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Title : Rate Standards for One-Year Group Insurance Rates [Ch](#)

Date : 1996.07.25

Legislative :

- 1.
2. Amended and issued 25 July 1996 per Letter No. (85)-Taiwan-Finance-Insurance-852367814 of the Ministry of Finance

Content :

1. When a group with 50 or more insured persons applies for insurance, the premium rate shall be negotiated by the two parties to the contract.
2. When a group with fewer than 50 insured persons applies for insurance, the premium rate shall be set according to the following provisions:
  - (1) For a group with 10 or more insured persons, the anticipated expense loading factor may not be higher than 25 percent of total premiums. For a group with fewer than 10 insured persons, the factor may not be higher than 30 percent of total premiums.
  - (2) For a group with 10 or more insured persons, the expected loss ratio may not be lower than 72 percent of total premiums. For a group with fewer than 10 insured persons, the expected loss ratio may not be lower than 67 percent of total premiums.
  - (3) The assumed interest rate may not be lower than 4 percent per annum or higher than 10 percent per annum.
  - (4) The anticipated risk incidence rate shall be set according the following criteria:
    - (i) For group life insurance, the rate may not be higher than 80 percent or lower than 40 percent of the rates in the 1989 Taiwan Standard Ordinary Experience Mortality Table for any given age group.
    - (ii) For group health insurance, the rate may not be higher than 100 percent or lower than 40 percent of the rates for individual health insurance in the same category.
    - (iii) For group accident insurance, the rate may not be higher than 100 percent or lower than 40 percent of the rates for individual accidental death or disablement in any given vocational category.
  - (5) The provisioning rate for special reserve shall be 3 percent of total premiums.

### 3. Other matters

- (1) For the distribution of insurance-policy dividends, the formula for calculation of experience refunds shall be expressly included in the provisions of the contract.
- (2) Where any one of the following descriptions applies to the average actual loss ratio for the most recent three years for [a given] group insurance contract, the insurer shall prepare a written analysis of the reasons therefor and a plan for adjustments, to be attached to the actual loss ratio report:
  - (i) For a group with 50 or more insured persons, the rate is higher than 84 percent or lower than 60 percent.
  - (ii) For a group with at least 10 but fewer than 50 insured persons, the rate is higher than 84 percent or lower than 64 percent.
  - (iii) For a group with fewer than 10 insured persons, the rate is higher than 79 percent or lower than 55 percent.