Appendix 2 Key Indicators for Differentiated Management of Online Insurance Business of Insurance Enterprises

1. Positive indicators：
(1) Its ratio of adjusted net capital to risk-based capital in the most recent year is above 125% of the regulatory standard for capital adequacy set out in Subparagraph 1, Paragraph 2, Article 143-4 of the Act.
(2) Has not been subject to major sanctions and penalties, or more than NT$3 million cumulative fines imposed by the competent authority in the most recent year for violating the regulations related to online insurance, information security management or personal data protection, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority.
(3) Ranked in the top 30% among non-life insurance enterprises or life insurance enterprises as rated based on the Principle for Treating Customers Fairly in the most recent year.
(4) Has been offering new insurance products, or promoting public interest works in coordination with government policies in the most recent year and achieved outstanding results.
(5) Its information security management system for online insurance business has been verified by a relevant impartial organization.
(6) Its personal data management system for online insurance business has been verified by a relevant impartial organization.
2. Negative indicators：
(1) Its ratio of adjusted net capital to risk-based capital in the most recent year fails to meet the statutory standard of capital adequacy as specified in Subparagraph 1, Paragraph 2, Article 143-4 of the Insurance Act.
(2) Has been subject to major sanctions and penalties, or more than NT$3 million cumulative fines imposed by the competent authority in the most recent year for violating the regulations related to online insurance, information security management or personal data protection. However, the preceding provision does not apply to the situation where concrete improvement actions have been taken to remedy the violation and recognized by the competent authority.
(3) Ranked in the bottom 20% among non-life insurance enterprises or life

insurance enterprises as rated based on the Principle for Treating Customers Fairly in the most recent year. However the preceding provision does not apply if the insurance enterprise has given reasonable explanation which is approved by the competent authority.