

## Content

Title : Model Provisions for Individual Immediate Annuity Insurance Policies  
(Conventional, or with Guaranteed Benefits) **Ch**

Date : 2005.06.28

Legislative : 1. Full 14 articles adopted and issued 30 June 1997 per Letter No. (86)-Taiwan-Finance-Insurance-862397037 of the Ministry of Finance; for implementation from 1 July 1997  
2. Article 10 amended and issued 15 August 1998 per Letter No. (87)-Taiwan-Finance-Insurance-872441034 of the Ministry of Finance; for implementation from 1 September 1998  
3. Full 14 articles amended and issued 28 June 2005 per Letter No. Financial-Supervisory-Insurance-II-09402050940 of the Financial Supervisory Commission, Executive Yuan

Content : **Article 1**

Constitution of the insurance contract

These policy provisions and the attached proposal, endorsements, and other agreements are all constituent parts of this insurance contract ("this contract").

Interpretation of this contract shall seek the true intent of the parties involved, and may not adhere blindly to the language employed. Where there is doubt, the interpretation favoring the insured shall in principle be adopted.

### Article 2

Definitions

For the purpose of this contract, "guaranteed period" means a period of time during which this company guarantees to make annuity payments under this contract, regardless whether the insured is living.

For the purpose of this contract, "guaranteed amount" means a sum of annuities this company guarantees to pay under this contract, regardless whether the insured is living.

For the purpose of this contract, "annuity amount" means a dollar amount this company pays in installments on the terms and over the period specified in this contract.

For the purpose of this contract, "remaining annuity balance" means annuity amounts not yet received by the insured during the guaranteed period (or within the guaranteed amount) contemplated in this contract.

For the purpose of this contract, "life annuity amount" means the annuity amount this company pays in installments on the terms and over the period specified in this contract while the insured is still living.

### Article 3

Commencement of insurer liabilities

This company shall bear insurance liabilities after it commits to insure and the entire premium amount is collected in full, and shall issue a policy as evidence of its commitment to insure.

Where, before committing to insure, this company collects in advance an amount equal to the entire premium amount, the commencement of insurance liabilities borne by this company due to its commitment to insure shall date back to the time when such amount equal to the entire premium amount is collected in advance. Notwithstanding the foregoing, where the insured dies before the time this company commits to insure, this company will refund, without interest, any premium already paid by the proposer.

Where within fifteen days after advance collection of an amount equal to the entire premium amount this company fails to express any intention to commit or refuse to insure, it shall be deemed to have made a commitment to insure.

## **Article 4**

### Right of revocation

The proposer may revoke this contract within ten days from the day following delivery and receipt of the policy by providing written notice to this company with the policy attached.

When the proposer exercises the right to revoke this contract as provided in the preceding paragraph, revocation shall take effect from 12 o'clock midnight on the day following receipt of the proposer's written declaration of intent; this contract will then be void ab initio and this company shall return to the proposer without interest any premium already paid.

## **Article 5**

### Limitations on termination of contract and policy loans

After this contract takes effect and the annuity payment period begins, the proposer may not terminate this contract or apply for a policy loan.

## **Article 6**

### Notification of death of the insured

Where the insured dies, the proposer or beneficiary(ies) shall notify this company after learning of the death of the insured. If there is still a remaining annuity balance, this company shall, as agreed, pay the remaining annuity balance to the death beneficiary(ies) or other entitled persons, and the provisions of Article 8, paragraph 2 shall not apply.

## **Article 7**

### Disappearance of the insured

Where the insured disappears during the effective term of this contract, unless there is a remaining annuity balance for the guaranteed period (or guaranteed amount) that has not yet been received, this company will no longer bear liability for payment of annuities starting from the date of death as determined in a court judgment; provided that if the insured is found thereafter to have survived, this company shall resume the payment of annuity benefits agreed to under this contract and make up the annuity benefits accrued and unpaid during that period.

## **Article 8**

### Application for annuities

During the lifetime of the insured, the first time that the insured files claim to collect annuity benefits in a given year, he or she shall produce documents that are sufficient to prove that he or she is living. However, the same shall not apply to a claim filed during the guaranteed period (or within the guaranteed amount).

The annuitant may apply for advanced payment of annuity benefits during the guaranteed period (or within the guaranteed amount) at a discount rate of \_\_\_\_.

Where there is a remaining annuity balance after the death of the insured, the death beneficiary(ies) shall submit the following documents when filing claim to collect such annuity benefits:

1. The insurance policy or a transcript thereof.
2. Death documents of the insured and a household registration certificate from which the insured's name has been crossed out.
3. Proof of the beneficiary's identity.

If the payment is not made by the due date for reasons attributable to this company, this company shall pay default interest at the rate of 10 percent per annum.

## **Article 9**

### Computation of age and handling of errors

The proposer shall fill out the insured's year, month, and date of birth on the proposal when applying for insurance. The insuring age of the insured shall be counted as his or her age last birthday, provided that where a period of six months has elapsed since his or her last birthday, the age next birthday.

An error in the insured's insuring age shall be handled in accordance with the following provisions:

1. Where the actual insuring age is greater than \_\_\_, this contract is void, in which case this company shall return to the proposer, without interest, premiums already paid, and if any annuity benefits have already been paid the beneficiary(ies) shall return them without interest to this company.
2. Where an error in the insured's insuring age results in this company paying less than the required annuity amount, this company shall compute the difference between the annuity amounts already paid and the annuity amounts actually owed, and make the next annuity payment based on the annuity amount owed, together with a lump-sum payment to make up the difference between the annuity amounts previously paid and the annuity amounts that were actually owed.
3. Where an error in the insured's insuring age results in payment of more than the required annuity amount, this company shall re-compute the difference between the annuity amounts already paid and the annuity amounts actually owed, and deduct the same from future annuity payments.  
Where the reason for the error under subparagraph 1 or 2 of the preceding paragraph is attributable to this company, the money shall be returned with interest at the rate of \_\_\_ (which shall not be lower than the assumed interest rate for this policy).

#### **Article 10**

##### Designation and change of beneficiary

Only the insured may be the beneficiary of this contract during his or her lifetime; this company will accept no designation or change of such beneficiary.

In circumstances other than those contemplated in the preceding paragraph, the proposer may designate or change a beneficiary as follows:

1. When this contract is entered into, designation of a death beneficiary may be made with consent of the insured; where no such designation is made, the death beneficiaries of this contract shall be the lawful heirs of the insured.

2. Unless the right of disposal has been waived, with the consent of the insured a death beneficiary may be changed prior to occurrence of any insured peril. Where the proposer fails to notify this company of such change, it shall not be effective as against this company.

Where there is to be a change in death beneficiary as provided in the preceding paragraph, when the proposer delivers to this company the application and the insured's letter of consent this company shall promptly provide a stamped or attached endorsement.

If the death beneficiary(ies) under paragraph 2 die at the same time or before the insured, then unless the proposer has designated otherwise, the death beneficiaries of this contract shall be the lawful heirs of the insured.

Where no death beneficiary is designated for the purpose of this contract and the lawful heirs of the insured therefore become the death beneficiaries hereof, the provisions of Article 1138 of the Civil Code shall apply in determining the order of beneficiaries, while the provisions of Article 1144 shall apply, except as otherwise stipulated hereunder, in determining the proportion of benefits.

#### **Article 11**

##### Change in domicile

The proposer shall immediately give written notification to this company of any change in domicile.

Where the proposer fails to provide notification as set out in the preceding paragraph, notices by this company may be sent to the address of the insured's last domicile as indicated in this contract.

#### **Article 12**

##### Extinctive prescription

Any right arising out of this contract shall be extinguished if not exercised within two years of the date a claim may be asserted.

#### **Article 13**

##### Endorsements

Except as otherwise provided in Article 10, any alteration in the content of this contract, or addition or deletion of contractual particulars, shall be made only with the written consent of both the proposer and this company, for which the addition of a stamped or attached endorsement by this company is required.

#### **Article 14**

##### **Court of jurisdiction**

For any litigation arising out of this contract, the parties hereto stipulate that the court of first instance shall be the district court of the place where the proposer is domiciled, provided that when the proposer is domiciled outside the territory of the Republic of China, the court of first instance shall be the \_\_\_\_\_ District Court.

Notwithstanding the foregoing, the application of the provisions of Article 47 of the Consumer Protection Act and of the provisions of Article 436-9 of the Code of Civil Procedure in relation to small claim courts shall not be excluded.

##### **Computation and payment of policy dividends**

(Where this insurance is in the nature of a participating policy, each company has discretion in formulating this article. Where this insurance is not in the nature of a participating policy, the following shall be stated: "This insurance is a non-participating policy, in which neither dividend participation nor payment of dividend benefit is granted.")

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System