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Title :	Regulations for Establishment and Administration of Insurance Enterprises 
Date :	2022.06.29
Legislative :	Amended on June 29,2022
Content :	<p>Article 4 The directors, supervisors, and managerial officers of an insurance company shall meet the qualification requirements set out in the Regulations Governing Qualification Requirement and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Insurance Enterprises (hereinafter referred to as the “Regulations for the Responsible Persons of Insurance Enterprises” ). A person to whom any one of the situations set out in Article 3 of those Regulations applies may not act as promoter of an insurance company.</p> <p>Where a promoter, director, or supervisor is a juristic person, the preceding paragraph shall apply mutatis mutandis to its representative or designated representative performing duties on its behalf.</p> <p>Article 6 To establish an insurance company, the promoters shall submit the following documents, each in triplicate, to apply with the competent authority for an establishment permit:</p> <ol style="list-style-type: none"><li>1. Application form for insurance company establishment permit (format as in Attachment 1).</li><li>2. Business plan, specifying the business scope, business principles and policies, and specific implementation methods (including premises and facilities, internal organization and segregation of duties, personnel recruitment and training, business development plan, financial forecasts for the coming five years, and policy on reinsurance).</li><li>3. A register of promoters and relevant evidentiary documentation (format as in Attachment 2).</li><li>4. Promoters meeting minutes.</li><li>5. A statement affirming that none of the disqualifying conditions listed under Article 3 of the Regulations for the Responsible Persons of Insurance Enterprises applies to any of the applicant's promoters or other responsible persons (format as in Attachment 3).</li><li>6. Proof that the promoters have made full payment for shares in accordance with the provisions of paragraph 3.</li><li>7. An explanation of the sources of the promoters' funds (format as in Attachment 3-1).</li><li>8. The offering circular.</li><li>9. Documents evidencing the qualifications of the persons expected to be appointed as general manager, assistant general managers, and deputy assistant general managers.</li><li>10. Articles of incorporation.</li><li>11. Review opinions by a certified public account, a lawyer, and an actuary.</li><li>12. The responsibilities of the board of directors, and segregation of duties between the board of directors and management.</li><li>13. Other documents as required by the competent authority.</li></ol> <p>Where the information recorded in the documents referred to in the preceding paragraph is incomplete or insufficient, the application shall be dismissed. If the deficiency can be supplemented or corrected, but this is not done within the time limit set by the competent authority, the application shall be dismissed.</p> <p>After an insurance company has received its establishment permit, if false information is discovered in any of the documents that it submitted pursuant to paragraph 1 the competent authority may void the permit.</p> <p>Article 8 The competent authority may revoke a permit for the establishment of an insurance company if there is any change in promoter</p>

prior to the company's incorporation registration. However, this restriction does not apply in any of the following circumstances if the company has filed an application with the competent authority for approval of the change within two weeks after occurrence of the fact:

1. A promoter is missing or dies.
  2. A promoter is placed under guardianship by court order.
  3. A circumstance set out in Article 3 of the Regulations for the Responsible Persons of Insurance Enterprises is found to apply to a promoter after the application for establishment has been submitted.
  4. A promoter, if a company, is subject to a court ruling for reorganization, or otherwise to a material loss of creditworthiness.
- For any change other than to a promoter, a report specifying a legitimate reason shall be submitted to the competent authority for approval in advance, except that where circumstances do not allow the report to be submitted for approval in advance, it shall be submitted to the competent authority for approval within two weeks after occurrence of the fact. Under the circumstances contemplated in the two preceding paragraphs, an insurance company preparatory office that has obtained approval from the competent authority shall insert a conspicuously placed public announcement in a national daily newspaper.

Article 11 Within three months from the date on which incorporation registration is completed, a party seeking to establish an insurance company shall duly pay all required fees and submit the following documents attached thereto in triplicate to the competent authority to apply for issuance of a business license.

1. Business license application form (format as in Attachment 4).
2. Company registration documents.
3. Capital verification certificate.
4. Documentary proof that the bond required under Article 141 of the Insurance Act has been furnished.
5. Articles of incorporation.
6. Minutes of promoters meetings or founders meetings.
7. Register of shareholders.
8. Register of directors (format as in Attachment 5) and meeting minutes of the board of directors.
9. Register of managing directors (format as in Attachment 5) and meeting minutes of the board of managing directors.
10. Register of supervisors (format as in Attachment 5) and supervisors reports or meeting minutes.
11. Register of managerial officers, actuaries, underwriters, claims adjusters, general auditors, legal compliance officers, and other key personnel (format as in Attachment 5).
12. Company bylaws and business operating procedures.
13. A statement affirming that none of the disqualifying conditions listed under Article 3 of the Regulations for the Responsible Persons of Insurance Enterprises applies to any of the applicant's promoters or other responsible persons (format as in Attachment 3).
14. An undertaking acknowledging that any party subscribing to more than 15 percent of the total number of shares to be issued is obliged to fill out a source of funds explanation form (format as in Attachment 6).
15. Other documents as required by the competent authority.

Where there is legitimate reason, an application for extension of a deadline specified in the preceding paragraph may be filed prior to the deadline; an extension may not be longer than three months, and shall be limited to one time. If an extension is not approved, the competent authority may revoke the permit.

Article 13 After an insurance company receives an establishment permit but before it is issued a business license, if any of the following circumstances arises with respect to the company, the competent authority will not issue a business license:

1. A circumstance set out in Article 3 of the Regulations for the Responsible Persons of Insurance Enterprises is found to apply to a promoter after the application for establishment has been submitted.
2. A responsible person does not meet the qualification requirements set out in the Regulations for the Responsible Persons of Insurance Enterprises.

3. A director or supervisor violates the provisions of the Regulations for the Responsible Persons of Insurance Enterprises.
4. The company is not in compliance with the provisions of Article 5.
5. The company fails to furnish a required document.
6. Other circumstances exist that the competent authority believes pose a likelihood that the company will not be able to operate insurance business in a sound and effective manner.

Article 29-1 An insurance company that use the internet or other forms of electronic communication channels to sell insurance products to customers is defined as an internet-only insurance company.

An internet-only non-life insurance company shall only sell innovative insurance products; an internet-only life insurance company shall only sell protection-type insurance products.

Article 29-2 An internet-only insurance company shall apply for an establishment permit within the period prescribed by the competent authority. Applications filed after the prescribed period shall not be accepted.

Article 29-3 The minimum paid-in capital of an internet-only non-life insurance company shall be NT\$1 billion; the minimum paid-in capital of an internet-only life insurance company shall be NT\$2 billion. The capital contributions of promoters and shareholders shall be limited to cash.

The competent authority may request an internet-only insurance company to increase its paid-in capital based on the business scale described in its business plan.

The paid-in capital referred to in the two preceding paragraphs shall be paid in full by all promoters and the provision on the public offering of shares in Article 9 does not apply.

Article 29-4 With regard to the share subscription of the promoters and shareholders of an internet-only insurance company, the combined share subscription of the financial holding company, bank, securities firm, insurance company, insurance broker company, or insurance agent company must account for at least 40% of the shares. In addition, at least one insurance company or a financial holding company with an insurance company subsidiary shall subscribe to more than 25% of the paid-in capital. An internet-only insurance company must have a promoter engaged in big data analysis, interface design, software development, Internet of Things, wireless communication, or other financial technologies, and it must submit a successful business model.

Article 29-5 At least half of the directors of an internet-only insurance company shall meet one of the following qualifications; at least two thirds of the qualified directors / them must meet the qualifications in Subparagraph 1 and at least one director must meet the qualifications in Subparagraph 2:

1. Meet the qualifications specified in Subparagraph 1, Article 8 of the Regulations for the Responsible Persons of Insurance Enterprises.
  2. Has at least five years of professional work experience in financial technology, has served as an assistant manager of the head office or above or its equivalent with outstanding performance, and is able to contribute to the successful operation of the internet-only insurance company.
- The number of directors who are not elected in the capacity of the government, a juristic person, or a representative thereof in the preceding paragraph shall be subject to the provisions of Paragraph 4, Article 8 of the Regulations for the Responsible Persons of Insurance Enterprises.

Article 29-6 The business plan submitted by an internet-only insurance company in accordance with the provisions of Article 6 shall include the following items:

1. Customer identity verification mechanisms.
2. Information Technology system, security controls, backup operations and business continuity plan used in the operations of the internet-only insurance company.
3. A CPA-certified assessment to ensure the budget is sufficient to meet the needs of information system and to operate business properly in the next five years.
4. Plans for the business model and insurance products.
5. Market exit plan: Clarify the conditions and authorization to implement the plan and a description of the protection of customer

interests.

Article 29-7 Except for the head office and customer service center, an internet-only insurance company shall not set up other physical operation outlets and the provisions in Article 16 shall not apply.

The customer service center in the preceding paragraph shall not engage in selling or soliciting insurance products, and its establishment shall require the approval of the competent authority.

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Attachments : Attachment 1 Application by Insurance Company for Establishment Permit.pdf  
Attachment 1 Application by Insurance Company for Establishment Permit.odt  
Attachment 3A Undertaking (by natural person).pdf  
Attachment 3A Undertaking (by natural person).odt  
Attachment 3B Undertaking (by juristic person).pdf  
Attachment 3B Undertaking (by juristic person).docx.odt  
Attachment 4 Application by Insurance Company for Business License.pdf  
Attachment 4 Application by Insurance Company for Business License.docx.odt

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Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System