

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 : 2. A life insurance company applying for engaging in the Business shall meet the following qualification requirements:
(1) Having not been subject to major sanction and disciplinary action by the competent authority in the past year, or if it has, concrete improvement actions have been taken to remedy the violation and recognized by the competent authority;
(2) Foreign investment risk is assessed using value-at-risk (VaR) techniques and the assessment is performed at least once a week;
(3) Having a risk management committee set up under the board of directors or an internal risk management department with a chief risk officer or officer in comparable position has been established to assume de facto responsibility for the overall risk management of the company;
(4) Ranked in the top eighty percent in the past year in terms of the results of the Treating Customer Fairly Principle evaluation of life insurance companies. The preceding provision does not apply to a life insurance company that could provide reasonable explanation (for not ranking in the top eighty percent) and such explanation is approved by the competent authority.
The major sanction and disciplinary action as prescribed in Subparagraph 1 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.
The "value at risk" referred to in Subparagraph 2, Paragraph 1 means the value at risk for ten trading days calculated with confidence level set at 99% and with data samples which are taken either on a weekly basis for a minimum period of three years or on a daily basis for a minimum period of one year, and back testing is performed every month.

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System