

# INSURANCE RESPONSE TO RISK OF WAR AND CONFLICT

*Prof. Johnny Chang*

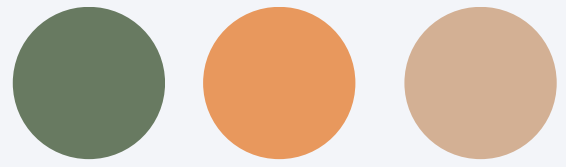
**CTBC Business School/ Luda Attorney at Law**



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MELBOURNE | AUSTRALIA

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War :  
lack of universal definition

# Different views

## Broad View

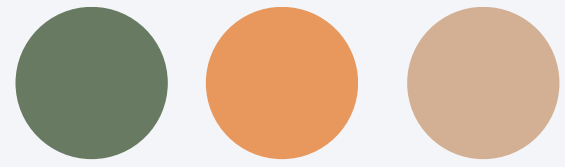
**Any hostile action' rather than armed conflict  
between states**



## Restrictive View

**"the legal categorisation of the state of affairs  
existing between states when force is used to  
vindicate rights or settle disputes between  
them."**

**"a state of armed conflict between different  
countries or different groups within a  
country".**



# Elements to consider

**nature and scale of the conflict**

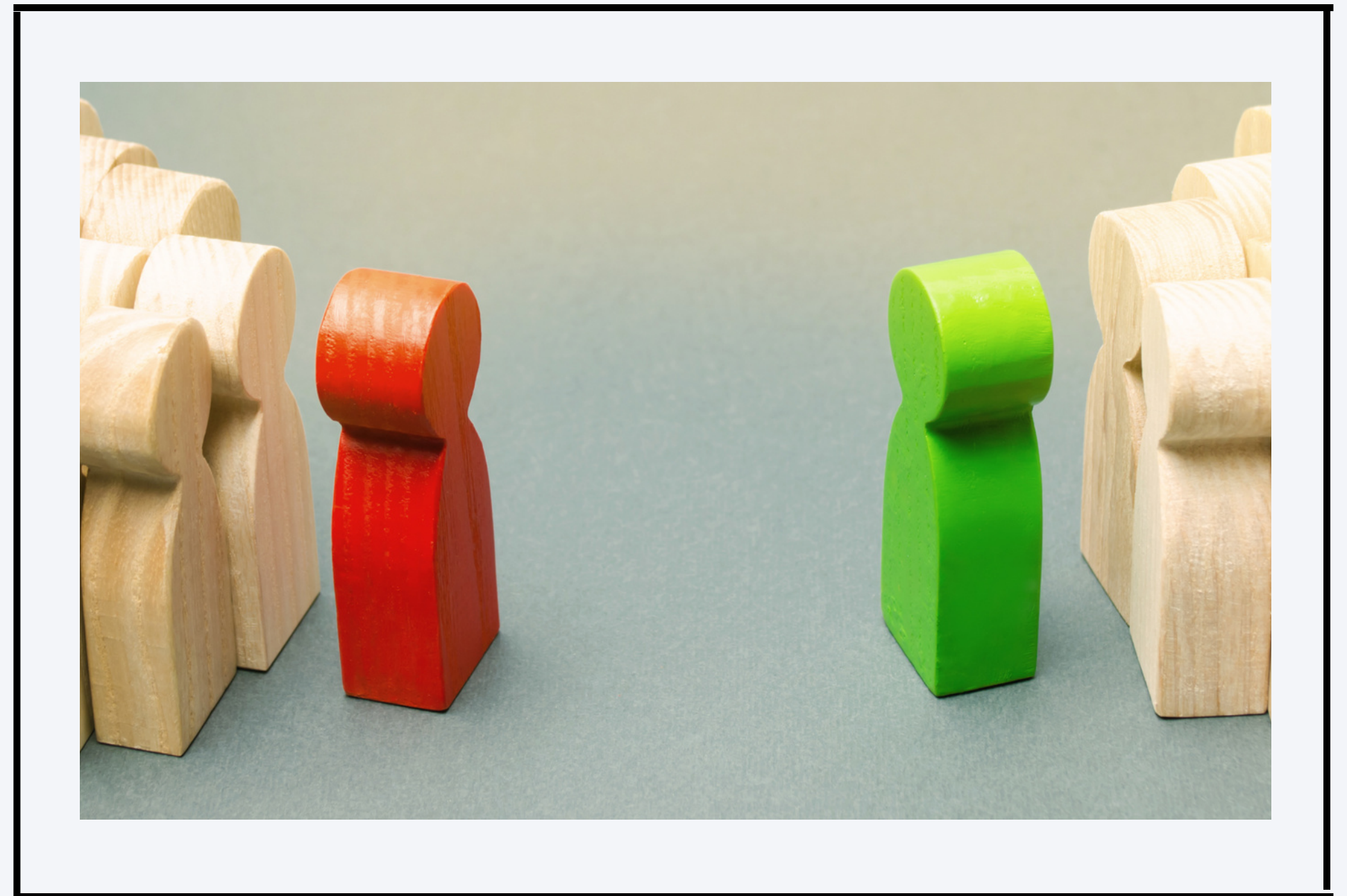
casualties

combatant

armament

duration of the conflict

size of the territories held by each side



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# War Risk Coverage

Types of Insurance	War Risk Coverage
Life Insurance	Y
Health Insurance	Y
Casualty Insurance	N
Disability Insurance	It Depends
Auto Insurance	N
Homeowner Insurance	N
Investment-linked Insurance	Y
Annuity	Y

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# War Risk Coverage

Types of Insurance	War Risk Coverage
Commercial Fire Insurance	N
Business Interruption Insurance	N
Cargo Insurance	N, but can be insured through war risk rider
Aviation Insurance	N, insured through standalone hull war and excess third-party war liability policies
Cyber Risk Insurance	N

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# Insurability



**Accidental, Definiteness, Measurability, Statistically Predictable,  
Non-catastrophic, Randomly-selected and large exposures**

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# Public-Private Partnership

PPP

**A cooperation between public and private actors in which joint products and/or services are developed and in which risks and costs are shared**

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# Taiwan Case

TIER 2 REINSURANCE TO BE  
ARRANGED BY TREIF

NTD 30 billion

RISK RETENTION BY TREIF

NTD 15 billion

**Risk Sharing Mechanism  
of Taiwan Residential  
Earthquake Insurance  
Fund**

TIER 1 REINSURANCE TO BE  
ARRANGED BY TREIF

NTD 51.8 billion

PRIMARY INSURER

NTD 4.2 billion

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