

Content

Title :	Regulations for Underwriting and Claim Adjustment Procedures under Compulsory Automobile Liability Insurance <b>Ch</b>
Date :	2017.07.17
Legislative :	Articles 8 amended and promulgated on 17 July 2017 by Financial Supervisory Commission Order No. Jin-Guan-Bao-Chan-Zi-10602523701.
Content :	<p>Chapter 1 General Rules</p> <p>Article 1 These Regulations are stipulated pursuant to Article 46 of the Compulsory Automobile Liability Insurance Act (hereinafter "this Act").</p> <p>Article 2 If the particulars indicated on the compulsory automobile liability insurance certificate are inconsistent with that on the vehicle license, the vehicle license issued by or the vehicle information registered in the highway supervisory authority shall govern.</p> <p>Article 3 An insurer shall notify the applicant to renew this insurance 30 days prior to the expiry of the policy period. When an insurer fails to provide such notification and an insured event occurs within 30 days after the expiry of the original policy period, the insurer shall still be liable for payment of insurance benefits if the applicant completes renewal procedures and extends the inception of the policy retroactively to the expiry of the original policy.</p> <p>If the applicant has not renewed this insurance after the expiry of the policy period, the insurer shall give at least two notifications to insure in the insurance within 30 days of the expiry of the policy.</p> <p>The notification under the preceding paragraph shall specify that the contract will take effect from the application date of this insurance.</p> <p>The insurer should preserve the carbon copies of the notices mentioned by the paragraphs 1 and 2 for inquiry for at least 6 months.</p> <p>The insurer's obligation of notification stipulated by the paragraphs 1 or 2 is deemed to be fulfilled if the notification to renew or insure is delivered to the latest domicile, residence or business office the applicant has maintained in the insurer's record.</p> <p>Article 4 When ownership of an insured automobile is transferred, a contract for this insurance or amendment thereof shall be executed first. The insurer shall be liable for any accident occurring within the original policy period even if the amendment of the insurance contract not yet executed. The insurer, however, may require the assignee to complete the procedures for amendment.</p> <p>Article 5 Any notice given to an insurer by applicant , insured, or claimant, and any application by an applicant for amendment of an insurance contract, shall be made in writing; the same applies to any notice given by an insurer to an applicant , insured, or claimant, and to any agreement by an insurer to amendment of an insurance contract.</p> <p>Article 6 The items and standards of payment under this insurance should be subject to the Payment Standards of Compulsory Automobile Liability Insurance stipulated by the competent authority in conjunction with the</p>

central competent authority for transportation and communications.

If an automobile traffic accident causes injuries to two or more injured parties, every injured party is entitled to claim for the payment independently in accordance with the Payment Standards mentioned in the preceding paragraph.

The modified levels and amounts of the items in the Payment Standards mentioned in paragraph 1 shall be applied to those automobile traffic accidents occurred after the effective date of the said amendment.

Article 7 An insurer shall comply with the Guidelines for Compulsory Automobile Liability Insurance Business Statistics approved by the competent authority in respect of the underwriting, claim handling, subrogation and endorsement procedures.

#### Chapter 2 Underwriting Procedure

Article 8 A proposer shall make truthful representations in regard to the following matters when applying to establish a contract for this insurance:

1.The automobile category, including:

- (1) Brand and model.
- (2) Year of the first license issued.
- (3) Exhaust volume (ccubic centimeters) or horsepower.

2.The nature of its use.

3.The automobile license plate number, engine serial number or vehicle body number

4.The name, gender, date of birth, domicile, and national ID number of the party with the duty to insure. For an automobile owner who is an incorporated or unincorporated body or agency: its name, the number of the profit-seeking enterprise registration certificate or the number issued by the tax authority, the locations of its business or offices, and the name of its representative.

The automobile category is determined subject to the vehicle licenses issued by or the vehicle information registered in the highway supervisory authority. If the insured vehicle is registered as a military vehicle, the category should be determined subject to the respective categories provided in Article 2 of Administration and Penalty Rules for Military Vehicle Registered under National Military Forces.

Article 9 After executing a contract for this insurance, an insurer shall issue a document containing the policy provisions, an insurance certificate, and an insurance sticker to the proposer.

Should there be any amendment to the contract, it shall be amended by endorsement or replacement (re-issuance) of the insurance certificate if necessary.

The procedures for replacement (re-issuance) of the insurance certificate upon the title transfer of automobiles and motorcycles are as follows:

1.The owner of an automobile may select one of the following procedures upon assignment:

- (1) The new owner may terminate the original insurance contract and establish a new 1 year insurance contract.
- (2) Upon the agreement between the new and original owner, the insurer shall directly replace (re-issue) a new insurance certificate to the new owner for vehicle registration.

2.The owner of a motorcycle may select one of the following procedures upon

the title transfer:

(1) The new owner may terminate the original insurance contract and establish a new 1 year or 2 year insurance contract.

(2) Upon the agreement between the new and original owner, the insurer shall directly replace (re-issue) a new insurance certificate to the new owner for vehicle modification registration.

(3) The owner may follow the provisions on the title transfer notice for motorcycle of the compulsory automobile liability insurance implemented by the competent authority. The insurer shall re-issue the transfer endorsement or insurance certificate to the new owner after receiving relevant information.

Article 10 An insurer shall properly maintain insurance certificates of this insurance.

The insurance certificate of this insurance shall be printed with consecutive number and with a bar code on it. The original bar code and the word "replacement" ("re-issuance") shall be printed on the replaced (re-issued) insurance certificate.

Article 11 The insurance certificate shall specify the following particulars:

1. Numbers of the insurance certificate, bar code and the word "replacement" ("re-issuance").

2. Name, address and 24 hours toll free number of the insurer.

3. The policy period.

4. Registered information of the insured automobile.

5. Other particulars certified by the competent authority.

Article 12 An applicant may apply for replacement (re-issuance) of insurance certificate under one of the following circumstances:

1. The insurance certificate is unidentifiable due to wear and tear, or stains.

2. The insurance certificate is lost.

3. Title transfer.

4. Modification to the registered information of the insured automobile.

The insurer shall not charge any additional fee for the replacement (re-issuance) of the insurance certificate.

The original insurance certificate shall be returned and the application form shall be filled out by the applicant when the applicant applies for replacement (re-issuance) of the insurance certificate.

It is required to submit an affidavit of loss and an application form for replacement (re-issuance) of the insurance certificate.

Article 13 The premium of this insurance shall be calculated in accordance with the premium rates stipulated by the competent authority in conjunction with the central competent authority for transportation and communications. Should the insured suspend this insurance, the claim-based rating level to be used as the factor of claim amount should be the level under the latest policy; if the latest policy period is less than 9 months and there is no accident occurred within that period, the latest policy shall not be considered and the claim-based rating level should be that under the policy prior to it; if there is any claim recorded in regard to the violation of traffic rules within the said period, the factor and rating level should be calculated by counting the claim record in.

Article 13-1 When performing underwriting procedures for this insurance under Article 8 hereinabove, an insurer shall correctly record the coverage information, and shall be prohibited from the following:

1. Failing to promptly make revisions when the applicant or the insured submits an application for endorsement to the content of any of the items of information.
2. Failing to actively make corrections and immediately issue a certificate of participation in the event of any error in the content of any item of the scope as duly specified, including, e.g., automobile category (brand and model, year of the first license issued, exhaust volume or horsepower), nature of use, automobile license plate number, information of the party with the duty to insure (name, gender, date of birth, national ID number).
3. Failing to duly transmit the coverage information to the agencies (organizations) designated by the competent authority and the central competent authority for transportation and communications, respectively.

#### Chapter 3 Claim Procedure

Article 14 When a single automobile traffic accident involves multiple automobiles, the matter shall be handled in accordance with the following provisions:

1. All of the involved automobiles are insured :
  - (1) Accidents caused by two automobiles: The driver should claim for the payment of insurance benefits against the insurer of the other party, and the passengers may claim against any insurer(s) of those two automobiles for the joint and several payment of insurance benefits.
  - (2) Accidents caused by three or more automobiles: Any driver of the accident automobiles may claim against any insurers other than the one which is required to pay the insurance benefits for the automobile he/she drove for the joint and several payment of insurance benefits, and the passengers may claim against any insurers of all accident automobiles for the joint and several payment of insurance benefits.
  - (3) The third party outside the accident automobiles may claim against all the obligated insurers for the joint and several payment of insurance benefits.

2. When part of the involved vehicles are insured automobiles and part are automobiles as set forth in the paragraph 1 of Article 40 of the Act, the claimant may, based on the number of accident automobiles, claim against any insurer that is required to pay insurance benefits and against the Motor Vehicle Accident Compensation Fund (the "Compensation Fund") for the joint and several payment of insurance benefits pursuant to the preceding subparagraph.

The term "involve" in the preceding paragraph refers to that an automobile participates, takes part in, be related or connected to an automobile traffic accident, and being a causal factor for the death or injury of the injured party.

Apportionment of liability among the insurers mentioned in the paragraph 1 shall be proportional subject to the number of accident vehicles.

If an automobile traffic accident involving multiple automobiles causes death or bodily injury, the insurer receiving a claim notice shall notify any insurers who have insured the other automobiles and/or the Compensation Fund as soon as possible, in order to verify whether the payment for

insurance benefits is duplicated.

Article 15 Upon the occurrence of an insured event under this insurance, the insured or the injuring party shall immediately report to the local civilian or military police authorities, and notify the insurer of the date, time, place, course of event, information of the injured party, information of the witness, name and address of the civilian or military police authorities within five (5) days after the occurrence.

The notification provided in the preceding paragraph may first be given via telephone. However, the insured or the claimant shall still fill out the claim form in person and deliver it to the insurer within 5 days after the occurrence.

If the persons mentioned in the preceding paragraph are unable to precede notification in person, whose spouse, family members or other agents may act on behalf of them.

The claim form shall include following entries:

- 1.Number of the insurance certificate.
- 2.Name of the insured.
- 3.The driver's name, address, age, marital status, number of driving license, telephone numbers, and relationship with the insured.
- 4.Time and place of the insured event.
- 5.Cause and course of the insured event.
- 6.Number of the insurance certificate and the insurer of the other party.
- 7.Name, number of identity certificate, gender, injury condition of the injured party as well as the name and address of the hospital where the injured party seeks for medical care.
- 8.Name of the civilian or military police authorities, name and telephone numbers of the officer handling the event.
- 9.The signed and dated form by the claimant in person or by the authorized agent.
- 10.Numbers of license plate of the accident automobiles.

The insured, the injuring party, and claimants shall cooperate with the insurer in providing witness, physical evidence, and other relevant information and documentation.

The insurer shall be still liable for payment of insurance benefits, should the insured, injuring party, or claimant violate its obligations stipulated by the paragraph 1 and 5, provided that any of those liable for damages if the insurer incurs damages as a result of their deliberate intent or negligence.

Article 16 After receiving the claim form, the insurer shall stamp on the form, date it, and issue a receipt to the applicant.

The insurer shall verify the coverage in accordance with the provisions in the insurance contract. If all or part of the cause of accident is obviously not covered, the insurer shall reply to the applicant and specify the reason in writing.

Article 17 After receiving the claim form, the insurer shall conduct the followings if necessary:

- 1.Send a staff to investigate the facts and whether the driver is licensed or covered by the insurance; meanwhile, the staff shall photograph, draft the scene to be used as the basis of claim settlement. If the scene has

been disturbed, the accident report made by the civilian or military police authorities shall be regarded as the basis of claim settlement .

2. Verify the facts of accident with the witness and the civilian or military police authorities, take testimony or copy the scene map as well as the statement record.

3. Investigate the death or injury condition of the injured party and the amount of medical expense.

4. Request the claimant to assist the insurer in preserving the subrogation right if the damage is caused by the insured due to the violation of Article 29 of the Act.

5. Request the insured to assist the insurer in preserving the subrogation right if the damage is caused by the deliberate intent or negligence by the third party.

6. Manage to acquire evidence and fact if there is any false representation or fraudulent act by the insured or the claimant.

7. The claims adjuster should ascertain the apportionment of liability and record it in the adjustment report in order to facilitate the statistic process.

8. After verification, the claims adjuster shall immediately fill out the accident investigation report specifying the cause of accident and the existence of other insurance.

Article 18 The review for disability benefits shall be conducted as follows:

1. The determination of the fact, tier, and procedure of disability shall comply with the Payment Standards of Compulsory Automobile Liability Insurance stipulated by the competent authority in conjunction with the central competent authority for transportation and communications.

2. If the disability level is in question at the time the claimant submits evidentiary documents claiming disability benefits, the insurer shall make provisional payment of the insurance proceeds based on a disability level already determined by the insurer.

Article 19 The insurer shall pay for insurance benefits in accordance with the followings:

1. The insurer shall pay the benefits directly to the claimant subject to the written notice by the insured, injured party or claimant. Unless the amount of the benefits to be paid to each claimant is NT\$5,000 or less, in which case a claimant may ask the insurer to pay cash to the claimant himself, the benefits shall be paid by direct remittance to the bank account of the claimant, or with a non-assignable crossed check payable to the claimant. However, if the claimant provides relevant documents to prove that he is unable to open an account at a financial institution or that his account cannot be used, he may ask the insurer to pay with a crossed check payable to the claimant.

2. If the insured has already paid to the injured party partial damages which meet with items listed on the Payment Standard, the insurer is liable for payment of insurance benefits only within the balance of the insurance amount provided herein after deduction of the damages already paid, provided that the claimant and the insured have agreed that no such deduction may be made, such agreement shall govern.

3. The deducted amount in the preceding subparagraph shall be refunded to

the insured within the limit of insurance amount as provided herein, provided that this provision shall not apply under the circumstances given in the proviso of the preceding subparagraph.

4. When an automobile traffic accident results in loss of life and the claimant, by presenting evidentiary documents, makes a claim for provisional payment in an amount equivalent to one-half of the insurance benefit, the insurer shall make the payment within 10 working days starting from the next day of presenting evidentiary documents.

5. When a provisional payment of insurance benefit paid by the insurer exceeds the amount of insurance benefits actually payable, the insurer may claim for return of the excess amount against the claimant.

6. If the claimant entitled to the personal injury medical expense benefits or disability benefits can not receive insurance benefit in life, the heirs may succeed the right as the claimant.

Article 20 When the insurer jointly and severally pay the benefit to the claimant pursuant to the second subparagraph, paragraph 1 of Article 14 of these regulations, the insurer shall, subject to the paragraph 1 of Article 31 and Article 43 of the Act, examine whether the claimant has received partial damages from the party liable for damages, and shall then deduct the amount from the insurance benefits.

The Insurer and the Compensation Fund shall comply with the regulation provided by the competent authority in respect of the procedures for claim adjustment or compensation and the amount apportionment provided in Article 36 of the Act.

Article 21 An insurer shall follow the following principles while cooperating with the insurer of National Health Insurance for exercising the subrogation right:

1. An insurer shall transmit the claim adjustment data to the Information Processing Center for the Compulsory Automobile Liability Insurance periodically.

2. At the time the insurer of National Health Insurance exercising the subrogation right, an insurer shall be liable for the claimed amount to the extent of the prescribed amount of personal injury medical expense benefits under this insurance after deducting the payment which has been made to the injured party. Every injured party in any one accident is only entitled to one payment.

3. An insurer shall confirm and pay the amount due within 45 days starting from the receipt of the subrogation notice, receipt and documents from the insurer of National Health Insurance.

Article 22 If any other insurers are responsible for the death or injuries of the injured party caused by the automobile traffic accident involving the insured automobile, an insurer shall handle this matter in accordance with the following rules:

1. If the other insurance is the National Health Insurance, an insurer shall pay the personal injury medical expense benefits in accordance with the insurance contract within the limits stipulated by this insurance, provided that the amount of paid medical expense on the receipt does not exceed the limit provided by the National Health Insurance Payment Standards, or that the amount of paid medical expense on the receipt issued by the contracted hospitals is paid by the injured party.

2.If the other insurance is not the National Health Insurance, an insurer is still liable subject to the insurance contract.

Article 22-1 An insurer shall correctly handle claims under the insurance, and shall be prohibited from the following:

1. When a claimant claims for payment of insurance benefits from an insurer bearing the obligation to pay benefits under Article 36 of the Act, prevaricating or paying insurance benefits only pro-rata to the number of vehicles, for an automobile traffic accident involving multiple automobiles.

2. Paying insurance benefits in a manner that violates Article 19 hereinabove.

3. Handling claims in a manner that violates the provisions of any announcement made by the competent authority concerning evidentiary documents for applications for insurance benefits under the compulsory automobile liability insurance.

Article 23 An insurer shall deal with any matters related to the Compensation Fund in accordance with the appointment agreement of the Special Compensation Fund.

Article 24 These regulations shall be implemented from the day of announcement.

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System