

2024 Taiwan Life Insurance Market Overview

I. Life Insurance Industry Business and Financial Overview

A. Business Statistics

The life insurance industry in Taiwan recorded NTD2,440.2 billion in total premium income in 2024, up by 11.53% from NTD 2,187.9 billion in 2023. Of these, first-year premium (FYP) income accounted for NTD 841.8 billion, a 25.38% increase compared with 2023 figure of NTD 671.4 billion. Renewal premium income stood at NTD 1,598.4 billion, an increase of 5.39% over the same period in the previous year.

1. Breakdown of Premium Income

In terms of premium structure, FYP income represented NTD 841.8 billion, or 34.5% of the total premium income reported in 2024, up from 30.69% in 2023. Single premium stood at NTD 391.7 billion in 2024, representing a significant increase of 29.83% from NTD 301.7 billion in 2023. Meanwhile, installment premium rose by 21.72% from NTD 369.7 billion in 2023 to NTD 450 billion in 2024. Renewal premium income amounted to NTD 1,598.4 billion, or 65.5% of the total premium income in 2024, up by NTD 81.7 billion from the same period last year, when it totaled NTD 1,516.7 billion or rose by 5.39%..

A further breakdown of the FYP income indicates that single premium made up 46.53% in 2024. Of this, interest-sensitive life insurance premium stood at NTD116.4 billion, while variable annuity premium came to NTD130.1 billion, or 29.71% and 33.21% of the total single premium, respectively. However, compared to 2023, the proportion of single premiums rose slightly from 44.94% to 46.53%, while the proportion of installment premiums decreased slightly from 55.06% to 53.46%. The above data shows that in recent years, the life insurance industry has been continuously optimizing its product structure in alignment with government policies and in preparation for IFRS 17 implementation, with installment premium products accounting for more than 50% of total first-year premium income.

2. Product structure changes

In 2024, traditional insurance policies produced a premium income of NTD1,995.4 billion, making up 81.77% of the total. Within this, life insurance contributed NTD 1,451.1 billion, a 9.95% increase from NTD 1,319.8 billion in 2023. Health insurance income rose by 5.51% to NTD 457.5 billion from NTD 433.6 billion in 2023. Accident insurance premium income reached NTD 77.7 billion, a 6.15% increase from NTD 73.2 billion in 2023. Annuities, however, saw a sharp decline of 26.02%, from NTD 12.3 billion in 2023 to NTD 9.1 billion in 2024.

Traditional product FYP was NTD 501.5 billion, of which traditional life insurance accounted for NTD 437.2 billion, an increase of 23.68% compared to NTD 353.5 billion in 2023. This may be related to the Federal Reserve's initiation of a rate-cutting cycle in September 2024, as some insurers anticipated that funds would flow back to USD-denominated policies. They successively raised the declared interest rates of USD interest-sensitive policies and launched new USD interest-sensitive policy products, thereby stimulating public purchase intentions and boosting the sales momentum of traditional insurance products. Interest-sensitive life insurance, which has the highest proportion within traditional life insurance, recorded first-year premium income of NTD 297.9 billion, an increase of 13.83% compared to the same period last year.

Traditional annuity insurance was NTD 5 billion compared to NTD 7.6 billion in 2023, a decline of 34.21%. Among these, interest-sensitive annuities of NTD 4.9 billion decreased by 35.53% compared to the same period last year. This may be related to some insurers changing their sales strategies for traditional annuity products (such as shifting from single premium to installment payments) in coordination with the gradual transition to International Financial Reporting Standard No. 17 Insurance Contracts (IFRS 17).

Regarding investment-linked insurance policies, the premium income from investment-linked products in 2024 was NTD 444.8 billion, accounting for 18.23% of total premium income. This represents a 27.41% increase compared to NTD 349.1 billion in 2023. Among these, investment-linked life insurance reached NTD 207.3 billion, up 21.44% from NTD 170.7 billion in 2023, while investment-linked annuity insurance grew from NTD 178.4 billion in 2023 to NTD 237.5 billion in 2024, an increase of 33.13%.

The FYP income for investment-linked products was NTD 340.3 billion. Investment-linked life insurance increased from NTD 89.4 billion in 2023 to NTD 125.3 billion in 2024, up 40.16% compared to the same period last year. Investment-linked annuity insurance also grew from NTD 167.1 billion in 2023 to NTD 215 billion in 2024, showing significant growth of 28.67%. Overall, the FYP income for investment-linked insurance products grew by 32.67%. This may be attributed to some insurers launching new investment-linked annuity products in the second half of 2024, which drove sales of investment-linked annuities and related insurance products. Additionally, the bullish stock market trend in Q4 2024 led to public optimism about investment markets, which in turn boosted sales of investment-linked insurance products.

3. Industry Channel Mix

In 2024, the bancassurance channel produced NTD 307.7 billion or 36.55% of the total FYP income for the life insurance industry, while the agency channel generated NTD 380.9 billion, accounting for 45.25%. Combined, these two distribution channels dominated the market with an 81.8% share, leaving other channels with just 18.2%. Diving deeper, the bancassurance channel grew by 25.28% from NTD 245.6 billion in 2023 to NTD 307.7 billion in 2024. In contrast, though its market share slightly decreased from 36.58% in 2023 to 36.55% in 2024. FYP income from life

insurance industry in 2024 was NTD 380.9 billion, an increase of NTD 51 billion compared to NTD 329.9 billion in 2023, but its market share declined slightly from 49.13% in 2023 to 45.25% in 2024. Since 2009, the bancassurance channel share of FYP income had consistently exceeded 50% year after year. However, starting in 2023, this trend reversed and dropped to below 40%, marking the lowest point since 2009.

4. Group Insurance and Individual Insurance

In 2024, 48.27 million new business insurance policies were issued, marking a drop of 1.35% from the 48.93 million in 2023. Of these, 12.08 million were individual insurance policies, showing a 3.07% rise from 11.72 million in 2023. Breaking down by product type: life insurance policies numbered 1.66 million, a decrease of 4.05%; accident insurance reached 5.12 million, increased by 7.34%; health insurance totaled 5.13 million, up by 1.38%; and annuity insurance was at 0.17 million, an increase of 6.25%. Group insurance covered 36.19 million people, a decrease of 2.74% compared to 37.21 million in 2023.

In 2024, newly issued policies had a total sum assured of NTD 38.24 trillion, marking a 5.37% increase from NTD 36.29 trillion in 2023. Newly issued individual insurance policies had a sum assured of NTD 20.48 trillion, which is an 7.11% increase from NTD 19.12 trillion the previous year. Breaking this down by product type: life insurance was at NTD 2.22 trillion, up by 10.45%; accident insurance was NTD 16.04 trillion, up by 6.15% ; health insurance was NTD 1.96 trillion, an increase of 10.11%; and annuity insurance was NTD 0.26 trillion, up 18.18%. Group insurance sum assured up by 3.44% to NTD 17.76 trillion, up from NTD 17.17 trillion in 2023.

To summarize, in 2024, for individual insurance policies, accident and health and annuities insurance both saw increases in the number of new policies, sum assured, and FYP income. Life insurance experienced growth in FYP income and sum assured but decrease in the number of policies.

5. New Business of Investment-linked Insurance

In 2024, 319,800 new business investment-linked insurance policies were issued, growth of 12.01% compared with the figure of 285,500 in 2023. Among those, variable life insurance represented 21,900 policies, a decline of 2.23%; variable universal life insurance accounted for 134,100 policies, increased by 23.14%, and variable annuities accounted for 163,800 policies, a grew by 6.23% over the same period in the previous year.

The sum assured for the new policies issued totaled NTD 290.6 billion in 2024, rose by 15.29% in comparison with NTD 252.1 billion in 2023. Of these new policies, the sum assured for variable life insurance policies up by 21.33% to NTD 22.3 billion; the sum assured for variable universal life insurance increased by 14.06% to NTD 249.8 billion, and the sum assured for variable annuities climbed by 26.04% to NTD 18.5 billion.

Overall, investment-linked products showed increases in the number of new policies issued, sum assured, and FYP income from the levels during the same period in the previous year in 2023.

6. Policies in Force

As of the end of 2024, 249.74 million policies were in force, a 2.11% increase from 244.59 million at the end of 2023. The life insurance policies in force numbered 59.47 million (drop of 0.27%); accident insurance reached 72.72 million (a 3.05% growth); health insurance was at 115.56 million (a 2.9% rise); and annuities were 1.99 million (a fall of 4.78%).

In terms of the sum assured for policies in force, the total was NTD 121.12 trillion, a growth of 2.7% from NTD 117.93 trillion at the end of 2023. Breaking this down by product type: life insurance's sum assured grew by 3.5% to NTD 53.19 trillion; accident insurance increased by 2.27% to NTD 45.98 trillion; health insurance rose by 1.47% to NTD 19.31 trillion, and annuities climbed by 3.53% to NTD 2.64 trillion.

Overall, by the end of 2024, both the number of policies in force and the sum assured for individual and group insurance showed a growth trend compared to the previous year.

7. Insurance Benefit Payments

In 2024, insurance benefit payments totaled NTD 2,709.7 billion, up by 12.65% compared with NTD 2,405.4 billion in 2023. Of these, life insurance payments accounted for the lion's share, representing 76.56% of total benefit payments; annuity insurance payments came second at NTD 368 billion; followed by health insurance payments at NTD 230.3 billion, and accident insurance payments at NTD 36.7 billion. In terms of the number of beneficiaries, a total of 55.72 million people received insurance benefit payments in 2024, an increase of 5.17% compared with 52.98 million in 2023, and the number of beneficiaries of life insurance benefit payments topped the chart, accounting for 28.18 million, or 50.57%, of the total number of beneficiaries.

A breakdown of the types of benefit paid indicates that surrender benefits accounted for NTD 1,812.1 billion, or 66.87% of the total benefit payments in 2024, followed by survivor benefits at NTD 319 billion (11.77%), and medical disbursements at NTD 222.3 billion (8.2%). Together, the three types made up 86.85% of total benefits paid, and surrender benefits saw an increase of 17.61% from NTD 1,540.7 billion in 2023 to NTD 1,812.1 billion in 2024. This rise may be attributed to the fact that the policies surrendered were mostly traditional life insurance policies and interest rate-sensitive life insurance policies.

1. Assets and Liabilities

As of the end of 2024, life insurance companies reported NTD 36.9 trillion in assets, up 5.7% compared with NTD 34.91 trillion in the same period in 2023. A breakdown of the assets shows that total assets excluding separate accounts totaled NTD 33.96 trillion, an increase of 5.5%. The

value of the separate accounts amounted to NTD 2.94 trillion, representing 7.97% of the total assets, up from 8.09% from NTD 2.72 trillion at the end of 2023.

A breakdown of life insurance companies' asset allocation by category indicates the following: 77.1% of the total utilized fund was allocated in securities, 3.33% in loans, 2.44% in cash and cash equivalents, 7.97% in separate accounts, 4.23% in property investment, and 4.93% in other assets. In comparison with the end of 2023, the most notable growth can be seen in securities (5.06%) and property investment (2.63%). The growth is a result of life insurers' capital utilization and allocation strategies.

As of the end of 2024, life insurance companies recorded NTD 34.31 trillion in total liabilities, up by NTD 1.65 trillion, or 5.05 %, when compared with NTD 32.66 trillion in the same period in 2023. Of these, insurance liabilities accounted for NTD 29.65 trillion, or 80.35% of total liabilities and 86.42 % of the total assets.

Also during this period, the owners' equity of the life insurance industry totaled NTD 2,586.3 billion, a significant increase of NTD 340.7 billion from the figure of NTD 2,245.7 billion at the end of 2023. The owners' equity to asset ratio rose from 6.43% at the end of 2023 to 7.01%, which was higher than the pre-European Debt Crisis level (the ratio stood at 4.03% at the end of 2009). In the meantime, the debt-to-equity ratio (leverage) was 13 times—lower than the 15 times at the end of 2023—indicating that life insurers ability to absorb future losses has significantly improved , maintaining a sound financial structure.

2. Profits and Losses

Life insurance companies reported an aggregated operating revenue of NTD 3.68 trillion as of the end of 2024, a 15.53% increase from NTD 3.19 trillion during the same period in 2023. Operating costs were NTD 3.23 trillion, representing a 8.35% increase from NTD 2.98 trillion at the end of 2023 and accounting for 87.77% of the total revenue. As a result, life insurance companies posted a business profit of NTD 455.3 billion.

By the end of 2024, the net income from continuing operations of the life insurance industry was NTD 297.9 billion, an increase of NTD 209.9 billion in the same period in 2023 by NTD 88.1 billion. This was primarily due to the life insurance industry's net investment gains increasing by NT\$266.4 billion year-over-year, with overseas investments contributing the most. This demonstrates that last year's bullish stock and foreign exchange markets boosted investment returns.

3. Utilization of Funds

As of the end of 2024, the life insurance industry recorded NTD 32.86 trillion in available funds, up by 4.65% from NTD 31.4 trillion in same period in 2023, The fund utilization ratio was 101.2% (ratio of total fund utilization to total funds). Among the fund utilization categories, securities investment accounted for NTD 6.39 trillion (mostly equities, which made up NTD 1.99 trillion), or 19.45% of the total utilized funds, and foreign investment totaled NTD 23.03 trillion, or 70.09%. The combination of the two categories represented as high as 89.53% of the total utilized funds.

The amount invested by the domestic insurance industry in overseas assets increased from NT\$21.86 trillion in 2023 to NT\$23.03 trillion in 2024, growing 5.35%. The proportion slightly rose from 69.62% at the end of 2023 to 70.09%, with overseas investment having become the main driver of fund utilization for the life insurance industry. Although regulatory authorities relaxed regulations on insurance industry investments in public infrastructure, hoping to retain funds domestically for specialized utilization in public and social welfare projects, the amount for specialized utilization and public investment in 2024 was NT\$145.6 billion, an increase of 12.02% compared to NT\$130 billion in 2023.

1. Conclusion

In 2024, life insurance companies recorded NTD 2,440.2 billion in premium income, increased by 11.53% compared with the same period last year, and FYP income up by 25.38% to NTD 841.8 billion. FYP income generated from traditional products increased by 20.9% to NTD 501.5 billion. FYP income from investment-linked products increased by 32.67% to NTD 340.3 billion. Meanwhile, renewal premium income totalled NTD 1,598.4 billion, an increase of 5.39% over the figure recorded in 2023. In summary, due to the recovery in demand for traditional and investment-linked products driving FYP income growth, coupled with stable growth in renewal premium income, total premium income in 2024 reversed its decline and returned to growth.

In 2024, newly issued policies had a total sum assured of NTD 38.24 trillion, showing growth compared to the same period last year. As of the end of this year, there were 249.74 million policies in force with a total sum assured of NTD 121.12 trillion, reflecting a consistent growth in both the number of policies and the sum assured. During the same period, life insurers disbursed NTD 2,709.7 billion in benefits, with life insurance and annuities comprising 90.15% of that amount. Breaking down the benefit payments further, surrender benefits (NTD 1,812.1 billion), survivor benefits (NTD 319 billion), and medical disbursements (NTD 222.3 billion) constituted 86.85% of the total benefits paid.

Life insurance companies posted a net investment profit of NTD 1,295.7 billion, up 25.88% from NTD 1,029.3 billion in 2023. Benefiting from the robust capital markets that drove increased net investment income, profits surged significantly in 2024, with the entire life insurance industry's current period net income reaching NT\$297.9 billion, setting a historic second-highest record.

II. Conclusion and Outlook

The US Federal Reserve initiated an interest rate reduction mechanism in September 2024, prompting life insurance companies to gradually raise the declared interest rates on USD interest-sensitive policies or launch new USD interest-sensitive policies to stimulate public demand, thereby enhancing the sales momentum of traditional policies. Additionally, domestic and international stock markets maintained bullish trends, strengthening public investment confidence, which similarly caused investment-linked policy sales to turn from cold to hot. Life insurance industry policy sales performance also surged significantly in 2024.

Looking ahead to 2025, market expectations for Federal Reserve interest rate cuts are attracting insurers to continue launching high-interest USD interest-sensitive life insurance products, which will drive sales of traditional products. Additionally, benefiting from the continued bullish trends in domestic and international stock markets, the public maintains an optimistic attitude toward investment markets, which is expected to boost sales of investment-linked policies. The life insurance industry is anticipated to maintain last year's growth momentum in total premium income and achieve new outstanding results.