

Content

Title :	Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises Ch
Date :	2025.10.28
Legislative :	Amended on 28 October 2025 per Order No. Jin-Guan-Bao-Cai-Zi- 11404938681 of the Financial Supervisory Commission
Content :	<p>Article 1 The Regulations are formulated in accordance with the provisions of Paragraph 1 of Article 146-5 of the Insurance Act (hereinafter referred to as the "Act")</p> <p>Article 2 Use of Insurer' s funds for special projects shall be restricted to investments in or extension of loans for the following projects:</p> <ol style="list-style-type: none">1. Emerging and key strategic projects or infrastructure projects approved by the government.2. Venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses or private equity funds that meet the criteria specified by the competent authority and support projects in government policies.3. Industrial zone or regional development projects approved by the government.4. Purchase of houses by the houseless.5. Cultural and educational conservation and construction.6. Funeral facilities not distributed as public utilities listed in Article 3.7. Other use in line with the government policies. <p>Article 3 Use of insurer' s funds for public investments in line with government policies shall be limited to the following projects:</p> <ol style="list-style-type: none">1. Transportation facilities of highways, railroads, harbors, parking lots and airports.2. Facilities of public utilities, such as water, electricity, telecommunications, etc.3. Construction of social housing and elderly residence projects.4. Environmental protection facilities, including river, sewerage, garbage and waste disposal, and funeral facilities, excluding cemeteries and columbarium.5. Construction of public-welfare facilities for public recreation.6. Public infrastructure projects undertaken in accordance with the Act for Promotion of Private Participation in Infrastructure Projects (referred to as the "PPP Act" hereunder) or other regulations.7. Other public infrastructure projects in line with government policies. <p>Public Infrastructure projects undertaken in accordance with other regulations" under Subparagraph 6 of the preceding paragraph refer to a project planned by the competent authority in accordance with other regulations, deemed as a public investment in line with government policies, and in which the public infrastructure component accounts for not less than 50% of the development area or original investment amount. If an insurer engages in public investment in accordance with Subparagraphs 6 and 7 of Paragraph 1 hereof where the insurer participates through equity investment according to the regulations of the competent authority, and receives residential real estate reassigned by the investee company for insurer' s equity share in the project, the percentage of the insurer' s capital contribution multiplied by the percentage of residential real estate reassigned by the investee company to the total area of the real estate project may not exceed 10%. In addition, the insurer may not acquire</p>

ownership of the residential property. This restriction does not apply if the residences are provided for lease only.

Article 4

The insurer's investment in social welfare business is limited to the business for social welfare operation that is established in accordance with the authorization of the competent authorities and the necessary facilities, including social assistance, welfare services, employment, social insurance, and healthcare.

Article 5

The investment targets of an insurer, either special projects, public investments or social welfare enterprises, shall be income generating and limited to such companies limited by shares that are incorporated and registered in accordance with the Company Act, with the exceptions of development, construction, loans and investment projects undertaken in line with government policies or making capital contribution to lawfully established social welfare enterprises.

Where an insurer uses its funds to invest in a special project, or a public investment or social welfare enterprise, which meets any of the following criteria, the invested entity may be a limited partnership enterprise registered in accordance with the Limited Partnership Act without being subject to the restriction of company limited by shares provided in the preceding paragraph:

1. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses.
2. The invested entity is the private equity fund listed in Subparagraph 2, Article 2.
3. The invested entity is the cultural and educational conservation and construction project provided in Subparagraph 5 of Article 2.
4. Other entities that align with government policies and comply with the requirements of the competent authority.

Where an insurer uses its funds to engage in investments provided in the preceding paragraph, the insurer must be a limited partner in the limited partnership enterprise and meet the following requirements:

1. The insurer has established internal operating rules in accordance with relevant self-regulatory rules set out by the insurance association and filed with the competent authority for reference; and
2. The insurer's ratio of total adjusted net capital to risk-based capital in the most recent period complies with the regulatory standard for capital adequacy set out in Subparagraph 1, Paragraph 2, Article 143-4 of the Act (hereinafter referred to as "the regulatory standard").

Article 6

An insurer that intends to invest in a special projects, or public investments or social welfare enterprises shall establish the handling procedures, which, as well as any amendment thereof, shall be submitted to the board of directors and shareholders' meeting for approval and to the competent authority for reference. The said procedures shall contain the following particulars:

1. Assessment and operational procedures (including the investment limit, management level, implementation department authorized by the board of directors)
2. Procedure for determination of transaction terms (including method and bases for determination of the prices)
3. Internal control system (including risk management measures, regular assessment method, analysis of performance, etc.).
4. Post-investment management method.
5. Internal audit system (including internal audit structure, audit frequency, audit scope, the submission procedure of the audit report, and improvement tracking).
6. Regular reports by designated senior executives to the board of directors on the performance of projects.
7. Assignment of directors and supervisors and the management system of investee companies listed in Article 3 and Article 4.
8. Other information specified by the competent authority.

The post-investment management method in Subparagraph 4 of the preceding

paragraph shall at least include the following:

1. Post-investment management mechanisms.
2. Regular review of whether the actual investment conditions meet the original investment plan and scope, regulations of the competent authority or the competent authorities of other industries, and evaluation and plans for the required response measures.

For the invested entities listed in Subparagraph 2, Article 2 of the Act, the post-investment management methods in the preceding paragraph must include a review to ensure that the invested entity does not involve itself in management right disputes of enterprises in which it has direct or indirect investment, and such requirements must be included in the contracts or other agreement documents it has signed.

If the insurer invests in an enterprise listed in Article 3 or Article 4, and appoints more than half of the directors of the investee, the investee must have at least one independent director who may not be a government agency, a juristic person shareholder or its authorized representative according to Article 27 of the Company Act, and must have the professional knowledge necessary for the business operations of the investee company. The independent director must also maintain independence within the scope of its business operations and may not have direct or indirect interests with the insurer or its affiliate companies.

Article 7

The limits for an insurer engaging in investment in special projects, public investments or social welfare enterprises are set forth as follows:

1. The total amount of investment shall not exceed 15% of the insurer's funds.
2. The total amount of an insurer invested in one and the same entity shall not exceed 5% of its total funds except for the invested entity listed in Paragraph 2 of Article 5.
3. The investment or contribution ratio of an insurer invested in the following entities shall comply with the following provisions:
 - (1) Where the invested entity is a venture capital enterprise, or an infrastructure project listed in Subparagraph 1 of Article 2, or an entity listed in Subparagraph 4, Paragraph 2 of Article 5, the investment amount may not exceed 25% of the outstanding shares or paid-in capital of the invested entity.
 - (2) Where the invested entity is a private equity fund listed in Subparagraph 2 of Article 2, the investment amount may not exceed 20% of the outstanding shares or paid-in capital of the invested entity. However, if the regulations of the competent authority are met, the investment amount may not exceed 25% of the outstanding shares or paid-in capital of the invested entity.
 - (3) Where the invested entity is an enterprise listed in Article 3 or Article 4, the investment amount may not exceed 45% of the outstanding shares or paid-in capital of the invested entity. The foregoing does not apply to an insurer which meets the following requirements and obtains the approval of the competent authority:
 - (I) The insurer's ratio of total adjusted net capital to risk-based capital as of the end of most recent period shall comply with the regulatory standard.
 - (II) The investment shall be approved by the board of directors, and an independent director shall be appointed. In addition, except for the insurer entirely held by a financial holding company, an audit committee shall be established.
 - (III) There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authorities with relevant supporting document.
 - (IV) There have been no major sanctions and disciplinary actions related to the usage of insurer's funds imposed by the competent authority in the most recent year, however, this does not include violations that have been rectified and affirmed by the competent authority.
 - (V) Where this is not the first-time investment in an entity and the total investment amount has reached above 45% of the outstanding shares or paid-in capital of the invested entity, the invested entity shall not show

accumulated losses in its most recent financial statements, unless the invested entity is a private institution set out in the PPP Act.

(4) Except for invested entities prescribed in the preceding three Items, total investment in any entity shall not exceed 10% of the outstanding shares or paid-in capital of the invested entity.

4. In case of securitization products issued by an insurer aiming at the contents set forth in Article 3 and 4 as the target, such insurer may invest within the limit of 10% of the total amount of the securitization products, free of the restriction of the investment ratio set forth in the preceding Subparagraph.

5. The total amount of an insurer invested in the entity listed in Paragraph 2 of Article 5 shall not exceed 2% of its total funds.

The major sanctions and disciplinary actions as prescribed in Item 3-4, Subparagraph 3 of the preceding Paragraph and Item 1-5, Subparagraph 2, Paragraph 3 of Article 10 refer to Article 2 of the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.

Where, after an insurer invests in a special project, or a public investment or social welfare enterprise, and the invested entity is qualified to accept investments under Subparagraph 3 or 4, Paragraph 1 of Article 146-1 of the Act, the investments in such entity shall be governed by the provisions of the aforementioned Subparagraph clauses and the following rules instead:

1. Where the funds of the invested entity are used in any project under Article 3 or Article 4 herein, and the insurer's investment ratio exceeds the limits set forth in Subparagraph 3 or 4 of Paragraph 1 or Paragraph 2 of Article 146-1 of the Act, no additional funds shall be invested in the entity unless the additional investment is made to maintain the original equity share in the entity.

2. Where the funds of the invested entity are used originally in a project under Article 3 or Article 4 herein which subsequently exceeds the scope of projects under Article 3 or Article 4 herein, and the invested entity undergoes significant changes in its major business items or operational policies, the insurer shall, within 7 working days after the occurrence of event, report the reasons and relevant information to the competent authority. If it is deemed by the competent authority that investment in the invested entity clearly does not align with the original investment purpose, the insurer shall, within three years from the next day following the receipt of competent authority's letter, reduce its investment ratio to the level that complies with Subparagraph 3 or 4, Paragraph 1, Article 146-1 of the Act. However the preceding provision does not apply, provided the insurer applies, within two months before the aforementioned adjustment period expires, to the competent authority for an extension of the adjustment period by submitting the reasons why it is unable to dispose its shares in the invested entity within the specified time limit.

For insurers that apply for an extension of the adjustment period according to the provision of Subparagraph 2 of the preceding paragraph, each extension shall not exceed one year and extension will be allowed for a maximum of two times.

Where an insurer and its interested parties jointly invest in an investee listed in Subparagraph 2 of Article 2 or Subparagraph 1, Subparagraph 2, and Subparagraph 4, Paragraph 2 of Article 5 of the Regulations or take any methods to achieve controlling and subordinate relations with the same investee, the following regulations must be met:

1. The insurer may not take any direct or indirect methods via the investee to intervene in the business management and investment decisions of the same investee and its investees;

2. The combined investments of the insurer and the invested entity in a company stock whose public issuance is approved by law as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act may not exceed the limit as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act.

The Subparagraph 2 of the preceding Paragraph regarding the invested entity's investment in a company stock whose public issuance is approved by law as prescribed in Subparagraph 3, Paragraph 1 of Article 146-1 of the Act, which shall be combined calculation with the insurer's investment in

the same company stock, is based on the insurer's investment or contribution ratio in the invested venture investment enterprise. Where the limit is exceeded, the insurer shall comply with the following regulations before the condition is improved:

1. The insurer's shareholding in the aforementioned company stock may not be increased;
2. The combined calculation of the insurer and the invested entity's shareholding in the aforementioned company stock may not be increased.

Article 8

If the total amount of an insurer invested in one and the same entity exceeds half of the entity's outstanding shares or half of its total outstanding voting shares, the following shall be complied with:

1. The insurer shall ensure that the invested entity has set up an internal audit unit and set out in its internal control system the procedures and methods for self-assessment operation. Compliance with this implementation shall be tracked periodically by the insurer.
2. The insurer shall ensure that the invested entity has agreed to provide at least an annual audit report or self-assessment report to the insurer. The insurer shall also ensure that the invested entity has agreed to submit a report to it within 10 days from the date the invested entity has found any violation or abnormality of the internal control system while conducting a project or annual audit.
3. The insurer shall ensure that the invested entity has agreed it to conduct an on-site audit on the invested entity during the investment period.
4. If the post-tax profit or loss of the invested entity in the most recent accounting year is negative after investing, the insurer shall submit an improvement plan to its board of directors within two months from the date the financial report has been prepared by the invested entity. In addition, the audit unit of the insurer shall submit a quarterly audit report on the implementation of the improvement plan to the board of directors.
5. The internal audit unit of the insurer shall track the improvement status of the invested entity on the flaw or abnormality mentioned in Subparagraph 2 and conduct an on-site audit on the invested entity once every six months. The relevant tracking and audit items shall be included in scope of the internal control and audit of the insurer. If any illegal activity or major violation is detected, the insurer shall immediately inform the invested entity and periodically prepare a tracking report. The completed audit and tracking report shall be submitted to a meeting of the board of directors of the insurer in its latest meeting.
6. The subsidiaries shall comply with the required control procedure according to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurers" and "Regulations Governing Establishment of Internal Control Systems by Public Companies" .
7. The insurer shall establish a monitoring and audit management system. Such monitoring and audit system shall at least include the regulations prescribes in the preceding six subparagraphs and be submitted to and passed by the board of directors. If the independent directors have objections or reserve their opinions, the meeting minutes shall record the details.

The audit and tracking report prescribed in Subparagraph 5 of previous Paragraph shall be signed by the general manager, the general auditor, and the compliance officer of the headquarter of the insurer. The content of the audit report shall at least include the followings:

1. Operating status of the invested entity;
2. Quarterly financial statement of the invested entity;
3. The meeting minutes and the implementation status of the resolutions passed by the board of directors of the invested entity;
4. The implementation status of the resolutions passed by the shareholders meeting of the invested entity;
5. The existence of violation or abnormalities in the internal control system of the invested entity; and
6. Whether the invested entity has a major violation or has been involved in any illegal activity.

Non-life and life insurers shall comply with Article 11 of the "Regulations Governing Public Disclosure of Information by Non-life

Insurers” and “Regulations Governing Public Disclosure of Information by Life Insurers” to disclose the audit report for the implementation of investment improvement plans listed in Subparagraph 4 of Paragraph 1 as well as the complete audit report of the invested entity listed in Subparagraph 5 in the same Paragraph to the public under the notes which shall be made under the information disclosure website. The aforesaid disclosure information shall be updated within ten days after submission to the board of directors.

Where an invested entity specified in paragraph 1 and its subordinate companies having a controlling-subordinate relationship with the entity based on the entity’ s shareholding in the company do not have substantial operating activities, the provisions of Subparagraphs 1 ~ 5 and Subparagraph 7 of Paragraph 1 hereof and the provisions of Paragraphs 2 and 3 hereof do not apply.

Article 9

An insurer intending to use its funds on special projects, or public investments or social welfare enterprises shall apply for approval from the competent authority by submitting the following documents; the same shall apply if the insurer changes on its own the investment plan and purpose after obtaining approval, thereby affecting the overall financial assessment of the project or exceeding the scope or criteria originally approved by the competent authority:

1. Investment plan and objectives (including objectives, method, market analysis, cost analysis, analysis of long-term and short-term return on investment, composition of shareholders or partners’ structure of the limited partnership enterprise and management team). This document can be replaced by a letter of opinion on the financial adequacy of the investment project issued by a certified public accountant and a letter of legal opinion on the legitimacy of the investment project issued by a qualified lawyer where the investment is made onto an enterprise with the items enumerated under Articles 3 and 4.
2. Details of the funds used for the special project, or the public investment or social welfare enterprise, and analysis of return (including analysis of return on investment in each phase with explanatory notes)
3. Financial statements of the invested entity. This document is not required provided the invested entity has been established for less than one year, or the invested entity and its subordinate companies having a controlling-subordinate relationship with the entity based on the entity’ s shareholding in the company do not have substantial operating activities.
4. Summary of the limited partnership agreement draft if the invested entity is the limited partnership enterprise provided in Paragraph 2 of Article 5.
5. Documents regarding decisions resolved or powers authorized by the board of directors.
6. Post-investment management methods and evaluation and plans for the response measures. If the invested entity is an enterprise listed in Article 3 or Article 4 and requires environmental impact assessment report in accordance with the Environmental Impact Assessment Act, insurer shall explain Post-investment management methods of environmental impact assessment items.
7. If the invested entity is listed in Subparagraph 2, Article 2, provide the fundraising plans and investment decision-making mechanisms, post-loan management, information disclosure, and mechanisms for preventing conflicts of interest.
8. If the invested entity is an enterprise listed in Article 3 or Article 4, provide an explanation of the list of directors and supervisors it has appointed, management mechanisms for ensuring proper exercise of rights, material decisions, and post-investment management mechanisms. If the total number of directors appointed by the insurer exceeds half of all directors, it must provide explanation documents for the criteria for the independence of directors specified in Paragraph 4, Article 6.
9. An opinion statement issued and signed by the head office chief compliance officer undertaking that the use of funds and/or investment complies with applicable regulations and internal rules.
10. Documents evidencing insurer’ s use of funds complies with applicable regulations and supervision / management methods, provided the invested

entity invests in a project under Articles 2 ~ Article 4 herein through a subordinate company having a controlling-subordinate relationship with the entity based on the entity's shareholding in it.

11. Letters of approval issued by the relevant authorities.

12. Other information specified by the competent authority.

Where, after the date of receipt of the application package for use of funds for a special project or for investment in public or social welfare utilities submitted by the insurer, the competent authority makes no objection thereto or does not require for supplementary or explanatory documents within 15 working days, the application shall be deemed as approved.

Where the aforementioned supplementary or explanatory documents are required by the competent authority, if the competent authority makes no objection within 15 working days after the date of receipt of the supplementary or explanatory documents, the application shall be deemed as approved.

If an insurer's investment in a special project or a public investment or social welfare enterprise has any significant changes below after the investment has obtained approval from the competent authority, the insurer shall, within 7 working days after the occurrence of event, report the reasons and relevant information to the competent authority:

1. The invested entity has unexpected significant changes in its major business items or operational policies that the investment no longer aligns with the insurer's original investment plan and purpose.

2. Insurer's investment amount increases NT\$100 million or more than the originally approved amount and reaches 20% or more than the originally approved amount. Notwithstanding the foregoing, the provision does not apply if the insurer undergoes capital increase in accordance with Subparagraph 1, Paragraph 3 of Article 7 or Subparagraph 1, Paragraph 1 of Article 10 herein.

3. The investment project's time line falls behind the originally planned schedule or there are other situations that produce significant negative effect on financial assessment performed by the insurer.

With regard to the report under the preceding paragraph, if the competent authority makes no objection, thereto or does not require supplementary information or explanations within 15 working days after the delivery of report to the competent authority, the report shall be deemed as being submitted for reference.

When an insurer invests in an enterprise under Article 3 or Article 4 herein with approval of the competent authority, and there is a change to the enterprise's director or supervisor appointed by the insurer or an independent director appointed by the invested enterprise, the insurer shall, within 7 working days after the occurrence of event, submit a report describing the changes and the compliance of such changes to the competent authority for reference.

Article 10

In any of the following circumstances, an insurer may use its funds to invest in a special project or a public investment or social welfare enterprise according to the resolution made by its board of directors or within the scope authorized by the board without going through the application procedure. The foregoing does not apply when an insurer makes an investment according to Article 3 or Article 4 herein, but the invested enterprise is still in development stage that requires environmental impact assessment (EIA) in accordance with the Environmental Impact Assessment Act and the EIA report has not been approved by the relevant regulatory authority:

1. The insurer increases its monetary investment in an entity for such project as has been approved by the competent authority, without increasing its original share or contribution in the total investment in the project.

2. The invested entity is a venture investment enterprise qualified to receive guidance and/or assistance from the central competent authority according to the Regulations for the Guidelines for Venture Capital Businesses, the private equity funds listed in Subparagraph 2, Article 2 and Subparagraph 2, Paragraph 2, Article 5, the public utilities listed in Article 3 or the entity listed in Subparagraph 4 of Paragraph 2 of Article 5, and the total amount that the insurer invests in one and the same entity

is less than NT\$500 million and less than 5% of the owner' s equity of the insurer.

3. The invested enterprise is an infrastructure project listed in Subparagraph 1 of Article 2 or a public investment project listed in Article 3, and the total amount that the insurer invests in one and the same entity is less than NT\$1 billion and less than 5% of the owner' s equity of the insurer.

4. The invested entity is not such an enterprises as specified in the preceding two subparagraphs and the total amount that the insurer invests in one and the same entity is less than NT\$100 million and less than 2% of the owner' s equity of the insurer.

5. Other circumstances regulated by the competent authority.

For an insurer engaging in the investment set forth in preceding Paragraph, the ratio of total adjusted net capital to risk-based capital thereof should comply with the regulatory standard.

If the invested entity is an entity regulated by the PPP Act and complies with the following investment amount and criteria, the insurer may invest in such an entity without going through the application procedure. The foregoing does not apply when an insurer makes an investment according to Article 3 or Article 4 herein, but the invested enterprise is still in development stage that requires environmental impact assessment (EIA) in accordance with the Environmental Impact Assessment Act and the EIA report has not been approved by the relevant regulatory authority:

1. The total amount of investment in one and the same project of the insurer is under NT\$2 billion and 10% of its owner' s equity, and the following conditions are met:

(1) The ratio of total adjusted net capital to risk-based capital of the insurer in the most recent period shall comply with the regulatory standard.

(2) The documents of the investment project prescribed in preceding article have been submitted to and resolved and approved by the board of directors before the investment is made.

2. The total amount of investment in one and the same project of the insurer is under NT\$5 billion and 10% of its owner' s equity, and the following conditions are fulfilled:

(1) The financial conditions, corporate governance, and internal control of the insurer must fulfill the following conditions:

(i) Both of the ratio of total adjusted net capital to risk-based capital of the insurer in the most recent period and the average ratio of total adjusted net capital to risk-based capital of the insurer over the most recent two years are 125% of the regulatory standard at least.

(ii) The documents of the investment project prescribed in preceding article have been submitted to the board of directors and resolved and approved by over half of the directors at the board meeting attended by over two thirds of all directors before the investment is made.

(iii) Except for a Taiwan branch of a foreign insurer, independent directors shall be appointed. In addition, except for the insurer entirely held by a financial holding company, an audit committee shall be established.

(iv) There have been no major violations of the internal control procedure governing various applications of funds in the immediately preceding year, or the violations have been rectified and the rectification has been affirmed by the competent authority.

(v) There have been no major sanctions or disciplinary actions related to the usage of insurer' s funds imposed by the competent authority in the most recent year, however, this does not include violations that have been rectified and affirmed by the competent authority.

(2) The investment project complies with the financial standards set forth by the insurance association and filed with the competent authority for reference, has the guarantee or risk sharing mechanism provided by the authority in charge, and stipulates dispute settlement mechanism, and meets the following conditions:

(i) The ratio of total adjusted net capital to risk-based capital of the insurer in the most recent period shall comply with the regulatory standard.

(ii) The documents of the investment project prescribed in the preceding

article have been submitted to and resolved and approved by the board of directors before the investment is made.

The total amount of investment made in accordance with the PPP Act and mentioned in the preceding paragraph refers to the total amount of royalty, construction cost, and rent paid by the insurer under the investment contract.

Where the insurer proceeds with investment in accordance with regulations in Paragraph 1 and Paragraph 3, shall provide the documents specified in Paragraph 1 of the proceeding Article submitted to the competent authority for subsequent review.

The competent authority may, on a regular basis, audit the investment made by an insurer in such special projects, or public investments and or social welfare enterprises as are set forth in Paragraph 1 and Paragraph 3, and may, in light of the social and economic circumstances and the actual performance of the projects, impose restrictions on or require review of such investment.

Article 11

An insurer handles special use of loans as follows:

1. Loans guaranteed by credit guarantee institutions authorized by the banks or competent authorities;
2. Loans guaranteed with the collateral of properties or real properties;
3. Loans guaranteed with collateral of marketable securities in compliance with Article 146.1 of this Act;

The insurer must collect 100% collateral for the loans granted to the person in charge, employees or major shareholders, or the related party of the person in charge or the responsible loan officer; also, the loan terms and conditions shall not be superior to other similar debtors. If the loan amount exceeds the threshold stipulated by the competent authorities, it must be with the consent of three fourths of the directors at the meeting and two thirds of the boards attending the meeting. The scope, quota, total loan amount, and other binding matters for the related party are guided by the "Rules Governing the Loans Granted to Related Party by Insurers" .

For the insurer with the latest ratio of total adjusted net capital to risk-based capital over the regulatory standard, the special loans arranged in accordance with the government policy may be reported to the competent authorities for exemption not subject to the restrictions of the first Paragraph.

Article 12

This Regulation shall come into force on the date of promulgation.