


## Content

Title :	Directions for Insurance Enterprises Engaging in Telemarketing Insurance Products 
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Legislative :	1.Promulgated on April March 14, 2006 2.Amended on January 25, 2007 3.Amended on January 26, 2010 4.Amended on August 12, 2010 5.Amended on April 18, 2012
Content :	<p>1.These Directions are drawn up to regulate the activities of insurance enterprises soliciting business through telemarketing and safeguard the interests of consumers so as to protect the professional image of the insurance enterprise as a whole.</p> <p>2.Unless it is otherwise provided by law, insurance enterprises shall carry out telemarketing sales in accordance with these Directions.</p> <p>Insurance enterprises shall include the particulars in these Directions into their internal business solicitation system and procedure as provided under Article 6, paragraph 1, subparagraph 4 of the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises.</p> <p>3.The term "telemarketing sales" depicted in these Directions (referred to as "telemarketing" hereunder) means one of the following sales methods:</p> <p>(1)An insurance enterprise solicits business through the sales representatives working at a telemarketing call center and enters an insurance contract on the phone with the consent of the proposer.</p> <p>(2)An insurance enterprise solicits business through the sales representatives working at a telemarketing call center and confirms the intent of the proposer to obtain insurance, and then enters an insurance contract after the insurance enterprise has underwritten it.</p> <p>(3)An insurance enterprise solicits business through the sales representatives working at a telemarketing call center and enters an insurance contract after the proposer and the insured have signed the application form and the insurance enterprise itself has approved the underwriting.</p> <p>Telemarketing sales representatives and their direct supervisors are required to have the qualification of an insurance solicitor.</p> <p>An insurance enterprise that engages in the business specified in paragraph 1, subparagraph 1 hereof shall establish an automated information system and adopt automated underwriting process.</p> <p>When an insurance enterprise engages in the business specified in paragraph 1, subparagraph 2 or 3 hereof, the proposer shall be explicitly informed that the insurance contract will not take effect until the insurance enterprise has approved the underwriting. If the insurance enterprise disapproves the underwriting, it shall inform the proposer by phone or in writing.</p>

4. Matters regarding the qualification requirements, education and training, management, and rewards and disciplines of telemarketing sales representatives and their direct supervisors shall be handled in accordance with relevant provisions in the Regulations Governing the Supervision of Insurance Solicitors.

5. The collection, computer processing and international transmission of personal information in connection with telemarketing shall comply with the provisions in Computer-Processed Personal Data Protection Act, Article 42 of the Financial Holding Company Act on the collection and use of personal information, and other applicable regulations. In addition, telemarketing sales representatives shall explain the matter to the proposers and obtain their consent.

Insurance enterprises shall carry out data processing in compliance with their internal data security management process and rules.

6. When an insurance enterprise engages in the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein, the proposer and the insured must be the same person over 20 years of age, and the call must be an outside call from the telemarketing call center system.

When the telemarketing sales representative of an insurance enterprise conducts telemarketing, he or she should first indicate the purpose of the call, confirm the identity of the proposer, and inform the proposer of his or her name, registration number, the name of employing company, service phone number and important content of the insurance contract. The supervisors or auditors of the insurance enterprise should periodically check the aforementioned telephone records to determine whether these Directions or other laws and regulations have been violated.

Compliance with the preceding paragraph shall be deemed that the insurance solicitor has presented his or her registration certificate in soliciting insurance business pursuant to Article 6, paragraph 6 of the Regulations Governing the Supervision of Insurance Solicitors.

7. When a life insurance enterprise engages in the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein, the products sold shall be limited to conventional life insurance, health insurance, annuity insurance and accident insurance. For life insurance and health insurance, the maximum insured amount shall be the limit allowed by the insurance enterprise without physical examination less the insured amount already acquired by the insured; for accident insurance, the maximum insured amount shall be limited to NT\$6,000,000.

When a non-life insurance enterprise engages in the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein, the per policy premium for the combination product sold shall not exceed NT\$50,000 a year.

When a non-life insurance enterprises offers health insurance and accident insurance through telemarketing, the provisions on telemarketing by life insurance enterprises shall apply.

8. Before a telemarketing sales representatives of a life insurance enterprise solicits conventional life insurance business mentioned in paragraph 1 of the preceding point, he or she shall send the contract to the proposer by fax, post, or email or through the Internet for review over a period of not less than three days, and may not enter an insurance contract with the proposer without confirmation that the proposer has

completed the contract review.

The confirmation of contract review mentioned in the preceding paragraph may be undertaken by any of the following means:

- (1) Have the proposer sign the contract or a statement for confirmation; or
- (2) Tape record the confirmation with the proposer on an outside call.

9. An insurance enterprise that intends to engage in telemarketing shall set up a telemarketing call center and tape record the entire conversation of the sales representative with the proposer under the proposer's consent and save a backup copy. The insurance enterprise shall also set up a file on the clauses of conventional life insurance contract already furnished to the proposer for review, the proposer's statement, tape recording and other relevant records and retain such records for a minimum period of five years after the insurance contract has expired or a notice of application denied has been sent to the proposer.

A telemarketing sales representative must sign the application form in person and note his or her registration number thereon. Notwithstanding the foregoing, when conducting the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein and the application form has indicated the name and registration number of the telemarketing sales representative, it is deemed that the telemarketing sales representative has signed his or her name on the application form.

In case dispute or litigation arises between an proposer and an insurance enterprise out of telemarketing, the proposer may request the provision of a copy of the tape recording, to which the insurance enterprise may not refuse, but may charge reasonable material cost.

For life insurance and health insurance cases waiving physical examination and the disclosure of medical history and residential fire insurance and automobile insurance waiving house inspection or vehicle inspection sold by means of the method under Point 3, paragraph 1, subparagraph 1 or 2, answers of the insured to the questions of the telemarketing sales representative could only be used as reference in making underwriting decision, but may not be used as basis for exercising the right to rescind an insurance contract.

10. The tape recording of telemarketing process shall contain at least information on the identity of proposer, confirmation of intention to buy insurance, insurance coverage, benefits, beneficiary, insurance period, amount of premium, payment method, premium, and effective date of insurance contract.

11. Life and non-life insurance enterprises shall engage in telemarketing in compliance with the Flow Process for the Telemarketing Operation of Insurance Enterprises (see attachment) and draft their own telemarketing management rules, and respectively report such rules and subsequent amendments thereto to The Life Insurance Association of the Republic of China and The Non-Life Insurance Association of the Republic of China for recordation.

Insurance enterprises shall heed and observe the applicable provisions in the Consumer Protection Law when engaging in telemarketing.

12. An insurance enterprise should adopt interpretation and take actions favorable to the proposer when handling a dispute arising out of or in connection with poor communication during the telemarketing process, poor

quality of recording equipment or recording, or insurance contract review period.

The preceding paragraph applies mutatis mutandis to dispute resulting from an proposer's failure to sign back the return receipt acknowledging the receipt of policy or insurance purchase confirmation when an insurance enterprise engages in the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein.

13.If a telemarketing sales representative violates the provisions in these Directions, the employing company should mete out discipline pursuant to Article 19, paragraph 1 of the Regulations Governing the Supervision of Insurance Solicitors.

14.Insurance agent companies shall observe these Directions when engaging in telemarketing.

The agency agreement between an insurance enterprise and an insurance agent company shall provide that the insurance agent company shall comply with the preceding paragraph, and in addition, contain a clause that if the insurance agent company violates these Directions, the insurance enterprise may demand that the insurance agent company takes remedial action within a given period of time, suspend the agency, or terminate the agency in view of the severity of violation.

15.An insurance broker company may only engage in the business specified in Point 3, paragraph 1, subparagraph 1 or 2 herein and shall conduct business in compliance with these Directions.

16.If an insurance enterprise violates these Directions when engaging in telemarketing, the competent authority may mete out appropriate disciplinary action pursuant to the Insurance Act in view of the severity of violation.