

Research Update:

# Fubon Insurance Co. Ltd. Ratings Affirmed At 'twAA+'; Outlook Stable

October 30, 2024

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA+' issuer credit and financial strength ratings on **Fubon Insurance Co. Ltd.** The outlook on the ratings is stable.

The ratings continue to reflect Fubon Insurance's core group status within the **Fubon Financial Holding Co. Ltd.** group and our view that the insurer would receive support from the group under all foreseeable circumstances. In addition, the ratings reflect the insurer's very strong market position with a leading market share and strong franchise in Taiwan's property and casualty market, as well as good operating performance. The company's underwriting performance, exclusive of COVID-related insurance policies, remains robust.

Several factors counterbalancing these rating strengths. These include Fubon Insurance's fair capital and earnings that reflects the company's vulnerability to large, single event losses due to its small capital size. In addition, we see the potential for pressure on the insurer's capitalization if sizeable reinsurance recoverable related to pandemic insurance policies are not resolved. The insurer's less geographic diversification than international peers also tempers its rating 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 – November 11, 2021

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## Ratings List

### Ratings Affirmed

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**Fubon Insurance Co. Ltd.**

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Issuer Credit Rating	twAA+/Stable/--
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Financial Strength Rating	twAA+/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](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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