

Content

Title :	Compliance Matters for Disclosure of Information on Investment-linked Insurance <b>Ch</b>
Date :	2025.02.18
Legislative :	Amended on 18 February 2025 per Order No. Jin-Guan-Bao-Shou-Zi- 11404901883 of the Financial Supervisory Commission
Content :	<p>9.The disclosure of investment risk warnings in the product prospectus shall observe the following rules:</p> <p>(1) The following wordings shall be printed on the inside front cover in a conspicuous manner and using emphasized font style:</p> <p>a.The past performance of the issuer or manager of all investment objects that the product is linked to is not indicative of future investment income. Unless it is otherwise agreed in the insurance contract, the Company will not be held responsible for investment gain or loss. The applicant should read this prospectus carefully before purchasing the insurance.</p> <p>b.If the insurance product has principal protection or is an investment object specified in Article 11, Subparagraph 3 to Subparagraph 5 and provides regular investment income or investment income at maturity, print an additional paragraph stating “You must hold ○○○○ (name of the investment object) until the regular investment income payment date or maturity before you are entitled to enjoy the income provided by its issuer or guarantor. If the applicant decides to transfer or redeem his/her holding or terminates the contract early, the applicant is not covered by the income payment and shall assume all associated investment risks and expenses. The applicant should make sure that he/she understands its associated risks and features before selecting this particular investment.” .</p> <p>c.If the investment object is not included in the preceding item, print an additional paragraph stating “○○○○ (name of the investment object) does not provide principal protection, regular investment income or investment income at maturity, and the maximum probable loss is the entire principal of investment. The applicant should make sure that he/she understands its associated risks and features before selecting this particular investment.”</p> <p>d.If the investment object includes currency related derivatives transactions in accordance with Paragraph 3, Article 10 of the Regulations Governing Investment of Investment-linked Insurance, print an additional paragraph stating "This product involves currency related derivatives transactions in connection with utilization and management of assets in a separate account undertaken for the purpose of currency hedging by an enterprise that is approved by the competent authorities to engage in or concurrently engage in discretionary investment service. However such hedging transaction do not guarantee that they are absolutely currency risk free. It is still possible that exchange rate variation may result in losses or decrease the return on investment due to the nature of hedging instrument, hedge ratio, market movement or other factors."</p> <p>e.If this product prospectus contains false statement or misrepresentation or conceals material facts, the Company, its responsible officer and other signatories of the prospectus shall be held responsible according to law.</p> <p>f. If the investment object is an investment-linked product with guaranteed benefits, the prospectus must specify that "The guaranteed minimum death benefits provided by the product are only provided to the beneficiary of the death benefits in the event of the death of the insured during the insurance period (or death before the starting date of the payment of the annuity for the investment annuity insurance) and the insurance policy does not have principal protection."</p>

g. If the investment object includes exchange traded funds which have leveraging or short-selling effect in accordance with Paragraph 2, Article 8 of the Directions for the Separate Account Custodian Institutions and Investment Instruments of the Investment-linked Insurance, print an additional paragraph stating "This product involves exchange traded funds which have leveraging or short-selling effect in connection with utilization and management of assets in a separate account undertaken for the purpose of hedging or risk management by an enterprise that is approved by the competent authorities to engage in or concurrently engage in discretionary investment service (hereunder called this account). However, it does not guarantee the elimination of net asset value fluctuations. This account may still incur losses or experience a reduction in potential investment returns due to the nature, proportion, market movement or other factors related to such exchange traded funds which have leveraging or short-selling effect.

(2) The following important features shall be printed on the first page of the product prospectus:

a. The important features described here are disclosed in accordance with the Compliance Matters for Disclosure of Information on Investment-linked Insurance set out by the competent authority and are to help you understand and decide whether this product is suitable for your needs.

b. For a fixed-premium investment-linked insurance plan, the product prospectus shall state the following:

(a) This is a long-term insurance policy. If you decide to cancel your policy early, the cash surrender value you may receive is likely to be less than the sum of premiums you have paid.

(b) You should choose this plan only if you are sure long-term insurance is right for you.

(c) You must give careful consideration to all other fees and charges that may incur in the future before deciding the amount of premium you will be able to pay.

c. For a flexible-premium investment-linked insurance plan, the product prospectus shall state the following:

(a) The balance in your policy account is determined by the amount of premiums you have paid and return on investment less policy-related charges, principal and interest on the loan you have taken out, and the amount of benefit cancelled or paid.

(b) Once you decide to cancel your policy early, the cash surrender value you may receive is likely to be less than the sum of premiums you have paid.

d. For a single-premium investment-linked insurance plan, the product prospectus shall state the following:

(a) The balance in your policy account is determined by the amount of premiums you have paid and return on investment less policy-related charges, principal and interest on the loan you have taken out, and the amount of benefit cancelled or paid.

(b) Unless it is unlikely that the cash surrender value will be less than the premiums paid, the prospectus should always state: "Once you decide to cancel your policy early, the cash surrender value you may receive is likely to be less than the sum of premiums you have paid."