

Content

Title : Required Qualification and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business **Ch**

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Content : 8. A life insurance company that engages in the Business shall implement policies for solicitor management, product information disclosure and product suitability, and in addition, observe the following:

(1) Solicitors who sell those types of insurance products shall have passed the special examination given by the Life Insurance Association of the Republic of China and completed the qualification registration. After registration, a life insurance company shall organize at least one hour of on-the-job training on foreign exchange rate risks and related regulations on foreign exchange for solicitors every year. Where a solicitor fails to attend or complete the training in the current year, the authorization for solicitor to solicit such insurance products shall be suspended for the following year. Where a life insurance company allows insurance agents or insurance brokers with whom they conduct business operations to engage in the solicitation of the Business, it shall draw up relevant rules in reference to the aforementioned principles and request the insurance agents or insurance brokers to comply with such regulations.

(2) When selling those types of insurance products, the insurance company shall disclose and explain the following items for signature and confirmation by the proposer and solicitor in the insurance application form and the exchange rate risk disclosure:

1. The company shall reveal the methods for premium collection, payment of remittance charges, associated exchange rate risks, and political and economic risks associated with the country that issues the currency of the product at prominent places on the application form and product prospectus, and ask both the insurance applicant and the solicitor to sign the application form, confirming that the solicitor has fully explained the aforementioned matters to the applicant.

2. The company shall provide the exchange rate risk disclosure and provide visualization of the amount of the death insurance payment and insurance premiums collected upon signing the insurance contract in NTD based on the highest, average, and lowest exchange rate scenarios of the currency used for the payment of the insurance product, and provide explanation of the differences in exchange gains or losses.

(3) The company shall disclose to insurance applicants at least once a year the reference cash surrender value, death benefit and survivor benefit of the product in equivalent NT dollars. The insurer and the applicant will agree on the manner by which the aforesaid information is provided.

(4) The company shall understand the needs and exchange risk tolerance of the applicants and establish product suitability policy before selling those types of products.

The template of the foreign exchange risk disclosure in Paragraph 1, Subparagraph 2, Item 2 shall be prepared by the Life Insurance Association of the Republic of China, and shall be reported to the competent authority for recordation.