

Media Release:

Hotai Insurance Co. Ltd. 'twAA-' Ratings Withdrawn At Issuer's Request; CreditWatch Unresolved At Time Of Withdrawal

November 8, 2022

Rating Action

Taiwan Ratings Corp. today withdrew its 'twAA-' long-term issuer credit rating and financial strength rating on **Hotai Insurance Co. Ltd** at the issuer's request.

Rationale

The ratings have been on CreditWatch with negative implications since June 8, 2022. The placement of the ratings on CreditWatch reflected our view of uncertainty surrounding Hotai Insurance's overall creditworthiness. We estimate the insurer's losses on total pandemic claims could lead to a material drop in its total adjusted capital in the absence of sufficient capital replenishment. Without proactive capital management and asset adjustment in place, the issuer's capitalization and liquidity will be subject to high downside pressure.

Taiwan Ratings was unable to resolve the CreditWatch placement and determine accurate final ratings before the withdrawal because we lacked necessary information at the time of the request to withdraw the ratings.

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
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- 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

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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

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Ratings List

Rating Withdrawal

	To	From
Hotai Insurance Co. Ltd.		
Issuer credit rating	NR	twAA-/WatchNeg/--
Financial strength rating	NR	twAA-/WatchNeg/--

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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