Interim Report on the Taiwan's Life Insurance Industry 2010

一、Business and Financial Overview

(一) Business Overview

The Taiwan life insurance industry delivered a total premium income of TWD 1,144.2 billion from the first six months of this year, increased by 23.52% when compared to TWD 926.3 billion earned in the first-half of 2009. While the first-year premium income amounted to TWD 569.7 billion, up 41.93% year-over-year, renewal premium income rose by year-over-year 9.43%, reaching TWD 574.5 billion. Contrarily to the year-over-year growth rate of -16.50% reported in the first half of 2009, the growth rate of first-year premium income for first half of 2010 was much higher than the year-over-year growth rate for the overall premium income, indicating that life insurance has walked out from the shadow of the economic downfall last year. As further indications confirm that global economy is gradually stepping out from the financial crisis in 2008, domestic economy has also turned to a more positive trend. More details of the premium and product analysis will be found in the sections below.

1. Premium Income

The total premium income generated in the first half of 2010 was TWD 1,144.2 billion, within which the first-year premium income accounted for 49.79% (TWD 569.7 billion) of the total premium income. Comparing to the first half of 2009, where the first-year premium income only accounted for 43.33%, the proportion increased by 6.46%. On the other hand, renewal premium income made up 50.21% (TWD 574.5 billion) of the total premium income. Although the percentage fell slightly in comparison to 56.68% in the first half of 2009, the premium income in terms of real number rose from TWD 525.0 billion to TWD 574.5 billion.

A further study on the first-year premium revealed that single premium grew from TWD 226.2 billion in the first half of 2009 to TWD 363.5 billion in the first half of 2010. It accounted for 63.81% of the total first-year premium income, significantly increased by 60.70% comparing to same period last year. Such substantial rate of growth was mainly contributed by interest-sensitive annuity products which totaled TWD 167.6 billion and made up 29.41% of the total single premiums earned during the period. Second contributor was the traditional endowment insurance which amounted to TWD 132.8 billion and made up 23.31% of the total single premium income. Comparing to the first half of 2009's TWD 97.1 billion, growth rate was as high as 122.99%. Moreover, 6-year endowment accounted for around half of the single premium endowments sold during the period. Thirdly was the deferred variable annuity which made up 6.61% or TWD 37.6bn of the first-year, single premium income received, reflecting a small growth of 6.54% when compared to TWD 35.3 billion earned in the first half of 2009. Quite the opposite, only 36.19% of the first-year premium was generated from installment premiums, although the real number soared from TWD 175.2

billion in the first half of 2009 to TWD 206.2 billion in the first half of 2010. In summary, single premium played an essential role in terms of first-year premium income.

2. Products

Analyzing from total premium income, premium income generated by investment-linked products amounted to TWD 133.8 billion, accounting for 11.69% of the total premium income, among which the investment-linked life insurance contributed TWD 84.5 billion, increased by 0.48% year-over-year in comparison to TWD 84.1 billion in the previous year; moreover, investment-linked annuity also grew slightly from TWD 41.9 billion in the first half of 2009 to TWD 49.3 billion in the first half of 2010. In terms of first-year premium income, investment-linked life insurance increased from TWD 24.3 billion in the first half of 2009 to TWD 36.5 billion, growing by 4.95% year-over-year; furthermore, investment-linked annuity rose from TWD 36.5 billion in the first half of 2009 to TWD 39.4 billion in the first half of 2010, posting a year-over-year growth rate of 7.95%. The difference in growth rate indicated that the premium income of investment-linked product augmented against same period last year, manifesting the sales of investment-linked products has gradually picked up as financial crisis and structure note controversy wind down.

The premium income of tradition insurance came to be TWD 1,010.4 billion, representing 88.31% of the total premium income among which the premium income of traditional life insurance boosted from TWD 559.7 billion in the first half of 2009 to TWD 632.1 billion in the first half of 2010, rising by 12.94%; moreover, premium income of traditional annuity enhanced to TWD 241.4 billion in the first half of 2010 from TWD 111.0 billion in the first half of 2009, delivering an impressive growth rate of 117.48%; furthermore, health insurance premium income amounted to TWD 109.4 billion, increasing by 7.57% comparing to same period last year; finally, accident insurance fell slightly by 1.43% from TWD 27.9 billion in the first half of 2009 to TWD 27.5 billion in the first half of 2010.

According to a more detailed analysis of the first-year premium income, traditional life insurance represented TWD 246.2 billion of the total first-year premium income attained during the first half of 2010, boosting by 17.24% in comparison to TWD 210.0 billion achieved in the first half of 2009. Endowment made up 79.33% of the first-year premium of traditional life insurance with TWD 195.3 billion, among which single-premium endowment contributed 53.94% or TWD 132.8 billion, indicating life insurers still view short-term endowment as one of the major products. In addition, interest-sensitive annuity emerged a significant growth of 122.60%, attaining TWD 239.3 billion in the first half of 2010 from TWD 107.5 billion in the first half of 2009, attributing to high interest rates offered by the product that were generally higher than term-deposit rates. As the result, the distribution share of the traditional life insurance was reduced.

According to the data in the preceding paragraphs, the first-year premium of investment-linked products in the first half of 2010 grew by 6.74% year-over-year as the world economy recovers and the stock market rallies. The contribution from traditional endowment and interest-sensitive annuity was remarkable, thus stimulating the first-year premium to increase by 41.93% year-over-year. Furthermore, the gap between first-year premium and renewal premium significantly reduced from 43.33% vs. 56.68% in the first half of 2009 to 49.79% vs. 50.21% in the first half of 2010, indicating that the recovery of economy has led to the expansion of life insurance’ s first-year premium income.

3. Distribution Channels

The main contributors of first-year premium income in the first half of 2010 were bancasssurance（TWD 379.9 billion）and solicitors of life insurers（TWD 173.1 billion), accounting for 66.69% and 30.39% of the total first-year premium income respectively. The combination of the two made up 97.08% of the total first-year premium income; meanwhile, other distribution channel contributed a mere 2.92%. The premium income generated by insurance solicitors have been gradually decreasing year after year (57.70% in the first half of 2008; 34.77% in the first half of 2009; 30.39% in the first half of 2010). In comparison to the first half of 2009, the first half of 2010 fell approximately by 4.38%. However, the premium income in real number grew from TWD 139.5 billion in the first half of 2009 to TWD 173.1 billion in the first half of 2010. On the contrary, bancassurance has been growing tremendously from TWD 185.6 billion in the first half of 2008 to TWD 242.4 billion in the first half of 2009, and then to TWD 379.9 billion in the first half of 2010. The year-over-year growth rate reached an impressive 56.75%, while the distribution share also lifted from 60.41% to 66.69%. The rising of bancassurance was mainly due to the volatility of the financial market and low-interest environments which led the consumers turn to low-risk, saving-oriented products

Based on the numbers above, it can be conclude that the distribution channel of life insurance industry has been transforming, leading by integration of financial market. The heavy reliance on solicitors has now been shifted on to brokers and agents. In addition, premium income from direct marketing has also shown steady growth, increasing from TWD 2.7 billion in the first half of 2009 to TWD 3.4 billion in the first half of 2010. These are all indications that the distribution channels of life insurance are now more diversified than ever.

4. Group Insurance vs. Personal Insurance

In the first half of 2010, the number of new policies issued totaled 18.05 million policies, boosting from 14.48 million in the first half of 2009, and posted a year-over-year growth rate of 24.65%. The largest growth was contributed by group health insurance (4.45 million policies, 109.91% year-over-year growth rate); secondly was the personal annuity (0.2 million policies, 81.82%). On the contrary, the largest decline was seen in personal accident insurance (3.14 million policies, -27.65%) and followed by personal health insurance (1.68 million policies, -14.72%). In general, personal insurance lessened by 18.77% year-over-year. In terms of number of policies, it fell from 7.94 million policies in the first half of 2009 to 6.45 million in the first half of 2010. The number of person insured by group insurance, in contrast, significantly augmented by 77.37%, increasing from 6.54 million persons in the first half of 2009 to 11.60 million persons in the first half of 2010.

Insured amount of the new policies amounted to TWD 16.52 trillion, climbed by 18.93% year-over-year in comparison to TWD 13.89 trillion in the first half of 2009. Personal annuity made up the largest expansion with 300% year-over-year growth rate (TWD 0.24 trillion), followed by group health insurance's year-over-year growth rate of 145.83% (TWD 0.59 trillion). The largest contraction came from personal health insurance, which posted a -51.43% year-over-year growth rate (TWD 0.34 trillion) followed by personal accident insurance's -5.18% (TWD 8.24 trillion). In sum, the insured amount for personal insurance totaled TWD 9.72 trillion, fell merely by 6.45% in comparison to TWD 10.39 trillion posted same period last year whilst the insured amount of group insurance amounted to TWD 6.8 trillion In comparison to TWD 3.5 trillion in the first half of 2009, the year-over-year growth rate was as high as 94.29%.

In summary, in the first half of 2010, personal insurance declined in terms of both number of policies issued and insured amount comparing to same period 2009. In contrast, group insurance ascended. Meanwhile, personal annuity reversed the descending trend and came up with an impressive increase in the first half of 2010. This is likely to be the result of the significant growth seen in interest-sensitive annuity.

5. New Investment-Linked Insurance Policies

The number of newly issued investment-linked product amounted to 127,000 policies, slightly declined by 3.13% when compared to 131,100 new policies issued in the first half of 2009, with variable life insurance deteriorated the most by -42.01%, dropping to 31,200 policies and variable annuity the second by -40.43%, falling to 19,600 policies. Only variable universal life insurance rebounded by 71.85% with 76,300 new policies sold in the first half of 2010.

The total insured amount of the newly issued investment-linked product added up to TWD 182.53 billion, climbing by 29.67% compared to TWD 140.76 billion in the first half of 2009. Biggest downfall (-97.96%) was found in variable annuity which attained merely TWD 93 million, followed by variable life insurance (-45.55%) with the insured amount of TWD 28.34 billion. Variable universal life insurance, on the other hand, improved from same period last year in terms of number of policies issued as well as insured amount which resulted in TWD 154.1 billion of insured amount or growth rate of 82.89%.

Overall speaking, despite the steadily recovery of the global economy, consumers remain cautious in their spending because improvement in domestic employment market is legged behind and income growth has yet to pick up. Policyholders prefer conservative investment tools. Given the flexible payment terms and insured amount as well as linkage to low-risk investment tools that offer better interest rates, variable universal life insurance becomes a very good choice for policyholders who are seeking principle and interest guarantees. For variable annuity, even though both insured amount and the number of new policies declined compared to same period last year, the premium income actually indicated an increasing trend. Majority of the variable annuity contracts were sold through bancassurance, and most of the policyholders bought for investment reasons, as oppose to insurance protection reason. Therefore, banks' selection of customers may have impacted the outcome of the product sales.

6.Policy in Force

The number of policies in force as of the end of June 2010 was 161.73 million policies, declining slightly by 1.71% when compared to 164.54 million policies in June 2009. Among all types of products, annuity posted the largest year-over-year growth rate of 23.33% with 1.11 million policies in force. Meanwhile, the performance of other products varied: life insurance fell by 0.66% (45.5 million policies in force); accident insurance decreased by 6.53% (46.51 million policies in force); and health insurance ascended by 0.78% (68.61 million policies in force). The insured amount of policies in force equaled to TWD 82.09 trillion, dwindling by 10.88% when compared to TWD 92.11 trillion in June 2009. Similarly, annuity outperformed other products by generating an insured amount of TWD 0.88 trillion (104.65%) while other products had declined comparing to same period last year. The insured amount for health insurance, accident insurance and life insurance in 1H01 were TWD 12.9 trillion (-28.93%), TWD 32.35 trillion (-12.76%), and TWD 35.96 trillion (-1.34%), respectively.

Worth mentioning was that to enhance the basic insurance coverage for the financially disadvantaged, the competent authority had approved the first micro-insurance policy in October 2009. Up to June 2010, there were a total of seven insurers carrying micro-insurance, 13,000 micro-insurance policies in force with insured amount of TWD 3.73 billion and accumulative premium income of TWD 2.89 million.

7.Benefit Payout

The benefit paid during 1H2010 totaled TWD 513.78 billion, mounting by 31.57% in comparison to TWD 390.5 billion in the first half of 2009. The biggest increase of benefit paid was seen in annuity (year-over-year growth rate of 110.13%, TWD 156.65 billion), followed by life insurance (year-over-year growth rate of 14.05%, TWD 313.8 billion), health insurance (year-over-year growth rate of 7.36%, TWD 33.52 billion), and accident insurance (year-over-year growth rate of 2.47%, TWD 9.81 billion). In terms of the number of beneficiaries, there were 7.85 million in the first half of 2010, higher than the 6.12 million in the first half of 2009 by 28.27%. Out of 7.85 million beneficiaries, 3.77 million received benefit from life insurance, which alone accounted for 48.03% or close to half, of the total beneficiaries.

In view of benefit payments by item, surrender payments, which amounted to TWD 254.17 billion, accounted for 49.47% of the total benefit paid in the first half of 2010. Maturity benefit totaled TWD 127.24 billion, representing 24.77% of the total benefit. Survivor benefit payment constituted the third largest item with TWD 45.64 billion, making up 8.88% of the total benefit paid in the first half of 2010. The sum of benefits paid in cover of the above mentioned three items equaled to TWD 427.05 billion or 83.12% of the entire benefit paid during this period of time. The amount of surrender payments paid in the first half of 2010 increased considerably by 41.82% from TWD 179.22 billion in the first half of 2009 to TWD 254.17 billion in the first half of 2010. The hike was set off primarily by surrender of annuity which increased enormously by 112.20%, escalating from TWD 73.07 billion in the first half of 2009 to TWD 155.05 billion in the first half of 2010.

Further analysis of benefits payout by products was as follows: life insurance benefit payment made in the first half of 2010 amounted to TWD 313.8 billion and was paid to 3.77 million beneficiaries, and 86.61% of the total life insurance benefits were paid out as maturity benefits in the amount of TWD 127.24 billion, surrender payments in the amount of TWD 98.93 billion, and survivor benefit payments in the amount of TWD 45.62 billion; Benefit payout for accident insurance added up to TWD 9.81 billion and was paid to 0.95 million beneficiaries, and among which TWD 5.24 billion were paid as health insurance benefits, TWD 2.57 billion as death benefits, and TWD 1.7 billion as disability benefits; Health benefits payout in the first half of 2010 summed up to TWD 33.52 billion and was paid to 2.68 million beneficiaries, among which medical benefits were paid in the amount of TWD 29.32 billion, death benefits were paid in the amount of TWD 2.57 billion, and dread disease benefits were paid in the amount of TWD 0.93 billion; A total of TWD 156.65 billion annuity benefit payments were made to 0.27 million beneficiaries in the first half of 2010, among which surrender payment accounted for 98.98% (TWD 155.05 billion) of the total benefit paid. One of the two reasons that cause the trend is that surrender charge for interest-sensitive annuity is usually collected only in the first year. Therefore, after the one year period is up, policyholders tend to surrender the old policy and purchase a new policy if higher interest is offered. Secondly, since interest-sensitive annuity is mostly linked to mutual fund, the rally in Taiwan stock market may have accelerated the timeline to redeem profits for some policyholders.

The above benefit payment data revealed that consumers in Taiwan prefer principle guaranteed or benefit paid at maturity type of endowment insurance. In addition, policyholders of annuity saw the product as an investment tool instead of an insurance protection or safety net for future, thus resulting in high numbers of early surrender.

二、Financial Overview

（一）Assets and Liabilities

As of the of June 2010, the total assets of life insurance industry totaled TWD 11.46 trillion, up by 15.99% year-over-year from the previous year’s TWD 9.88 trillion. Assets excluding separate account equaled to TWD 10.35 trillion, attaining 16.16% year-over-year growth rate; separate account of investment-linked insurance products added up to TWD 1.11 trillion, constituting 9.69% of the industry’s total assets, down from 9.82% in June 2009.

The assets were allocated in the following investment categories: securities and bonds (62.22%), separate account products assets (9.69%), loans (10.30%), cash and bank deposits (9.69%), real estate investments (3.49%), and other items (4.62%). Due to the increasing stock market activities, life insurers have poured large sum of investment into the stock market, leading the asset allocation in securities and bonds to increase by 18.05% in comparison to same period last year. At the same time, in response to the potential surrender threats from interest-sensitive products which may increase the need of cash and the limitation set by the Insurance Act on capital utilization, life insurers also enhanced cash and deposits by 26.14%.

The total liabilities of life insurance industry as of end of June 2010 was TWD 11.07 trillion, rising by TWD 1.47 trillion when compared to the first half of 2009 and reflecting a year-over-year growth rate of 15.31%. This could be explained by the sales hike of short-term endowment and interest-sensitive annuity, which pushed life insurance policy reserves to rise by 13.15% year-over-year, and the adoption of loss triangle system that caused the loss reserves for accident insurance to soar by 42.41%. Likewise, the owner’s equity of the industry rose by 39.29%, expanding from TWD 0.28 trillion in the first half of 2009 to TWD 0.39 in the first half of 2010. The ratios of assets to liabilities and assets to owner’s equity were 96.60% and 3.40%, respectively. Excluding separate account, the ratios became 96.23% and 3.77%, respectively. Various liability reserves amounted to TWD 9.66 trillion, representing 87.26% of total liabilities.

Although the owner’s equity of life insurance industry as a whole remained positive on the last day of June 2010, four individual insurers appeared to have negative owner’s equity, implicating the need for financial improvement. The change in owner’s equity was likely induced by worsening of retained earnings, which descended from -TWD 91.97 billion in the first half of 2009 to -TWD 116.42 billion, marking a year-over-year decline rate of 26.60%. In addition, unrealized gain tumbled subsequently to the outbreak of European sovereign debt crisis which triggered Taiwan stock market to fall and shook the global financial market. Together with huge losses generated by foreign exchange, the life insurance industry posted a significant after tax loss of TWD 29.26 billion in the first half of 2010, falling by 763.88% when compared to a loss of TWD 3.39 billion in the first half of 2009.

（二）Losses and Profits

The revenue of the first half of 2010 totaled TWD 1.9 trillion, among which the operating revenue (income from insurance) accounted for 90.53% or TWD 1.72 trillion of the total revenue. It was up by TWD 1.41 trillion or 22.14% in comparison to the first half of 2009. The total expense amounted to TWD 1.92 trillion, of which the operating expense in the amount of TWD 1.86 trillion accounted for 97.89% of the total expense. Comparing to TWD 1.53 trillion in the first half of 2009, it grew by 21.93% year-over-year. In addition to the fact that both policy reserves and loss reserves have increased by 28.33% YEAR-OVER-YEAR and 173.48% year-over-year, respectively, benefit payout also mounted by 27.1%, thus leading to underwriting losses of TWD 139.09 billion.

The financial revenue (including interest income, securities gains, and real estate gains) of the first half of 2010 totaled TWD 170.57 billion, constituting 9% of the total revenue. It slightly enhanced by 0.47% when compared to TWD 169.77 billion in the first half of 2009. Financial expense (including interest expense, securities losses, and real estate losses), on the other hand, amounted to TWD 24.52 billion, accounting for 1.29% of the total expense. It rose by 224.98% in comparison to TWD 7.54 billion in the same period last year. The change in financial revenue was primarily due to the ascendant of interest income; and the financial expense was impacted mainly by securities losses. In terms of net investment gains, net interest income reached approximately TWD 145 billion, increased by 10.28% when compared with TWD 131.47 in the first half of 2009; net real estate gains resulted in TWD 12.51 billion, up by 1.09% when compared to TWD 12.38 billion in the first half of 2009. On the opposite, securities investment posted a -162.28% year-over-year growth rate or loss of TWD 11.45 billion, plunging from a net securities profit of TWD 18.38 billion in the first half of 2009.

As of June 30, 2010, life insurance industry posted a net loss of TWD 29.26 billion. Comparing to a net loss of TWD 3.39 billion in June 2009, the loss increased by TWD 25.88 billion and the industry suffered a downfall of 763.88%. The number of insurers with net loss grew from 13 to 23. Despite the recovery of world economy, life insurers had obviously lost out in the securities investments under the impact of European sovereign debt crisis and foreign exchanges due to TWD appreciation, and consequently, led to a larger overall net loss.

（三）Available Capital

At the end of June 2010, the amount of available capital for life insurance industry was TWD 9.89 trillion, up by 15.81% in comparison to TWD 8.54 trillion in the first half of 2009. The available capital ratio (ratio of available capital to total assets) came to be 98.41%. Around 43.26% or TWD 4.19 of the available capital was invested in securities (government and treasury bonds represented 24.13% or TWD 2.23 trillion) and 30.75% or TWD 3.29 trillion in foreign investments. The combination of the two investment categories accounted for 74.01% of the available capital.

On the last day of June 2010, bank deposits reached TWD 816.22 billion, achieving 28.2% year-over-year deposit growth from TWD 636.7 billion in the first half of 2009. Moreover, corporate bonds increased substantially by 35.71% from TWD 319.5 billion in the first half of 2009 to TWD 433.58 billion; government and treasury bonds climbed by 8.32% from TWD 2,059.77 billion in June 2009 to TWD 2,231.14 billion in June this year; securities investment went from TWD 445.91 billion last June to TWD 549.03 billion this June, posting a year-over-year growth rate of 23.13%; foreign investments also delivered a year-over-year growth rate of 25.43%, rising from TWD 2,624.8 billion in June 2009 to TWD 3,292.42 billion in June this year.

The investment data above implicated that more capital has been shifted to investment tools with higher risks such as securities and corporate bonds in the light of steady recovery of global economy and the heating up of stock trades. At the same time, insurance industry’s bank deposit have hit record high due to the limitations on capital utilization set by article 146 of the Insurance Act as well as the accelerated growth of premium income from interest-sensitive products which forced insurers to set aside a large sum of money as liquidity to cover potential surrender payments.

二、Conclusion and Outlook

（一）Conclusion

In summary, life insurers attained premium income of TWD 1,144.2 billion, achieving 23.52% year-over-year premium income growth. First-year premium accounted for 49.79% of the total premium income, improving from 43.33% in the first half of 2009. Short-term endowment and interest-sensitive annuity remained the two strongest products of life insurance.

A further breakdown of the first-year premium income indicated that investment-linked products failed to dominate the market like it did in the previous two year. It only accounted for 11.39% of the total first-year premium income in the first half of 2010. The distribution share of traditional insurance in terms of first-year premium income, on the opposite, grew from 86.40% in 2009 to 88.31% this year, proving that traditional insurance products had once again became favorable in the eyes of policyholders in the recent two year.

New policies issued in the first half of 2010 amounted to 18.05 million policies, up from the first half of 2009. Insured amount also climbed by 18.93% year-over-year, achieving TWD 16.52 trillion. Life insurance and annuity both grew in comparison to the first half of 2009 in terms of numbers of policies issued and insured amount. The rate of growth for annuity was most significant. Nevertheless, policies in force declined in both number of policies and insured amount. As of end of June 2010, total number of policies in force was 161.73 million and insured amount added up to TWD 82.09 trillion.

Benefits payout in first half year of 2010 totaled TWD 513.78 billion. The combination of life insurance benefit payout and annuity payout alone equaled to TWD 470.45 billion, accounting for 91.57% of the total benefit paid during this period of time. 31.53% of the life insurance payout and 98.98% of the annuity payout were made as surrender payments, implicating that policyholders were more concerned about the investment function of product instead of insurance protection.

As for the net investment income, net interest income had the strongest result at TWD 144.99 billion. Net securities investment income plummeted from TWD 18.38 billion in the first half of 2009 to a loss of TWD 11.45 billion in the first half of 2010, consequently taking the net income to drop from TWD 3.39 billion in the first half of 2009 to TWD 29.26 billion by the end of June 2010. Unfavorable foreign exchange and bear market, no doubt, had severe impacts over the profitability of life insurance industry.

（二）Outlook

Life insurance industry will probably face tougher challenges in the second half year of 2010. Due to the European sovereign debt crisis and rising prices on raw materials, manufacturers in general are less optimistic about the economy for the second half of 2010. Moreover, insurers must find strategies to maintain the growth momentum of first-year premium income as competent authority is ready to adopt an equivalent standard to weigh out the single-premium and products with only 2 to 5 years of payment terms in the light of formulating a consistent and reasonable basis of comparison for first-year premium income each year. Making the condition even tougher, the competent authority has also extended the surrender charge period on interest-sensitive annuity. This measure will definitely have direct impact on the short-term endowment and interest-sensitive annuity. Last, but not least, the profitability of the insurance industry has been worsened by unfavorable foreign exchange and bear market along with low-interest market condition which led to the enormous losses in securities investments.

Under the low-interest market condition, the competent authority will continue focus on ensuring sound managements of insurers by urging them to prudently make reasonable rates, at the same time, strengthening the supervision on interest rates for interest-sensitive insurance products as well as the overall risk control measures. It is aspired to promote insurance with higher protection function and annuity as ways to increase the average insured amount in Taiwan and respond to the social trend of growing aging population and low birth rate. Furthermore, it will continue to drive the development of micro-insurance as an essential way to provide coverage for the economically disadvantaged and more comprehensive safety net for all. As the competent authority implements strategies to improve the capacity and the competitiveness of insurance industry in Taiwan, it encourages insurers to satisfy consumers' needs through launching new products and expects the industry to develop steadily and thrive when opportunities emerge.