

Content

Title :	Directions for Insurance Companies to Engage in Microinsurance Business 
Date :	2024.02.22
Legislative :	Point 3,5,6, amended and issued on 22 February 2024
Content :	<p>3. When engaging in the Business, an insurance company shall not include the design of living benefit or maturity benefit in its products and may offer only the following types of products:</p> <ol style="list-style-type: none"><li>(1) Traditional one-year term life insurance; and</li><li>(2) One-year accident insurance.</li><li>(3) One-year accident medical insurance (reimbursement type) where benefits are paid based on original medical expense receipts presented.</li><li>(4) Insurance approved by the competent authority for trial or official launch after successful trial.</li></ol> <p>The microinsurance products specified in the preceding paragraph should be simple in design and shall cover only one insured peril.</p> <p>The insured and the operating procedures under subparagraph 4 of paragraph 1 shall be processed in accordance with the approved pilot plan, and the limitations set forth in the preceding point and Point 12 do not apply.</p> <p>5. The Financial Supervisory Commission (FSC) Order No. Jin-Guan-Bao-Cai-Zi-11004925801 dated June 29, 2021 and FSC Order No. Jin-Guan-Bao-Cai-Zi-10904951391 dated January 5, 2021 do not apply to the premium structure of microinsurance products, provided that the expected expense ratio of the product shall not exceed 15% of the total premium.</p> <p>When an insurance company conducts the Business by offering individual insurance contracts signed collectively as specified in Point 10 herein, the company may set different premium rates for individual applicants in the collective group based on individual risk exposure, or set a fixed premium rate or tiered premium rates by assessing the average risk of the said group. However the insurance company must describe the basis and reasonableness of the premium rates it set in the documents submitted for review for the insurance product.</p> <p>6. The reserves for microinsurance products shall be set aside in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises. For microinsurance products that are offered through group coverage, the rules for the setting aside of reserves as provided in the FSC Order No. Jin-Guan-Bao-Cai-Zi-11004925801 dated June 29, 2021 need not apply.</p>

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System