


Content

Title :	Model Provisions for Personal Injury Insurance Policies 
Date :	1998.08.07
Legislative :	7.Amended 10 September 1996 per Letter No. Taiwan-Finance-Insurance-852370068 of the Ministry of Finance 8.Article 13 amended 17 July 1997 per Letter No. Taiwan-Finance-Insurance-862397215 of the Ministry of Finance 9.Article 15, Article 16, Article 17, and provisions in the "Application for Medical Insurance Proceeds" section of the "Personal Injury Medical Insurance Benefit Coverage Extension" amended on 7 August 1998 per Letter No. Taiwan-Finance-Insurance-872440208 of the Ministry of Finance
Content :	<p>Article 1</p> <p>Constitution of the insurance contract</p> <p>These policy provisions and the attached proposal, endorsements, and other agreements are all constituent parts of this insurance contract ("this contract").</p> <p>Interpretation of this contract shall seek the true intent of the parties involved, and may not adhere blindly to the language employed. Where there is doubt, the interpretation favoring the insured shall be adopted.</p> <p>Article 2</p> <p>Coverage</p> <p>If, during the term of this contract, the insured suffers an accidental injury event that leads to disablement or death, policy proceeds will be paid pursuant to the stipulations of this contract.</p> <p>The term "accidental injury event" in the preceding paragraph refers to an extraneous sudden event that does not stem from illness.</p> <p>Article 3</p> <p>First day and last day of the coverage period</p> <p>The coverage period under this contract shall start from 12 o'clock midnight on the first day of the period given in the policy until 12 o'clock midnight of its last day, provided that a contractual agreement providing otherwise shall govern.</p> <p>Article 4</p> <p>Payment of death proceeds</p> <p>When, during the effective term of this contract, the insured suffers an accidental injury event as stipulated under Article 2 and dies within 180 days of the date of the event's occurrence, this company will pay death proceeds in the insured amount.</p> <p>Article 5</p> <p>Payment of disablement proceeds</p> <p>When, during the effective term of this contract, the insured suffers an accidental injury event as stipulated under Article 2, such that one of the</p>

28 types of disablement in the attached table results within 180 days of the date of the event's occurrence, this company will pay an amount of disablement proceeds calculated according to the benefit ratios set out in said table.

When, as a result of a single accidental injury event, the insured suffers two or more of the types of disablement set out in the attached schedule, the insured amount shall constitute the maximum disablement proceeds payable by this company for all such disabilities combined. However, when different types of disablement occur in the same arm or leg, disablement proceeds will be paid for only one type, and if the different types of disablement are categorized under different disablement tiers, disablement proceeds will be paid for the more severe type.

If the disablement suffered as a result of the instant accidental injury event, when combined with a previous disablement (including disabilities existing prior to the establishment of this contract), entitles the insured to claim for disablement proceeds for a more severe level of disablement set out in the attached schedule, this company will pay disablement benefits for the more severe disablement, provided that disablement proceeds will be deemed to have been paid for the previous disablement and shall be deducted.

Schedule []: Table of Disablement Levels and Proceeds Payments

Tier	Item	Level of disablement	Benefit ratio
Grade One	1.	Bilateral blindness (note 1)	100%
	2.	Loss of both hands from the wrist, or both feet from the ankle	
	3.	Loss of one hand from the wrist and one foot from the ankle	
	4.	Blindness in one eye and loss of one hand from the wrist, or blindness in one eye and loss of one foot from the ankle	
	5.	Permanent loss of speech (note 2) or chewing ability (note 3)	
	6.	Permanent and total loss of function in all limbs	
	7.	Severe impairment of central nervous system function or thoracic/abdominal organ function resulting in permanent inability to perform	

		work and total reliance on others' assistance to perform daily activities necessary to maintain life (note 4)	
Grade Two	8.	Permanent and total loss of function in two or more of the three major joints of both upper limbs, or of both lower limbs, or of one upper and one lower limb (note 5)	75%
	9.	Loss of all ten digits of the hands (note 6)	
Grade Three	10.	Loss of one upper limb above the wrist, or permanent and total loss of function in the three major joints of one upper limb	50%
	11.	Loss of one lower limb above the ankle, or permanent and total loss of function in the three major joints of one lower limb	
	12.	Permanent and total loss of function in all ten digits of the hands (note 7)	
	13.	Loss of all ten toes (note 8)	
Grade Four	14.	Permanent and total bilateral loss of hearing (note 9)	35%
	15.	Permanent and total blindness in one eye	
	16.	Permanent and significant impairment of spinal movement (note 10)	
	17.	Permanent and total loss of function in one or two of the three major joints in one upper limb	
	18.	Permanent and total loss of function in one or two of the	

		three major joints in one lower limb	
	19.	Permanent shortening of one lower limb by 5 cm or more	
	20.	Loss of four or more digits of one hand, including thumb and index finger	
	21.	Permanent and total loss of function in all ten toes	
	22.	Loss of all five toes on one foot	
Grade Five	23.	Loss of the thumb and index finger of one hand, or loss of three or more digits of one hand, including thumb or index finger	15%
	24.	Permanent and total loss of function in three or more digits of one hand, including thumb and index finger	
	25.	Permanent and total loss of function in all five toes of one foot	
	26.	Nasal deficiency resulting in permanent and significant impairment of function (note)	
Grade Six	27.	Loss of thumb or index finger of one hand, or loss of two or more of the middle finger, ring finger, and little finger	5%
	28.	Permanent and total loss of function in the thumb and index finger of one hand	

Notes:

1. Determination of blindness

(1) The Landolt Vision Screening Chart will be used to test the corrected vision of each eye independently.

(2) "Blindness" means that vision permanently tests at or below 0.02 using the Landolt Vision Screening Chart.

(3) Determination will in principle be made after six months of treatment from the date of injury, provided that this provision shall not apply where there has been surgical removal of the eyeball or other conditions from which recovery is clearly not possible.

2. "Loss of speech" means any one of the following three conditions:

(1) Inability to produce three or more of the four types of linguistic capabilities (labials, dentals, palatals, uvulars) that make up language.

(2) Complete removal of the vocal cords.

(3) Damage to the nerves of the speech center resulting in aphasia.

3. "Loss of chewing ability" means functional impairment resulting in inability to perform chewing motions due to other than dental factors, such that nothing other than liquid nutrients can be ingested.

4. "Total reliance on others' assistance to perform daily activities necessary to maintain life" means inability to eat, defecate, urinate, dress, undress, perform daily activities, walk, or bathe on one's own, for all of which regular reliance on others is required.

5. "Loss of function in a joint" means permanent and total rigidity of a joint or loss of voluntary mobility in a joint; joints of upper and lower limbs are as named in the diagram. (omitted)

6.

(1) "Loss of a finger" means loss at the proximal interphalangeal joint (for the thumb, the interphalangeal joint).

(2) Permanent and total loss of function even after finger reattachment surgery will be deemed loss of a finger; the same shall apply to toes.

(3) When a big toe is amputated and attached to replace a thumb, if the loss of the thumb already constituted disablement, it will still be deemed loss of a thumb even if full normal function is regained through the attachment. Amputation of the big toe will be excluded from calculation [of benefits].

7. "Permanent and total loss of function in a finger" means loss of a finger from the distal interphalangeal joint, or permanent and total rigidity or loss of voluntary mobility of the finger from the proximal interphalangeal joint.

8. "Loss of a toe" means severance at the metatarsal joint and complete loss of a toe.

9. Determination of loss of hearing

(1) Tests of hearing will be performed using an audiometer meeting the standards of ROC industrial specifications.

(2) "Permanent and total loss of hearing" means hearing loss where

a dB = Hearing loss at a frequency of 500 Hertz

b dB = Hearing loss at a frequency of 1000 Hertz

c dB = Hearing loss at a frequency of 2000 Hertz

d dB = Hearing loss at a frequency of 4000 Hertz

and $1/6$ of $(a+2b+2c+d)$ are above 80 dB (commensurate with inability to comprehend loud speech near the ear pinna), where there is no hope of recovering hearing ability.

10. "Permanent and significant impairment of spinal movement" means complete ankylosis of the cervical column, or limitation at or below the thoracic vertebrae to one-half or less of the physiological range in two of the following three types of movement: forward/backward flexion; lateral

flexion; rotation.

11. Determination of nasal disablement

(1) "Nasal deficiency" means loss of one-half or more of the nasal cartilage.

(2) "Permanent and significant impairment of function" means difficulty breathing through both nostrils or permanent loss of the olfactory sense.

12. "Permanent and total loss of function" means complete loss of function that continues after six months.

Article 6

Insurance benefit limitations

The combined total for all disablement proceeds or death proceeds payable under this contract shall in either case be limited to the insured amount.

Article 7

Exclusions (cause)

When the insured suffers death, disablement, or injury as a direct result of one of the following causes, this company will not bear liability for payment of policy proceeds:

1. A deliberate act of a beneficiary, provided that other beneficiaries may still apply for full policy proceeds.
2. A deliberate act of the proposer or the insured.
3. A criminal act committed by the insured.
4. Operation by the insured of a motor vehicle following the ingestion of alcohol, where the insured's breath or blood alcohol content exceeds the permissible standard set by traffic laws or regulations.
5. War (whether declared or not), civil disorder, or another similar form of armed conflict, provided that this provision shall not apply where a contractual agreement provides otherwise.
6. Explosion, searing heat, radiation, or contamination caused by an atomic or nuclear energy device, provided that this provision shall not apply where a contractual agreement provides otherwise.

When either of the circumstances under subparagraphs 1 and 2 of the preceding paragraph (excepting a deliberate act of the insured) causes injury resulting in disablement to the insured, this company will still pay disablement proceeds.

Article 8

Exclusions (term)

Except where otherwise stipulated in this contract, when death, disablement, or injury occurs to the insured in a period during which the insured is engaged in any of the following activities, this company will not bear liability for payment of policy proceeds:

1. The insured participates in a competition or performance that involves a contest of strength, wrestling, judo, karate, taekwondo, equestrian skill, boxing, or stunt performance.
2. The insured participates in an automobile, motorcycle, or bicycle race or performance.

Article 9

Voidance of contract

If, at the time this contract is entered into, only the proposer knows that an insured peril has already occurred, this contract will be void and this company will not return premiums already collected.

Article 10

Duty of disclosure and rescission of this contract

When entering into this contract the proposer shall make truthful representations in response to the written inquiries of this company in the proposal regarding notifications, and if there is any deliberate concealment, negligent nondisclosure, or misrepresentation sufficient to alter or diminish this company's assessment of the risk, this company may rescind this contract; the same shall also apply after occurrence of an insured peril, provided that the above shall not apply where occurrence of the insured peril was not due to any representation or lack thereof by the proposer.

The right to rescind under the preceding paragraph will be extinguished if not exercised within one month of the time this company becomes aware of the cause for rescission.

Article 11

Termination of contract

The proposer may terminate this contract through written notification to this company. This company shall deduct from the already paid current-period premium the premium for the already lapsed portion of the period, calculated at the short rate, and return the unearned premium to the proposer. The short-rate table is given in an appendix.

Article 12

Obligation to give notice of change in occupation or occupational duties

The proposer or the insured shall promptly notify this company in writing of any change in the insured's occupation or occupational duties.

When the occupation or occupational duties to which the insured switches entails lower risk under this company's occupational classification scheme, this company, after receiving notification, shall return the unearned premiums for the portion of a given period starting from the date of the change of occupation or occupational duties, based on the proportional difference between the occupational classes.

When the occupation or occupational duties to which the insured switches entails increased risk under this company's occupational classification scheme, this company, after receiving notification, will additionally collect premiums from the insured for the portion after the date of the change of occupation or occupational duties based on the proportional difference between the occupational classes, provided that when, under this company's occupational classification scheme, a change of the insured's occupation or occupational duties places such insured in a class under which this company would decline coverage, this company may terminate this contract upon receipt of notification, and refund any unearned premiums on a pro rata daily basis.

When the occupation or occupational duties to which the insured switches

entail increased risk under this company's occupational classification scheme, if notice of such change is not given as stipulated in paragraph 1 and the insured peril subsequently occurs, this company will reduce its payment of policy proceeds based on the proportion between premiums actually received and premiums receivable, provided that this company will bear no liability for payment of policy proceeds when the occupation or occupational duties to which the insured switches place such insured in a class under which this company would decline coverage.

Article 13

Notification of insured perils and period of application for policy proceeds

When, during the effective term of this contract, the insured suffers an accidental injury event as stipulated under Article 2, the proposer, the insured, or the beneficiary shall report the particulars of the event and the degree of the insured's injury to this company within 10 days of becoming aware of such event. Application to this company for policy proceeds shall be made as quickly as possible after the report, with required documents attached.

This company shall make payment within 15 days after receiving all documents referred to in the preceding paragraph. If payment is not made within that period, this company shall pay interest at a rate of 10 percent per annum, provided that this company need not pay interest when the reason for the delay can be attributed to the proposer or the beneficiary.

Article 14

Disappearance of the insured

Where the insured disappears during the effective term of this contract as a result of an accidental injury event as stipulated under Article 2 and has not yet been found after a full year has passed from the date of disappearance given in the insured's household registration information, or where the proposer or a beneficiary is able to submit documentation sufficient to conclude that the insured most likely died in an accidental injury event as stipulated in this contract, this company will provisionally pay death proceeds in accordance with the provisions of Article 4, provided that if the insured is found thereafter to be still alive, the beneficiary(ies) shall within one month return to this company any death proceeds already collected.

Article 15

Application for death proceeds

A beneficiary applying for death proceeds shall attach the following documents:

1. An application for policy proceeds.
2. The insurance policy or a transcript thereof.
3. An autopsy report or death certificate, provided that when necessary this company may require submission of documentary proof of accidental injury event.
4. A household registration certificate from which the insured's name has been crossed out.

5. Proof of the beneficiary's identity.

Article 16

Application for disablement proceeds

A beneficiary applying for disablement proceeds shall attach the following documents:

1. An application for policy proceeds.
2. The insurance policy or a transcript thereof.
3. A disablement diagnosis, provided that when necessary this company may require submission of documentary proof of accidental injury event.
4. Proof of the beneficiary's identity.

This company may require the insured to undergo a physical examination when a beneficiary applies for disablement proceeds, fees for which shall be borne by this company.

Article 17

Designation of and change of beneficiary

When entering into this contract or prior to the occurrence of an insured peril, the proposer may designate or change beneficiaries for death proceeds. Where no beneficiary for death proceeds has been designated, such proceeds shall be treated as part of the insured's estate.

A change in beneficiaries as provided in the preceding paragraph shall become effective when the proposer delivers to this company the application and the insured's letter of consent, which this company shall promptly add as an endorsement to the policy. This company will not bear liability for any legal dispute arising out of a change of beneficiaries.

The beneficiary of disablement proceeds shall be the insured only; this company will accept no other designation or change of beneficiaries.

If the beneficiaries die at the same time or before the insured, then unless the proposer has already designated other beneficiaries, the beneficiaries of this contract shall be the lawful heirs of the insured.

Part V of the Civil Code, "Succession," shall apply in determining the order of succession of the lawful heirs under the preceding paragraph and the percentage of policy proceeds due to each of them.

Article 18

Extinctive prescription

Any right arising out of this contract shall be extinguished if not exercised within two years of the date a claim may be asserted.

Article 19

Endorsements

Except where otherwise provided in Article 17, any alteration to the content of this contract, or addition or deletion of contractual particulars, will not take effect unless both the proposer and this company consent in writing and it is added as an endorsement to the insurance policy.

Article 20

Court of jurisdiction

For any litigation arising out of this contract, the parties hereto stipulate that the court of jurisdiction shall be the district court of the place where the proposer is domiciled, provided that when the proposer is domiciled outside the territory of the ROC, the court of jurisdiction shall be the _____ District Court.

Personal Injury Medical Insurance Benefit Coverage Extension

Payment of personal injury medical insurance proceeds (type A)

Article []

When, during the effective term of this contract, the insured suffers an accidental injury event as stipulated under Article 2 and undergoes treatment at a registered, qualified hospital or clinic within 180 days of the date of the event's occurrence, this company will pay "personal injury medical insurance reimbursement benefits" for actual medical expenses in excess of the portion paid by social insurance, provided that total payments for each instance of injury may not exceed the "maximum medical insurance proceeds for each instance of personal injury" as set forth in the insurance policy.

Payment of personal injury medical insurance proceeds (type B)

Article []

When, during the effective term of this contract, the insured suffers an accidental injury event as stipulated under Article 2 and undergoes treatment at a registered, qualified hospital or clinic within 180 days of the date of the event's occurrence, this company will pay "per diem personal injury medical insurance proceeds" as provided in the insurance policy based on the number of days of hospitalization, provided that the number of days of payment for each instance of injury may not exceed 90 days.

When the insured suffers a bone fracture as a result of an accident as referred to in the preceding paragraph but is not hospitalized, or is hospitalized but for a period shorter than the number of days allowed for his particular type of fracture as listed below, for the period he does not spend in the hospital this company will pay one-half of the "per diem personal injury medical insurance proceeds" multiplied by the number of days set forth below for his particular type of fracture. The total number of days of payment shall be limited to the maximum number of days set forth for specific bone fractures.

The term "bone fracture" as used in the preceding paragraph means a complete break of the bone. For a partial bone fracture, payment will be made at one-half the rate established in the preceding paragraph; for a hairline fracture, payment will be made at one-fourth the rate established in the preceding paragraph. If two or more of the types of fractures listed below are suffered simultaneously, medical insurance proceeds will be paid only for the one type in the highest tier.

1. Nose or orbital bone of eye: 14 days
2. Metacarpals or phalanges: 14 days
3. Metatarsals or phalanges of the foot: 14 days
4. Mandible (excepting treatments of the alveoli): 20 days
5. Rib: 20 days

6. Clavicle: 28 days
7. Radius: 28 days
8. Patella: 28 days
9. Scapula: 34 days
10. Vertebra (including thoracic vertebrae and the coccyx): 40 days
11. Pelvis (including the ilium, pubis, ischium, and sacrum: 40 days
12. Skull: 50 days
13. Humerus: 40 days
14. Radius and ulna: 40 days
15. Carpal bone (one or both hands): 40 days
16. Tibia or fibula: 40 days
17. Astragalus (one or both ankles): 40 days
18. Femur: 50 days
19. Tibia and fibula: 50 days
20. Femoral neck: 60 days

Application for Medical Insurance Proceeds

Article []

A beneficiary shall attach the following documents when applying for medical insurance proceeds:

1. An application for policy proceeds.
2. The insurance policy or a transcript thereof.
3. A medical diagnosis or proof of hospitalization, provided that when necessary this company may require submission of documentary proof of accidental injury event.
4. A statement of medical expenses or documentation of medical treatment (or receipts for medical expenses).
5. Proof of the beneficiary's identity.

Designation of beneficiaries for medical insurance proceeds

Article []

The beneficiary of personal injury medical insurance proceeds shall be the insured only; this company will accept no other designation or change of beneficiaries.