

Content

Title :	Regulations Governing Insurance Agents Ch
Date :	2024.07.22
Legislative :	Amendment to Article 2、6、7、12、13、15、27、31、32、34、34-1、43、47、49、50、52、61 and addition of Articles 2-1、60-1 promulgated per Financial Supervisory Commission Order No. Jin-Guan-Bao-Zong-Zi- 11304922171 dated July 22, 2024.
Content :	<p>Article 2</p> <p>The term "independent agent" as used in these Regulations means a person who practices insurance agency business in his or her own name.</p> <p>The term "agent company" as used in these Regulations means a company operating insurance agency business in the capacity of a corporate organization.</p> <p>The term "bank" as used in these Regulations means a bank operating concurrently insurance agent business with approval of the competent authority.</p> <p>Article 2-1</p> <p>Companies or banks that operate insurance agency business shall employ an agent and may assign the agent to perform insurance agency business, check, compliance, audit or other relevant operations.</p> <p>Article 6</p> <p>A person having any of the following situations may not serve as a responsible person of an agent company:</p> <ol style="list-style-type: none">1. Having no legal capacity or limited legal capacity or subject to the court order of commencement of assistance and such order has not been revoked.2. Having committed a crime under the Organized Crime Prevention Act, and has been found guilty by a final and unappealable judgment.3. Having been sentenced to imprisonment for counterfeiting currency or valuable securities, embezzlement, fraud or breach of trust, and the sentence has not been started serving or completed, or ten years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.4. Having received a final and unappealable sentence for violating Insurance Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Asset Securitization Act, Clauses of the Real Estate Securitization Act, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Foreign Exchange Regulation Act, Credit Cooperative Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, Money Laundering Control Act, Counter-Terrorism Financing Act, Act Governing Issuance of Electronic Stored Value Cards prior to its abolishment, Act Governing Electronic Payment Institutions or any other laws regulating financial activity, and the serving of sentence has not started or been completed, or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.5. Having been declared bankrupt, or adjudicated of commencement of liquidation process by a court, and rights and privileges have not been reinstated.6. Being the responsible person of a legal entity at the time such legal entity was adjudicated bankrupt and five years have not elapsed since the closure of the bankruptcy or the terms of bankruptcy settlement have not yet been fulfilled.7. Having an ongoing event that seriously damages his or her creditworthiness or five years have not elapsed since the closure of such an event.

8. Five years have not elapsed since being replaced or discharged from duties by order of the competent authority due to a violation the Insurance Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Assets Securitization Act, Clauses of the Real Estate Securitization Act, Securities and Exchange Act, Futures Trading Act, Securities Investment Trust and Consulting Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, Fair Trade Act, Act Governing Issuance of Electronic Stored Value Cards prior to its abolishment, Act Governing Electronic Payment Institutions, or other laws regulating financial activity.

9. Factual proof shows that the person has engaged in or otherwise been involved in any other dishonest or improper activities, demonstrating unsuitability for the work in question.

10. Is currently serving as an employee of an insurance enterprise or related industry association. Notwithstanding the foregoing, if the insurance enterprise has an investment relationship with the agent company and their chairman, director externally representing the agent company organized as a limited company and general manager have not taken concurrent positions in each other, the employee of the insurance enterprise may act as a responsible person of the agent company, subject to the approval of the competent authority.

11. Is already registered as an insurance solicitor in any other insurance company, insurance broker company, agent company or bank.

12. Practice license has been revoked to Article 167-1 or 167-2 of the Insurance Act by the competent authority and five years have not elapsed.

13. Having been involved in serious cheating in a special or junior examination for professional or technical personnel of insurance enterprises, and has been sentenced to imprisonment for a definite period by a final and unappeasable judgment.

14. Having been sentenced to imprisonment for forging instruments or seals, offence against privacy, usury, impairing the rights of creditors or violating Tax Collection Act, Trademark Act, Copyright Act or other acts or regulations governing industrial or commercial activity and the sentence has not started serving or been completed or five years have not elapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

15. Having been committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and the sentence has not started serving or been completed or five years have not lapsed since the date of sentence completion, the expiration of probation period, or the pardon of such punishment.

16. Having been denied service by the bills clearing house and the denial status has yet to be removed, or there remains a record of dishonored check(s) due to insufficient funds in three years since the denial status has been removed

17. Being a director, supervisor or general manager of an agent company, insurance broker company or insurance surveyor company at the time such company was subject to disciplinary action provided in subparagraph 1, paragraph 1, Article 164-1 of the Insurance Act or had its permit revoked and practice license cancelled pursuant to Article 167-2 of the Insurance Act, and three years have not elapsed.

The term "responsible person" mentioned in the preceding paragraph shall mean a director, supervisor, general manager, or sales-related assistant general managers of an agent company, managers of branch office or a person in comparable position.

A person having any situation provided in subparagraphs 1 through 9 and subparagraphs 12 through 17 of paragraph 1 hereof may not serve as an independent agent or as an agent employed by an agent company or a bank.

Article 7

A person possessing an agent qualification as set out in these Regulations and free of the situations provided in any subparagraph of paragraph 3 of the preceding article and subparagraph 27 of Article 49, after obtaining a practice license, practice business independently or as an employee of an agent company.

An agent company or a bank shall employ at least one agent, and carry out

registration of permission with the competent authority. The agent company or the bank shall make appropriate adjustment to the number of such persons according to the scale and quality of its business. Where necessary, the competent authority may also require the agent company or the bank to employ additional agents.

After completing the registration of permission set out in the preceding paragraph, it shall duly carry out registration with the competent authority in charge of company registration or bank.

An independent agent or an agent employed by an agent company or a bank shall not be concurrently employed by other agent companies, insurance broker companies, insurance surveyor companies or banks.

Article 12

An agent company shall have one general manager in charge of managing the overall operations of the company and shall not have other officers in comparable position.

The general manager referred to in the preceding paragraph shall not act concurrently as the chairman or general manager of other agent companies or insurance broker companies as well as the director externally representing other agent companies or insurance broker companies organized as limited companies.

The general manager of an agent company shall possess one of the following qualifications:

1. Has graduated from a domestic or foreign school at the level of junior college or higher or possessing equivalent academic qualifications, and has served for no less than five years of experience in the position of manager or higher or in an equivalent position of an insurance company, insurance cooperative, insurance broker company, insurance agent company, insurance surveyor company, or in the position of deputy head of a bank's separate department operating insurance broker or agent business and has performed with excellence in such position;

2. has performed the work of insurance agent or broker for at least five years.

3. Has other academic or employment experience sufficient to show that he/she has professional insurance expertise, or experience in managing an insurance business, and is capable of operating an insurance agent business soundly and efficiently.

The appointment or dismissal of the general manager mentioned in the preceding paragraph shall be duly registered with the competent authority in charge of company registration.

Article 13

The chairman of an agent company, director externally representing an agent company organized as a limited company, at least one third of its directors and supervisors, sales-related vice general manager, managers of branch offices or officers in comparable positions shall possess one of the following qualifications:

1. Has graduated from a domestic or foreign school at the level of junior college or higher or possesses equivalent academic qualifications, and has served for no less than three years of experience in the position of assistant manager or higher or in an equivalent position on an insurance company, insurance cooperative, insurance broker company, insurance agent company, insurance surveyor company, or in the position of deputy head of a bank's separate department operating insurance broker or agent business and has performed with excellence in such position.

2. has performed the work of insurance agent or broker for at least two years.

3. Has other academic or employment experience sufficient to show that he/she has professional insurance expertise, or experience in managing an insurance business, and is capable of operating an insurance agent business soundly and efficiently.

Article 15

When an agent employed by an agent company or a bank leaves work, the agent company or the bank shall, within fifteen (15) days after the agent departs, report to the competent authority and surrender the practice license of the departed agent, and report same to the insurance agency association for recordation.

When an agent company and a bank employs an additional agent or changes an

agent, and such new agent already has a practice license, the agent company and bank shall report to the agents association for recordation within seven days after employing the additional agent or changing the agent. The agents association shall draw up directions for the procedures under the preceding two paragraphs.

Article 27

An agent company having any of the following situations shall submit an application together with its board of directors' or shareholders' meeting minutes to the competent authority for approval and register with competent authority in charge of company registration to law:

1. Suspending.
2. Resuming business.
3. Dissolved.

An agent company may suspend its business up to one year, and where there is legitimate reason, may apply for an extension of business suspension period once. The application for extension shall be made fifteen days before the allowed suspension period expires.

Where an agent company fails to apply for business resumption and employ an agent in accordance with Article 7 before the allowed suspension period expires, the competent authority will revoke its permission and cancel its practice license.

Where an agent company applies for business suspension, it shall surrender the practice licenses of agents employed by the company. Where an agent company applies for dissolution, it shall surrender the practice licenses of agents employed by the company as well as the company's practice license.

Where an agent company has a situation set out in subparagraph 1 or 3 of paragraph 1 hereof or cancel its practice license by the competent authority but fails to surrender the practice licenses of agents employed by the company, the employed agents shall, within thirty days from business suspension or dissolution of the agent company or cancel its practice license by the competent authority, submit relevant documents to competent authority for cancellation of registration through the agents association.

Article 31

Independent agents or agents employed by an agent company or a bank to perform insurance agent business, check or other relevant businesses shall have attended at least 32 hours of pre-job training and passed tests within the past one year before submission of the application.

Compliance personnel must attend at least 30 hours of pre-job training. Pre-job training mentioned in the preceding two paragraphs may be conducted by the Taiwan Insurance Institute or a university or college extension education institution. The guidelines and content for such training shall be submitted to the competent authority for approval.

Article 32

Independent agents or agents employed by an agent company or a bank to perform insurance agent business, check or other relevant businesses shall attend at least on average 16 hours of on-the-job training every year during the valid period of their practice license, including at least 8 hours of courses on laws in the latest 2 years before renewing a practice license.

Compliance personnel must attend at least 15 hours of on-the-job training every year.

On-the-job training mentioned in the preceding two paragraphs may be conducted by the Taiwan Insurance Institute, the insurance agency association, the insurance brokerage association or brokers association, a university or college extension education institution, or another institution approved by the competent authority. The guidelines and content for such training shall be submitted to the competent authority for approval.

Independent agents or agents employed by an agent company or a bank shall additionally attend and pass no less than 2 hours of annual courses on fair treatment of customers aged 65 and above. Independent agents or agents employed by an agent company or a bank, not attending and passing the foregoing courses, are not allowed to solicit insurance product to customers aged 65 and above next year, and their employing agent company or bank shall cancel their next year qualifications to solicit insurance

product to customers aged 65 and above.

Article 34

Independent agents, agent companies and banks shall understand the needs of the proposer and product or service suitability, and sign on relevant documents by seal or other electronic means, unless otherwise prescribed by the competent authority.

The "relevant documents" under the preceding paragraph and Paragraph 1 of Article 33 include, for non-life insurance:

1. Insurance application form.
2. Application for endorsement.
3. Due diligence report on the needs of the insurance proposer and the insured, and product suitability analysis.
4. Application for termination of contract.
5. Other documents designated by the competent authority.

The "relevant documents" under Paragraph 1 and Paragraph 1 of Article 33 include, for personal insurance:

1. Insurance application form.
2. Application for endorsement.
3. Due diligence report on the needs of the insurance proposer and the insured, and product suitability analysis.
4. Application for termination of contract.
5. Other documents designated by the competent authority.

If an agent company or a bank is authorized to collect insurance premiums or to handle underwriting, claim settlement, or other insurance business, it shall confirm the accuracy of various documents relating to its business practice.

Article 34-1

Agent companies and banks shall establish check and management procedures for relevant documents under the preceding article.

The insurance agency association shall draw up self-regulatory rules for the check and management procedures mentioned in the preceding paragraph and submit the rules to the competent authority for reference.

Article 43

Independent agents, agent companies and banks shall set up a special ledger to record operating revenues and expenditures and shall compile various business and financial statements and other items prescribed by the competent authority, and submit them to the competent authority or an institution designated thereby between April 1 and May 31 every year; the formats of the statements and other items shall be separately prescribed by the competent authority. However if the fiscal year of the agent, agent company or bank differs from a calendar year, the reporting time limit will be separately set by the competent authority.

The competent authority may from time to time send personnel to inspect the operations and assets and liabilities of independent agents, agent companies and banks or order them to report the status of their operations within a time limit.

With respect to the inspection opinions of the competent authority or deficiencies identified by the competent authority in an inspection, an independent agent, an agent company and a bank shall take specific improvement actions and continue to follow up on the actions taken, and report the implementation of improvement actions to the competent authority within the time limit prescribed by the competent authority. An agent company and a bank shall also submit a written report on the follow-up of improvement actions taken to its board of directors and supervisors or audit committee for review.

Article 47

An agent company that has not been sanctioned by the competent authority within the last one year for violating an act or regulation may apply to the competent authority for approval to establish a branch office.

An agent company that applies for the establishment of a branch office shall employ an agent and submit the following documents to the competent authority for registration of permission:

1. An application form clearly stating the name and location of the branch office.
2. The minutes of the board of directors meeting resolving to establish the branch office.

3. Proof of identity for the designated managers of branch offices and proof of their compliance with the qualification requirements set out in Article 13 herein.

4. A photocopy of the valid practice license of agents employed or certification showing that agents employed meet the qualification requirements set out in these Regulations and any of the following certifications:

(1) Certification of pre-job training, obtained within the past 1 year before submission of the application and recognized by the competent authority;

(2) For an agent whose certification of pre-job training was obtained one year or earlier, the already obtained certification of pre-job training and the certification of at least 18 hours of on-the-job training within the past 1 year before submission of the application. For agents who submit certification of at least 18 hours of on-the-job training within the past 1 year, the courses on laws and regulations taken shall not be less than 8 hours and the courses on fair treatment of customers aged 65 and above shall not be less than 2 hours.

(3) For an agent whose registration of permission is based on the qualifications set out in subparagraph 3, paragraph 1 of Article 5 herein, the certification of at least 18 hours of on-the-job training within the past 1 year, including no less than 8 hours of the courses on laws and no less than 2 hours of the courses on fair treatment of customers aged 65 and above.

5. Proof of identity for agents employed.

6. A written statement by the designated managers of branch office and agents employed undertaking that they are free of the situations set out in subparagraphs 1 through 9 and 12 to 17, paragraph 1 of Article 6.

7. A business plan for the branch office.

8. Other documents as required by the competent authority.

An agent company shall, in the six months of the approval of branch office establishment, submit an application form and a written statement by the manager of branch office and agents employed undertaking that they are free of situations set out in subparagraphs 10 and 11 of paragraph 1, Article 6 herein and employed agents are free of the situation set out in subparagraph 27, Article 49 herein to the competent authority for issuance of a practice license for the branch office.

Article 49

Independent agents, agent companies, banks and agents employed by agent companies or banks shall not commit any of the following acts:

1. Make a false representation when applying for a practice license.

2. Operate or practice business operations on behalf of an insurance enterprise that has not been approved and registered.

3. Act on behalf of an insurance enterprise in operating or practicing insurance business operations that have not been approved by the competent authority.

4. Deliberately conceal material matters concerning an insurance contract.

5. Take advantage of his or her professional or business position or use other improper means, with respect to the establishment of a contract, to coerce, induce, or restrict the freedom of an proposer, insured, or insurer, or to collect extra compensation or other benefit from them.

6. Make exaggerated, false, or misleading claims or advertisements or use other improper methods when operating or practicing business or recruiting personnel.

7. Use improper means to incite an insurance customer to take an action such as to surrender insurance, switch insurance policies, or take a loan.

8. Misappropriate or embezzle insurance premiums or policy proceeds.

9. Not practice oneself, but instead provide the practice license for use by another person.

10. Be sentenced to punishment for embezzlement, fraud, breach of trust, or forgery.

11. Operate or practice insurance business outside the scope specified on his or her practice license.

12. Collect, in addition to commissions and expenses set out in the contract, money, articles or other compensations from an insurer in the name of other expense items or of a third party, or engage in uncustomary

transactions.

13. By unlawful means, cause an insurer to make an improper insurance claim payment.

14. Disseminate untrue statements or promotional materials, thus disturbing the financial order.

15. Authorize a third party to operating or practicing business on his/her/its behalf, or operating or practicing business in other' s name.

16. In the case of an agent company, refer an application case solicited by an agent not employed by the company or an insurance solicitor not registered under the company to an insurer, or refer an application case solicited by it to an insurer through another insurance broker or agent, unless it is a case from an independent agent who has obtained the written consent of the proposer to the effect in advance.

17. Employ people who do not possess the qualifications of insurance solicitor to solicit insurance business.

18. Fail to surrender or cancel practice license within the time period set out in paragraph 1 of Article 15, Article 26, paragraph 5 of Article 27, or paragraph 3 of Article 28.

19. Suspend, suspend its insurance agent business in part or in whole temporarily, resume, dissolve business or terminate its insurance broker business in part or in whole at own discretion.

20. An agent company or a bank engaging in agent business fails to employ another agent in accordance with Paragraph 2 of Article 7 herein when an employed agent leaves work.

21. Fail to report matters prescribed by the competent authority to the agents association for recordation.

22. The content of advertising related to insurance products and publicity used in insurance solicitation is not provided or consented by the insurer.

23. Pay commissions to insurance solicitors and their supervisors who did not actually perform the business solicitation; however the preceding provision does not apply to payments of renewal commissions to those who take over policyholder services.

24. Fail to confirm the suitability of an insurance product for a specific consumer, including providing unsuitable insurance products to customers aged 65 and above.

25. Sell foreign viatical settlement products that have not been approved by the competent authority.

26. Submit business information and financial statement are untrue or incomplete.

27. Is currently serving as an employee of an insurance enterprise or related industry association, or having been registered as an insurance solicitor.

28. Urge or induce customers to rescind or terminate contracts or pay for insurance premiums by taking out a bank loan, canceling a time deposit or taking out a policy loan.

29. Fill out a solicitation report dishonestly, including the report lack of the statement whether the customers aged 65 and above and purchasing the insurance products other than non-life insurance and micro-insurance has the ability to distinguish situations that are disadvantageous to their rights and interests, reasons why the insurance products is suitable for the customer, and evaluation record. However the preceding provision does not apply if the characteristics of the insurance product are not found to have potential effects and disadvantages on customers aged 65 and above after the insurance company makes an evaluation in accordance with Subparagraph 7, Article 6 of the Regulations Governing Pre-sale Procedures for Insurance Products.

30. Otherwise violate these Regulations or related acts or regulations.

31. Any other act injurious to the image of insurance business.

Article 50

Agent companies and banks shall produce a compliance manual and appoint a compliance officer to take charge of the planning, management and implementation of its compliance system. The compliance officer shall also report periodically to the board of directors and supervisors or audit committee. In case the agent company is a limited company, the compliance officer shall report periodically to all shareholders.

The compliance manual mentioned in the preceding paragraph shall contain at

least the following particulars:

1. Compliance procedures to be adopted by each business.
2. Rules and regulations to be complied with by each business.
3. Procedures for handling violation of rules and regulations.
4. Self-assessment procedure for compliance operation.

The compliance officer may not serve concurrently as an internal auditor.

The appointment, dismissal or transfer of compliance officer shall be reported in a manner designated by the competent authority with confirmation document and record filed and stored.

The planning, management and implementation of compliance system shall include the following:

1. Establish clear and adequate transmission, consultation, coordination, and communication systems with respect to laws and regulations.
2. Ascertain that all operations and management rules are updated in a timely manner in coordination with applicable laws and regulations so that all business activities comply with laws and regulations.
3. Draw up the content of and procedures for compliance-related assessment, conduct self-assessment at least once a year, audit the compliance self-check procedure, and report the audit result to the general manager.
4. Provide employees with adequate and proper training on laws and regulations.

Article 52

The compliance officer of an agent company and a bank shall possess one of the following qualifications:

1. Having the qualification of an insurance agent or broker and having actually performed the work of an insurance agent or broker.
2. Having at least five years of work experience in related business of insurance enterprise, agent company or insurance broker company.
3. Having graduated from college with a degree in finance, insurance or related field, or a degree in law and having at least three years of work experience in related business of an insurance enterprise, an agent company or an insurance broker company.

A compliance officer referred to in the preceding paragraph shall be free of the situations set out in subparagraphs 1 through 10 and subparagraphs 12 through 17, paragraph 1 of Article 6 herein.

At least one of the compliance officers employed by a bank shall meet the qualification requirements set out in paragraph 1 hereof.

Article 60-1

Agent companies and banks that are not compliant with Articles 2-1, 7, 12, 13, 15, 27, 31, 32, 34, 34-1, 47, 50 and 52 amended and promulgated on July 22, 2024 shall make adjustments to become compliant prior to December 31, 2024.

Article 61

Except for Article 31 amended and promulgated on June 18, 2015 that will be in force on June 24, 2015, and Articles 8, 9, 11, 32, 33, 33-1, 47, 49, 55, and provisions relevant to the protection of the rights and interests of customers aged 65 and above amended and promulgated on September 22, 2022 that will be in force on October 1, 2022, these Regulations shall be in force on the date of promulgation.