

Research Update:

Farglory Life Insurance Co. Ltd. Ratings Affirmed At 'twA+'; Outlook Stable

August 22, 2024

Rationale

Taiwan Ratings Corp. today affirmed its 'twA+' long-term financial strength rating and issuer credit rating on **Farglory Life Insurance Co. Ltd.** The outlook on the ratings is stable. The ratings on Farglory Life reflect the insurer's satisfactory competitive position and financial risk profile, which are similar to the domestic industry average. Farglory Life maintains a small domestic market share of just over 2% by total premiums and total assets, which we view is unlikely to change over the next one to two years. However, the insurer has a slight focus on long-term health products with good margins and good loss experience, which translates into a somewhat higher mortality and loading surplus compared with the domestic life insurance average.

Counterbalancing these strengths are Farglory Life's small-to-mid scale by total premiums and assets, and higher reliance on external distribution channels which result in higher-than-average expense ratio. The insurer's above average foreign exchange risk exposure also tempers its capital strengths.

Related Criteria & Research

Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions - November 15, 2023
- 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

Related Research

- Taiwan Ratings' Ratings Definitions – Nov. 11, 2021

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

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Ratings List

Ratings Affirmed

Farglory Life Insurance Co. Ltd.

Issuer Credit Rating	twA+/Stable
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Financial Strength Rating	twA+/Stable
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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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