

Content

Title :	Directions for the Review and Approval of Reinsurance Brokering Business Conducted by Insurance Broker Companies 
Date :	2005.07.01
Legislative :	1. Full 8 points adopted and issued 1 July 2005 per Order No. Financial-Supervisory-Insurance-III-09402541803 of the Financial Supervisory Commission, Executive Yuan; to take effect immediately
Content :	<p>1. These Directions are adopted pursuant to the provisions of Article 26, paragraph 2 of the Regulations Governing Insurance Brokers ("the Regulations"), with a view to strengthening regulation of the conduct by insurance broker companies of reinsurance brokering business.</p> <p>2. The amount of [paid-in] capital of, and professional liability insurance taken out by, an insurance broker company conducting reinsurance brokering business shall meet the minimum requirements set out in Article 14 and Article 15 of the Regulations.</p> <p>3. An insurance broker company's reinsurance brokering business supervisor shall meet the following qualification requirements:</p> <p>3.1 Has graduated from a domestic or foreign school at the level of junior college or higher or possesses equivalent academic qualifications.</p> <p>3.2 Has no less than three years of work experience in reinsurance business.</p> <p>3.3 Is not currently employed at an insurance enterprise or an insurance association.</p> <p>4. An insurance broker company that intends to conduct reinsurance brokering business shall have a workflow plan and implementation plan that comply with the provisions of Article 26 paragraphs 3 and 4 and Article 27 of the Regulations, and such company shall obtain authorization or consent from an insurance company.</p> <p>Where [such a company] concurrently conducts both insurance brokering and reinsurance brokering business, its internal segregation of duties and workflow shall maintain a separation [between insurance and reinsurance].</p> <p>5. An insurance broker company that intends to conduct reinsurance brokering business shall apply to the competent authority for prior approval, submitting the following documentation:</p> <p>5.1 Proof of [paid-in] capital amount and purchase of professional liability insurance.</p> <p>5.2 Proof of qualifications of the reinsurance brokering business supervisor.</p> <p>5.3 Minutes from the directors meeting where it was resolved to conduct reinsurance brokering business.</p> <p>5.4 A workflow plan designed in compliance with Point 4.</p> <p>5.5 The financial report for the most recent fiscal year, audited and attested by a certified public accountant.</p> <p>5.6 Proof of membership in The Insurance Brokers Association of the R.O.C.</p> <p>6. In addition to having committed none of the violations set out in the</p>

subparagraphs under Article 36 of the Regulations, an insurance broker company that conducts reinsurance brokering business, shall further take care to abide by the following requirements:

6.1 Shall faithfully fulfill the duty of due care of a good administrator, and may not prejudice the interests of an insured or an insurer.

6.2 May not misappropriate or embezzle reinsurance premiums or claim settlement funds.

6.3 May not deliberately supply false information to an insurer or reinsurer.

6.4 Shall accurately and fully process reinsurance accounts.

7. Where an insurance broker company intends to suspend its conduct of reinsurance brokering business, it shall file with the competent authority for recordation, submitting the relevant minutes of the board meeting together with an explanation of the reason for the suspension.

8. Where an insurance broker company violates a requirement set out in these Directions, the competent authority may deny approval of or suspend the company's conduct of reinsurance brokering business; such a company that conducts reinsurance brokering business without permission shall be sanctioned in accordance with applicable acts and regulations.