

Content

Title :	Regulations Governing the Preparation of Financial Reports by Insurance Enterprises <b>Ch</b>
Date :	2024.01.23
Legislative :	<ol style="list-style-type: none"><li>1. Promulgated on December 30, 2009</li><li>2. Amended on August 23, 2011</li><li>3. Amended on December 29, 2011</li><li>4. Amended on February 7, 2012</li><li>5. Amended on January 10, 2014</li><li>6. Amended on October 21, 2014</li><li>7. Amended on January 24, 2017</li><li>8. Amended on 23 August 2017 per Order Ref. Jin-Kuan-Bao-Tsai 10602502861 of the Financial Supervisory Commission.</li><li>9. Amended on 30 July 2018 per Order Ref. Jin-Kuan-Bao-Tsai 10704503371 of the Financial Supervisory Commission.</li><li>10. Amended on 15 February 2020 per Order Ref. Jin-Kuan-Bao-Tsai 10904902551 of the Financial Supervisory Commission.</li><li>11. Amended on 24 March 2020 per Order Ref. Jin-Kuan-Bao-Tsai 10904907871 of the Financial Supervisory Commission.</li><li>12. Amended on 11 May 2020 per Order Ref. Jin-Kuan-Bao-Tsai 10904917641 of the Financial Supervisory Commission.</li><li>13. Form 8-20 of Article 29 and Form 22 of Article amended and issued per 21 December 2020 Order No. Jin-Kuan-Bao-Tsai 10904947571 of the Financial Supervisory Commission</li><li>14. Article 36 and Article 39 amended and issued on 18 November 2021 per Order No. Ref. Jin-Kuan-Bao-Tsai 11004943871 of the Financial Supervisory Commission</li><li>15. Article 20, Article 24, Form 11 of Article 21 and Form 15 of Article 22 amended and issued on 16 February 2022 per Order No. Ref. Jin-Kuan-Bao-Tsai 11104904971 of the Financial Supervisory Commission</li><li>16. Article 4, Article 6, Article 9, Article 14, Article 15, Article 16, Form 11 of Article 21 and Form 15 of Article 22 amended and issued on 29 December 2022 per Order No. Ref. Jin-Kuan-Bao-Tsai 11104953451 of the Financial Supervisory Commission</li><li>17. Part of articles amended and issued on 8 November 2023 per Order No. Ref. Jin-Kuan-Bao-Tsai 11204937102 of the Financial Supervisory Commission.</li><li>18. Article 20 and 39 amended and issued on January 23, 2024 per Order No. Ref. Jin-Kuan-Bao-Tsai 11304900901 of the Financial Supervisory Commission.</li></ol>
Content :	<p>Article 20</p> <p>An insurance enterprise shall provide information on its business conditions in accordance with the following provisions:</p> <ol style="list-style-type: none"><li>1. Significant business matters: The insurance enterprise shall provide information on matters arising over the most recent 5 fiscal years that have had a significant impact on its business, including acquisition or merger, demerger, change in management rights (equity) reaching 10% or more, transfer of business, investments in affiliated enterprises, reorganization, acquisition or disposal of major assets, and significant changes in operation method (including sales system) or business activity.</li><li>2. Remuneration to directors, supervisors, president (general manager), vice presidents (assistant general managers), and Chairmen of the board and presidents (general managers) rehired as consultants after retiring from the insurance enterprise or its affiliate enterprises and related information: (1) Remuneration paid to directors, supervisors, president (general manager), vice presidents (assistant general managers), and consultants in the most recent fiscal year: (Form 9, and Form 9-1)</li></ol>

A. An insurance enterprise may opt either to disclose aggregate remuneration information, with the name(s) indicated for each remuneration bracket, or to disclose the name of each individual and the corresponding remuneration amount.

B. An insurance enterprise having any of the following circumstances is required to disclose the remuneration paid to each individual director, supervisor, president (general manager) and consultants:

a. The insurance enterprise's most recent capital adequacy ratio, whether CPA-reviewed or adjusted following FSC examination, is below statutory standard.

b. The insurance enterprise showed an after-tax deficit in the parent company only or individual financial reports for the most recent three fiscal years. This requirement, however, shall not apply if the parent company only or individual financial report for the most recent fiscal year shows net income after tax and such net income after tax is sufficient to make up the accumulated deficits.

c. The insurance enterprise is required by the FSC to increase capital but fails to complete capital increase according to its proposed capital increase plan.

C. The insurance enterprise, if a public company that has had an insufficient director or supervisor shareholding percentage stipulated in Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies for three (3) consecutive months or longer during the most recent fiscal year, shall disclose the remuneration paid to each of the directors or supervisors.

D. The insurance enterprise that has had an average ratio of share pledging by directors or supervisors in excess of 50% in any three months during the most recent fiscal year, shall disclose the remuneration paid to each of the directors or supervisors having a ratio of pledged shares in excess of 50% for each such month.

E. If the total amount of remuneration received by all of the directors and supervisors in their capacity as directors or supervisors of the companies listed in the financial report exceeds 2% of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the insurance enterprise shall disclose the remuneration paid to that individual director or supervisor.

F. If an insurance enterprise listed on the TWSE or the TPEX is ranked in within the lowest two tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the financial report for that year, the insurance enterprise's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the insurance enterprise shall be excluded from evaluation, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

G. If the average annual salary of the full-time non-supervisory employees in a TWSE or TPEX listed insurance enterprise is less than NT\$500,000 in the most recent fiscal year, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

H. A TWSE or TPEX listed insurance enterprise had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.

I. A TWSE or TPEX listed insurance enterprise had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000.

J. If the circumstance in item B.b or item F applies to an insurance enterprise listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel.

(2) Where the insurance enterprise's chairperson, president (general manager), or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its attesting CPA or at an affiliated enterprise of such accounting

firm, the name and position of the person, and the period during which the position was held at the accounting firm, shall be disclosed.

(3)The term "affiliated enterprise of the attesting CPA's accounting firm" means one in which the accountant(s) at the accounting firm of the attesting CPA hold more than 50% of the shares, or of which such accountant(s) hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the attesting CPA.

(4)The term "affiliated enterprises" in this Subparagraph refers to those conforming with Article 369-1 of the Company Act.

3.Labor-management relations: (Form 10)

(1)Report major employee benefit policies, professional development, training, or retirement programs and the status of their implementation, as well as agreements between labor and management and policies for safeguarding employees' rights and interests.

(2)Report the loss sustained as a result of labor disputes in the most recent 3 fiscal years, together with the disclosure of an estimate of losses incurred to date or likely to be incurred in the future and the mitigation measures taken or to be taken. If the losses cannot be reasonably estimated, the insurance enterprise shall make a statement to that effect.

(3)Describe any violation of the Labor Standards Act found during the labor inspection; including the disposition date, disposition reference No., provisions of the regulations breached, description of the violation, and the disposition.

4.Cyber security management:

(1)Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

(2)List the losses suffered in the most recent fiscal year due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(3)Impact of cyber security risks on the Company's finance and operations, and measures taken in response.

5.Changes in president (general manager), chief audit officer and actuaries in the most recent 2 years.

6.Changes in the method for allocation of all kinds of reserves.

7.The insurance enterprise had the situation in the most recent year where its shareholders' meeting has adopted the resolution to carry out capital increase or decrease or its board of directors (council) has adopted the resolution to issue new shares but the application (or filing) was not approved (or approved for record) by the FSC, or where its application for capital change registration was not approved by the Ministry of Economic Affairs.

8.Cases of claim payment and claim recovery from reinsurer involving amount exceeding NT\$20 million in the most recent 3 years and financial impact analysis therefor.

9.Names of reinsurers to whom the allocation of reinsurance premiums paid for gains or losses on reinsurance contracts held in the most recent year account for more than 1% of total insurance revenue and the credit rating of those reinsurers.

10.Where a credit rating agency has been engaged to rate the reinsurer, the name of the credit rating agency, and date and result of rating; if no credit rating agency is engaged, such fact shall be disclosed as well.

Article 39

These Regulations shall come into force from the date of promulgation, with the exception of Article 2, Article 4, Article 6, Paragraph 1 of Article 7, Articles 8 ~ 11, Item (4)-G of Subparagraph 1, Subparagraphs 10, 13 and 14 of Paragraph 4 of Article 12, Article 13, Article 15, Subparagraph 2, Paragraph 1 of Article 17, Article 19, Article 26, Article 27, Article 30, and Article 34 amended and promulgated on October 21, 2014, which shall come into force from fiscal year 2015 on, articles amended and promulgated on January 24, 2017, which shall come into force from fiscal year 2017 on, articles amended and promulgated on August 23, 2017, which shall come into force from fiscal year 2018 on, subparagraphs 11 and 12 of Paragraph 3, and

Paragraph 6 of Article 9, Article 10, Article 15, Article 29, and Form 1 of Article 19 amended and promulgated on July 30, 2018, which shall come into force from fiscal year 2019 on, articles amended and promulgated on March 24 and May 11, 2020, which shall come into force from fiscal year 2020 on, and articles amended and promulgated on November 18, 2021, which shall come into force from fiscal year 2022 on, Article 6 and Article 9, amended and promulgated on December 29, 2022, which shall come into force from fiscal year 2023 on, articles amended and promulgated on November 8, 2023, which shall come into force from fiscal year 2026 on, Subparagraph 9 of Article 20 amended and promulgated on January 23, 2024, which shall come into force from fiscal year 2026 on.

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