


Content

Title :	Regulations Governing Insurance Brokers 
Date :	2017.06.27
Legislative :	<p>1. Full 46 articles promulgated and enforced 8 December 2003 per Ministry of Finance Order Taiwan-Finance-Insurance No. 0920752070.</p> <p>2. Articles 7 to 17, 19, 20, 26, 35, 36, 29, 40, and 42 amended and issued 16 February 2005 per Order No. Financial-Supervisory-Insurance-III-09402540862 of the Financial Supervisory Commission, Executive Yuan.</p> <p>3. Amended on February 4, 2010.</p> <p>4. Amendment to full text of 49 articles promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Li-Zi-10002545321 dated February 25, 2011 and implemented on the date of promulgation.</p> <p>5. Amendment to Articles 1, 15, 18, 19, 21, 22, 37, 40, 44, 45, 49, addition of Articles 40-1 ~ 40-3 and deletion of Article 6 promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Li-Zi-10002660381 dated December 29, 2011. With the exception of Articles 40-1 ~ 40-3 that will enter into force on July 1, 2012, the amended provisions will enter into force from the date of promulgation.</p> <p>6. Amendment to Articles 17,27,28 and 39 promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Zong-Zi- 10102573201 dated December 28, 2012.</p> <p>7. Amendment and full text of 54 articles promulgated per order of Financial Supervisory Commission No. Jin-Guan-Bao- Zong-Zi-10302565241 dated June 24, 2014; except for Articles 25 and 26 which will be in force one year after the promulgation of the amendment, the rest of the articles enter into force on the date of promulgation.</p> <p>8. Amendment and full text of 61 articles promulgated per order of Financial Supervisory Commission No. Jin-Guan-Bao- Zong-Zi-10402567071 dated June 18, 2015; except for Articles 31 and 32 which will be in force until June 24, 2015, the rest of the articles enter into force on the date of promulgation.</p> <p>9. Amendment to Article 9, 33, 34 and 35 promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Zong-Zi- 10602561991 dated June 27, 2017.</p>
Content :	<p>Article 9</p> <p>A broker company shall operate its business as a specialized operation and include the wording “Insurance broker” in the name of the company.</p> <p>A broker company shall submit the following documents to the competent authority for registration of permission:</p> <ol style="list-style-type: none"><li>1. An application form.</li><li>2. A photocopy of the valid practice license of brokers employed or certification showing that brokers employed meet the qualification requirements set out in these Regulations and any of the following certifications:<ol style="list-style-type: none"><li>(1) Certification of pre-job training, obtained within the last year and recognized by the competent authority;</li><li>(2) For a broker whose certification of pre-job training was obtained one year or earlier, the already obtained certification of pre-job training and the certification of at least 16 hours of on-the-job training within the past 1 year before submission of the application. For brokers who submit certification of at least 16 hours of on-the-job training within the past 1 year, the courses on laws and regulations taken shall not be less than 8 hours.</li><li>(3) Where registration of permission is based on the qualifications set out in subparagraph 3, paragraph 1 of Article 5 herein, certification of at least 16 hours of on-the-job training within the last year. For brokers who submit certification of at least 16 hours of on-the-job training within the</li></ol></li></ol>

past 1 year, the courses on laws and regulations taken shall not be less than 8 hours.

3. Proof of identity for brokers employed.

4. A written statement by the designated chairman, general manager and brokers employed that they are free of the situations in subparagraphs 1 through 9 and subparagraphs 12 through 19 of paragraph 1, Article 6 herein.

5. A business plan.

6. A list of promoters or shareholders stating each promoter's or shareholder's name, sex, date of birth, domicile, ID number, and amount paid for subscription/purchase of shares.

7. The Articles of incorporation.

8. Proof of full payment for shares or proof of the balance of deposits of the company.

9. Documents evidencing the qualifications of the designated chairman and general manager.

10. Other documents as required by the competent authority.

The business plan in subparagraph 5 of the preceding paragraph shall contain at least the following information:

1. Company philosophy and methods for carrying out fiduciary duties;

2. Scope of business;

3. Business development plan;

4. Organizational Structure and job duties.

5. Business solicitation system and procedures;

6. Financial projections for the next three years;

7. Description of work place and equipment; and

8. Other information as required by the competent authority.

Where any of the promoters or shareholders referred to in subparagraph 6 of the paragraph 2 is a foreign insurance broker institution, the documents set out in subparagraphs 2 through 4, subparagraphs 11 and 12, paragraph 1 of Article 55 shall also be submitted.

A broker company applying to operate reinsurance broker business shall submit the following documents to the competent authority for registration of permission:

1. An application form;

2. The proof of the deposit of bond, paid-in capital and a duplicate of an insurance policy showing the purchase of professional liability insurance;

3. Documents evidencing the qualifications of the manager in charge of reinsurance broker business.

4. The minutes of the relevant board of directors' or shareholders' meeting.

5. A business plan.

6. The financial report for the latest one year, audited and attested by a certified public accountant.

7. Other information as required by the competent authority.

The business plan in subparagraph 5 of the preceding paragraph shall contain at least the following information:

1. Company philosophy and methods for carrying out fiduciary duties;

2. Scope of business;

3. Business development plan;

4. Organizational Structure and job duties.

5. The operating process is in compliance with paragraphs 2 ~ 5 of Article 35 and Article 37 herein;

6. Financial projections for the next three years;

7. Description of work place and equipment; and

8. Other information as required by the competent authority.

Where the information stated in the documents referred to in paragraph 2 and 5 hereof is incomplete or insufficient, the application will be rejected; if the situation may be remedied, the applicant shall take remedial actions within the time limit set by the competent authority, or else the application will be rejected.

After a broker company has obtained a permit, the competent authority may void the permit if false information is discovered in any of the documents under paragraph 2 or 5 hereof submitted by the applicant.

Article 33

When independent brokers, broker companies and banks practicing or

operating business, that shall exercise due care of a good administrator and fiduciary duties to uphold the interests of the insured, ensure that he or she has provided professional explanations to the insured and made full disclosure of information relating to the major contents of the insurance product of interest and major rights and obligations of the insured.

When independent brokers, broker companies and banks operating or practicing business, they should store on and file those documents for future reference.

Broker companies and banks that operate insurance broker business shall draw up internal operating rules and implement them vigorously to ensure that their operating procedures and operations are in compliance with relevant laws and regulations.

Before a broker negotiates and concludes an insurance contract for an insured, the broker should proactively provide the insured with a written of analysis report in accordance with the applicable scope and content prescribed by the competent authority (see Attachment 1), and

before charging the proposer or the insured fees, a broker should clearly inform them of fee schedule (see Attachment 2).

Before a broker company or a bank submits an application case to the insurer, it should conduct phone interview with the proposer to understand his/her needs and product or service suitability, and make sure the solicitor has explained to the proposer fully the important points of the insurance contract and disclose related risks. When a broker company or a bank delivers relevant applying documents to the insurer for change of proposer or beneficiary, policy loan or termination of part or whole of the insurance contract, it should conduct phone interview of the proposer to confirm his/her with intent before the insurer completes the relevant operation. The types and percentage of insurance cases requiring phone interview shall be prescribed by the competent authority.

When a broker company or a bank discovers in the phone interview that there are situations not complying with the preceding paragraph or countering the intent of the proposer, it should notify the insurer and the proposer to rectify the situation or take actions in the interest of the proposer or the insured before the insurer completes the operation.

When a broker company or a bank conducts phone interview according to paragraph 5 hereof, it should tape record the entire interview with the interviewee's consent and make a copy of the tape for filing. The retention of such tapes shall not be less than two years after the insurance contract has expired.

When a broker company or a bank holds directly or indirectly more than ten percent of voting shares issued by an insurance company, or an insurance company holds directly or indirectly more than ten percent of voting shares issued by the broker company or the bank, the broker company or the bank shall disclose such information to the proposers.

Broker companies and banks already being granted practice license to engage in non-life insurance broker business related to documentary credit negotiation and credit extension shall, within six months from the date the amended Regulations are in force, draw up and revise their internal operating rules in accordance with paragraph 3 hereof.

#### Article 34

Independent brokers and brokers employed by a broker company or a bank shall understand the needs of the proposer and product or service suitability, and sign on relevant documents, unless otherwise

prescribed by the competent authority.

Brokers employed by a broker company or a bank shall ensure that the phone interview provided in paragraphs 5 ~ 7 of the preceding article is carried out with relevant files stored.

The "relevant documents" under the first paragraph, the paragraph 2 and 5 of the preceding article hereof include, for non-life insurance brokers:

1. Insurance application form.
2. Application for endorsement.
3. Proof of premium payment by the applicant.
4. An Analysis report on the needs of the proposer and the insured, suitability analysis, and negotiation and conclusion of insurance contract.
5. Application for termination of contract.

6. Other documents designated by the competent authority.
- The “relevant documents” under the first paragraph, the paragraph 2 and 5 of the preceding article hereof include, for personal insurance brokers:
1. Insurance application form.
  2. Application for endorsement.
  3. Proof of premium payment by the applicant.
  4. An Analysis report on the needs of the proposer and the insured, suitability analysis, and negotiation and conclusion of insurance contract.
  5. Application for termination of contract.
  6. Other documents designated by the competent authority.

Article 35

A broker company may operate both insurance broker business and reinsurance broker business.

A broker company operating insurance broker business and reinsurance broker business concurrently shall not have conflict of interest by separating the internal control systems and business operation procedures of the two businesses, and comply with the code of professional ethics and self-regulatory rules drawn up by the brokerage association.

A broker company undertaking reinsurance broker business shall obtain a written authorization of the original insurer.

When a broker company that arranges a direct insurance contract is authorized by the insurer of the direct insurance contract to arrange facultative reinsurance for the direct insurance contract, the broker company shall state the matter of simultaneous undertaking of insurance broker business and reinsurance broker business in the agreement or document entered with the insured and the insurer of the direct insurance contract as a form of consent by the insured and the insurer.

A broker company operating reinsurance broker business shall preserve complete transaction records including written confirmations of reinsurance arrangements, reinsurers’ shares of participation, and credit ratings, and keep them on file for audit by the competent authority; it also shall notify the original insurer before the direct insurance contract takes effect or before the start date the direct insurer cedes its risks of all important information and records concerning its transactions with reinsurers, including relevant reinsurance terms and conditions, reinsurance premium rates, and reinsurance commissions rates for the original insurer, as well as any material information affecting the finances or business of the reinsurer, and notify the original insurer before issuing the reinsurance contract.

The reinsurance terms and conditions and reinsurance premium rates mentioned in the preceding paragraph shall comply with the provisions of Article 10 and Article 11 of the Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms.

This article shall enter into force three months after the date of promulgation.