

Media Release:

Taiwan Life Insurers: Increased Focus On Asset-Liability Mismatch Is Credit Positive, Report Says

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This report does not constitute a rating action.

A new solvency regime for Taiwan life insurers is credit positive for the sector's management of asset-liability mismatch and interest rate risk.

That's according to an article Taiwan Ratings Corp. published today, titled "**Taiwan Life Insurers: Increased Focus On Asset-Liability Mismatch Is Credit Positive.**"

The implementation of the Taiwan Insurance Solvency (TIS) framework in January 2026 contains a strong incentive for life insurers to maintain robust asset-liability management (ALM) in terms of duration and cash flow.

"We believe Taiwanese life insurers will keep a narrower asset-liability mismatch under a new solvency regime," said Taiwan Ratings credit analyst Patty Wang. "This will lower their exposures to interest rate shocks, an important credit rating consideration for the sector."

Taiwanese life insurers have already made significant groundwork to avoid unnecessary future risk despite a 15-year transition period allowed by the local regulator.

"Though better asset-liability matching will mean less capital gain opportunity for some insurers, we believe the upside is more valuable than short-term gains," added Ms. Wang.

The report also notes that insurers that can demonstrate a solid track record of interest rate risk management and strong ALM will benefit from lower interest rate risk charges under S&P Global Ratings' capital model.

The reports are available to members of the public at www.taiwanratings.com or for our subscribers at <https://rrs.taiwanratings.com.tw/portal/member>. Members of the media can obtain copies by contacting Simon Chen at +886-2-7724-8660 or via email at simon.chen@taiwanratings.com.tw.

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