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| Title : | Insurance Act  |
| Date : | 2020.06.10 |
| Legislative : | Amendment to Article 107、138-2 promulgated per Presidential Order No. Hua-Zong-Yi-Jing-Zi-10900064801 dated June 10, 2020. |
| Content : | <p>Article 107</p> <p>If, at the time a life insurance contract is entered into, the insured is a minor under fifteen years of age, all death benefits other than funeral expense benefits shall take effect on the date the insured reaches fifteen years of age.</p> <p>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.</p> <p>If the provisions in paragraph 1 to paragraph 2 are otherwise provided in other laws, such other laws shall prevail.</p> <p>Article 138-2</p> <p>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.</p> <p>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is for the benefit of an insured, a person who is a minor, or a person whose declaration of guardianship has not yet been revoked.</p> <p>With respect to trust benefits paid out pursuant to the preceding paragraph, that part which constitutes trust principal shall be deemed insurance benefits. The same shall apply to a trust contract where under the trust enterprise pursuant to the Trust Enterprise Act acts as trustee of insurance trust. Such an arrangement may only be made where a single person is beneficiary for both trust contract and 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is for the benefit of an insured, a person who is a minor, or a person whose declaration of guardianship has not yet been revoked.</p> <p>An insurance enterprise providing insurance trust services shall set up segregated trust accounts named as trust asset accounts.</p> <p>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.</p> <p>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.</p> <p>The scope of funds allocations of an insurance enterprise operating insurance trusts shall be limited to the following:</p> <ol style="list-style-type: none">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. |

