Appendix 2: Application Form for Insurance Enterprises Applying for Foreign Investment Quota

_____ Insurance Co., Ltd. (Taiwan Branch) intends to apply for increasing the foreign investment quota ratio to _%					
Item	Evaluation Content	Attachment Index	Compliant	Not Compliant	Applicable Increased Quota Ratio for Compliant Applicants
1	The Financial Supervisory Commission approved the company's foreign investment quota ratio up to _____% _____based on Ruling Jin-Guan-_____ No. ____ dated _____ (date).				
2	As of _____ (month) ____ (date), _____ (year), the company's total foreign investment amount of NT$____ thousand accounts for ___% of the company's total funds of NT$___ thousand, representing a variance of ___% from the company's approved foreign investment quota ratio. The amount that may be excluded from the maximum permitted foreign investment pursuant to the proviso of Article 146-4, Paragraph 2 of the Insurance Act is NT$___ thousand. The total foreign investment amount including investment items excluded from the maximum permitted foreign investment is NT$____ thousand, accounting for ___% of the company's total funds. The aggregate amount of total investments in foreign currency-denominated equity or debt certificates listed on domestic stock exchanges or OTC markets plus amounts to be included in the foreign investment quota accounts for ___% of the approved foreign investment quota of the insurance enterprise.				

3	Procedures for handling foreign investment transactions and risk monitoring and management measures have been established and approved by the board of directors. The procedures for handling foreign investment transactions shall include the preparation of written analysis reports, records of delivery and implementation, and submission of review reports, with relevant documentation retained for at least 5 years. The risk monitoring and management measures for foreign investments shall include an effectively implemented risk management policy, risk management framework, and risk management system, wherein the risk management system shall cover procedures for the identification, measurement, monitoring, limit control implementation, and modifications concerning foreign investment-related risk categories.				The quota is increased to 25% or more
4	Where foreign assets are entrusted to a custodian institution, such institution shall be Taiwan Depository & Clearing Corporation (hereinafter referred to as TDCC), or a domestic financial institution or Taiwan branch of a foreign financial institution with a credit rating of A- or equivalent or higher provided by a domestic or foreign credit rating agency in the most recent year. However, subject to reporting to and approval by the competent authority, custody may be entrusted to a foreign financial institution meeting the following criteria: (Provide at least the documents incorporated into the relevant internal control system, list of custodian institutions, years since establishment, status of branch or subsidiary established within the ROC, documentary proof that credit ratings satisfy all conditions, and a summary explanatory statement): (1) Established for more than three years, and having a branch or an approved custody subsidiary within the territory of the Republic of China. (2) Rated A- or equivalent or higher by a domestic or foreign credit rating agency in the most recent year. (3) Ranked among the top 500 banks worldwide by assets or net worth in the most recent year, or an institution with assets under custody of over US$500 billion.				
5	(1) Investments in foreign currency-denominated equity or debt certificates or Islamic fixed-income securities listed on domestic stock exchanges or OTC markets are held in custody pursuant to the Regulations Governing Book-Entry Operations for Centrally Deposited Securities. (Provide at least documentary proof of custody entrusted to domestic banks, Taiwan branches or subsidiaries of foreign banks, securities firms, or the TDCC).				

	(2) For those whose approved foreign investment quota reaches 35% of funds or whose foreign investment amount reaches US$1 billion or more, their foreign investment securities have been centrally entrusted to custodian institutions, and there are no more than 5 custodian institutions other than the TDCC. (3) A CPA has been engaged to examine and issue an opinion on whether the design and implementation of the internal control system for foreign investments are effective, and such opinion has been incorporated into the CPA internal control audit report submitted to the competent authority for recordation. (Provide at least the most recent CPA internal control audit report and the letter submitted to the competent authority for recordation).				
6	There were no material deficiencies in the implementation of internal control procedures for various fund utilization operations in the most recent year, or deficiencies that were identified have been rectified and approved by the competent authority.				
7	(1) The specific opinions regarding overall asset-liability allocation provided by the appointed actuary or professional investment personnel are appropriate and feasible, and analyze differences from and reasons for previous opinions (actuarial evaluation report attached). (2) Specific opinions provided by external professional investment institutions (or internal professional investment personnel) regarding overall foreign investment risks in the most recent year stating its feasibility (foreign investment evaluation report attached). (3) The board of directors has tracked and reviewed foreign investment allocation, performance, strategy, risk tolerance, and overall risk management policies and systems sequentially in the most recent year (meeting minutes attached). (4) The internal audit unit and legal compliance unit have conducted periodic and non-periodic audits of the operations of the investment implementation unit, investment risk management unit, and asset preservation unit in the most recent year and issued reports (audit reports attached).				

8	The company's investment manual clearly defines and the company thoroughly implements the overall risk management policy, system, and decision-making levels to identify, measure (including quantitative methods), respond to, and monitor investment risks that may affect solvency, including: (complete company investment manual attached): (1) Market risks (e.g., adverse changes in market interest rates, exchange rates, equity prices, and commodity prices). (2) Credit risks. (3) Liquidity risks. (4) Operational risks (including legal risks). (5) Asset-liability matching risks. (6) Asset preservation risks.				
9	The company's fund utilization has not been subject to major penalties and sanctions by the competent authority in the most recent year, or violation matters have been rectified and approved by the competent authority.				The quota is increased to 30% or more
10	(1) Positions of foreign investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income have adopted Value at Risk (VaR) calculations to evaluate risk, and are monitored at least weekly. (VaR evaluation table and control records for the most recent three months attached) (2) For positions of foreign investments classified as financial assets measured at amortized cost, the company has established appropriate models to analyze, identify, or quantify related risks, and risk evaluation status is reported to the board of directors at least semi-annually. (Provide at least the descriptions of model building, analysis, identification, or risk quantification methods and reports of risk evaluations in board meeting minutes in the most recent year). (3) Fund utilization has not been subject to administrative fines by the competent authority in the most recent two years, or violation matters have been rectified and recognized by the competent authority.				The quota is increased to 35% or more

	(4) The board of directors has established a risk management committee, and the company has established an internal risk management department and designated a chief risk officer responsible for overall corporate risk management. The scope of risk management shall at least include the evaluation and management of risks arising from foreign investments and the impact of such derived risks on the solvency of the insurance enterprise. (Company organizational chart and risk management data for the most recent three months attached).				
11	(1) It has been more than one year since the company obtained approval to increase the total foreign investment amount to 35% of funds. (2) Risk limits are determined annually by the board of directors and regularly controlled by the risk management committee or risk management department. (3) The ratio of regulatory capital to risk-based capital for the most recent period exceeds 1.25 times the statutory standard for capital adequacy stipulated in Article 143-4, Paragraph 2, Subparagraph 1 of the Insurance Act (hereinafter referred to as the statutory standard), or rated AA- or equivalent or higher by a domestic or foreign credit rating agency in the most recent year. (4) No other approvals to increase total foreign investment amounts have been obtained in the current year. (5) Specific descriptions regarding foreign investment performance, maintenance or enhancement of reserve adequacy, and financial/business operational status in the most recent year.				The quota is increased to over 35% (exclusive)
12	(1) The ratio of regulatory capital to risk-based capital for the most recent fiscal year exceeded 1.25 times the statutory standard, and the average ratio for the most recent three fiscal years exceeds 1.25 times the statutory standard, or rated AA+ or equivalent or higher by a domestic or foreign credit rating agency in the most recent year. (2) An internal risk model has been established to quantify the company's overall risks. (3) No other approvals to increase total foreign investment amounts have been obtained in the current year. (4) Specific descriptions regarding foreign investment performance, maintenance or enhancement of reserve adequacy, and financial/business operational status in				The quota is increased to over 40% (exclusive)

	the most recent year.				

Note: Branches of foreign insurance companies may, based on their organizational structure, capital scale, and operational circumstances, propose investment risk control, internal audit, and legal compliance mechanisms by direct adoption of standards for domestic companies.

Contact Person and Telephone Number Department Head

Chief Auditor Chief Compliance Officer of the Head Office

President