


Content

Title :	Enforcement Rules for the Insurance Act 
Date :	2003.07.02
Legislative :	<ol style="list-style-type: none">1. Promulgated 10 February 1968 by order of the Executive Yuan2. Articles 23 and 24 amended and promulgated 8 February 1972 per Executive Yuan Order (61) Taiwan-Finance 12593. Full 36 articles amended and promulgated 19 August 1975 per Executive Yuan Order (64) Taiwan-Finance 61664. Article 17-1 added and promulgated 25 June 1979 per Executive Yuan Order (68) Taiwan-Finance 61555. Full 35 articles amended and promulgated 24 February 1993 per Executive Yuan Order (82) Taiwan-Finance 046136. Articles 10, 12, and 14 amended and promulgated and Article 33 deleted 1 November 1995 per Executive Yuan Order (84) Taiwan-Finance 388107. Article 11 amended and promulgated 1 November 2000 per Executive Yuan Order (89) Taiwan-Finance 314218. Articles 10 and 17 amended and promulgated 30 November 2000 per Executive Yuan Order (89) Taiwan-Finance 338509. Article 17 amended and promulgated 2 July 2003 per Executive Yuan Order Taiwan-Finance 0920009168, for enforcement from the date of promulgation
Content :	<p>Article 1 These Rules are adopted pursuant to Article 175 of the Insurance Act ("the Act").</p> <p>Article 2 The terms "insurance enterprise" and "foreign insurance enterprise" as used in the Act include specialized reinsurance enterprises and specifically engaged in "reinsurance" as defined in Article 39 of the Act.</p> <p>Article 3 When an insurer collects premiums, a formal receipt shall be issued by its head office (head cooperative) or branch office (branch cooperative).</p> <p>Article 4 A policy or binder issued under Article 43 of the Act shall be issued at the same time as the insurance premium is paid in whole or in part. The insurer shall bear insurance liability for an indemnifiable insured event that occurs when an applicant of non-life insurance has already paid the premium but the insurer has not yet issued a policy or binder. A life insurer may, before agreeing to insure, collect in advance an amount equivalent to the first installment of the premium. Upon agreeing to insure, the insurer shall bear the insurance liability retroactive to the time that the amount equivalent to the first installment of the premium is collected in advance.</p> <p>Article 5 An insurance enterprise shall use the Chinese language for the policy clauses of its various insurances; provided, where required for operational purposes, a foreign language may be used and a Chinese translation or translation abstract attached.</p> <p>Article 6 An applicant seeks to insure its owned artwork, antique, or object whose</p>

value cannot be appraised based on market price, the insurance shall be valued insurance, with a value agreed as set out in Articles 73 and 75 of the Act.

Article 7

Where a dispute arises between the insurer and the insured or the beneficiary regarding the amount of a claim or benefit, the insurer shall initially pay any undisputed portion of the claim or benefit within the time limit specified in the contract. Where no time period is specified in the contract, the insurer shall make such initial payment of the claim or benefit within 15 days from the day the supporting documents have been submitted in full.

Article 8

If a fire insurance contract is terminated for a cause stated in Article 81 of the Act, any already paid but unearned premiums as from the date on which the terminating event occurs shall be refunded.

For premiums refunded under the preceding paragraph, unless otherwise stipulated in the contract, the insurer may refund the amount after deducting premiums for the valid period of the insurance contract in accordance with the provisions for short-term premiums; provided, where the cause of termination of the contract under the preceding paragraph is not attributable to the insured, the premium for the period commencing from the date the cause occurred to the expiration date of the contract shall be refunded on a daily pro rata basis.

Article 9

Where a third party, in accordance with Article 94, paragraph 2 of the Act, claims for payment of indemnity directly from the insurer, the insurer may raise a defense against the third party based on any of the reasons for defense against the insured as stipulated in the insurance contract.

Article 10

The application of Articles 105 and 107 of the Act shall be governed by the law prevailing at the time the insurance contract is entered into.

Article 11

The term "policy value reserve" as used in the Act means the reserve of an enterprise engaged in insurance of the person, based on the interest rate and the risk occurrence rate used in calculating written premiums of insurance contracts, and calculated according to the manner prescribed by the competent authority.

Article 12

If the validity of a contract for insurance of the person is suspended because of a cause stated in, paragraph 1, of Article 116 of the Act validity may be reinstated after the applicant pays the overdue premium and other expenses; the deadline to apply for reinstatement of validity shall not be less than two years from the date of the last premium payable.

Where an executed contract is inconsistent with the provisions of the preceding paragraph, if the insurance contract contains express provisions on the matter, the contract shall prevail; where the insurance contract does not contain express provisions, corrections shall be made in accordance with the preceding paragraph and the insured shall be notified in writing and a public announcement published in a newspaper.

Article 13

Where a contract for insurance of the person is terminated and the period of insurance is less than one year, the already paid but unearned premiums shall be refunded.

Article 14

The term "investment-linked insurance" as used in Article 123, paragraph 2 and Article 146, paragraph 5 of the Act means insurance of the person whereby the insurer, after deducting the insurer's expenses by stipulated means, and according to an agreed or designated investment allocation method, places the premium paid by the proposer in an account book set up exclusively for the purpose, with the proposer bearing all or part of the investment risk.

Article 15

The term "cooperative" as used in Article 136, paragraph 1 of the Act means a limited liability cooperative.

Article 16

The term "another cooperative" as used in Article 159 of the Act means an insurance or credit cooperative.

Article 17

These Enforcement Rules shall be in force from the date of promulgation.