Content

Title：	Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises Ch
Date：	2022.06.29
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Content：	Article 16-1 An internet-only insurance company may not appoint insurance solicitors or sell insurance products through insurance brokers or insurance agents. An internet-only insurance company shall establish internal business solicitation systems and procedures, which shall include contain and explicitly specify at least the following particulars, and the provisions of Article 6 shall not apply: 1. An internet-only insurance company shall obtain adequate information on the applicant and the insured shall include at least the following items: (1) Basic information: a. Basic information of the applicant and the insured (including at least the name, sex/gender, date of birth, Citizen's ID No., and contact information; in the case of a juristic person, its name, representative, address, and contact phone number); b. The relationship between the applicant and the insured and between the insured and the beneficiary; c. If the insurance contract is produced in digital insurance policy format, the insurance company shall at least obtain the mobile phone number, email, or other contact method of the applicant and insured deemed as sufficient by the competent authority for transmitting digital documents. d. Other basic information required by the competent authority. (2) Whether the applicant and the insured meet underwriting requirements. (3) The purpose and the needs of the applicant and the insured for purchasing insurance. (4) Source of funding for payment of insurance premiums. (5) Evaluating whether customers over 65 years of age have the ability to distinguish situations that are disadvantageous to his or her rights and interests as an insured. However, this provision does not apply if the characteristics of the insurance product are not found to have potential effects and disadvantages following an evaluation in accordance with Subparagraph 7, Article 6 of the Regulations Governing Pre-sale Procedures for Insurance Products. 2. Product suitability policy, including at least the following: (1) The applicant understands fully that the premium he/she has paid is for purchasing an insurance product. (2) The type of insurance, insured amount and premium expense of the applicant are commensurate with his/her actual needs. (3) If the applicant purchases a foreign currency denominated insurance product, understand the applicant's exchange rate risk tolerance. 3. An internet-only insurance company shall not engage in any of the following acts: (1) Solicit business from an applicant or an insured by means of unfair discrimination or any other inappropriate reduction of insurance premium. (2) Solicit business by means of exaggerated or false publicity or advertising, by making inappropriate comparison of the policies of different insurers, or by other inappropriate means. (3) Induce the customer to rescind or terminate contracts or pay the premium by a loan or a policy loan. (4) Instigate the applicant or the insured to violate the obligation to inform, or use illicit means to instigate an applicant to cancel his/her

policy, switch insurer, reduce the amount insured, pay up the premium, extend the policy, or obtain a policy loan.
(5) Fail to identify the suitability of policy to the applicant or the insured, including providing customers over 65 years of age unsuitable insurance products.
(6) Engage in other practices that impair the rights and/or interests of the applicant, the insured, or the beneficiary.
4. When selling insurance products with surrender value (excluding small amount whole life insurance, group annuity insurance, and accident insurance with an insurance period of less than three years) to customers over 65 years of age, an internet-only insurance company shall, after obtaining the customer's consent, maintain the record of selling process by audio or video means, or retain the trail of relevant operating process using electronic equipment. Appropriate unit or managerial personnel shall double-check such record or trail and confirm the product suitability for the customer. The methods for processing the aforementioned audio or video recording or records retained with electronic equipment shall be established by the Life Insurance Association of the Republic of China and such methods shall also be reported to the competent authority for recordation.
5. Records of the sales process retained in audio or video recordings or records retained with electronic equipment according to the preceding subparagraph shall include at least the following items and they shall be kept for at least five years from the expiry of the insurance contract or five years from the date the decision of non-underwriting is finalized.
(1) Inform the customer of the name of the insurance product, name of the insurance company, payment period, and payment amount.
(2) Explain the contents of important provisions, exclusions, and contents of the recommendations.
(3) Explain the customer's right to rescind the contract.
(4) Ask the customer whether the customer understands the amount of insurance premiums to be paid each year and verify whether the customer can afford the insurance premiums.
6. When a customer who is over 65 years old purchases an insurance product requiring policy value reserve (excluding small-amount whole-life insurance and accident insurance with an insurance period of less than three years) or health insurance product, the internet-only insurance company shall make a phone call, video call, or remote visit to inform or confirm with the customer that he/she understands the potential effects and disadvantages associated with the characteristics of the insurance product after the insurance contract is sold but before underwriting is approved. The internet-only insurance company shall also save the phone interview recording or the audio or video recording of the video call or remote visit for future inspection, and store the recording for at least five years after the expiry of the insurance contract or five years from the date the decision of not to underwrite the policy is finalized. However, this provision does not apply if the characteristics of the insurance product are not found to have potential effects and disadvantages following an evaluation in accordance with Subparagraph 7, Article 6 of the Regulations Governing Pre-sale Procedures for Insurance Products.
7. Other matters to be complied with as prescribed by the competent authority.
The provisions of Item 4, Subparagraph 12, Paragraph 1, Article 7 hereof do not apply to the policy underwriting system and procedures of an internet-only insurance company. In addition, the internet-only insurance company shall not fail to faithfully review the signatures affixed by the applicant or the insured or other relevant evidence indicating willingness on the part of the applicant in accordance with relevant laws and regulations.
Article 17 An insurer should faithfully implement its business solicitation, underwriting and claim adjusting systems and procedures in accordance with the provisions in Article 6, 7, 8 and the preceding article herein, and take disciplinary actions against its solicitors, underwriters and claim adjusters who violate business rules and regulations in conducting business. Such disciplinary actions may be a warning or other disposition, depending on the nature and severity of the violation.