

Content

Title :	Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies <b>Ch</b>
Date :	2024.07.22
Legislative :	Amended on 22 July 2024 per Order No. Jin-Guan-Bao-Zong-Zi 11304922171 of the Financial Supervisory Commission.
Content :	<p>Article 2</p> <p>Insurance agent companies and insurance broker companies that are public companies or companies with annual operating revenue of NT\$200 million or more shall establish internal control and audit systems as well as business solicitation system and procedures within the following year.</p> <p>Banks shall establish internal control, audit system and business solicitation system and procedures in accordance with these Regulations. The operating revenue referred to in these Regulations shall be the operating revenue as defined in Article 5 of the Financial Supervisory Commission Regulations Governing Fee Schedule for Annual Supervision Fee, Examination Fee and Fee Collection.</p> <p>The term “bank” as used in these Regulations means a bank operating concurrently insurance agent business or insurance broker business with approval of the competent authority.</p> <p>Article 7</p> <p>The business solicitation system and procedures referred to in the preceding article shall contain at least the following particulars:</p> <ol style="list-style-type: none"><li>1. Qualifications of insurance solicitors, insurance agents and insurance brokers, the types of insurance they may solicit, solicitation methods, on-the-job training, rewards and disciplines, and rights and obligations.</li><li>2. Management measures regarding performance review that links the commissions received by insurance solicitors to risk exposure and duration of commission payment, solicitation quality, and solicitation dispute.</li><li>3. Operations and management measures regarding collection and turn-in of premiums by insurance solicitors on behalf of customers.</li><li>4. Description of major contents of insurance products and associated rights and obligations, and disclosure of related information.</li><li>5. Advertising, promotional and sales activities and management of such activities.</li><li>6. Understanding and evaluating the insurance needs and suitability of proposers or the insured.</li><li>7. The operation and management ensuring that business personnel undertaking insurance solicitation write up solicitation reports truthfully, including conducting phone interview for special cases or conducting spot check of relevant documents.</li><li>8. Check mechanism in place following solicitation and prior to submission of application.</li><li>9. Control and safekeeping of solicitation documents.</li><li>10. Customer complaint.</li><li>11. Other matters designated by the competent authority.</li></ol> <p>The provisions of subparagraph 7 of the preceding paragraph do not apply to the solicitation of non-life insurance business.</p> <p>Article 14</p> <p>The auditors of insurance agent companies, insurance broker companies or banks shall possess one of the following qualifications:</p> <ol style="list-style-type: none"><li>1. Having the qualification of an insurance agent or broker and having actually performed the work of an insurance agent or broker for at least two years.</li><li>2. Having at least five years of experience in supervision works relating to insurance enterprise, an insurance agent company or insurance broker</li></ol>

company.

3. Having graduated from a junior college, college, or university and passed a senior civil service examination or an examination equivalent to a senior civil service examination, or the examination of Certified Internal Auditor (CIA), and having at least two years of experience in related business of insurance enterprise, an insurance agent company or insurance broker company or other finance-related businesses.

4. Having at least five years of work experience in related businesses of insurance enterprise, an insurance agent company or insurance broker company.

5. Having at least two years of work experience as an auditor in an accounting firm, or a system analyst in a computer company, or a professional in similar capacity and having received not less than three months of training in insurance business and management in an insurance agent company or insurance broker company; however the number of internal auditor, auditors with such qualification shall not exceed one half of the company's total number of internal auditors.

Qualified auditors according to the preceding paragraph shall be free of any record of demerit or more serious offense from employer in the last three years, unless the demerit record was a result of joint and several disciplinary action on account of the violation or offense of a co-worker, and the demerit has been offset by other merits.

Article 32

Except for Article 2 amended and promulgated on July 22, 2024 that will be in force on January 1, 2025, these Regulations shall enter into force on the date of promulgation.