

# 2024H1 Taiwan Life Insurance Market Overview

## A. Business Statistics

The life insurance industry in Taiwan recorded NTD 1,134.2 billion in total premium income in 2024H1, up by 2.30% from NTD 1,108.7 billion in 2023H1. Of these, first-year premium (FYP) income accounted for NTD 374.8 billion, a 7.24% increase compared with 2023H1 figure of NTD 349.5 billion. Renewal premium income stood at NTD 759.4 billion, an increase of 0.04% over the same period in the previous year.

### 1. Breakdown of Premium Income

FYP represented NTD 374.8 billion, or 33.05% of the total premium income reported in 2024H1, up from 31.52% in 2023H1. Single premium stood at NTD 159.1 billion in 2024H1, a decrease of 0.87% from NTD 160.5 billion in 2023H1. Meanwhile, installment premium rose by 13.95% from NTD 189.2 billion in 2023H1 to NTD 215.6 billion in 2024H1. Renewal premium income amounted to NTD 759.4 billion, or 66.95% of the total premium income in 2024H1, up by NTD 0.3 billion from the same period last year, when it totaled NTD 759.1 billion (68.47%).

A further breakdown of the FYP indicates that single premium made up 42.45% in 2024H1. Of this, interest-sensitive life insurance premium stood at NTD 53.1 billion, while variable annuity premium came to NTD 44.8 billion, or 33.36% and 28.16% of the total single premium, respectively. The data show that single-premium products now contribute less to FYP income than before.

### 2. Breakdown of Premium Income by Product

In 2024H1, traditional insurance policies produced a premium income of NTD 950.7 billion, making up 83.82% of the total. Within this, life insurance contributed NTD 694.4 billion, a 4.47% increase from NTD 664.7 billion in 2023H1. Health insurance income rose by 1.94% to NTD 215.4 billion from NTD 211.3 billion in 2023H1. Accident insurance premium income reached NTD 36.6 billion, a 2.81% increase from NTD 35.6 billion in 2023H1. Annuities, however, saw a sharp decline of 36.23%, from NTD 6.9 billion in 2023H1 to NTD 4.4 billion in 2024H1.

In the first half of 2024, FYP income from traditional insurance products accounted for NTD 243.9 billion. Within this, traditional life insurance policies rose by 20.26%, from NTD 175.7 billion in 2023H1 to NTD 211.3 billion. Despite this, the market share of traditional life insurance policies rose from 50.26% in 2023H1 to 56.39% in 2024H1. Due to life insurers' sell participating life insurance policies, which drives the sales of traditional life insurance and related products and promotes the growth of premium income. Additionally, traditional annuities reported an FYP income of NTD 2.4 billion, marking a steep decline of 45.45% from the NTD 4.4 billion recorded in 2023H1, mainly due to a 47.73% decline in interest-sensitive annuity insurance compared to the same period last year.

In 2024H1, premium income from investment-linked insurance policies amounted to NTD 183.5 billion, making up 16.18% of the total premium income, marking a 3.57% decline from NTD 190.3 billion in 2023H1. Breaking this down, premium income from investment-linked life

insurance was NTD 89.2 billion, down 2.83% from NTD 91.8 billion in 2023H1. Meanwhile, investment-linked annuities saw a drop of 4.37%, decreasing from NTD 98.5 billion in 2023H1 to NTD 94.2 billion in 2024H1.

Overall, the decline in premium income for investment-linked policies may be related to the implementation of new regulations in July 2023. Additionally, the FYP income for investment-linked insurance products during the same period last year was relatively high. In terms of FYP income, investment-linked products totaled NTD130.8 billion, with investment-linked life insurance decreasing from NTD51.3 billion in 2023H1 to NT49 billion in 2024H1. Meanwhile, investment-linked annuities dropped from NTD92.1 billion in 2023H1 to NTD81.8 billion in 2024 H1, representing a decline of 11.18%. Overall, FYP income for investment-linked insurance products fell by 8.79%.

### **3. Industry Channel Mix**

In the first half of 2024, the bancassurance channel produced NTD 145.2 billion or 38.74% of the total FYP income for the life insurance industry, while the agency channel generated NTD 163.5 billion, accounting for 43.63%. Combined, these two distribution channels dominated the market with an 82.36% share, leaving other channels with just 17.64%. Diving deeper, the bancassurance channel grew by 16.88% from NTD 124.2 billion in 2023H1 to NTD145.2 billion in 2024H1. In contrast, the agency channel generated NTD 14.3 billion less in FYP income than the same period in the previous year, decreasing from NTD 177.8 billion in 2023H1 to NTD 163.5 billion in 2024H1, and its market share fell 7.22% from 50.84% to 43.63%. Notably, since 2009, bancassurance has consistently held over half of the FYP income. However, in 2023H1, has accounted for less than 40% for two consecutive years, marking the second-lowest point since 2009.

### **4. New Business of Investment-linked Insurance**

In 2024H1, 130,900 new business investment-linked insurance policies were issued, a decrease of 17.72% compared with the figure of 159,100 in 2023H1. Among those, variable life insurance represented 6,700 policies, a decline of 51.09%; variable universal life insurance accounted for 59,500 policies, a decline of 0.5%, and variable annuities accounted for 64,600 policies, a drop of 24.53% over the same period in the previous year.

The sum assured for the new policies issued totaled NTD 128.3 billion in 2024H1, down by 7.16% in comparison with NTD 138.2 billion in 2023H1. Of these new policies, the sum assured for variable life insurance policies fell by 22.95% to NTD 7.5 billion; the sum assured for variable universal life insurance dropped by 5.07% to NTD 113.3 billion, and the sum assured for variable annuities declined by 17.54% to NTD 7.5 billion.

In summary, investment-linked insurance products recorded declines in the number of new policies issued, sum assured, and FYP income from the levels during the same period in the previous year.

## 5. Group Insurance and Individual Insurance

In 2024H1, 24.93 million new business insurance policies were issued, marking a 2.93% increase from the 24.22 million in 2023H1. Of these, 6.03 million were individual insurance policies, showing a 6.91% rise from 5.64 million in 2023H1. Breaking down by product type: life insurance policies numbered 0.86 million, a decrease of 6.52%; accident insurance reached 2.43 million, increased by 10.96%; health insurance totaled 2.67 million, up by 9.43%; and annuity insurance was at 0.07 million, a drop of 22.22%. Group insurance covered 18.90 million people, an increase of 1.72% from the 18.58 million in 2023H1.

In 2024H1, newly issued policies had a total sum assured of NTD 18.63 trillion, marking a 3.62% increase from NTD 17.98 trillion in 2023H1. Newly issued individual insurance policies had a sum assured of NTD 9.64 trillion, which is an 8.44% increase from NTD 8.89 trillion the previous year. Breaking this down by product type: life insurance was at NTD 1.12 trillion, up by 8.74%; accident insurance was NTD 7.47 trillion, up by 7.79% ; health insurance was NTD 0.97 trillion, an increase of 18.29%; and annuity insurance was NTD 0.08 trillion, down by 27.27%. Group insurance sum assured fell by 1.10% to NTD 8.99 trillion, dropping from NTD 9.09 trillion in 2023H1.

To summarize, in 2024H1, for individual insurance policies, accident and health insurance both saw increases in the number of new policies, sum assured, and FYP income. Annuities recorded declines across all three metrics. Life insurance experienced growth in FYP income and sum assured but decrease in the number of policies.

## 6. Policies in Force

As of the end of June 2024, 245.85 million policies were in force, a 2.66% increase from 239.47 million at the end of June 2023. The life insurance policies in force numbered 59.57 million (drop of 030%); accident insurance reached 70.74 million (a 3.45% growth); health insurance was at 113.52 million (a 3.94% rise); and annuities were 2.02 million (a fall of 4.72%).

The total sum assured for policies in force was NTD 119.21 trillion, which, if compared to the NTD 116.38 trillion at the end of June 2023, indicates a 2.43% increase. Breaking this down by product type: life insurance's sum assured grew by 2.82% to NTD 52.45 trillion; accident insurance increased by 2.07% to NTD 44.91 trillion; health insurance rose by 2.02% to NTD 19.21 trillion, and annuities climbed by 3.94% to NTD 2.64 trillion.

## 7. Insurance Benefit Payments

In 2024H1, insurance benefit payments totaled NTD 1,327.9 billion, up by 18.09% compared with NTD 1,124.5 billion in 2023H1. Of these, life insurance payments accounted for the lion's share, increasing by 14.67% to NTD 1,022.1 billion; annuity insurance payments came second at NTD 176.6 billion; followed by health insurance payments at NTD 111.2 billion, and accident insurance payments at NTD 18 billion. In terms of the number of beneficiaries, a total of 27.42 million people received insurance benefit payments in 2024H1, an increase of 5.18% compared with 26.07 million in 2023H1, and the number of beneficiaries of life insurance benefit payments

topped the chart, accounting for 13.74 million, or 50.11%, of the total number of beneficiaries.

A breakdown of the types of benefit paid indicates that surrender benefits accounted for NTD 886.6 billion, or 66.77% of the total benefit payments in 2024H1, followed by survivor benefits at NTD 154.7 billion (11.65%), and medical disbursements at NTD 107.5 billion (8.09%). Together, the three types made up 86.51% of total benefits paid, and surrender benefits saw an increase of 25.92% from NTD 704.1 billion in 2023H1. This rise may be attributed to the fact that the policies surrendered were mostly traditional life insurance policies and interest-sensitive life insurance policies.

## **B. Financial Overview and Analysis**

### **1. Assets and Liabilities**

As of the end of June 2024, life insurance companies reported NTD 36.49 trillion in assets, up 5.10% compared with NTD 34.72 trillion in the same period in 2023. A breakdown of the assets shows that total assets excluding separate accounts totaled NTD 33.58 trillion, an increase of 4.81%. The value of the separate accounts amounted to NTD 2.91 trillion, representing 7.97% of the total assets, up from 7.72% as of the end of June 2023.

A breakdown of life insurance companies' asset allocation by category indicates the following: 76.84% of the total utilized fund was allocated in securities, 7.97% in separate accounts, 3.32% in loans, 2.99% in cash and cash equivalents, 4.19% in property investment, and 4.69% in other assets. In comparison with the end of June 2023, the most notable growth can be seen in securities (4.39%) and property investment (1.32%). The growth is a result of life insurers' capital utilization and allocation strategies.

As of the end of June 2024, life insurance companies recorded NTD 33.85 trillion in total liabilities, up by NTD 1.18 trillion, or 3.61 %, when compared with NTD 32.67 trillion in the same period in 2023. Of these, insurance liabilities accounted for NTD 29.39 trillion, or 86.82% of total liabilities and 80.54 % of the total assets.

Also during this period, the owners' equity of the life insurance industry totaled NTD 2,638.1 billion, a significant increase of NTD 588.3 billion from the figure of NTD 2,049.8 billion at the end of June 2023. The owners' equity to asset ratio rose from 5.9% at the end of June 2023 to 7.23%, 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 16 times at the end of June 2023—indicating that life insurers have improved ability to absorb future losses and that their financial standing is growing more robust.

### **2. Profits and Losses**

Life insurance companies reported an aggregated operating revenue of NTD 1.88 trillion as of the end of June 2024, a 16.46% increase from NTD 1.61 trillion during the same period in 2023. Operating costs were NTD 1.6 trillion, representing a 6.47% increase from NTD 1.5 trillion at the end of June 2023 and accounting for 85.20% of the total revenue. As a result, life insurance companies posted a business profit of NTD 0.28 trillion.

By the end of June 2024, the net income from continuing operations of the life insurance industry was NTD 198.9 billion, an increase of NTD 142.5 billion in the same period in 2023 by NTD 56.3 billion. However, due to the cumulative appreciation of the U.S. dollar against the New Taiwan dollar this year, the pressure on hedging costs in the life insurance industry has been greatly reduced, and exchange benefits have even emerged; in addition, the industry also benefited from high levels in both Taiwanese and US stock markets, realizing capital gains. The total comprehensive income for this period decreased from a profit of NTD 454.1 billion at the end of June 2023 to a profit of NTD 383.8 billion in the same period of 2024, a significant reduction of NTD 70.3 billion.

### **3. Utilization of Funds**

As of the end of June 2024, the life insurance industry recorded NTD 32.52 trillion in available funds, up by 4.63% from NTD 31.08 trillion in same period in 2023. Among the fund utilization categories, securities investment accounted for NTD 6.23 trillion (mostly equities, which made up NTD 1.96 trillion or 6.03%), or 18.83% of the total utilized funds, and foreign investment totaled NTD 22.78 trillion, or 70.05%. The combination of the two categories represented as high as 88.68% of the total utilized funds.

In recent years, the prevailing environment of low interest rates and loose liquidity has caused the spread between domestic and foreign government bonds to narrow. As a result, the life insurance industry is increasingly allocating capital to assets with higher yields, such as domestic real estate offering stable rental income, and foreign investments.

By the end of June 2024, the life insurance industry's investment in domestic equities stood at NTD 1,963.2 billion, accounting for 6.03% of total investments. While this percentage was up from 5.92% during the same period in 2023, the actual investment amount grew by 6.68%. Real estate investments amounted to NTD 1,480.5 billion, or 4.55% of total investments, a slight dip from the 4.69% in the previous year. Meanwhile, foreign investments amounted to NTD 22,779.4 billion, making up 70.04% of all investments, up from 69.68% in June 2023, marking a 5.17% rise in the absolute investment amount.

## **II. Conclusion and Outlook**

### **1. Conclusion**

In 2024H1, life insurance companies recorded NTD 1,134.2 billion in premium income, increased by 2.3% compared with the same period last year, and FYP income up by 7.24% to NTD 374.8 billion. FYP income generated from traditional products increased by 18.28% to NTD 243.9 billion. FYP income from investment-linked products dropped by 8.79% to NTD 130.8 billion. Meanwhile, renewal premium income totaled NTD 759.4 billion, an increase of 0.04% over the figure recorded in 2023H1. Recommended by bulls in the stock market and bank channels, the sales and buying sentiment of participating policies, traditional life insurance and related products have rebounded significantly. The total premium income in the 2024H1 has increased slightly compared with the same period last year.

In 2024H1, 24.93 million new insurance policies were issued with a total sum assured of NTD 18.63 trillion, both surpassing the figures from 2023H1. As of the end of this half-year, there were 245.85 million policies in force with a total sum assured of NTD 119.21 trillion, reflecting a

consistent growth in both the number of policies and the sum assured. During the same period, life insurers disbursed NTD 1,327.9 billion in benefits, with life insurance and annuities comprising 90.27% of that amount. Breaking down the benefit payments further, surrender benefits (NTD 886.6 billion), survivor benefits (NTD 154.7 billion), and medical disbursements (NTD 107.5 billion) constituted 86.51% of the total benefits paid.

Life insurance companies posted a net investment profit of NTD 701.7 billion, up 36.63% from NTD 513.5 billion in 2023H1. The investment profit can be mainly attributed to dividend payments, realized capital gains, and foreign exchange gains. The life insurance industry recorded an overall net profit of NTD 198.9 billion in 2024H1.

## **2. Outlook**

In the first half of 2024, regarding the performance of the life insurance industry, some companies launched participating policies, which in turn drove sales of traditional life insurance and related products. Additionally, due to the lower base for traditional annuity insurance, as of June, the increase in FYP income from traditional life insurance outweighed the decrease in FYP income from traditional annuity insurance.

Additionally, the premium income from investment-linked insurance products in 2024H1 decreased compared to the same period last year, which may be related to the new regulations for investment-linked policies that took effect on July 1, 2023. Overall, the FYP income in 2024H1 increased by about 8% compared to the same period last year. Among all policies, traditional life insurance contributed the largest share of FYP income at NTD 66.9 billion, a massive increase of 143.27% over 2023H1.

With the upcoming implementation of the IFRS 17 insurance accounting standard in 2026, life insurance companies are shifting their focus from selling savings-oriented products to the more lucrative protection-type offerings. Yet, persistent global economic uncertainties are undermining policyholders' confidence in investments. In light of these factors, whether the life insurance industry can maintain the momentum in premium income from the first half of the year through the second half will be a major challenge.