

Research Update:

Hotai Insurance Co. Ltd. Ratings Affirmed At 'twAA'; Outlook Stable

February 21, 2022

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term financial strength and issuer credit ratings on Taiwan-domiciled **Hotai Insurance Co. Ltd.** The outlook on the ratings is stable. The ratings on Hotai Insurance reflect our view that the insurer will remain insulated from its parent, Hotai Motor Co. Ltd. group under the current regulatory oversight. On a stand-alone basis, we forecast Hotai Insurance's capital and earnings will remain strong, supported by the insurer's earnings retention and adequately managed risk profile, including its investment on higher risk assets. We also believe Hotai Insurance's operating performance will remain stable, underpinned by adequate underwriting controls as the insurer pursues above-average growth in the domestic property and casualty market.

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Related Criteria & Research

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - Oct. 10, 2021

Related Research

- Taiwan Ratings' Ratings Definitions - August 10, 2020

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Ratings Affirmed

Hotai Insurance Co. Ltd.

Issuer Credit Rating	twAA/Stable
Financial Strength Rating	twAA/Stable

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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