


Content

Title :	Regulations Governing Non-Life Insurance Enterprises Engaging in Injury Insurance and Health Insurance 
Date :	2015.12.31
Legislative :	Amended on 31 December 2015 per Order Ref. Jin-Kuan-Bao-Chan-Zi 10402527031 of the Financial Supervisory Commission.
Content :	<p>Article 1 These Regulations are enacted pursuant to paragraph 2, Article 138 of the Insurance Act (hereunder referred to as “the Act” ).</p> <p>Article 2 Non-life insurance enterprises engaging in personal injury insurance and health insurance shall be governed by the Regulations herein. Matters not provided for herein shall be governed by other applicable laws and regulations.</p> <p>Article 3 A non-life insurance enterprise applying for engaging in injury insurance and health insurance shall meet the following qualification requirements. Notwithstanding the foregoing, an insurance enterprise that is already engaging in injury insurance pursuant to paragraph 1, Article 138 of the Act before its amendment are exempted from the provisions in this Article for its injury insurance business.</p> <ol style="list-style-type: none"><li>1. Having sound business operation and financial capacity, having the operational capability to engage in injury insurance and health insurance, and the ratio of total adjusted net capital to risk-based capital in the past year complying with the adequacy ratio set forth in paragraph 1, Article 143-4 of the Act;</li><li>2. Not having been subject to major sanction/penalty or cumulative fines of NT\$3 million or more by the competent authority in the past year, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority;</li><li>3. Staffed with professional personnel to engage in injury insurance and health insurance, including qualified signatories for legal, conservation, investment, underwriting, claim adjusting and actuarial activities specified in subparagraphs 1-6, paragraph 1, Article 12 of Regulations Governing Pre-sale Procedures for Insurance Products as well as underwriters and adjusters meeting the criteria set forth in Article 12 and Article 13 of the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises;</li><li>4. Ranking in the top eighty percent in the past year in terms of overall score received by non-life insurance enterprises from low to high based on the rates of non-claim complaints and claim-related complaints filed by policyholders with the competent authority and its designated agency, as well as the speed of complaint handling by the non-life insurance enterprise. The preceding provision does not apply to a non-life insurance enterprise that could provide reasonable explanation and such explanation is accepted by the competent authority.</li></ol> <p>The competent authority may revoke the permit of a non-life insurance enterprise to engage in injury insurance and health insurance provided its</p>

application documents are found to violate the laws and regulations or contain false information.

Article 4 A non-life insurance enterprise applying for engaging in injury insurance and health insurance shall submit the following documents to the competent authority for a permit:

1. Application for Engaging in Injury Insurance and Health Insurance;
2. Business plan for injury insurance and health insurance; and
3. Other documents as required by the competent authority.

Article 5 The business plan referred to in subparagraph 2 of the foregoing Article shall include the following particulars:

1. Organization and functions of departments for the injury insurance and health insurance business;
2. Flow process and handling procedures for underwriting, claim adjusting, conservation, actuarial, reinsurance, and complaint;
3. Information management system for the effective operations of injury insurance and health insurance, including software and hardware for the connection of computer systems;
4. Sound risk control mechanism, including the reporting of underwriting activities, reinsurance and provision of reserves; and
5. Staffing, management, and personnel training plans.

Article 6 A non-life insurance enterprise that engages in injury insurance and health insurance can only offer policies with a term of less than one year and no guaranteed renewal. Notwithstanding the foregoing, non-life insurance enterprises that meet the following qualification requirements may apply to the competent authority to offer injury insurance and health insurance policies with a term of less than three years and no guaranteed renewal:

1. Having been approved by the competent authority to engage in injury insurance and health insurance and having conducted the businesses for at least three years;
2. The ratio of total adjusted net capital to risk-based capital in the past year is 250% or higher;
3. Not having been subject to any major sanction/penalty or cumulative fines of NT\$3 million or more by the competent authority in the past year, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority;
4. Ranking in the top fifty percent in the past year in term of overall score received by non-life insurance enterprise from low to high based on the rates of non-claim complaints and claim-related complaints filed by policyholders with the competent authority and its designated agency, as well as the speed of complaint handling by the non-life insurance enterprise. The preceding provision does not apply to a non-life insurance enterprise that could provide reasonable explanation and such explanation is accepted by the competent authority;
5. Having assisted in the development of and launched an insurance product or promoted a new business designed specifically to dovetail with government policy needs in the past three years, or having taken part in public service work in the past three years, and in either case having performed with distinction.

When a non-life insurance enterprise engages in health insurance

mentioned in the preceding paragraph, the policy shall be a primary coverage, or a rider or a clause attached to an injury insurance policy or health insurance policy.

Health insurance business conducted by a non-life insurance enterprise shall not include benefits for death except as provided for in a product that covers a critical illness or cancer; provided, however, that for insurance products that include benefits for death by non-critical illness or non-cancer and are deemed sold by a non-life insurance enterprise due to its assumption—before the current amendment entered into force on 17 April 2014—of the business, assets, and liabilities of a life insurance enterprise, this restriction shall not apply to policies assumed from the life insurance enterprise inasmuch as the policyholders and the insurance conditions remain the same as in the originally underwritten policies.

Article 7 Where a non-life insurance enterprise violates laws or regulations or is suspected of improper management in the conduct of injury insurance and health insurance, the competent authority may take disciplinary actions against the enterprise according to the Act.

Article 8 These Regulations shall enter into force from the date of promulgation.