

Regulations for the Accounting Arrangement and Procedure of Submitting
Business and Financial Reports of Compulsory Automobile Liability Insurance

Article 3

The accounting items to which sub-accounts shall be added for this Insurance are as follows:

1. Profit and loss account items and various investment valuation items related to this Insurance, including insurance revenue, insurance service expenses, income or expenses from reinsurance contracts held, gain (loss) on financial assets or financial liabilities measured at fair value through profit or loss, realized gain (loss) on financial assets measured at fair value through other comprehensive income, gain (loss) arising from derecognition of financial assets measured at amortized cost, insurance finance income or expenses, finance income or expenses from reinsurance contracts held, interest income, net change in special reserves, other operating costs, and other operating expenses.
2. Asset line items related to this Insurance, including cash and cash equivalents, insurance contract assets, reinsurance contract assets, other receivables, financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets measured at amortized cost, temporary payments and suspense accounts, and other assets.
3. Liability line items related to this Insurance, including insurance contract liabilities, reinsurance contract liabilities, temporary receipts and suspense accounts, special reserves and other liabilities.

Article 4

The accounting entry and treatment method that an insurer shall observe for handling related accounting and account closing operations of this Insurance shall be prescribed by the competent authority.

Article 5

An insurer shall make a distinction between direct expenses and joint expenses contribution in respect of all kinds of insurance service expenses of this Insurance.

Direct expenses mean the expenses directly accrued from the operation of this Insurance; joint expenses contribution means that the expenses cannot be treated as direct expenses and shall be jointly allocated with other insurance.

An insurer shall include the allocation method for joint expenses contribution into its internal management system, making a record and accurately calculate the joint expenses contribution of this Insurance in producing reports.

The allocation method stipulated in the preceding paragraph shall be conformed to the principle of consistency. The competent authority may require the insurer to provide the allocation method if necessary.

The expense for promotion, expense for actuarial and research and development, expense for inquiry services, and expense for data transmission shall be booked into account, on an accrual basis at the end of each month. They shall be respectively booked using the following subsidiary items and accrued expenses, and shall be offset upon payment:

1. Expense for promotion shall be booked in the subsidiary item "insurance service expenses - advertisement expenses - promotion expenses for compulsory automobile liability insurance."
2. Expense for actuarial, research and development shall be booked in the subsidiary item "insurance service expenses - research and development expenses - expenses for actuarial research and development for compulsory automobile liability insurance. "
3. Expense for inquiry service shall be booked in the subsidiary item "insurance service expenses - postage expenses - expenses for inquiry service for compulsory automobile liability insurance."
4. Expense for data transmission shall be booked in the subsidiary item "insurance service expenses - postage expenses - expenses for data transmission for compulsory automobile liability insurance."

Article 7

An insurer handling the business entrusted by the Motor Vehicle Accident Compensation Fund (hereinafter referred to as Compensation Fund) shall follow the accounting treatment requirements:

1. An insurer shall book the aforementioned business at the end of each month on an accrual basis under the sub-account "insurance service expenses — compulsory insurance Compensation Fund and fees payable — compulsory insurance Compensation Fund." The latter item shall be offset when consolidated payment is made.
2. An insurer that handles a compensation case entrusted by the Compensation Fund shall book the compensation payment under the sub-account "temporary payment and suspense account — compulsory insurance Compensation Fund," to be offset upon payment by the Compensation Fund.
3. The insurer, upon receiving payment for entrusted expenses from the Compensation Fund, shall offset the "insurance service expenses — compulsory automobile liability insurance" sub-account.
4. An insurer shall send a written notice to the Compensation Fund by January 15 each year to estimate the compensation payment and handling expense for each compensation case entrusted by the Compensation Fund that was accepted for processing but not yet paid out as of the end of the preceding year.

Article 10

The items and scope of assets relevant to this Insurance mentioned in Article 47-1 of the Act refer to all assets stated on the statement of assets and liabilities for compulsory automobile liability insurance in subparagraph 1 of the first paragraph of the preceding article hereinabove.

Article 11

With the exceptions of amortized cost, uncollected receivables and advance payments duly made, an insurer shall record the funds it holds in relation to handling of this Insurance as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income, and file statements based on their measured fair value. This requirement shall not be applied, however, to funds placed on deposit in a financial institution or when the date of maturity or repayment occurs within three months of the investment date. The term "funds" in the preceding paragraph refers to all types of reserves, payables, temporary receipts and suspense accounts.

Article 12

An insurer that processes data relating to underwriting and claim settlement business for this Insurance shall do so pursuant to the "Business statistics rules for compulsory automobile liability insurance" edited by the Non-life Insurance Association of the R.O.C. and the Taiwan Insurance Institute and approved by the competent authority.

Article 13

These Regulations shall be implemented from 1 January 2026.