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| Title : | Regulations for Establishment and Administration of Insurance Enterprises  |
| Date : | 2022.05.30 |
| Legislative : | Amended on 30 May 2022 per Order No. Jin-Guan-Bao-Shou-Zi- 11104920994 of the Financial Supervisory Commission |
| Content : | <p>Article 24 When an insurance enterprise allocates enterprise funds in accordance with the provisions of Articles 146 through 146-7 of the Insurance Act and other applicable provisions, its enterprise funds, owner's equity, and various kinds of reserves shall be calculated on the basis of figures from the most recent annual or semi-annual accounts, as attested or reviewed by a CPA except for matters handled in accordance with the regulations specified in Paragraph 2. However, an insurance enterprise that has carried out a capital increase and obtained capital verification from the competent authority shall be permitted to include it in owner's equity and related items.</p> <p>Insurance enterprises may calculate their enterprise funds, owner' s equity, and various kinds of reserves for each month on the basis of the self-assessed figures upon approval of the submitted documentary evidence by a majority of the board with an attendance of at least 2/3 of its members and notification of the competent authority for future reference if they meet the following conditions. However, if audits and reviews have been conducted by a CPA or certain months have been identified by the competent authority, calculation standards shall be based on the figures attested or reviewed by a CPA or figures determined by the competent authority:</p> <ol style="list-style-type: none">1. Discrepancy of less than 0.5% between the self-assessed figures for every quarter of the previous year and figures attested or reviewed by a CPA and a "unqualified opinion" issued by a CPA for the most recent annual and biannual financial reports.2. Having not been subject to major sanction and disciplinary action by the competent authority in the previous year.3. Risk based capital ratio for the previous two quarters reached at least 250%.4. The enterprise has a clearly formulated internal risk management system and corresponding operating standards. A risk management committee has been set up by the board of directors and a risk management department with an assigned chief risk officer to assume de facto overall risk management of the company. <p>The major sanction and disciplinary action as prescribed in Subparagraph 2 of the preceding Paragraph refer to Article 2 of the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.</p> <p>Insurance enterprises that calculate their enterprise funds, owner' s equity, and various kinds of reserves in accordance with Paragraph 2 shall report to the board every quarter whether relevant matters are handled in accordance with the provisions in Article 24.1.</p> |

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System