

Content

Title :	Insurance Act Ch
Date :	2018.06.13
Legislative :	Amendment to Article 107、125、128、131、133、135、138-2、146-5, addition of Article 107-1 promulgated per Presidential Order No. Hua-Zong-Yi-Yi-Zi-10700062351 dated June 13, 2018
Content :	<p>Article 107 If, at the time a life insurance contract is entered into, the insured is a minor under fifteen years of age, the death benefits shall take effect on the date the insured reaches fifteen years of age. If the insured dies before reaching fifteen years of age, the insurer shall refund all premiums paid with or without interest, or refund the account value of the insured in a separate account set up for investment-linked insurance. The calculation of interest mentioned in the preceding paragraph will be set forth by the competent authority. If the provisions in paragraph 1 to paragraph 2 are otherwise provided in other laws, such other laws shall prevail.</p> <p>Article 107-1 If, at the time a life insurance contract is entered into, the insured is subject to the declaration of guardianship and such declaration has not yet been revoked, all death benefits other than funeral expense benefits shall be void. The insured amount for the funeral expenses referred to in the preceding paragraph may not exceed one half of the funeral expense deduction allowed for estate tax under Article 17 of the Estate and Gift Tax Act. If the provisions in paragraph 1 to paragraph 2 are otherwise provided in other laws, such other laws shall prevail.</p> <p>Article 125 A health insurer is obligated to pay the insured amount when the insured falls sick or gives birth, or becomes disabled or dies due to sickness or childbirth. The content of the disability referred to in the preceding paragraph shall be in accordance with the terms of each insurance contract.</p> <p>Article 128 The insurer is not obligated to pay the insured amount for sickness, disability, miscarriage, or death resulting from suicide or abortion that the insured has willfully committed.</p> <p>Article 131 A personal accident insurer is obligated to pay the insured amount when the insured suffers injury by accident, or becomes disabled or dies on account of such injury. The term "injury by accident" as used in the preceding paragraph refers to physical harm caused by unforeseen external events other than illness.</p> <p>Article 133 If the insured willfully commits suicide, or is injured, becomes disabled, or dies as the result of a criminal act, the insurer is not obligated to pay the insured amount.</p> <p>Article 135 The provisions of Articles 102 to Article 105, Article 107, Article 107-1, Articles 110 to Article 116, Article 123, Article 124, and paragraph 2 of Article 125 apply mutatis mutandis to personal injury insurance.</p>

Article 138-2

An insurance enterprise engaging in insurance of the person may stipulate an insurance contract that policy proceeds be paid either in a lump sum or in installments.

With respect to the portion of policy proceeds in a contract for insurance of the person that are for death or disablement, the proposer may, prior to occurrence of an insured peril, negotiate a trust contract whereunder the insurance enterprise acts as trustee of the insurance trust. Such an arrangement may only be made where a single person is both proposer and insured, where the beneficiaries of the trust contract are also the beneficiaries of the insurance contract, and where the arrangement is for the benefit of an insured, a person who is a minor, or a person whose declaration of guardianship has not yet been revoked.

With respect to trust benefits paid out pursuant to the preceding paragraph, that part which constitutes trust principal shall be deemed insurance benefits.

An insurance enterprise providing insurance trust services shall set up segregated trust accounts named as trust asset accounts.

Where the trust assets of the preceding paragraph are subject to a registration requirement, registration of trust shall be carried out in accordance with the applicable provisions.

Where the trust assets of paragraph 4 are securities, when the insurance enterprise sets up a segregated trust account named as a trust asset account and engages in a transaction involving the trust assets, the trust shall be effective against third parties, and Article 4, paragraph 2 of the Trust Act does not apply.

The scope of funds allocations of an insurance enterprise operating insurance trusts shall be limited to the following:

1. Cash or bank deposits.
2. Government bonds or financial bonds.
3. Short-term bills.
4. Other methods of funds allocation as approved by the competent authority.

Article 146-5

Application shall be made to the competent authority for approval of allocations of insurance enterprise funds to special projects and investments in public utilities and social welfare enterprises. With respect to applications for approval, the competent authority shall prescribe regulations governing required documentation, procedures, scope of and limits upon allocations and investments, and other compliance matters.

Where the funds referred to in the preceding paragraph are allocated to investment in corporate stocks, the conditions and percentages related thereto shall not be subject to the restrictions set forth in Article 146-1, paragraph 1, subparagraph 3.

Where the funds referred to in paragraph 1, the provisions of Article 146-1, paragraph 3 and 4 shall apply mutatis mutandis.

Allocations of insurance enterprise funds to investment in public utilities and social welfare enterprises that meet the following requirements are not subject to the restrictions set forth in the preceding paragraph:

1. Where the insurance enterprise or its representative serves as director or supervisor of the invested enterprises, the number of directors or supervisors appointed by the insurance enterprise shall not exceed one third of the total number of directors or supervisors of the invested enterprises.
2. The insurance enterprise shall not assign any person to act as manager of the invested enterprises.