

Content

Title : Compliance Matters for Disclosure of Information on Investment-linked Insurance **Ch**

Date : 2022.03.31

Legislative : Amended on 31 March 2022 per Order No. Jin-Guan-Bao-Shou-Zi- 11101326707 of the Financial Supervisory Commission

Content : 2. Insurance enterprises shall observe the following basic principles when making information disclosure relating to investment-linked insurance products:

(1) Disclosure of insurance product information shall comply with the Insurance Act, Fair Trade Act, Consumer Protection Act, Financial Consumer Protection Act and other applicable laws and regulations based on the principle of utmost good faith.

(2) Any information or data disclosed must be the most updated and accurate. All representations or charts shall be fairly presented and free of misleading information or concealments.

(3) Terms used in the sales documents shall be expressed in Chinese and use plain language whenever possible, and if necessary, noted with the original language.

Terminologies used must be noted with explanations.

(4) Sales documents must have page numbers so consumers can make sure whether there are missing pages and whether they have complete information at hand.

(5) For cautionary language and conditions for principal protection, regular investment income or investment income at maturity provided in the sales documents, their font size shall be at least the same as other parts in the document and the texts shall be printed in emphasized font style (e.g. bold, italic, underlined, highlighted, contrasting-color fonts or other conspicuous styles).

(6) Sales documents shall not contain wording that refer to income tax free, inheritance tax free, tax savings or other relevant meanings.

(7) For customers over 65 years of age or with mental or physical disability, there should be friendly measures in place to facilitate reading of sales documents by customers.

The following information shall be conspicuously printed in emphasized font style in sales documents to make sure policyholders understand them fully:

(1) Changes in tax related laws and regulations may affect the return on investment and amount of payment you will receive from this insurance policy.

(2) The values of investment assets recorded under a separate account book for investment-linked insurance products are not protected by the insurance stabilization fund.

16-1 The proposal's disclosure of calculated policy account value in each year of coverage should be presented in tabular form, clearly itemizing charges and amount of premium actually used for investment in each year, and itemize, under different assumed rate of return, charges, end-of-period policy account value, death benefit and cash surrender value for each year of coverage in the future. The aforementioned charges to be disclosed should include at least upfront fees, policy administration charge and cost of insurance charge.

The assumption of rate of return in the preceding paragraph shall be carried out in accordance with the principles for giving examples of rate of return set out in Subparagraph 3 of Point 8 herein.

If a policyholder who applies to purchase an insurance product acquires the insurance by paying higher premium, the insurance enterprise shall reissue a new proposal based on the increased premium, ask the policyholder to sign the new proposal after reading it carefully, and explain fully to the policyholder the effect of premium increase on policyholder's rights and interests.