

## Content

Title :	Regulations Governing Insurance Agents <b>Ch</b>
Date :	2019.05.08
Legislative :	Amendment to Article 6, 9,12,13, 33 and 57 promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Zong-Zi- 10804561971 dated May 8, 2019.
Content :	<p>Article 6</p> <p>A person having any of the following situations may not serve as an a responsible person of an agent company:</p> <ol style="list-style-type: none"> <li>1. Having no legal capacity or limited legal capacity or subject to the court order of commencement of assistance and such order has not been revoked.</li> <li>2. Having committed a crime under the Organized Crime Prevention Act, and has been found guilty by a final and unappealable judgment.</li> <li>3. Having been sentenced to imprisonment for counterfeiting currency or valuable securities, embezzlement, fraud or breach of trust and the sentence has not been completed or ten years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.</li> <li>4. Having received a final and unappealable sentence for violating Insurance Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Asset Securitization Act, Real Estate Securitization Act, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Foreign Exchange Regulation Act, Credit Cooperative Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, Money Laundering Control Act, Issuance of Electronic Stored Value Cards Act, Electronic Payment Institutions Act or any other laws regulating financial activity, and the sentence has not been completed or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.</li> <li>5. Having been declared bankrupt, and rights and privileges have not been reinstated.</li> <li>6. Being the responsible person of a legal entity at the time such legal entity was adjudicated bankrupt and five years have not elapsed since the closure of the bankruptcy or the terms of bankruptcy settlement have not yet been fulfilled.</li> <li>7. Having an ongoing event that seriously damages his or her creditworthiness or five years have not elapsed since the closure of such an event.</li> <li>8. Five years have not elapsed since being replaced or discharged from duties by order of the competent authority due to a violation the Insurance Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Clauses of the Real Estate Securitization Act , Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Foreign Exchange Regulation Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, Fair Trade Act, Issuance of Electronic Stored Value Cards Act, Electronic Payment Institutions Act or other laws regulating financial activity.</li> <li>9. Factual proof shows that the person has engaged in or otherwise been involved in any other dishonest or improper activities, demonstrating unsuitability for the work in question.</li> <li>10. Is currently serving as an employee of an insurance enterprise or related industry association. Notwithstanding the foregoing, if the insurance enterprise has an investment relationship with the agent company and their chairman and general manager have not taken concurrent positions</li> </ol>

in each other, the employee of the insurance enterprise may act as a responsible person of the agent company, subject to the approval of the competent authority.

11. Is already registered as an insurance solicitor in any other insurance company, insurance broker company, agent company or bank.

12. Practice license has been revoked to Article 167-1 or 167-2 of the Insurance Act by the competent authority and five years have not elapsed.

13. Having been involved in serious cheating in a special or junior examination for professional or technical personnel of insurance enterprises, and has been sentenced to imprisonment for a definite period by a final and unappeasable judgment.

14. Having been sentenced to imprisonment for forging instruments or seals, offence against privacy, usury, impairing the rights of creditors or violating Tax Collection Act, Trademark Act, Patent Act or other acts or regulations governing industrial or commercial activity and the sentence has not been completed or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

15. Having been sentenced to imprisonment for embezzlement and the sentence has not been completed or five years have not lapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

16. Having been denied service by the bills clearing house and the denial status has yet to be removed, or there remains a record of dishonored check(s) due to insufficient funds in three years since the denial status has been removed

17. Having been ordered to enter a reformatory or having been ordered to perform compulsory labor due to the offense of larceny or receiving stolen property and the sentence has not been completed or five years have not elapsed since the sentence completion.

18. Being a director, supervisor or general manager of an agent company, insurance broker company or insurance surveyor company at the time such company was subject to disciplinary action provided in subparagraph 1, paragraph 1, Article 164-1 of the Insurance Act or had its permit revoked and practice license cancelled pursuant to Article 167-2 of the Insurance Act, and three years have not elapsed.

19. Being otherwise restricted by law.

The term "responsible person" mentioned in the preceding paragraph shall mean a director, supervisor, general manager, or sales-related assistant general managers of an agent company, managers of branch office or a person in comparable position.

A person having any situation provided in subparagraphs 1 ~ 9 and subparagraphs 12 ~ 19 of paragraph 1 hereof may not serve as an independent agent or as an agent employed by an agent company or a bank.

An independent agent or as an agent employed by agent company who has obtained practice license before the amended Regulations are in force on June 24, 2014 but does not meet the requirements set out in any of the provisions in subparagraphs 3, 4, 6 through 9, and 14 through 18 of the first paragraph hereof may continue to practice or be employed until his or her practice license expires or is cancelled.

#### Article 9

An agent company shall operate its business as a specialized operation and include the wording "Insurance Agent" in the name of the company.

An agent company shall submit the following documents to the competent authority for registration of permission:

1. An application form.

2. A photocopy of the valid practice license of agents employed or certification showing that agents employed meet the qualification requirements set out in these Regulations and any of the following certifications:

(1) Certification of pre-job training, obtained within the last year and recognized by the competent authority;

(2) For an agent 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 agents 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.

(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 agents 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.

3. Proof of identity for agents employed.

4. A written statement by the designated chairman, general manager and agents 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, 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;

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 second paragraph is a foreign insurance agency institution, the documents set out in subparagraphs 2 through 4, subparagraphs 11 and 12, paragraph 1 of Article 55 shall also be submitted.

Where the information stated in the documents referred to in paragraph 2 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 an agent company has obtained a permit, the competent authority may void the permit if false information is discovered in any of the documents under paragraph 1 hereof submitted by the applicant.

## Article 12

An agent company shall have one general manager in charge of managing the overall operations of the company and shall not have other officers in comparable position.

The general manager referred to in the preceding paragraph shall not act concurrently as the chairman or general manager of other agent companies or insurance broker companies.

The general manager of an agent company shall possess one of the following qualifications:

1. Has graduated from a domestic or foreign school at the level of junior college or higher or possessing equivalent academic qualifications, and having no less than five years of experience working for an insurance company, insurance cooperative, insurance broker company, insurance agent company, or insurance surveyor company and having the qualification of solicitor, agent or broker for same type of insurance business;

2. Has graduated from a domestic or foreign school at the level of junior college or higher or possesses equivalent academic qualifications, and has served for no less than five years as a signatory for an insurance agent; or

3. Has the qualification of solicitor, agent or broker for same type of insurance business and there is other factual evidence sufficient to show professional insurance expertise or insurance work experience that enables him or her to operate an insurance agency business soundly and effectively. The appointment or dismissal of the general manager mentioned in the preceding paragraph shall be duly registered with the competent authority in charge of company registration.

#### Article 13

The chairman of an agent company, at least one third of its directors and supervisors, sales-related vice general manager, managers of branch offices or officers in comparable positions shall possess one of the following qualifications:

1. Has graduated from a domestic or foreign school at the level of junior college or higher or possesses equivalent academic qualifications, and has no less than three years of insurance company, insurance cooperative, insurance broker company, agent company, or insurance surveyor work experience.

2. Has graduated from a domestic or foreign school at the level of junior college or higher or possesses equivalent academic qualifications, and has served for no less than two years as a signatory for an insurance agent.

3. There is other factual evidence sufficient to prove professional insurance expertise or insurance work experience, and capability for safe, sound, and effective operation of an insurance agency business.

Besides possessing the qualification mentioned in the preceding paragraph, sales-related vice general managers, managers of branch office or officers in comparable positions shall also have the qualification of solicitor, agent or broker for same type of insurance business.

#### Article 33

When independent agents, agent companies and banks practicing or operating business, they shall exercise due care of a good administrator to uphold the interests of the insured, ensure that he or she has provided professional explanations to the proposer 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, ensure that his or her operating procedures and practices are in compliance with applicable laws and regulations, and store on and file those documents for future reference.

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

#### Article 57

The head office of a foreign agent company shall, within six months of permission, remit the funds for business operations of its branch office according to the preceding article, and apply to the competent authority in charge of company registration for registration of branch office establishment.

For those foreign agent companies that fail to apply for registration with the competent authority within the time period prescribed in the preceding paragraph, or fail to obtain approval from the competent authority in charge of company registration, the competent authority may revoke the permission.

Those that have completed the registration procedure under the first paragraph hereof shall, after depositing a bond and purchasing professional liability insurance, apply for and obtain a practice license from the competent authority by submitting a Branch Office Incorporation Registration Form and the fee as set by the competent authority. Those that have obtained a practice license shall carry out business registration in accordance with relevant acts and regulations.