

Country: Chinese Taipei

1. Geographic information

- (a) Capital: Taipei
- (b) Area of national land: 36,188 square kilometers

2. Demographic information

- (a) Data

	2002	2003	2004	2005	2006 (If available)	(Unit)
Total population						
Total	22,521	22,605	22,689	22,770	22,877	<i>Thousand</i>
Male	11,486	11,515	11,542	11,562	11,592	<i>Thousand</i>
Female	11,035	11,090	11,147	11,208	11,285	<i>Thousand</i>
Active population						
Population aged 15 and over	17,386	17,571	17,760	17,949	18,166	<i>Thousand</i>
Population in labor force	9,969	10,076	10,240	10,371	10,522	<i>Thousand</i>
Employed	9,454	9,573	9,786	9,942	10,111	<i>Thousand</i>
Unemployed	515	503	454	428	411	<i>Thousand</i>
Population not in labor force	7,417	7,495	7,520	7,578	7,644	<i>Thousand</i>
Housewife						
Student						
Population growth rate	0.51%	0.37%	0.37%	0.36%	0.47%	
National population mortality	5.73	5.80	5.97	6.13	5.95	<i>Per thousand</i>
Life expectancy	77.19	77.35	77.48	77.42	77.46	
Male	74.59	74.77	74.68	74.50	74.57	
Female	80.24	80.33	80.75	80.80	80.81	
Total fertility rate	1.340	1.235	1.180	1.115		

Demographic composition by age group in FY (2006)

											Unit: (<i>Thousand</i>)
Age	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	90-	Total
Male	1,321	1,678	1,917	1,857	1,892	1,424	723	543	215	22	11,592
Female	1,209	1,546	1,842	1,830	1,868	1,440	780	535	207	28	11,285
Total	2,530	3,224	3,759	3,686	3,760	2,863	1,503	1,078	421	50	22,877

(b) Topics

- The population birth rate of Taiwan will decline gradually in the future
- It is predicted that Taiwan becomes an aging society

3. Economy
(a) Data

	2002	2003	2004	2005	2006 (If available)	(Unit)
GNP	10,437	10,647	11,146	11,438	11,908	<i>Billion NT</i>
GDP	10,194	10,319	10,770	11,147	11,571	<i>Billion NT</i>
Currency exchange rate	34.75	33.98	31.92	32.85	32.60	<i>USD/NT</i>
Balance of payments						
Current account	25,612	29,234	18,478	16,019	25,187	<i>Millions USD</i>
Capital account	-139	-87	-77	-117	-118	<i>Millions USD</i>
Financial account	8,750	7,630	6,831	1,717	-22,987	<i>Millions USD</i>
Net errors and Omissions	-559	315	1,363	2,437	4,004	<i>Millions USD</i>
Reserves and related items	-33,664	-37,092	-26,595	-20,056	-6,086	<i>Millions USD</i>
Inflation rate	-0.20%	-0.28%	1.62%	2.3%	0.6%	
Long-term interest rate	2.13%	2.61%	2.42%	1.80%	2.02%	

(b) Topics

- The future economical trend will be influenced by the uncertainty such as the relation between Taiwan and China, the international energy price trend, and the domestic politics economic environment

Insurance (Enter information for life insurance and non-life insurance separately if necessary)

(a) Number of insurance companies

	2002	2003	2004	2005	2006
Life	30	29	29	30	30
Domestic	20	21	21	21	22
Foreign	10	8	8	9	8
Non life	25	25	26	25	25
Domestic	17	17	17	16	17
Foreign	8	8	9	9	8

(b) Product range

i) Insurance contracts in force by product type: Number of contracts in force, amount, gross premium

Insurance type		2003	2004	2005	2006	Unit
Individual Insurance in force	Number	32,055	33,614	35,609	37,315	<i>Thousand</i>
	Amount	24,374,020	26,116,436	27,811,340	29,570,356	<i>Millions NT</i>
	Premium	864,722	948,114	1,120,305	1,238,954	<i>Millions NT</i>
Individual Annuity	Number	100	280	390	404	<i>Thousand</i>
	Amount	54,641	165,576	245,350	253,854	<i>Millions NT</i>
	Premium	73,617	155,004	121,040	97,113	<i>Millions NT</i>
Group Insurance in force	Number	3,756	3,818	4,105	4,377	<i>Thousand</i>
	Amount	2,249,163	2,660,249	2,896,404	2,935,660	<i>Millions NT</i>
	Premium	6,837	6,896	6,803	6,059	<i>Millions NT</i>
Group Annuity	Number	—	—	—	—	—
	Amount	—	—	—	—	—

ii) New insurance contracts by product type: Number of new contracts, amount

Insurance type		2003	2004	2005	2006	Unit
Individual Insurance	Number	3,427	3,091	3,571	3,571	<i>Thousand</i>
	Amount	1,789,532	2,429,249	2,501,124	2,879,530	<i>Millions NT</i>
Individual Annuity	Number	87	190	137	115	<i>Thousand</i>
	Amount	52,100	116,399	95,076	58,230	<i>Millions NT</i>
Group Insurance	Number	1,948	1,616	1,607	1,518	<i>Thousand</i>
	Amount	978,447	933,423	1,523,430	1,025,700	<i>Millions NT</i>
Group Annuity	Number	—	—	—	—	—
	Amount	—	—	—	—	—

(c) Regulations

i) Pricing regulations

■ The pricing regulations liberalized since 2003

ii) Valuation of reserves

■ Standard policy reserves calculated based on the assumed rate of interest and assumed mortality rate designated by the law

iii) Solvency

■ Requiring the measured by risk-based capital (similar to U.S. requirement)

iv) Other

■ The amended Regulations adopt a file and use rule for most products

(d) Recent topics

- i) Changes in hot-selling products
 - Rapid growth in sales of Investment-linked products, structured notes and Interest sensitive annuity
 - In the second half year of 2007, Foreign currency policy and Preferred risk insurance will be permitted to launch
- ii) Changes in regulations
 - The new contract of Interest sensitive annuity and Universal insurance need to do the asset segmentation
 - Under the government new law
 1. Non-life insurance company will be permitted to launch the Health insurance
 2. Insurance company will be permitted to launch the insurance benefit trust
 3. Insurance company will be permitted to launch the discretionary investment business items
- iii) Other

Insurance Bureau is studying the feasibility of adopting IFRS4
The first step is aimed at the disclosure of the policy reserve adequacy.

5. Pension

(a) System

i) Outline of the pension system

[First tier]

1. Public Service Insurance Retirement Benefits coverage : Political appointees, public servants, education workers
2. Labor Insurance Old-age Benefits coverage : Insured persons may participate in the program compulsorily or voluntarily. The following workers above 15 full years and below 60 years of age shall be insured under this program compulsorily:
 - Workers employed by mine, a company or firm, a journalistic, cultural, or non-profit cooperative enterprise with more than five employees
 - Employees of government offices or public or private schools who are not legally entitled to join civil servants' insurance or the insurance of teachers and employees of private schools
 - Workers employed in fishing production

[Second tier]

1. Public Service Pension System coverage : Political appointees, public servants, education workers and military personnel
2. Labor Standard Act Pension System :
 - Labor Standards Act Pension System-D.B. Plan

Coverage : Native workers subject to the Labor Standards Act
 - Labor Pension System-D.C. Plan

Coverage : Any native worker employed by an employer working for wages in a line work and is subject to the Labor Standards Act is required to adopt the new pension system

- ii) Public pensions
Number of participants (participation rate), annual amount of benefits, reserve

Public Service Insurance Retirement Benefits	End of 2004	End of 2005	End Of 2006
No. of participants	617,260	591,158	589,237
No. of beneficiaries	20,295	25,985	14,501
Reserves	NT \$77 Billion	NT \$92Billion	NT \$110Billion

Public Service Pension System	End of 2004	End of 2005	End Of 2006
No. of participants	605,739	596,650	590,880
Annual amount of benefits	NT \$18 Billion	NT \$20 Billion	NT \$23 Billion
Reserves	NT \$30 Billion	NT \$39 Billion	NT \$58 Billion

Labor Insurance Old-age Benefits	End of 2004	End of 2005	End Of 2006
No. of participants	8,342Thousand	8,541Thousand	8,681Thousand
Annual amount of benefits	NT \$111 Billion	NT \$150 Billion	NT \$134 Billion
Reserves	NT \$360 Billion	NT \$324 Billion	NT \$307 Billion

- iii) Labor Standard Act Pension System

- 1) Defined-benefit plan (DB plan)

Number of plans, annual amount of benefits, reserves

DB plan	End of 2004	End of 2005	End Of 2006
No. of plans	62,516	108,750	129,172
Annual amount of benefit	NT \$28 Billion	NT \$42 Billion	NT \$40 Billion
Reserves	NT \$356 Billion	NT \$382 Billion	NT \$408 Billion

- 2) Defined-contribution plan (DC plan)

Number of plans, number of participants, reserves

DC plan	End of 2005	End Of 2006
No. of plans	325,190	360,359
No. of participants	3,924Thousand	4,291Thousand
Reserves	NT \$47 Billion	NT \$148 Billion

- (b) Other recent topics

- i) Changes in regulations

Labor Pension System-DC Plan was put into practice on July 1, 2005.

Every working Labor subject to the Labor Standards Act could choose the original DB or new DC plan by himself, but the new entrance must choose the new DC plan.

- ii) Other

Labor Insurance Old-age Benefits will be planned to use the annuity instead of sump-sum benefits

6. Actuarial organization

(a) Year of establishment, address

Year of establishment: 1969

Address : 10F-1, No.216, Sec. 2, Nan-Chang Road, Taipei, Taiwan

(b) Membership (as of end of FY 2006)

Specialized field	Fellow member	Associate member	Other member	Total
Life insurance	123	169	397	689
Non-life insurance	34	18	30	82
Pension	14	-	-	14
Total	171	187	427	785

(c) Professional activities

- Hold member's conference every year
- Handle various kinds of professional seminars international and regional
- Participate in the international actuarial meeting
- Handle the special projects assigned by government institute

(d) Educational activities

- Will stop offering our own exam by end of 2007, starting from 2008 will depend on foreign actuarial association exam (e.g. Japan, U.S., Australia, U.K.)
- Improve member's CPD

(e) Future prospects for actuarial professionals: Challenges, issues

- Negative interest spread
- International accounting standard and new solvency requirement
- Education and training the Non-life actuaries

7. Other