

Accumulation of Various Reserves

As of the end of 2023, TREIF's cumulative special reserve was NT\$40.106billion, net unearned premium reserve was NT\$1.687billion, reserve adjustment was NT\$1.013billion, and credit risk reserve was NT\$597million. Total reserves reached NT\$43.403billion, up by 6.84% in comparison with NT\$40.624billion in 2022. At the end of each year, the entire balance of the total amount of pure premium received by the TREIF after deduction of premium allocated to the coinsurance pool, premiums ceded to the domestic and overseas reinsurance and capital markets, and net retained indemnities, as well as the entire balance of the management fee income after minus the costs and expenses, shall be set aside as a special reserve. The goal is to quickly build up the special reserve and have sufficient funds for claims payouts in the event of an earthquake. The loading for residential earthquake insurance is 15% of the insurance premiums, of which 1.5% is allocated to the TREIF as a reserve adjustment for risk spread on reinsurance or capital market. Meanwhile, 1% is allocated to the TREIF for credit risk reserve to cover losses from breach of contract by policy issuers, coinsurance pool members, reinsurers and reinsurance brokers.

Table: Accumulation of Various Reserves

Unit: NT\$1,000

Year	2019	2020	2021	2022	2023
Special Reserve	29,409,788	32,113,115	34,795,818	37,485,222	40,105,977
Unearned Premium Reserve	1,484,403	1,577,227	1,608,990	1,645,952	1,686,668
Reserve Adjustment	740,200	805,455	872,857	942,094	1,012,732
Credit Risk Reserves	415,918	459,422	504,356	550,514	597,606
Total	32,050,309	34,955,219	37,782,021	40,623,782	43,402,983
Growth Rate	9.42%	9.06%	8.09%	7.52%	6.84%

Chart: Accumulation of Various Reserves

Unit: NT\$1,000

