Content

Title：	Directions for Review of Non-life Insurance Products Ch
Date：	2006.09.01
Legislative：	1. Adopted and issued 15 March 1995 per Letter No. (84)-Taiwan-Finance-Insurance-842024986 of the Ministry of Finance 2. Amended and issued 30 June 1998 per Letter No. (87)-Taiwan-Finance-Insurance-872439064 of the Ministry of Finance 3. Full 14 points amended and issued 30 December 2000 per Letter No. Taiwan-Finance-Insurance-0890751452 of the Ministry of Finance 4. Full 11 points amended and issued 17 June 2003 per Order No. Taiwan-Finance-Insurance-0920750524 of the Ministry of Finance 5. Full 15 points amended and issued 29 December 2004 per Order No. Financial-Supervisory-Insurance-II-09302524752 of the Financial Supervisory Commission, Executive Yuan; for implementation from 1 January 2005 6.Abolished on September 01, 2006
Content：	**Article 1** 1.To facilitate the review of products for non-life insurance, these Directions are adopted pursuant to the provisions of Article 10 of the Regulations Governing Pre-sale Procedures for Insurance Products ("the Regulations"). **Article 2** 2.A non-life insurance product shall be named in such a manner as to indicate the principal nature of the product, and the name of each product shall be prefixed with the name of the entity submitting it for review. For additional insurance, the product name shall, after denoting the name of the master insurance, be prefixed additionally with a name indicating the essential nature of the additional insurance, and [the entity submitting the product for review] may also consider the possibility of additionally prefixing or suffixing the name with an abstract term that is auspicious, distinctive, or descriptive in nature. However, a name contrary to public order or good morals, or misleading to consumers, may not be used. Where the provisions of the preceding paragraph are not applied to the naming of a non-life insurance product, the reason therefor shall be noted when the product is submitted to the competent authority for review. **Article 3** 3."Individual insurance" as used in these Directions means insurance in which the insured is a natural person, and "commercial insurance" means insurance in which the insured is other than a natural person, provided that under exceptional circumstances, the classification of the product may be determined by the competent authority. **Article 4** 4.Products filed on a prior-approval basis: (1) Individual insurance (not including individual insurance products filed on a file-and-use basis as provided in Point 5 or on a use-and-file basis as provided in Point 6). (2) Insurance products for which the competent authority has changed to the prior-approval method of review pursuant to Point 5, paragraph 3. (3) A product that the competent authority has determined to be a new type of insurance product. **Article 5** 5.Products filed on a file-and-use basis: (1) Commercial insurance (not including products filed on a use-and-file basis as provided in Point 6).

(2) Any personal injury insurance product submitted for review whose provisions are designed with reference to the "Model Provisions for Personal Injury Insurance Policies", "Model Provisions for Group Personal Injury Insurance Policies", or "Model Provisions for Travel Accident Insurance Policies".
(3) Any individual insurance product that has been signed by qualified signatories and by outside experts with insurance-related expertise.
The qualification requirements and self-regulatory rules applying to the outside experts referenced in subparagraph 3 of the preceding paragraph shall be adopted by the Non-Life Insurance Association of the R.O.C. and implemented following submission to the competent authority for recordation.
For liability insurance, guarantee insurance, or credit insurance products falling under paragraph 1, the competent authority may change to the prior-approval method of review in consideration of factors connected with financial security or operational technique.

Article 6
6.Products filed on a use-and-file basis:
(1) Any personal injury insurance product submitted for review whose provisions are identical to the "Model Provisions for Personal Injury Insurance Policies", "Model Provisions for Group Personal Injury Insurance Policies", or "Model Provisions for Travel Accident Insurance Policies".
(2) An insurance product newly submitted for review for which the non-life insurance enterprise, within one year after obtaining approval or file-and-use approval, is adjusting the expense loading factor without changing any other aspect of the product.
(3) Personal injury insurance or public liability insurance with a policy period of one year or less which is taken out by a publicly or privately established agency (entity) or school, where the cost is subsidized (or included in a government procurement project) through a governmental budgetary appropriation, provided that personal injury insurance premium income serving as basis for the provisioning of various reserves shall be handled in accordance with the Criteria for One-Year Group Insurance Rates.
(4) One-year group personal injury insurance for employees. The premium income serving as basis for the provisioning of various reserves shall be handled in accordance with the Criteria for One-Year Group Insurance Rates.
(5) An insurance product which differs in name only from another product that has previously been granted prior approval or file-and-use approval, while all other aspects are identical.
(6) Other insurance products as determined by the competent authority.
For any of the following insurance products, the provisions of Point 4 and Point 5 shall not apply, and within 15 days after its sale an optical or magnetic disk containing the insurance policy (with Chinese summary attached, if in English) and a Description of Insurance Policy Content and Declaration Thereupon (Attachment 1) shall be submitted to the competent authority or an agency designated by it:
(1) Marine insurance.
(2) Aviation insurance.
(3) Engineering insurance.
(4) Nuclear energy insurance.
(5) Insurance for which the Non-Life Insurance Association of the R.O.C. has received prior approval, file-and-use approval, or use-and-file approval from the competent authority.
(6) Commercial fire insurance offering either jumbo coverage or coverage for a multinational, foreign-invested enterprise in Taiwan.
(7) Other insurance products as determined by the competent authority.
The meaning of the terms "jumbo coverage" and "multinational, foreign-invested enterprise in Taiwan" referred to in subparagraph 6 of the preceding paragraph shall be determined in accordance with the Rules Governing the Application of Commercial Fire Insurance Premium Adjustment Tables.

Article 7
7.When an insurance product is submitted to the competent authority for prior approval as provided in Point 4, each of the following documents

shall be submitted in quadruplicate together with one copy on optical or magnetic disk; when an insurance product is filed with the competent authority on a file-and-use or use-and-file basis as provided in Point 5 or in Point 6, paragraph 1, each of the following documents, with one copy on optical or magnetic disk, shall be submitted to the competent authority, and to any agency designated thereby:
(1) Description of Insurance Policy Content and Declaration Thereupon (see Attachment 1).
(2) The insurance product's Self-Review Form (see Attachment 2).
(3) An Outside Expert Opinion Statement (need not be submitted for products other than an individual insurance product as given in Point 5, paragraph 1, subparagraph 3; see Attachment 3).
(4) The policy provisions (see Attachments 4-6).
(5) The proposal and insurance brochure.
(6) A pricing actuarial memorandum for the product (please see Attachments 7-9).
(7) Other information as designated by the competent authority.
Where any portion of the submitted documentation differs in no way from that for a product previously granted prior approval, or from model provisions, this fact shall be indicated. For any portion that differs, a comparison chart shall be submitted showing in detail how the documentation differs from that for the product previously granted prior approval, or from model provisions, and the reason for the change(s) shall be explained. Where a product is submitted for secondary review in response to a letter from the competent authority requiring supplementation of incomplete information, a non-life insurance enterprise must: submit a detailed comparison chart showing how the resubmitted documentation differs from the original filing; explain the reason for the change(s); and submit a revised copy of the policy provisions and pricing actuarial memorandum. The number of sets of documentation to be submitted shall be determined through mutatis mutandis application of the provisions of paragraph 1. Attachments that have not been changed need not be resubmitted unless otherwise indicated by the competent authority.

Article 8
8.For insurance products already granted prior approval, file-and-use approval, or use-and-file approval by the competent authority, when a change in the product has to do with scope of coverage, benefit payment conditions, or risk premium, the product will be reviewed in the original manner. Otherwise, the enterprise may file with the competent authority under one of the following review methods by submitting a Declaration Regarding Application for Partial Modification of Insurance Product, and a Comparison Chart Showing Modifications (see Attachment 10), documentation on altered portions, and one set of the above on optical or magnetic disk:
(1) Reasons for filing on a file-and-use basis:
(i) A premium paying period is being changed.
(ii) A premium mode is being changed.
(iii) An insuring age limit is being changed.
(iv) A maximum insuring amount is being changed.
(v) The insurance product has a policy period of one year or less, introduces additional types of coverage, and the insurance enterprise absorbs the cost(s) thereof and provisions various policy reserves on the basis of such cost(s).
(vi) Other items as determined by the competent authority.
(2) Reasons for filing on a use-and-file basis:
(i) The policy period is being changed.
(ii) A minimum insuring amount is being changed.
(iii) A change is being made for the sake of compliance with an amendment to an act or regulation.
(iv) A change is being made in a proposal to something other than the notifications and declarations.
(v) The assumed interest rate used for calculating premiums is being adjusted.
(vi) The occupational restrictions or eligibility requirements of the insured are being changed.
(vii) A new benefit plan is being added, provided that the change is

limited to the addition of more benefit multipliers for insurance customers to choose from.
(viii) An expense loading factor is being adjusted.
(ix) The incidence rate for an anticipated risk is being adjusted.
(x) The premium mode factor is being changed.
(xi) A modification is being made as provided in Point 6, paragraph 1, subparagraph 3 or 4.
(xii) A partial modification is being made that is not listed under the preceding subparagraph among the reasons for filing on a file-and-use basis.

Article 9
9.The review period for insurance products filed on a prior-approval basis is as follows:
(1) The competent authority shall review and respond within 60 working days, counting from the day following receipt in full of all application documents from the entity submitting a product for review.
(2) Where the competent authority issues a letter requiring supplementation, the non-life insurance enterprise shall have 60 working days to comply. The enterprise's application will be rejected if it fails to complete supplementation within the prescribed period.
Where an insurance product that has been submitted for review in accordance with the provisions of Point 4 is determined by the competent authority to be an innovative insurance product, the competent authority may grant the product a protected sales period of three to six months and may further restrict or suspend the review of other products of the same type filed by other insurance enterprises, and shall not be bound by the review period set forth under the preceding paragraph.

Article 10
10.The review period for insurance products filed on a file-and-use basis is as follows:
(1) Counting from the day following receipt in full of all application documents from the entity submitting a product for review, if the competent authority after 15 working days has issued neither a letter requiring supplementation nor a decision that the product must be filed on a prior-approval basis, file-and-use approval will be deemed granted.
(2) Where the competent authority issues a letter requiring supplementation, the non-life insurance enterprise shall have 60 working days to comply. The enterprise's application will be rejected if it fails to complete supplementation within the prescribed period.

Article 11
11.The review method and review period for an insurance product that a non-life insurance enterprise submits for review shall, if otherwise provided for under the Directions for Ratings-based Administration of Insurance Product Review, comply with the provisions of said Directions.

Article 12
12.When a non-life insurance enterprise intends to submit an insurance product for review, qualified signatories as set forth under Article 9, paragraph 2 of the Regulations, acting on the basis of their occupational duties and professional expertise, shall review the relevant portions thereof, and shall then sign the Description of Insurance Policy Content and Declaration Thereupon (see Attachment 1), thereby confirming that the product to be submitted complies with applicable acts and regulations.
The declaration referred to in the preceding paragraph shall also be signed by the general manager or a department head authorized thereby.
The above shall also apply when a product has been submitted for review and the competent authority issues a letter requiring supplementation for the purpose of secondary review, and when an application is made for a modification of the content.

Article 13
13.After the competent authority has granted prior approval, file-and-use approval, or use-and-file approval for a product filed by a non-life

insurance enterprise, the enterprise shall, when selling the product, indicate the following information in a conspicuous position on the face page of the policy, in the policy provisions, and in the brochure, and before selling the product shall carefully inspect them:
(1) the reference number and date of the competent authority's approval document, or the reference number and date of the filing made with the competent authority on a file-and-use or use-and-file basis by the entity submitting the product for review;
(2) for personal injury insurance, a note must be added beneath the name of the insurance line indicating the main benefits of the product in question;
(3) a toll-free telephone number for complaints;
(4) an indication of how to access the company's public disclosure documents, printed in prominent typeface placed in a conspicuous position on the face page of the insurance product brochure and the proposal;
(5) The following cautionary statement must be printed in a special and prominent typeface, and must also appear in the proposal in a conspicuous position: "Qualified signatories of this company have examined the content of this product and found it compliant with general actuarial principles and insurance acts and regulations. However, in order to safeguard one's rights and interests, and in keeping with the principle of equity and parity between insurance companies and consumers, the consumer should still read policy provisions and related documents with care, and act judiciously in selecting an insurance product. If there is anything deceptive, dishonest, or illegal about this product, this company and its responsible person shall be held legally responsible."
When a non-life insurance product is submitted for review as provided in Point 6, paragraph 2, the following cautionary statement must appear in a special and prominent typeface on the face page of the policy, policy brochures, and the proposal: "This product has been duly reported to the competent authority, or to an agency designated by it, and is in conformance with insurance principles and with applicable acts and regulations. However, in order to safeguard one's rights and interests, and in keeping with the principle of equity and parity between insurance companies and consumers, the consumer should still read policy provisions and related documents with care, and act judiciously in selecting an insurance product. If there is anything deceptive, dishonest, or illegal about this product, this company and its responsible person shall be held legally responsible."

Article 14
14.After a product for non-life insurance (including partially modified products) has been granted prior approval, file-and-use approval, or use-and-file approval by the competent authority, before selling the product a non-life insurance enterprise shall obtain a product code from the Non-Life Insurance Association of the R.O.C. and then, acting in accordance with the provisions of Article 15 of the Regulations, shall submit all relevant documents and a declaration confirming that the documents now being submitted conform with the particulars of the product being submitted for review. For the purpose of establishing an insurance product database, the above items shall be transmitted in compliance with provisions adopted by the competent authority, or by a specialized institution engaged thereby to establish an insurance product database.
If a non-life insurance enterprise fails to send the materials to one of the aforementioned entities in accordance with the provisions of the preceding paragraph, the competent authority may, acting pursuant to the provisions of Article 15 of the Regulations, adjust procedures for review of its products or suspend review of its products.
Before selling a product (including partially modified products), a non-life insurance enterprise shall also submit all relevant documents, together with a declaration confirming that the documents now being submitted conform with the particulars of the product being submitted for review, to the Taiwan Insurance Institute and the Non-Life Insurance Association of the R.O.C. to be kept on file at these respective organizations.
A brochure for a non-life insurance product may not be used until it has been approved by the non-life insurance enterprise. If a brochure

prejudices the rights or interests of an insurance customer through violation of an act or regulation or due to the presence of error, said non-life insurance enterprise shall bear full responsibility.

Article 15
15.Where a product newly submitted for review is not sold within six months after the competent authority grants prior approval or file-and-use approval, [the non-life insurance enterprise] shall state the reason and file with the competent authority for cancellation of the product, provided that where a legitimate reason is reported to the competent authority and approved thereby, application for a six-month extension may be made to the competent authority during the two weeks prior to expiry of the six-month deadline. No more than one extension will be granted.
Where there are plans to suspend the sale of an insurance product already being offered for sale, the matter shall be handled in accordance with the provisions of Article 9, paragraph 3 of the Regulations Governing Public Disclosure of Information by Non-life Insurance Enterprises.