

Content

Title : Directions for Collecting Premiums Authorized by Insurance Enterprises Ch

Date : 2017.05.31

Legislative : -

Content : 2. When an insurance enterprise receives premium paid by cash or check, it should give the policyholder a conditional receipt, a proof of advance premium payment or a receipt, and state the time of payment thereon.

An insurance enterprise shall also observe the preceding paragraph when authorizing its insurance solicitors, insurance agents or their insurance solicitors (collectively referred to as "authorized collector" hereunder) to collect premium payments on its behalf, and assume the responsibility of an authorizer.

The insurance solicitors mentioned in the preceding paragraph shall have completed the registration formalities in accordance with the Regulations Governing the Supervision of Insurance Solicitors.

When an insurance enterprise authorizes an insurance agent to collect premiums on its behalf and print proof of receipt, the insurance enterprise should require the insurance agent to set out relevant control mechanism and observe relevant rule and regulations, and include such requirements in the insurance agency agreement.

5. An insurance enterprise should serially number the conditional receipts, proofs of advance premium payment or receipts it produces and adopt other suitable control methods to facilitate the control of blank receipts.

If an insurance enterprise adds policy-related warnings or points to note on the conditional receipt, proof of advance premium payment or receipt, such warnings or points to note shall not add to the responsibility of policyholder or shift the burden of the proof or other disbenefits to the policyholder.

6. An insurance enterprise should limit the number of blank conditional receipt, proof of advance premium payment or receipt an authorized collector may requisition and require that such receipts must be picked up by the authorized collectors themselves, that pick-up by others is not allowed.

7. If an insurance enterprise has set an expiration date for blank conditional receipts, proofs of advance premium payment or receipts, the insurance enterprise should ask the authorized collectors to turn in the expired conditional receipts, proofs of advance premium payment or receipts, to the control unit within a prescribed time period for processing. Notwithstanding the foregoing, an insurance enterprise shall still be legally liable towards a policyholder who has paid premium and received an outdated conditional receipt, proof of advance premium payment or receipt.

8. When a conditional receipt, proof of advance premium payment or receipt requisitioned by an authorized collector is lost or damaged, an insurance enterprise should ask said collector to explain the reason for loss or damage and make it into a written record. If a conditional receipt, proof of advance premium payment or receipt received by policyholder for premium paid is lost or damaged, the insurance enterprise shall still be legally liable towards the policyholder.

9. For authorized collectors who did not turn in the expired conditional receipts, proofs of advance premium payment or receipts or failed to explain the reasons for lost or damaged conditional receipt, proof of

advance premium payment or receipt and make it into a written record, an insurance enterprise may not issue new receipts to such collectors.

10. The relevant internal unit of an insurance enterprise should vigorously check whether the amount stated in a conditional receipt, a proof of advance premium payment or a receipt coincides with the amount entered into the book and file the conditional receipt, proof of advance premium payment or receipt, together with the insurance contract, the application form and other relevant documents within a specific time period for future reference.

11. An insurance enterprise should establish a management system or mechanism for the requisition of blank conditional receipts, proofs of advance premium payment or receipts, periodically produce related control statements, and periodically take stock of the use of conditional receipts, proofs of advance premium payment or receipts requisitioned by authorized collectors.

When an insurance enterprise discovers irregular use of conditional receipts, proofs of advance premium payment or receipts by an authorized collector, it should proactively conduct audit to find out the facts and follow up on the matter, and if deemed necessary, take other control measures to ensure the accuracy and integrity in the use of conditional receipts, proofs of advance premium payment or receipts and protect the rights and interests of policyholders.

12. For premiums paid by check, an insurance enterprise should set up internal rules regarding the acceptance of check where the drawer is other than the proposer, the insured or the beneficiary, and not allowing the check drawer to be an authorized collector.

When the premium collected by an authorized collector is paid in cash or by check drawn by a person other than the proposer, the insured or the beneficiary, an insurance enterprise should sample no less than 1 percent of or five hundred conditional receipts, proofs of advance premium payment or receipts issued in the month and send those proposers a notice of the amount of premium they have paid by short message, telephone, electronic mail, post or other means before the end of the following month.

13. An insurance enterprise should set up a toll-free number or create a similar mechanism on its website for its policyholders to make inquiry of their insurance policy and the latest premium payment. For those who have paid premium but their policies have not been approved, an insurance enterprise should provide them with a telephone number or a website or other appropriate ways to confirm the status of their coverage, and note the methods of inquiry on the conditional receipt, proof of advance premium payment or receipt.