

# Overview of Taiwan's Non-Life Insurance Market in the First Half of 2025

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## Business Overview of Taiwan's Non-Life Insurance Industry

### Premium Growth and Structure

In the first half of 2025, the total gross written premium (GWP) of Taiwan's non-life insurance industry reached NT\$153.0 billion, representing an increase of approximately NT\$14.2 billion or 10.3% compared with the same period last year. The growth was primarily driven by higher premium income from other property insurance and fire insurance.

By line of business, motor insurance premium income amounted to NT\$69.4 billion, up 4.2% year-on-year. Voluntary motor insurance premiums reached NT\$59.7 billion, accounting for about 39.0% of the non-life market, a 4.7% increase. Compulsory automobile liability insurance premiums totaled NT\$9.7 billion, representing 6.3% of the market, up 1.3% year-on-year.

Fire insurance premium income was NT\$27.6 billion, accounting for about 18.0% of the market, a 17.1% increase from last year.

Personal accident insurance premium income was NT\$11.9 billion, representing 7.8% of the market, an increase of 5.5% year-on-year.

Liability insurance premium income totaled NT\$11.5 billion, up 11.7%, representing 7.5% of the market.

Marine insurance premium income amounted to NT\$7.1 billion, or 4.7% of the market, up 5.7% year-on-year, with cargo insurance contributing NT\$5.0 billion, a 10.2% increase.

Engineering insurance premium income rose sharply to NT\$14.0 billion, up 38.4% year-on-year. Surety insurance premiums amounted to NT\$1.1 billion, slightly down 0.3%. Health insurance premiums reached NT\$2.9 billion, up 22.1%. Aviation insurance premium income was NT\$0.7 billion, up 10.0%.

Given the risk characteristics of the non-life sector, insurers rely heavily on reinsurance to diversify risks and maintain stable operations. Thus, underwriting performance is closely linked to reinsurance strategies. Of particular importance is the retained premium, which refers to the portion of GWP that insurers retain after ceding risks through reinsurance. In the first half of 2025, total retained premium was NT\$103.8 billion, representing an 8.3%

increase from last year, with a retention ratio of 65.3%, down 0.9 percentage points year-on-year.

### Claims Payments and Structure

In the first half of 2025, total claims paid by Taiwan's non-life insurance industry amounted to NT\$61.4 billion, an increase of NT\$8.7 billion or 16.5% compared with the same period last year. The increase was mainly attributable to fire insurance.

By line of business, motor insurance claims totaled NT\$35.7 billion, roughly the same as last year. Voluntary motor insurance claims reached NT\$29.4 billion, up NT\$0.2 billion (0.7%), while compulsory automobile liability claims amounted to NT\$6.3 billion, down NT\$0.3 billion (4.0%).

Fire insurance claims totaled NT\$12.9 billion, up NT\$9.9 billion (332.1%) due to the magnitude 6.4 earthquake in Dapu, Chiayi County on January 21. The quake caused damage to more than 4,000 buildings and significant business interruption losses in southern Taiwan's high-tech industrial parks.

Personal accident insurance claims amounted to NT\$4.2 billion, down NT\$0.5 billion (11.2%).

Marine insurance claims stood at NT\$1.3 billion, similar to last year.

Other lines showed mixed results: liability insurance claims decreased by 6%; health insurance claims fell 38.1%; engineering insurance claims increased 14.6%; surety and aviation insurance claims were broadly stable year-on-year.

The industry's overall net loss ratio in the first half of 2025 was 49.6%, down 4.5 percentage points from 54.1% a year earlier. By line, aviation insurance had the highest increase in net loss ratio, reaching 119%.

The industry's net expense ratio was 33.4%, down 1.2 percentage points year-on-year. Consequently, the net combined ratio stood at 83.0%, an improvement of 5.7 percentage points from the prior year.

### Financial Overview and Asset Allocation

#### Assets and Liabilities

Total assets of the non-life sector reached NT\$568.9 billion, up 6.6% year-on-year. Shareholders' equity amounted to NT\$150.5 billion, up 4.7%. Insurance liabilities totaled NT\$345.8 billion, up 11.8%, while total funds reached NT\$496.4 billion, an increase of 9.5%. The equity-to-asset ratio stood at 26.5%.

#### Profit and Loss

Operating income for the first half of 2025 was NT\$107.9 billion, up 4.0% from NT\$103.8 billion in the same period last year. Operating costs amounted to NT\$68.7 billion, up 3.5% year-on-year. Net profit after tax stood at NT\$12.9 billion, slightly down 0.5% year-on-year.

#### Asset Allocation

Total funds under management reached NT\$339.4 billion in the first half of 2025. Allocation was as follows: securities (45%), bank deposits (23%), overseas investments (15%), real estate (12%), and other approved investments (4%). The annualized net investment yield was 2.63%, an increase of 0.39 percentage points from the previous year.

#### Conclusion

In the first half of 2025, Taiwan's non-life insurance industry continued to grow, with the strongest premium growth in engineering insurance driven by renewable energy and offshore wind power projects, followed by fire insurance amid rising climate and natural disaster risks. Claims surged due to the Dapu earthquake, but the impact on net claims was mitigated by extensive reinsurance cessions.

Looking ahead, demand for engineering and fire insurance is expected to remain strong, supported by infrastructure projects, renewable energy developments, and heightened climate risks. Auto insurance premiums may increase in the second half of the year as car sales recover following the resolution of U.S.-Taiwan tariff issues. Assuming no major catastrophes, the industry's underwriting profitability in 2025 is projected to be at least on par with 2024.