

Content

Title :	Regulations Governing Online Insurance Business and Online Insurance Services of Insurance Agent Companies and Insurance Broker Companies Ch
Date :	2018.10.24
Legislative :	Promulgated on 24 October 2018 per Order No. Jin-Guan-Bao-Zong-Zi 10704566251 of the Financial Supervisory Commission
Content :	<p>Article 1 These Regulations are adopted pursuant to Article 163-1 of the Insurance Act.</p> <p>Article 2 The terms used in these Regulations are defined as follows: 1. "Insurance agent/broker company" means a company operating insurance agent or broker business in the capacity of a corporate organization or a bank engaging concurrently in insurance agent or broker business with approval from the competent authority. 2. "Online insurance business" means the business entailing a natural person applicant enters or negotiates an insurance contract with an insurance company through the website of an insurance agent/broker company after completing the first-time registration and identity verification process. 3. "Online insurance services" means insurance services of an insurance company other than purchasing insurance online received by existing customers of an insurance agent/broker company through the website of the agent/broker company which is linked up with the system of the insurance company after the customer has completed the registration and identity verification process.</p> <p>Article 3 An insurance agent/broker company that conducts online insurance business and online insurance services shall set up a website section or webpage or build a mobile insurance application (APP) as a service platform, and its solicitors may not set up their own service platform.</p> <p>Article 4 When conducting online insurance business, an insurance agent/broker company should make sure that the insurance company it works for as an agent or cooperates with will reflect the costs saved therefrom in the surcharges for the insurance product.</p> <p>Article 5 An insurance agent/broker company that applies for approval to conduct online insurance business shall meet the following qualification requirements: 1.The company has established and implemented internal control and audit system as well as solicitation system and procedures in accordance with the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies. 2.The company has not been subject to major disciplinary action or cumulative fines of more than NT\$1 million imposed by the competent authority, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority. 3.The company has engaged an accountant to audit and certify its annual financial statements. 4.The company is ISO 27001 (information security standards) certified and has established a traffic cleaning mechanism against distributed denial-of-service attack (DDoS).</p> <p>Article 6 An insurance agent/broker company that currently conducts online insurance business on behalf of/with an insurance company may provide its existing customers online insurance services associated with the insurance</p>

contracts the agent/broker company sells for/negotiates with the insurance company. The specifics of the online insurance services will be prescribed separately by the competent authority.

Article 7 An insurance agent/broker company that conducts online insurance business and online insurance services shall confirm that the insurance company that it works for as an agent or cooperates with has taken actions in accordance with the Directions for Insurance Enterprises Conducting Electronic Commerce (referred to as the “E-Commerce Directions” hereunder).

The types and scope of insurance products that an insurance agent/broker company may include in its online insurance business shall be limited to the types and scope of insurance products that the insurance company it works for as an agent or cooperates with may sell online.

Article 8 An insurance agent/broker company that conducts online insurance business or online insurance services shall provide one of the means below for customers with legal capacity to carry out registration and identity verification, and may not allow a customer to purchase insurance online or receive online insurance services until the customer has completed the registration and identity verification process:

1. Online:

(1) The insurance agent/broker company should disclose on its website section, webpage or mobile insurance app the legally required information, including but not limited to declaration of consent to online insurance purchase or online insurance services and disclosure obligation pursuant to the Personal Information Protection Act (referred to as the “Personal Information Act”) for perusal by the customers, and may not proceed with the registration and identity verification until the customer has indicated that he/she has read the disclosure and consented to online insurance purchase or online insurance services.

(2) When the customer carries out registration and identity verification, the customer should be required to fill out basic information that is sufficient to verify his/her identity and given an account number through the identity verification process.

(3) After a customer has completed the registration and identity verification process, the insurance agent/broker company should send the customer a one-time password (OTP) to the customer’s mobile phone or email address and ask the customer to enter the OTP to complete identity confirmation.

2. In person:

(1) A customer may visit the business place of an insurance agent/broker company or its branches in person to apply for online insurance or service.

(2) The insurance agent/broker company should provide the customer with legally required information in writing or in another verifiable manner, including but not limited to declaration of consent to online insurance purchase or online insurance services and disclosure obligation pursuant to the Personal Information Act for perusal and signing by the customers to complete the registration and identity verification process.

(3) The customer should provide basic personal data that is sufficient to verify his/her identity.

For a customer who has completed the identity verification process under the preceding paragraph and obtained the account password but has not negotiated any insurance contract with or requested insurance service from an insurance company through the insurance agent/broker company in five (5) years after completing the application, the customer may not use the account password to purchase insurance online or request online insurance service until he/she completes the identity verification process under the preceding paragraph again.

Article 9 For an insurance agent/broker company that adopts an automated signatory system for its online insurance business with the confirmation or consent of the insurance company that it works for as an agent or cooperates with and has set the conditions, scope and contents of the automated signatory system and established the method for internal control, and the system has been reviewed and signed off by its signatory, its

online insurance application cases need not be signed by the signatory on a case-by-case basis.

Before adopting an automated signatory system the first time, an insurance agent/broker company should take the following actions and hold an online insurance signatory meeting to confirm the following operations, and produce minutes on the contents and results of the meeting that will be submitted to the company president for review and approval and saved for future examination by the competent authority:

1. Inspect whether the contents of products available online are consistent with the policy clauses.
2. Establish a mechanism for understanding the needs of applicants and product or service suitability.
3. Examine whether the signatory operation complies with applicable regulations and consumer protection regulations.

After adopting an automated signatory system, an insurance agent/broker company shall take actions in accordance with the preceding paragraph at least once every quarter or whenever there is an amendment of online insurance related regulations or an increase of product types.

Article 10 An insurance agent/broker company that conducts online insurance business shall comply with the following:

(1) The insurance agent/broker company should provide on its website section, webpage or mobile insurance app a description of all insurance products that may be purchased online and the policy clauses for browsing by consumers at any time.

(2) After a consumer has entered application data and selected the insurance product to be purchased, the insurance agent/broker company should prompt on its website section, webpage or mobile insurance app the full text of insurance policy and important content of the insurance product selected for perusal and agreement by the consumer.

(3) Purchase and identity verification operation: Before the applicant sends the purchase confirmation, the insurance agent/broker company should send an OTP to the applicant's mobile phone or email address and ask the customer to enter the OTP to complete identity confirmation before completing the whole purchase operation.

(4) When an insurance agent/broker company handles the online purchase of a life insurance product where the applicant and the insured are not the same person and the applicant registers with his/her Citizen Digital Certificate, the insured shall declare his/her intent (consent) using the Citizen Digital Certificate only. The insurance agent/broker company shall post on its website section, webpage or mobile insurance app in a conspicuous manner a reminder that the relationship between the applicant and the insured must comply with Article 16 of the Insurance Act.

For traditional individual life insurance products, an insurance agent/broker company should provide the consumers with a free look period as agreed in the insurance contract.

Article 11 For its online insurance business, an insurance agent/broker should send relevant information to the insurance company in real-time by linking up with the system of the insurance company.

Article 12 For online purchase of insurance, an insurance agent/broker company should ask the applicant to make payment to the insurance company and ascertain that the payment operation and supplementary identity verification mechanism of the insurance company that it works for as an agent or cooperates with observe the provisions of the E-Commerce Directions.

Article 13 To confirm the intent of an applicant to purchase insurance online, except for the purchase of compulsory automobile liability insurance, travel insurance and travel inconvenience insurance by an applicant for him/herself, an insurance agent/broker company should perform the following confirmation procedure before the insurance company mails the insurance policy to the applicant:

1. For applicants who negotiate an insurance contract with an insurance company through the insurance agent/broker company the first time but do

not apply for account password using the Citizen Online Certificate or in person, the insurance agent/broker company should sample 10% of such applicants for phone interview to confirm their intent to purchase insurance.

2. For online purchase cases not under the preceding subparagraph, the insurance agent/broker company should sample 5% of the applicants for phone interview to confirm their intent to purchase insurance.

If it is confirmed in the phone interview under the preceding paragraph that an applicant does not intend to purchase insurance, the insurance agent/broker company shall immediately inform the insurance company not to underwrite a policy.

For the phone interview under Paragraph 1 hereof, the insurance agent/broker company should, with applicant's consent, tape record the entire interview process and save a copy of the tape. If the applicant has speech or hearing impairment, the insurance agent/broker company may use text messaging, email or other viable methods to confirm the applicant's intent to purchase insurance.

Article 14 Rewards and disciplines for insurance agent/broker companies that meet the following key indicators for differentiated management are as follows:

1. An insurance agent/broker company that meets all positive indicators below may increase the insured amount of its online insurance business by 25% and decrease the phone interview sampling set out in Subparagraph 1, Paragraph 1 of the preceding article by one half:

(1) The company has not, in the past one year, violated any online insurance related regulations and has not been subject to major disciplinary action or cumulative fines of more than NT\$1 million imposed by the competent authority in connection with its insurance broker or agent business, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority.

(2) The company's online insurance information security management system has been validated by a relevant impartial organization.

(3) The company's personal data management system for online insurance has been implemented by a relevant impartial organization.

2. An insurance agent/broker company that has, in the past one year, violated any online insurance related regulations or has been subject to major disciplinary action or cumulative fines of more than NT\$1 million imposed by the competent authority in connection with its insurance broker or agent business shall decrease the insured amount of its online insurance business by 25% and increase the phone interview sampling set out in Subparagraph 1, Paragraph 1 of the preceding article by one half:

The insured amount of online insurance business after the increase under the preceding paragraph may not exceed the insured amount of the insurance company's online insurance business.

Article 15 The online insurance business of an insurance agent/broker company may not accept retrospective insurance cases.

Article 16 An insurance agent/broker company shall save a backup copy of the electronic record on consumer's selection or consent.

The retention period for the backup copy mentioned in the preceding paragraph shall not be less than five (5) years after the insurance contract has expired or after the insurance company has notified the applicant of its decision not to underwrite the insurance.

Article 17 An insurance agent/broker company that conducts online insurance business and online insurance services should include compliance with these Regulations into its internal control and internal audit, and perform internal audit and self-inspection. If an insurance agent/broker company violates any provision of these Regulations, the competent authority may, in view of the severity of violation, take appropriate disciplinary actions in accordance with the Insurance Act and other applicable regulations.

Article 18 These Regulations shall enter into force on the date of

promulgation.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System