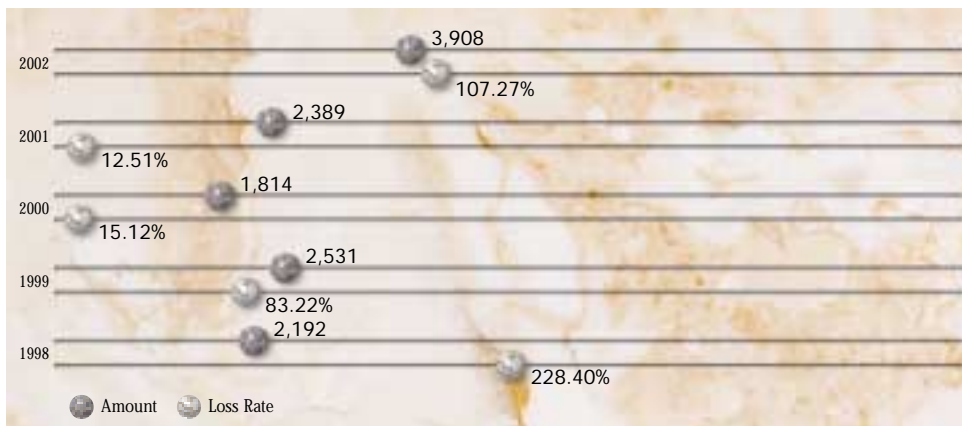
year	1998	1999	2000	2001	2002
Direct Written Premium	2,192	2,531	1,814	2,389	3,908
Loss Ratio	228.40	83.22	15.12	12.51	107.27

(in million NT\$ & %)

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 continued hard situation of global reinsurance market and the implementation of CAR Target Rates in 2002 gave the engineering insurance market a good opportunity to stabilize its pricing level. With fewer public and private construction projects, the engineering insurance market still produced a total direct written premium of NT\$6,267 million in 2002. This achievement was mostly attributable to the overall improvement of premium rates in the engineering insurance market.

The statistics shows that the growth rate of engineering insurance in 2002 was better than expected. It soared 36.68% to NT\$6,267 million in 2002 from NT\$4,585 million in 2001. We believe that several big accounts, such as Taiwan High-Speed Railway, MRT Hsin-chuang, Lu-chou and Nei-hu lines as well as Taiwan Power Company, contributed to this remarkable growth.

As in the previous years, more than 85% of the total engineering insurance premium income in 2002 came from the non-renewable engineering classes of business, i.e. CAR & EAR insurance and only less than 15% of that came from the renewable classes of business, such as CPM, BPV, MB and EEL. It seems difficult to promote the said renewable engineering business at present. However, we hope the renewable engineering class can be well promoted in this market in the near future.

Without major natural and man-made calamities or disasters, such as typhoon, flood, earthquake, landslide and big fire losses, the year 2002 was the only smooth-going year over the past ten years as far as engineering insurance results were concerned. The average loss ratio of all classes of engineering insurance was greatly improved from 142.44% in 2001 to -4.78% in 2002.

Since Taiwan is highly exposed to natural hazards, the engineering underwriters are expected to maintain their careful and prudent underwriting strategy.

Table 8

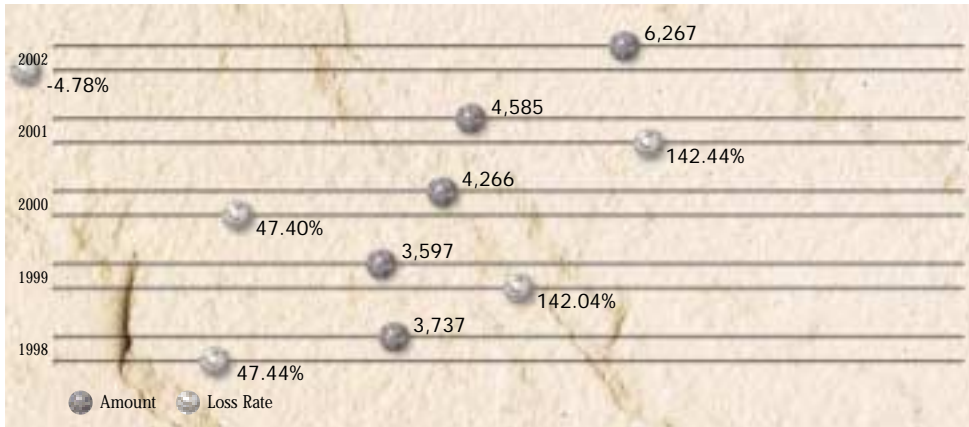
(in million NT\$ & %)

Year	1998	1999	2000	2001	2002
Direct Written Premium	3,737	3,597	4,266	4,585	6,267
Loss Ratio	47.44	142.04	47.40	142.44	-4.78

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 2002, the miscellaneous casualty insurance business generated a total direct written premium of NT\$10,535 million with a growth rate of 3.76% or NT\$382 million over 2001 's NT\$10,153 million in direct written premium.

It was remarkable that the miscellaneous casualty insurance market achieved an average growth of NT\$1,122 million in total direct written premium each year over the last 5 years. In addition, personal accident insurance (PA) played an important role with its innovative marketing modules and coverages that was more flexible than that provided by Life insurers. The performance of personal accident insurance was outstanding. 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 increased by 1.89% from 68.14% in 2001 to 70.03% in 2002. This 70.03% loss ratio reflected a combined loss ratio of three classes of business. The respective loss ratios were 44.73% for liability, 129.48% for bond & credit, and 58.07% 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 to watch the rating levels of Bond & Credit and to monitor developments in the frequency and severity for all miscellaneous casualty insurance business as well.

Table 9

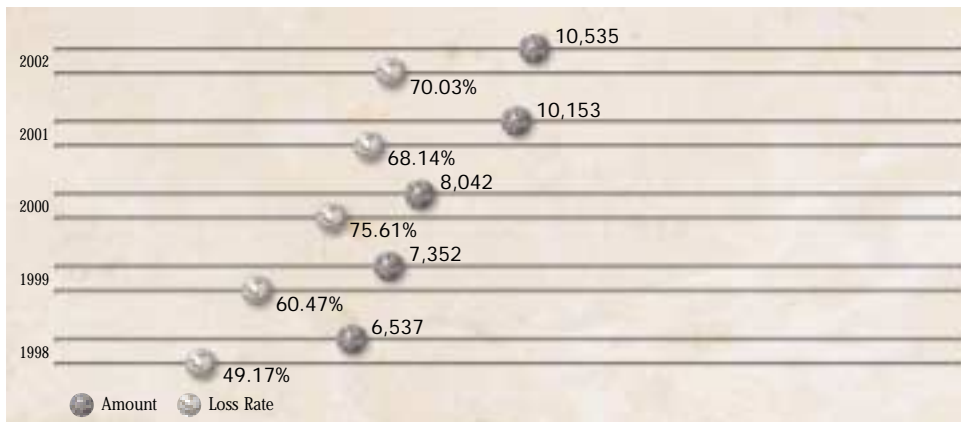
(in million NTS & %)

Year	1998	1999	2000	2001	2002
Direct Written Premium	6,537	7,352	8,042	10,153	10,535
Loss Ratio	49.17	60.47	75.61	68.14	70.03

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	2000		2001		2002	
	Ceded Premium	% of Direct Premium	Ceded Premium	% of Direct Premium	Ceded Premium	% of Direct Premium
United kingdom	2,860	3.26	3,519	3.87	5,149	5.07
France	668	0.76	711	0.78	692	0.68
Germany	5,083	5.79	4,139	4.56	5,064	4.99
Rest of Europe	5,304	6.04	4,395	4.84	5,223	5.15
Japan	2,966	3.38	1,960	2.16	2,119	2.09
South East Asia	12,592	14.33	14,546	16.01	16,387	16.15
U.S.A.	3,763	4.28	3,832	4.22	4,411	4.35
Rest of America	40	0.05	71	0.08	613	0.60
Australia	36	0.04	49	0.05	20	0.02
Total	33,312	37.93	33,222	36.57	39,678	39.10

Sources: 16 domestic non-life insurance companies
5 foreign non-life insurance companies, Taiwan Branch

PRODUCTS AVAILABLE

1. Fire Insurance

Two versions of fire insurance policies, residence policies from and commercial from, 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, Lighting ,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 can not exceed the 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 an optional extension of fire insurance policy optionally, earthquake insurance has become a part of residential fire insurance since April 01, 2002. This insurance provides coverage 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 a total-damage basis. The residential earthquake insurance also provides reimbursement for additional living expense of 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 stopped being 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 and damage caused by fire and lightning, as well as coverage for other perils including explosion, earthquake, typhoon, theft, SRCC, and malicious damage.

The commercial all risks fire insurance policy was available to the market

since January 07, 2002.

2. Marine Cargo Insurance

Local marine cargo policies mainly use the Institute Cargo Clauses (ICC) of 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 subject 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 a 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 serious disability 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 coverage 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. Motorcyclist's personal accident.
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 type B and type C 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. Different from type A, type B explicitly excludes some situations such as the damage caused by unidentified vehicles or objects, unknown-reason scratch or damage, and malicious act of a third party.

As for type C, this coverage covers losses arising from car to car Collision only. The owners may choose this coverage to save premium. Under this coverage, the insured can claim car to car collision losses without deductible.

Both type A and B are bearing a basic deductible of 3,000 NT dollars for the

first claim, 5,000 for the second claim and 7,000 for any claim thereafter.

Other 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 coverage 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.

The coverage are summarized as follows:

1. 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.

2. High deductible coverage

High deductibles, 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.

3. Severe damage coverage

The severe damage coverage covers only in cases where the loss amount exceeds 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 losing his property by paying a relatively low premium.

4. 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.

5. Non-deductible for theft loss coverage

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

6. Non-depreciation for theft loss coverage

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

7. 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

Contractors' All Risks Insurance provides a comprehensive cover for the Insured, either a contractor or a principal, against any unforeseen and sudden physical loss of or damage to the contract works insured or any part thereof at any time during the period of insurance at a construction site from any cause, other than those specifically excluded.

CAR insurance provides the following coverage:

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 is designed to cover any unforeseen and sudden physical loss

or damage that the erection or installation works may suffer from any cause not specifically excluded in the EAR policy at the job site during the period of insurance commencing from unloading of the insured items at the site 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 a renewable policy and needs to be renewed annually. 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 promoted to protect the Insured against 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 the insured perils named, 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 (EEL) Insurance

EEL insurance provides comprehensive coverage for the owners or users of all kinds of electronic equipment and 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.

EEL policy consists of three sections. They are:

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 coverage 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 Agency's 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 externally sudden accidents, which not caused by 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 is 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 brokers, agents and solicitors for the past three years are reported in the table below.

Class/year	2000	2001	2002
Brokers	97	87	125
Agents	257	272	284
Solicitors	31,916	37,209	53,991

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 certificates 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 or 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 certificates which is recognized as professionals. After finishing 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-four current member companies, 8 of them are foreign insurers. Branches of member companies are spread throughout island wide. The local companies have a total of 160 branches and 520 liaison offices. Altogether, the member companies have 13,464 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 is a non-profit research and educational organization that was founded on 1st July, 1985. Its purpose is to promote the development of the insurance industry in the R.O.C, thereby providing solid foundation for the nation's economic growth while supporting improvements in social welfare.

The institute's main functions include:

1. Management Information System & Actuarial Services.

The responsibilities of the institute include:

- (1) The publications of insurance statistics, financial data information for insurance company;
- (2) Actuarial consulting, data collection, financial analysis for the insurance management;
- (3) Maintaining financial key indicators for insurance supervisory purpose and providing viable information for market discipline;

In turn, supervisors, insurers, and the public are given a clearer picture of the market and its growth.

2. Training & Education. 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 sponsors various publications.

3. Research & Publications.

The institute also funds various research projects. "Insurance Monograph" is one of the journals published by the institute. Topics covered include insurance know-how, information with academic "Insurance Issues & Practices" 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. Insurance Professional Examinations & Consultation Services

- (1) Working as an agent for foreign insurance institutes in conducting professional examinations in Taiwan

- (2) Providing services of insurance consumer complains;
- (3) Providing insurance consulting, case study & research on insurance & other financial services industry;
- (4) Providing and planning the tailor-made insurance training courses;
- (5) Reviewing newly-designed insurance policies



MAJOR EVENTS

1. Local dwelling earthquake insurance scheme was introduced on April 1st, 2002. The earthquake cover is automatically attached to an annual dwelling fire policy as an extended coverage. The new earthquake insurance covers total loss or constructive total loss of the insured building only. Partial loss is not covered. Unified cover limit is NT\$1,200,000 per policy. The premium for such earthquake extension is NT\$1,459 per annum. The long term dwelling fire policy was discontinued simultaneously. The existing long term policies will remain in force until expiry. Creditor banks' exposures concerning accumulated earthquake loss to the mortgaged dwelling buildings are protected since the introduction of the scheme.

MOF has formed a local earthquake insurance pool for the new scheme. Appointed operator of the pool is Central Re. The scheme is programming a total event limit of NT\$50 billion. The primary layer will be assumed by all local companies. The second layer will be covered with the earthquake fund generated from the pool premium income. The third layer will be protected by way of traditional or non-traditional reinsurance. The fourth layer will be born by the government.

2. In order to liberalize the local non-life insurance rating control, MOF introduced so called "The three phases rate deregulation plan" on April 1st 2002. As the deregulation process moves forward, the commissioner will focus more on the supervision of solvency issues and financial structure of insurance companies.

In view of the keen competition following deregulation that has been experienced in some developed countries, MOF intends to free the rating control step by step. Each phase takes 3 years before moving to the next. In phase I of the deregulation, MOF stresses that all companies must follow the existing tariff rates of both fire and motor insurance lines. However, the loading part of the premium can be flexible, i.e. companies can decide the loading of each and every policy taking into consideration the relevant cost factor of writing the policy. As such, only the risk premium is controlled during phase I.

When phase II commences, companies can file their own individual tariff based on their own loss experience and cost of expenses. However, the rate change will be confined and can not deviate from the market tariff by certain degree. When phase III comes, the market tariff will be removed, except for some mandatory insurance lines such as compulsory motor liability insurance and dwelling earthquake insurance of which tariff will remain applied. Companies can file for their own rate entirely based on their own statistical experience. The use and file system will apply.

3. The state run reinsurer - Central Reinsurance Corp. has become a privatized company from 11th July, 2002. The Evergreen Group bought 24% of the stake that was released by MOF. The share held by MOF has been reduced to

46.97% from 71% after the transaction. The new Directors of the Board have also been elected on 28th October. The Evergreen Group took 3 seats in the board meeting and 1 seat in the commissioners meeting. Mr. William Yang, the former President of Central Re, was elected the Chairman of the company. It is believed that the Evergreen Group will be involved in the management of the company in the near future.

4. Royal & Sun Alliance Insurance Plc., Taiwan Branch announced cease of its local operations effective October 1st 2002 due to global strategic considerations. The portfolio of its local business has been transferred to Fubon Insurance as approved by MOF. The policyholders' interest on their policy will be assumed by Fubon Insurance - the market leader and "AA"-rated company by S&P.
5. The first merger case in local non-life insurance industry took place in 2002. Union Insurance merged with China Mariners Insurance effective from 11th October. Union Insurance becomes the continuing company while China Mariners Insurance ceased operations after the merger.
6. Mr. Mark Wei, the former President of the Insurance Institute of ROC, was appointed the new Insurance Commissioner of MOF on 28th October 2002. Mr. Wei was once the deputy Insurance Commissioner before his move to the Presidency of the IIROC. Mr. Wei maintains good relationships with the local insurance industry and is also well experienced in the local and international financial sectors. The new appointment is welcomed by the local market.
7. MOF announced the new "Insurance Company Reserving Regulation" on December 26th 2002. The old reserving system has been used for a long time. The relevant rules were scattered in the Insurance Law and application rules. As time goes by, the reserving methods call for alterations to meet the current needs of the local industry.

The major change in the reserving rules concerns special loss reserves. The new



special loss reserve has two sections, namely catastrophe reserve and equalization reserve. The former protects insurers against catastrophe loss while the latter stabilizes the contingent adverse underwriting result.

Under the new system, if the actual net loss ratio of one particular line is less than the expected loss ratio, 30% of the extra underwriting profit should be set aside as equalization reserve. Unlike the old system, the reserves generated from all classes of business

can be used across the board in case of adverse loss results. If the accumulated equalization reserve of a company reaches 60% of its net earned premium income, no more reserve is required.

As to catastrophe reserves, 1 to 2% of the net premium should be set aside depending on the business class. In case of cat. loss, the reserve can absorb the loss fluctuation of the year. If the reserve is 15 years of age, the company can choose to release the reserve or not. Cat. reserves can also be used across lines.

8. It was ruled that insured amount of life or personal accident policy for children under age of 14 should not exceed NT\$1,000,000 per person. Since Insurance Law prohibits death cover concerning insured under age of 14 in order to avoid the moral hazards, the said coverage could only be effected under the coverage item of so called "funeral expenses". However, considering the actual economical needs of the insured's family, MOF has agreed to increase the said limit to NT\$2,000,000 effective from 30th December 2002.
9. MOF will be implementing the new risk-based capital (RBC) requirement by July 2003. In 2002, the MOF had been diligently monitoring the capital health of the insurers in the country. All insurers with a capital base of less than NT\$2 billion were asked to increase their capital before the end of 2002.



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. U-liang Prosperity Co., Ltd. Fire **Date of Loss: January 22, 2002**

U-liang Prosperity Co., Ltd., a textile manufacturer located in Tai-Pao City, Chia-I Hsien, suffered a fire loss on January 22, 2002. This fire loss carried a monetary loss of about NT\$ 44,000,000 for property damage.

2. Boardtek Electronic Corp. Fire **Date of Loss: February 25, 2002**

A fire occurred on February 25, 2002 and caused a severe damage to the PCB manufacturing plant, Boardtek Electronic Corp., which is located at Kuan- Yin Industry Park, Taoyuan. The loss amount was about NT\$ 25,000,000.

3. Chip Strate Technology Inc. Fire **Date of loss: February 25, 2002**

Chip Strate Technology Inc. was involved in the same fire occurring at the Boardtek Electronic Crop on February 25, 2002. Chip Strate sustained a severe property damage of about NT\$900,000,000.

4. Li Lien Ent Ltd. Fire **Date of Loss: May 22, 2002**

A fire occurred on May 22, 2002. The fire caused a severe property damage to Li Lien Ent Ltd., located at Kwei Shan Hsiang, Taoyuan. The loss amount was about NT\$ 50,000,000.

5. Sun Paung Textile Co., Ltd. Fire **Date of Loss: July 14, 2002**

A textile plant, Sun Paung Textile Co., Ltd., located at Taichung Hsien was set afire by arson. The plant sustained a severe property damage cost at around NT\$ 118,000,000.

6. Gold Circuit Electronic Co., Ltd. Fire **Date of Loss: September 01, 2002**

A fire occurred on September 01, 2002. The fire caused severe damage to the PCB plant of Gold Circuit Electronic Co., Ltd., located in Chung Li, Taoyuan Hsien. The loss amount was about NT\$ 120,000,000.

7. Shin Yatt Company Co., Ltd. Fire **Date of Loss: November 24, 2002**

On November 24, 2002, a fire caused severe damage to Shin Yatt Company Co., Ltd., located in Taoyuan Hsien. The loss amount was about NT\$ 120,000,000.

8. TL-OS World First Trading Co., Ltd. Fire **Date of Loss: November 29, 2002**

A fire occurred on November 29, 2002. The fire caused severe damage to the plant of TL-OS World First Trading Co., Ltd., located in Kaohsiung City. The loss amount was about NT\$ 42,000,000.

9. Jern Chow Enterprise Co., Ltd. Fire **Date of Loss: December 28, 2002**

On December 28, 2002, a fire caused severe damage to Jern Chow Enterprise

Co., Ltd., located at Tainan Hsien. The loss amount was about NT\$ 35,000,000.

10. 331 Earthquake

Date of Loss: March 31, 2002

A powerful earthquake measuring 6.8 on the Richter scale shook Taiwan on March 31, 2002. At least 5 people killed, 200 injured, 3 buildings collapsed and 100 houses destroyed in the Taipei area. Five people were killed when two cranes crashed to the ground from the 60th floor of a building under construction (TAIPEI 101 Financial Building). One four-story residential building in the center of Taipei half-collapsed and leaned into the street. The loss amount of this residential building was around NT\$ 20,000,000.

11. China Airline Plane Crash

Date of Loss: May 25, 2002

On May 25, 2002, the crash of a China Airlines plane on route from Taipei to Hong Kong killed all 225 people on board. The Boeing 747-200, flight number CI-611, crashed off the Penghu Islands in the Taiwan Strait about 30 minutes after its takeoff from Chiang Kai-Shek (CKS) International Airport. The insurance companies will pay about NT\$ 4,936 mio. for aviation policy and in compensation to victims of the plane crash.

NON-LIFE INSURANCE COMPANIES



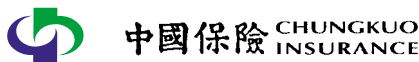
Taiwan Fire & Marine Insurance Co., Ltd.

Date of Establishment: **March 12, 1948**
 Chairman: **K. L. Lai**
 President: **Herbert Young**
 Paid-up Capital: **NT\$2,660,328,000**
 Number of Contact office: **(11) Branch Office, (44) Liaison Office**
 Number of Employees: **515**
 Premium Income: **a. Direct Written Premium**
 NT\$ 4,065,090,712
 b. Reinsurance Premium
 NT\$472,849,825
 Reserves: **a. Unearned Premium Reserves**
 NT\$ 1,832,611,000
 b. Outstanding Loss Reserves
 NT\$1,307,206,000
 c. Special Loss Reserves
 NT\$633,158,000
 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: **January 5, 1951**
 Chairman: **C. C. Huang**
 President: **James Sun**
 Paid-up Capital: **NT\$1,560,000,000**
 Number of Contact office: **(6) Branch Office, (7) Liaison Office**
 Number of Employees: **376**
 Premium Income: **a. Direct Written Premium**
 NT\$2,343,518,419
 b. Reinsurance Premium
 NT\$318,136,794
 Reserves: **a. Unearned Premium Reserves**
 NT\$958,097,545
 b. Outstanding Loss Reserves
 NT\$766,490,863
 c. Special Loss Reserves
 NT\$891,563,869
 Address: **Taiping & First Building 550, Sec. 4,**
Chung Hsiao E. Rd., Taipei, Taiwan,
R.O.C.
 Telephone: **(02)2758-2700(41 Lines)**
 Telefax: **(02)2723-5937**
 http: **//www.taiping.com.tw**



Chung Kuo Insurance Co., Ltd.

Date of Establishment: **November 1, 1931**
 Chairman: **S. Y. Liu**
 President: **C. P. Ting**
 Paid-up Capital: **NT\$4,368,977,260**
 Number of Contact office: **(9) Branch Office, (15) Liaison Office**
 Number of Employees: **514**
 Premium Income: **a. Direct Written Premium**
 NT\$5,218,807,783
 b. Reinsurance Premium
 NT\$889,606,344
 Reserves: **a. Unearned Premium Reserves**
 NT\$1,644,948,645
 b. Outstanding Loss Reserves
 NT\$679,479,940
 c. Special Loss Reserves
 NT\$1,551,335,760
 Address: **No. 58, Wu Chang Street, Sec. 1, Taipei,**
Taiwan, R.O.C.
 Telephone: **(02)2381-2727**
 Telefax: **(02)2371-3576**
 http: **//www.cki.com.tw**



Fubon Insurance Co., Ltd.

Date of Establishment: **April 19, 1961**
 Chairman: **Tsan-Ming Shih**
 President: **Tsan-Hwang Chen**
 Paid-up Capital: **NT\$20,000,000,000**
 Number of Contact office: **(29) Branch Office, (56) Liaison Office**
 Number of Employees: **2,162**
 Premium Income: **a. Direct Written Premium**
 NT\$20,081,304,000
 b. Reinsurance Premium
 NT\$865,157,000
 Reserves: **a. Unearned Premium Reserves**
 NT\$8,372,864,000
 b. Outstanding Loss Reserves
 NT\$1,842,806,000
 c. Special Loss Reserves
 NT\$6,463,755,000
 Address: **No. 237, Sec. 1, Chien Kuo S. Rd., Taipei,**
Taiwan, R.O.C.
 Telephone: **(02)2706-7890**
 Telefax: **(02)2325-4723**
 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\$2,589,797,350**
Number of Contact office: **(7) Branch Office, (27) Liaison Office**
Number of Employees: **832**
Premium Income: **a. Direct Written Premium**
NT\$5,765,601,718
b. Reinsurance Premium
NT\$345,519,720
Reserves: **a. Unearned Premium Reserves**
NT\$2,602,201,075
b. Outstanding Loss Reserves
NT\$580,109,417
c. Special Loss Reserves
NT\$1,803,043,842
Address: **No. 59, Kuan Chien 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\$2,000,000,000**
Number of Contact office: **(17) Branch Office, (51) Liaison Office**
Number of Employees: **1,346**
Premium Income: **a. Direct Written Premium**
NT\$9,204,124,761
b. Reinsurance Premium
NT\$615,683,584
Reserves: **a. Unearned Premium Reserves**
NT\$3,974,913,384
b. Outstanding Loss Reserves
NT\$683,014,094
c. Special Loss Reserves
NT\$2,687,032,949
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>



蘇黎世

Zurich Insurance (Taiwan) Ltd.

Date of Establishment: **April 25, 1961**
Chairman: **Dean Chiang**
President: **Yung Chen**
Paid-up Capital: **NT\$2,000,000,000**
Number of Contact office: **(5) Branch Office, (32) Liaison Office**
Number of Employees: **820**
Premium Income: **a. Direct Written Premium**
NT\$5,274,329,402
b. Reinsurance Premium
NT\$428,549,558
Reserves: **a. Unearned Premium Reserves**
NT\$2,279,971,021
b. Outstanding Loss Reserves
NT\$466,796,978
c. Special Loss Reserves
NT\$1,713,579,469
Address: **No. 56, Tun Hwa North Rd., Taipei,**
Taiwan, R.O.C.
Telephone: **(02)2775-2888**
Telefax: **(02)2741-6004**
<http://www.zurich.com.tw>



Central Insurance Co., Ltd.

Date of Establishment: **March 1, 1962**
Chairman: **Fred Pai**
President: **Charles Sung**
Paid-up Capital: **NT\$3,531,700,000**
Number of Contact office: **(8) Branch Office, (20) Liaison Office**
Number of Employees: **513**
Premium Income: **a. Direct Written Premium**
NT\$6,043,637,628
b. Reinsurance Premium
NT\$293,929,282
Reserves: **a. Unearned Premium Reserves**
NT\$1,590,795,887
b. Outstanding Loss Reserves
NT\$309,428,474
c. Special Loss Reserves
NT\$1,232,633,043
Address: **16-19F, 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: **(5) Branch Office, (31) Liaison Office**
 Number of Employees: **757**
 Premium Income: **a. Direct Written Premium**
 NT\$4,226,904,220
 b. Reinsurance Premium
 NT\$276,935,679
 Reserves: **a. Unearned Premium Reserves**
 NT\$2,074,520,144
 b. Outstanding Loss Reserves
 NT\$446,674,312
 c. Special Loss Reserves
 NT\$1,348,794,760
 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](http://www.firstins.com.tw)



Kuo Hua Insurance Co., Ltd.

Date of Establishment: **December 24, 1962**
 Chairman: **J B Wang**
 President: **J B Wang**
 Paid-up Capital: **NT\$1,000,000,000**
 Number of Contact Office: **(8) Branch Office, (30) Liaison Office**
 Number of Employees: **596**
 Premium Income: **a. Direct Written Premium**
 NT\$3,789,050,349
 b. Reinsurance Premium
 NT\$344,823,962
 Reserves: **a. Unearned Premium Reserves**
 NT\$1,322,410,538
 b. Outstanding Loss Reserves
 NT\$235,579,277
 c. Special Loss Reserves
 NT\$343,262,027
 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](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\$5,115,583,730**
 Number of Contact office: **(16) Branch Office, (42) Liaison Office**
 Number of Employees: **1079**
 Premium Income: **a. Direct Written Premium**
 NT\$5,407,406,296
 b. Reinsurance Premium
 NT\$583,299,876
 Reserves: **a. Unearned Premium Reserves**
 NT\$2,452,632,950
 b. Outstanding Loss Reserves
 NT\$1,047,688,626
 c. Special Loss Reserves
 NT\$1,655,441,532
 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](http://www.unionins.com.tw)



Shinkong Insurance Co., Ltd.

Date of Establishment: **April 26, 1963**
 Chairman: **Anthony T.S. Wu**
 President: **Y. H. Lee**
 Paid-up Capital: **NT\$2,122,752,990**
 Number of Contact office: **(20) Branch Office, (46) Liaison Office**
 Number of Employees: **1,139**
 Premium Income: **a. Direct Written Premium**
 NT\$7,513,718,549
 b. Reinsurance Premium
 NT\$398,227,658
 Reserves: **a. Unearned Premium Reserves**
 NT\$3,652,919,386
 b. Outstanding Loss Reserves
 NT\$704,765,634
 c. Special Loss Reserves
 NT\$2,005,649,102
 Address: **5-12 F. No. 15, Sec. 2, Chien Kuo N. Rd.,**
Taipei, Taiwan, R.O.C.
 Telephone: **(02)2507-5335**
 Telefax: **(02)2507-4580**
 http: [//www.skinsurance.com.tw](http://www.skinsurance.com.tw)



South China Insurance Co., Ltd.

Date of Establishment: **May 1, 1963**
Chairman: **C.F. Liao**
President: **Chen-Yow Tsai**
Paid-up Capital: **NT\$2,001,386,250**
Number of Contact office: **(7) Branch Office, (27) Liaison Office**
Number of Employees: **633**
Premium Income: **a. Direct Written Premium**
NT\$3,959,447,707
b. Reinsurance Premium
NT\$218,286,306
Reserves: **a. Unearned Premium Reserves**
NT\$1,931,116,243
b. Outstanding Loss Reserves
NT\$515,247,373
c. Special Loss Reserves
NT\$1,630,556,163
Address: **5F, No. 560, Sec. 4, Chung Hsiao E. Rd.,
Taipei, Taiwan, R.O.C.**
Telephone: **(02)2758-8418**
Telefax: **(02)2758-7150**
<http://www.south-china.com.tw>



Cathay Century Insurance Co., Ltd.

Date of Establishment: **July 19, 1993**
Chairman: **C. Y. Lee**
President: **Wan-Chie Mar**
Paid-up Capital: **NT\$2,317,005,600**
Number of Contact office: **(3) Branch Office, (40) Liaison Office**
Number of Employees: **799**
Premium Income: **a. Direct Written Premium**
NT\$5,814,560,097
b. Reinsurance Premium
NT\$390,082,543
Reserves: **a. Unearned Premium Reserves**
NT\$3,352,667,111
b. Outstanding Loss Reserves
NT\$530,814,754
c. Special Loss Reserves
NT\$2,037,684,074
Address: **5F, No. 296, Sec. 4, Jen Ai Rd., Taipei,
Taiwan, R.O.C.**
Telephone: **(02)2755-1299**
Telefax: **(02)2709-3899**
<http://www.cathay-ins.com.tw>



Allianz President General Insurance Co., Ltd.

Date of Establishment: **August 23, 1996**
Chairman: **Jason C.S. Lin**
President: **Jean-Noel Rouselle**
Paid-up Capital: **NT\$2,000,000,000**
Number of Contact office: **(5) Branch Office, (16) Liaison Office**
Number of Employees: **510**
Premium Income: **a. Direct Written Premium**
NT\$3,130,385,528
b. Reinsurance Premium
NT\$167,956,182
Reserves: **a. Unearned Premium Reserves**
NT\$990,391,835
b. Outstanding Loss Reserves
NT\$301,286,626
c. Special Loss Reserves
NT\$586,811,195
Address: **11F, No. 69, Sec. 3, Min Sheng E. Rd.,
Taipei, Taiwan, R.O.C.**
Telephone: **(02)2515-7177**
Telefax: **(02)2507-9881**
<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, (19) Liaison Office**
Number of Employees: **465**
Premium Income: **a. Direct Written Premium**
NT\$4,258,475,479
b. Reinsurance Premium
NT\$167,280,803
Reserves: **a. Unearned Premium Reserves**
NT\$1,761,099,289
b. Outstanding Loss Reserves
NT\$472,211,834
c. Special Loss Reserves
NT\$788,830,338
Address: **8th to 11th, No. 130, Nan King E. Rd.,
Sec. 3, Chung Shan Dist, Taipei, Taiwan,
R.O.C. (New Address as form September,
2003)**
Telephone: **(02)2720-5522, 8772-7777**
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: **36**
 Premium Income: **a. Direct Written Premium**
 NT\$737,780,834
 b. Reinsurance Premium
 NT\$282,119,732
 Reserves: **a. Unearned Premium Reserves**
 NT\$198,763,849
 b. Outstanding Loss Reserves
 NT\$82,320,991
 c. Special Loss Reserves
 NT\$178,729,768
 Address: **11F, No. 184, Sec. 4, Hsin Yi Rd., Taipei, Taiwan, R.O.C.**
 Telephone: **(02)7711-8989**
 Telefax: **(02)2705-6112**
 http: [//www.ace-ina.com.tw](http://www.ace-ina.com.tw)



AIU Insurance Company Taiwan Branch

Date of Establishment: **April 17, 1982**
 President: **Mr. Chyen Chen**
 Paid-up Capital: **NT\$329,776,840**
 Number of Contact office: **(0) Branch Office, (14) Liaison Office**
 Number of Employees: **272**
 Premium Income: **a. Direct Written Premium**
 NT\$2,120,742,491
 b. Reinsurance Premium
 NT\$516,851,083
 Reserves: **a. Unearned Premium Reserves**
 NT\$776,956,750
 b. Outstanding Loss Reserves
 NT\$85,931,647
 c. Special Loss Reserves
 NT\$405,550,189
 Address: **16F, No. 200, Sec.1, Keelung Rd., Taipei, Taiwan, R.O.C.**
 Telephone: **(02)2723-6666**
 Telefax: **(02)8788-4698**
 http: [//www.AUAL.com.tw](http://www.AUAL.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: **20**
 Premium Income: **a. Direct Written Premium**
 NT\$164,817,978
 b. Reinsurance Premium
 NT\$68,485,663
 Reserves: **a. Unearned Premium Reserves**
 NT\$74,469,012
 b. Outstanding Loss Reserves
 NT\$23,698,337
 c. Special Loss Reserves
 NT\$125,399,497
 Address: **10F, No. 97, Song Jen Rd., Taipei, Taiwan, R.O.C.**
 Telephone: **(02)87808809**
 Telefax: **(02)87809269**
 http: [//www.chubb.com](http://www.chubb.com)



CGU International Insurance plc, Taiwan Branch

Date of Establishment: **December 22, 2000**
 President: **Jackson Tang**
 Paid-up Capital: **NT\$112,000,000**
 Number of Contact office: **(0) Branch Office, (0) Liaison Office**
 Number of Employees: **8**
 Premium Income: **a. Direct Written Premium**
 NT\$44,443,238
 b. Reinsurance Premium
 NT\$19,793,791
 Reserves: **a. Unearned Premium Reserves**
 NT\$13,265,584
 b. Outstanding Loss Reserves
 NT\$69,927,658
 c. Special Loss Reserves
 NT\$76,323,808
 Address: **16F-1, No. 1., Fu Sing N. Rd., Taipei, Taiwan, R.O.C.**
 Telephone: **(02)2771-1787**
 Telefax: **(02)2771-6992**
 http: [//www.cgu.com.tw](http://www.cgu.com.tw)



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\$85,000,000**
Number of Contact office: **(0) Branch Office, (0) Liaison Office**
Number of Employees: **10**
Premium Income: **a. Direct Written Premium**
NT\$19,866,973
b. Reinsurance Premium
NT\$8,168,268
Reserves: **a. Unearned Premium Reserves**
NT\$5,434,442
b. Outstanding Loss Reserves
NT\$88,012
c. Special Loss Reserves
NT\$1,864,854
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**
<http://www.asiainsurance.com.tw>



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

Date of Establishment: **January 3, 1997**
Chairman: **Tendil**
President: **Paul Lin**
Paid-up Capital: **NT\$171,663,205**
Number of Contact office: **(1) Branch Office, (0) Liaison Office**
Number of Employees: **11**
Premium Income: **a. Direct Written Premium**
NT\$124,309,343
b. Reinsurance Premium
NT\$15,848,154
Reserves **a. Unearned Premium Reserves**
NT\$32,826,189
b. Outstanding Loss Reserves
NT\$80,233,215
c. Special Loss Reserves
NT\$17,341,498
Address: **Room 616, 4F, No. 25, Sec. 3, Tun Hua S.
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: **Sakai Masaru**
Paid-up Capital: **NT\$195,000,000**
Number of Contact office: **(0) Branch Office, (2) Liaison Office**
Number of Employees: **43**
Premium Income: **a. Direct Written Premium**
NT\$293,141,573
b. Reinsurance Premium
NT\$394,638,546
Reserves: **a. Unearned Premium Reserves**
NT\$74,371,472
b. Outstanding Loss Reserves
NT\$22,691,775
c. Special Loss Reserves
NT\$70,893,929
Address: **7F, No. 260, Tun Hwa N. Rd., Taipei,
Taiwan, R.O.C.**
Telephone: **(02)8712-1350**
Telefax: **(02)8712-1370**
<http://www.ms-ins.com.tw>



CARDIF Risques Divers Insurance Co., Taiwan Branch

Date of Establishment: **July 12, 2000**
President: **Gerard Christian Binet**
Paid-up Capital: **NT\$60,000,000**
Number of Contact office: **(0) Branch Office, (0) Liaison Office**
Number of Employees: **8**
Premium Income: **a. Reinsurance Premium**
NT\$21,477,757
b. Retained Premium
NT\$0
Reserves: **a. Unearned Premium Reserves**
NT\$9,101,302
b. Outstanding Loss Reserves
NT\$463,026
c. Special Loss Reserves
NT\$1,472,206
Address: **17F, No. 270, Sec. 4, Chung Hsiao E. Rd.,
Taipei, Taiwan, R.O.C.**
Telephone: **(02)6638-3456**
Telefax: **(02)6638-3457**
<http://www.cardif.com>

**CRC****Central Reinsurance Corporation**Date of Establishment: **October 31, 1968**Chairman: **Cheng-Tui Yang**President: **Chan-Fa Chiu**Paid-up Capital: **NT\$3,000,000,000**Number of Contact office: **(0) Branch Office, (0) Liaison Office**Number of Employees: **104**Premium Income: **a. Reinsurance Premium****NT\$15,877,103,000****b. Retained Premium****NT\$10,736,767,000**Reserves: **a. Unearned Premium Reserves****NT\$5,342,873,000****b. Outstanding Loss Reserves****NT\$4,130,517,000****c. Special Loss Reserves****NT\$1,927,746,000**Address: **No. 53, Sec. 2, Nanking E. Rd., 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	02-25064507 02-25064506
The Nippon Koa Insurance Co., Ltd., Taipei Liaison Office	Takayuki Funakoshi	Rm. 1403, 205, Sec. 1, Tun Hwa S. Rd., Taipei	02-27766484 02-27725456
The Sompo Japan Insurance Co., Ltd., Taipei Liaison Office	Shuei Yoshida	Rm. C, 10F, 146 Sung Chiang Rd., Taipei	02-25612761 02-25622134
The Aioi Insurance Co., Ltd., Taipei Liaison Office	Kohji Ohnishi	Rm. 2212, 22F, No. 333, Sec. 1, Keelung Rd., Taipei	02-27576300 02-27576095

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, Ming Sheng E. Rd., Taipei	02-27161388 02-27135774
Hannover Ruckversicherungs-Aktiengesellschaft, Taipei Liaison Office	Kent Chow	Rm A2, 12F, 296, Sec. 4, Jen Ai Rd., Taipei	02-27011096 02-27048117
The Cologne Re. Taipei Liaison Office	Roger Chen	Rm. B1, 20F, 216, Sec. 2, Tun Hwa S. Rd., Taipei	02-87331179 02-27330110
Gerling-Global Re. Taipei Liaison Office	Peter Franz Hugger	Rm. 127, 167, Tun Hwa N. Road, Taipei	02-23456609 02-23456657
Munich Reinsurance Company, Taipei Liaison Office	Ka-Hin Kua	16F, 109, Sec. 3, Ming Sheng E. Rd., Taipei	02-27177231 02-27124959
The Toa Reinsurance Co., Ltd. Taipei Representative Office	Hsing-Tan Wang	4F-2 No. 128, Sec. 3, Ming Sheng E. Rd., Taipei	02-27151015 02-27151628

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	Chao-Kuo Chiang Warren Wu-Jen Tseng	6F, 3, Nan Hai Rd., Taipei http://www.iroc.org.tw	02-23972227 02-23517508
Motor Vehicle Accident Compensation Fund	Der-Shan Wang Been-Hou Kuo	18F, 2, lane 150, Shin Yi Road, Sec. 5, Taipei	02-87898897 02-87896061
Taiwan Residential Earthquake Insurance Fund	Susan S. Chang Cheng-Tui Yang	13F, 53, Sec. 2, Nan King E. Rd., Taipei	02-25115211 02-25632933
The Non-Life Insurance Association of the Republic of China	Frank Wang Martin Sha	13F, 125, Sec. 2, Nan king E. Rd., Taipei	02-25071566 02-25074095
The Life Insurance Association of the Republic of China	Wen-In Lin Tsann-Nan Horng	5F, 152, Sung Chiang Rd., Taipei http://www.lia-roc.org.tw	02-25612144 02-25613774
The Non-Life Underwriters Society of the R.O.C.	Tsan-Ming Shi Yi-Tang Huang	13F, 125, Sec. 2, Nan king E. Rd., Taipei	02-25065941 02-25075245
Engineering Insurance Association	Nai-Shiung Chang Song-Ji Wang	10F, 39, Sec. 1, Chung Hsiao W. Rd., Taipei	02-23820051 02-23820001
R.O.C. Nuclear Energy Insurance Association	Sheng-Yen. Liu Bour-Jin Wei	15F, 88, Sec. 2, Nan King E. Rd., Taipei	02-25514235 02-25611176
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	02-27058393 02-27549459
The Actuarial Institute of the R.O.C.	Won-How Lo Shun-Shan Yah	122, Tun Hwa N. Rd., Taipei	02-27169947 02-27169920
Life Insurance Management Institute of the R.O.C.	Ban-Tui Lai Kuo-Cheng Shieh	20F, 66, Sec. 1, Chung Hsiao W. Rd., Taipei	02-23710852 02-23758879
Insurance Society of the R.O.C.	Charles C.T. Wang Simon Lin	12F, 56, Tun Hwa N. Rd., Taipei	02-27316300- 1250
Insurance Agents Association of the R.O.C.	C. H. Huang King-Shan Chan	3F, 439, Sung Chiang Rd., Taipei	02-25055891 02-25155390
Insurance Brokers Association of the R.O.C.	Mark Cheng Michael Chou	4F, 45, Sec. 3, Ming Chun E. Rd., Taipei	02-25174939 02-25174857
The Insurance Brokers Association of the R.O.C.	Fan Huang Hai-Ping Ju	3F-2, 58, Lane 85, Lin Sen N. Rd., Taipei	02-25642809 02-25642814
Surveyors Association of Taipei	Kuo-Ming Chen Wei-Ping Liao	Rm 705, 7F, 43, Sec. 1, Chung Chin S. Rd., Taipei	02-23707617 02-23755407
Surveyors Association of Kaohsiung	Wan-Fa Shieh	8F-2, 224, San Duo Road II, Lin Ya District, Kaohsiung	07-7132207 07-7131853
Taipei Insurance Service Association	En-Ming Tseng Elton Chang	Rm. 1301A, 27, Sec. 3, Chang Shan N. Rd., Taipei	02-25966516 02-25967116