

## THE SYSTEM FOR SOLICITORS

The non-life insurance marketing system in Taiwan is divided into the broker system, the agent system and the soliciting system. Of the non-life market, nearly 90% of business is produced by either insurance agents or brokers.

Effective December 31, 1991, all brokers and agents are required to pass a qualifying examination and be registered with the Ministry of Finance. Only registered brokers and agents are authorized to practice.

Effective November 22, 1993, all solicitors are required to pass a qualifying examination. Unless he or she is registered with a principal which may be an insurance company, agent, or broker, an individual is

not allowed to conduct business. A solicitor can only represent one principal company which authorizes him or her to do so in writing. From then on, all acts of the solicitor are deemed to be those of the principal. The types of products which may be marketed by a solicitor is determined by the respective principal. Effective April 28, 1998, a solicitor is allowed to represent one life insurance company and one non-life insurance company. Consequently, the change provides customers with more effective insurance services.

The number of licensed brokers, agents and solicitors for the past three years are reported in the table below.

Class / year	2001	2002	2003
Brokers	87	125	139
Agents	272	284	286
Solicitors	37,209	53,991	78,389

## PROFESSIONAL EXAMINATION FOR QUALIFICATION

### 1. Examination for Underwriters and Claims Adjusters

The examination for this area, which first took place in January, 1983, is now held twice a year. Those who pass the examination get certificates and are recognized throughout the nation as licensed professionals. People with the certificate have better opportunities to obtain higher position in the insurance industry.

Before 1985, all candidates who wished to become underwriters or in-house claims adjusters in the Republic of China must pass this oral examination, as conducted by the Non-life Underwriters Society (NLUS) of the Republic of China under the authorization of the MOF.

From 1985, the captioned examination consisted of written and oral sections. After 1987, however, only the written examination was conducted to improve local industry standards and professional knowledge.

### 2. Examination for Brokers, Agents, and Adjusters

Candidates who wish to be brokers, agents, or adjusters in the Republic of China must pass this examination which is conducted by the Examination Yuan under the sponsorship of the Ministry of Finance.

Those who pass the examination get certificate which is recognized as professionals. After finishing training courses provided by the Ministry of Finance, these candidates must be registered and authorized before conducting any business.

### 3. Examination for Solicitors

Candidates who wish to be solicitors in the Republic of China must pass this examination as conducted by the Non-Life Insurance Association of the R.O.C..

All solicitors are required to pass an examination which covers the principles of insurance, insurance laws and all ancillary regulations and the practical aspects of property and casualty insurance.

Those who pass the examination get a certificate which is recognized as professional. Solicitors are not allowed to solicit businesses unless they are registered with an insurance company, insurance broking company or insurance agency company.

### 4. Examination for CPCU

CPCU (Chartered Property and Casualty Underwriters) examination is designed by the American Institute for Property and Casualty. The ten-semester CPCU program focuses on the insurance industry and the

way it fits into the business, economic and legal environment. The purpose of CPCU program is to develop property and liability insurance professionals. In addition to passing the examinations, candidates for CPCU professional designation must satisfy certain ethical and experience requirements.

Located in Taipei, The Insurance Institute of the Republic of China is one of the overseas locations in which the CPCU examination is given every year.

### **5. Examination for CII**

CII (Chartered Insurance Institute) qualifying examination program is designed by CII in England to meet the educational needs of professionals in the insurance industry.

Those who pass the examination will earn a diploma which is recognized throughout the world as a hallmark of a sound and comprehensive insurance education. The knowledge gained through the study will also enhance career prospects and obtain greater job opportunities.

The Insurance Institute of The Republic of China is one of the overseas locations in which the CII examination is given annually.

### **6. Examination for PRM and CRM**

PRM (Personal Risk Manager) and CRM (Commercial Risk Manager) examinations are designed by the Risk Management Society of Taiwan.

The PRM program focuses on the

principles of risk management, non-life risk management and life risk management. The CRM program focuses on the principles of commercial risk management and civil law, industrial safety and health management, financial management and insurance. The purpose of PRM and CRM programs is to develop risk management professionals. The examination is now held twice a year.

### **7. Examination for CAS**

CAS (Casualty Actuarial Society) examination is designed by the Casualty Actuarial Society, U.S.A. The Actuarial Institute of the Republic of China is one of the overseas locations in which the CAS examination is given twice a year.

### **8. Examination for AIRC**

AIRC (Actuarial Institute of the Republic of China) examination is designed by the Actuarial Institute of the Republic of China.

Those who pass all 8 examinations with at least one year of working experience in Taiwan insurance industry will be qualified to apply for FAIRC (Fellow of Actuarial Institute of the Republic of China) from the Actuarial Institute of the Republic of China.

The examination is now held twice a year.

## INTRODUCTION TO THE NON-LIFE INSURANCE ASSOCIATION OF THE R.O.C.

### 1. History

The Non-Life Insurance Association of the R.O.C., formerly the Taipei Non-Life Insurance Association, was established on April 1, 1949. Its members were originally composed of life and non-life insurance companies in Taiwan. Its objectives were:

- (1) To assist and comply with the government in enforcing all insurance laws;
- (2) To promote development of the insurance industry in Taiwan.
- (3) To protect and ensure the mutual goals and interests of its members;
- (4) To accelerate the growth of the insurance industry and to provide welfare to the general public.

According to the insurance law, it is illegal for an insurer to do both life and non-life insurance business. Therefore, with the approval of the Ministry of Finance in the fall of 1964, the Taipei Insurance Association officially split into The Taipei Non-Life Insurance Association and The Taipei Life Insurance Association.

Among the twenty-four current member companies, 8 of them are foreign insurers. Branches of member companies are spread throughout island wide. The local companies have a total of 160 branches and 520 liaison offices. Altogether, the member

companies have 13,464 employees. Although the association headquarter is situated in Taipei, it could provide its member companies reach every corner of Taiwan province through their numerous branches and liaison offices. In compliance with the revised Business Organization Act, The Non-life Insurance Association of the R.O.C. was founded on June 7, 1998. In order to avoid overlapping and wasting of resources, the Taipei Insurance Association was merged into the Non-life Insurance Association of the R.O.C. in June 1999.

### 2. Missions

The missions of The Non-Life Insurance Association of the R.O.C. are:

- (1) To assist its members in conducting survey, statistics, research and development programs and activities;
- (2) To coordinate, negotiate and establish insurance business rules, regulations and premium standards;
- (3) To protect and improve the mutual welfare of its member companies;
- (4) To eradicate business misconduct or legal violations by its member companies and to arbitrate dispute resolutions;
- (5) To sponsor technical and business related continuing education

- programs for insurance professionals;
- (6) To assist in applying, updating, and renewing professional/business licenses and handling related tasks for its members;
  - (7) To keep abreast and maintain contact with domestic and international insurance markets;
  - (8) To support government administrations on special projects and activities;
  - (9) To appeal and make suggestions to government administrations on behalf of its members;
  - (10) To administer and fulfill public obligations of the insurance industry;
  - (11) To coordinate and conduct public announcement and business promotions for its members; and
  - (12) To support the government in participating in public events.

### **3. Functions and Services**

The Non-Life Insurance Associations of the R.O.C. offers the following functions and services;

- (1) Serves as a bridge among government agencies, insurance companies, consumers and society, and sponsors programs and events which benefit the general public.
- (2) Designs new insurance services and forms to accommodate the ever changing needs of the society and the customers. In addition to the traditional insurance services, the

Non-Life Insurance Association of the R.O.C. has designed special policies such as insurance for security companies and banker's legal liability insurance, covering safe-deposit boxes.

- (3) Establishes and updates insurance tariff to stabilize the insurance market and to protect rights and benefits of the consumers.
- (4) Audits the special fire insurance premium to accommodate the unique requirements of special industries and large businesses via the establishment of a Special Premium Review Committee.
- (5) Organizes and administers Fishing Vessel Insurance Pool and Bulk Cargo Insurance Pool via two especially designated committees.
- (6) Improves the underwriting and claims adjusting procedure to enhance the effectiveness of automobile insurance claims auditing and minimizes insurance costs by researching for more efficient automobile maintenance and repair, and by establishing standard hourly labor rate for automobile mechanics.
- (7) Leads research and development tasks for the insurance industry to keep up with the social changes. As a society advances, its complexity and danger, increases accordingly. Under that environment, insurance becomes the best shield against life and

property casualties. Therefore, it is critical to constantly improve the existing service and design new items to meet the insurance needs of the ever changing society.

- (8) Establishes the Consumer Help and Complaint Service Center to support the Ministry of Finance's initiative on "improving automobile insurance service quality" by answering consumer inquiries and taking care of customer complaints.
- (9) Promotes public recognition of the compulsory automobile insurance practice to ensure public understanding of the necessity and

benefits of automobile insurance for the protection of society at large and to make known the direction and strategy of the automobile insurance administration industry.

- (10) Advocates international business affairs to manage reinsurance tasks, explore international insurance market and handle relevant international affairs by establishing an International Affairs Committee.
- (11) Establishes a committee of solicitors under the authority of the Ministry of Finance to conduct qualification test, training, and registration of solicitors.



## INTRODUCTION TO THE INSURANCE INSTITUTE OF THE R.O.C.

The insurance institute of the Republic of China is a non-profit research and educational organization that was founded on 1st July, 1985. Its purpose is to promote the development of the insurance industry in the R.O.C, thereby providing solid foundation for the nation's economic growth while supporting improvements in social welfare.

The institute's main functions include:

1. Management Information System & Actuarial Services.

The responsibilities of the institute include:

- (1) The publications of insurance statistics, financial data information for insurance company;
- (2) Actuarial consulting, data collection, financial analysis for the insurance management;
- (3) Maintaining financial key indicators for insurance supervisory purpose and providing viable information for market discipline; In turn, supervisors, insurers, and the public are given a clearer picture of the market and its growth.

2. Training & Education. Providing classroom training, seminars, workshops, and lectures. Most

participants are insurance company employees. Lecturers and speakers include both academic and industrial experts with years of experience in insurance related fields. In addition, the institute sponsors various publications.

3. Research & Publications.

The institute also funds various research projects. "Insurance Monograph" is one of the journals published by the institute. Topics covered include insurance know-how, information with academic "Insurance Issues & Practices" is also published by the institute and includes articles on current insurance issues in the R.O.C. The institute also invites specialists, both local and foreign, to conduct insurance-related research assigned by government administrations, and other organizations. As a result of these research projects, the local market has access to the most up-to-date information available. Moreover, the institute funds an insurance library with publications from around the world pertaining to many insurance and insurance-related topics.

4. Insurance Professional Examinations & Consultation Services

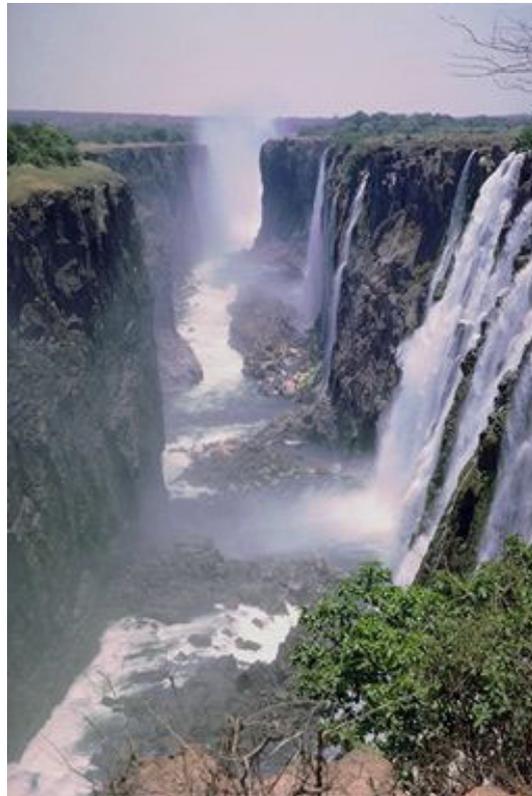
- (1) Working as an agent for foreign

- insurance institutes in conducting professional examinations in Taiwan
- (2) Providing services of insurance consumer complains;
  - (3) Providing insurance consulting, case study & research on insurance & other financial services industry;
  - (4) Providing and planning the tailor-made insurance training courses;
  - (5) Reviewing newly-designed insurance policies



## MAJOR EVENTS

1. Risk Based Capital System (RBC) was introduced to the domestic insurance industry since July 1st, 2003 as an important financial regulatory measurement.
2. Domestic residential earthquake catastrophe bond was successfully issued to the overseas capital market in August 2003.
3. "The 2nd Conference on Catastrophes Insurance in Asia" held by "Asia Insurance Review" first took place in Taiwan.
4. "Insurance Crime Prevention Center" was founded in Oct. 2003 in order to prevent or control the occurrence of insurance crimes.
5. "Personal Accident Terrorism Pool" was established by the domestic non-life insurance association in Dec. 2003 with the coverage of NT\$2 million insured amount for any one death or disability and the total limit of NT\$1 billion.



## PUBLICATIONS

### 1. Statistics

Title	Publisher
1. Insurance Annual Report of The Republic of China	Department of Insurance, Ministry of Finance, The Republic of China
2. Insurance Year Book	Insurance Institute of The Republic of China
3. Insurance Review	Insurance Institute of The Republic of China
4. Summary of Non-Life Insurance The Republic of China	Insurance Institute of The Republic of China
5. Non-Life Insurance Review The Republic of China	Insurance Institute of The Republic of China
6. Annual Statistics for Marine Insurance The Republic of China	Insurance Institute of The Republic of China
7. Annual Statistics for Fire Insurance The Republic of China	Insurance Institute of The Republic of China
8. Annual Statistics for Automobile Insurance The Republic of China	Insurance Institute of The Republic of China
9. Annual Statistics for Other Property and Liability Insurance The Republic of China	Insurance Institute of The Republic of China
10. Fact Book Non-Life Insurance	The Non-Life Insurance Association of The Republic of China

### 2. Periodicals

Title	Publisher	Contents	Interval
1. Risk Management and Insurance Magazine	Risk Management and Insurance Magazine, Inc.	Reports and comments on national insurance market	Monthly
2. Professional Insurance Agent	Professional Insurance Agent Magazine, Inc.	Insurance sales-people's news	Monthly
3. Reinsurance Information	Central Reinsurance Corporation	Information on international insurance	Monthly
4. Insurance Monograph Quarterly	Insurance Institute of The Republic of China	Market Insurance thesis and comments	Quarterly
5. Insurance Journal	The Non-Life Insurance Association of The Republic of China	Loss control and loss prevention	Quarterly
6. Journal of Risk Management	The Risk Management Society of Taiwan	Risk management thesis and comments	Half-Yearly
7. Risk Management of Taiwan	The Risk Management Society of Taiwan	Risk management news	Quarterly

## MAJOR LOSSES

List	Coverage	Date Of Losses	Occupation	Location	Cause of Losses	Estimated Losses (NT\$million)
1	Commercial Fire Insurance	2003.01.17	Electric Wires	Tainan	Explosion	120
2	Commercial Fire Insurance	2003.03.16	Textile	Tainan	Fire	100
3	Commercial Fire Insurance	2003.07.21	Electricity	Taoyuan	Fire	160
4	Commercial Fire Insurance	2003.10.02	PCB	Taoyuan	Fire	450
5	Commercial Fire Insurance	2003.12.03	Plastic	Tainan	Fire	112
6	Commercial Fire Insurance	2003.12.11	Electronic	Hsinchu	Fire	350
7	Engineering Insurance	2003.02.01	Construction	Taipei	Crack & Collapse of Neighborhood Buildings	100
8	Engineering Insurance	2003.04.09	Construction	Taipei	Crack & Collapse of Neighborhood Buildings	100
9	Engineering Insurance	2003.07.21	Electricity	Taoyuan	Installation	400
10	Aviation Insurance	2003.03.21	Aviation	Tainan	Impacted by engineering vehicle during landing	350

## LIAISON OFFICES OF FOREIGN NON-LIFE INSURANCE COMPANIES IN THE R.O.C.

Company	Representative	Address	Tel/Fax
The Tokyo Marine & Fire Insurance Co., Ltd., Taipei Liaison Office	Kenji Kawanishi	14F, 111, Sung Chiang Rd., Taipei	02-25064507 02-25064506
The NipponKoa Insurance Co., Ltd., Taipei Liaison Office	Masahiro Tamara	Rm. 1403, 205, Sec. 1, Tun Hwa S. Rd., Taipei	02-27766484 02-27725456
The Sompo Japan Insurance Co., Ltd., Taipei Liaison Office	Shuei Yoshida	Rm. C, 10F, 146 Sung Chiang Rd., Taipei	02-25612761 02-25622134
The Aioi Insurance Co., Ltd., Taipei Liaison Office	Kohji Ohnishi	Rm. 2212, 22F, No. 333, Sec. 1, Keelung Rd., Taipei	02-27576300 02-27576095



## LIAISON OFFICES OF FOREIGN REINSURANCE COMPANIES IN THE R.O.C.

Company	Representative	Address	Tel/Fax
Swiss Re. Taipei Liaison Office	Judith Chen	9F-5 & 6, 156, Sec. 3, Ming Sheng E. Rd., Taipei	02-27161388 02-27135774
The Cologne Re. Taipei Liaison Office	Roger Chen	Rm. B1, 20F, 216, Sec. 2, Tun Hwa S. Rd., Taipei	02-87331179 02-27330110
Gerling-Global Re. Taipei Liaison Office	Peter Franz Hugger	Rm. 127, 167, Tun Hwa N. Road, Taipei	02-23456609 02-23456657
Munich Reinsurance Company, Taipei Liaison Office	Ka-Hin Kua	16F, 109, Sec. 3, Ming Sheng E. Rd., Taipei	02-27177231 02-27124959
The Toa Reinsurance Co., Ltd. Taipei Representative Office	Hsing-Tan Wang	4F-2 No. 128, Sec. 3, Ming Sheng E. Rd., Taipei	02-27151015 02-27151628



## REPRESENTATIVE OFFICE OF INTERNATIONAL BROKERS

Company	Representative	Address	Tel/Fax
Jardine Lloyd Thompson Limited	Terence Yuen	13F, World Trade Building, No. 50 Sec. 1, Hsin Sheng South Rd., Taipei, Taiwan, R.O.C.	02-23954611 02-23932233
Aon Risk Services Taiwan Ltd.,	Y. C. Wei	Room 902, 9F, No. 136, Sec. 3, Lotus Building, Jen Ai Rd., Taipei, Taiwan, R.O.C.	02-23252221 02-23252278
Marsh Ltd., Taiwan Branch	Paul Wilkins	9F, No. 367, Fu Hsing N. Rd., Taipei 10483, Taiwan, R.O.C.	02-27168840 02-27168847
Willis Taiwan Ltd.	Michael Faber	2F, No. 114, Sec. 2, Chung Shan N. Rd., Taipei, Taiwan, R.O.C.	02-25603000 02-25314520
Nacora Insurance Brokers Limited	Richard Huang	5F, No. 219, Sec. 3, Nanking E. Rd., Taipei, Taiwan, R.O.C.	02-27160682 02-27163938
Worldwide Insurance Services Enterprise Ltd.	C.T. Sha	5F, No. 112 Sec. 1, Chung-Hsiao East Rd., Taipei, Taiwan, R.O.C.	02-23939788 02-23915955
Yo Pont Insurance Services Ltd.	Theodosia W. G. Liu	11F, No. 18, Sec. 1, Chang-An East Rd., Taipei 104, Taiwan, R.O.C.	02-25621628 02-25627018
Cosmos Services (Taiwan) Co., Ltd.	T. C. Kuo	9F, No. 577, Lin Sen N. Rd., Taipei 104 Taiwan R.O.C.	02-25966516 02-25967112

## OTHER INSTITUTIONS

Institution	Representative	Address	Tel/Fax
Insurance Institute of the Republic of China	David Jou Warren Wu-Jen Tseng	6F, 3, Nan Hai Rd., Taipei <a href="http://www.iroc.org.tw">http://www.iroc.org.tw</a>	02-23972227 02-23517508
Motor Vehicle Accident Compensation Fund	T. C. Yang Been-Hou Kuo	18F, 2, Lane 150, Shin Yi Road, Sec. 5, Taipei	02-87898897 02-87896061
Taiwan Residential Earthquake Insurance Fund	Susan S. Chang Cheng-Tui Yang	13F, 53, Sec. 2, Nan King E. Rd., Taipei	02-25115211 02-25632933
The Non-Life Insurance Association of the Republic of China	Frank Wang Martin Sha	13F, 125, Sec. 2, Nan king E. Rd., Taipei	02-25071566 02-25074095
The Life Insurance Association of the Republic of China	Wen-In Lin Tsann-Nan Horng	5F, 152, Sung Chiang Rd., Taipei <a href="http://www.lia-roc.org.tw">http://www.lia-roc.org.tw</a>	02-25612144 02-25613774
The Non-Life Underwriters Society of the R.O.C.	Tsan-Ming Shi Yi-Tang Huang	13F, 125, Sec. 2, Nan king E. Rd., Taipei	02-25065941 02-25075245
Engineering Insurance Association	Nai-Shiung Chang Song-Ji Wang	10F, 39, Sec. 1, Chung Hsiao W. Rd., Taipei	02-23820051 02-23820001
R.O.C. Nuclear Energy Insurance Association	Sheng-Yen. Liu Bour-Jin Wei	15F, 88, Sec. 2, Nan King E. Rd., Taipei	02-25514235 02-25611176
Risk Management Society of Taiwan, R.O.C.	Solomon Chiu S.F. Peng	13F, 237, Sec. 2, Fu Hsing S. Rd., Taipei <a href="http://www.rmst.org.tw">http://www.rmst.org.tw</a>	02-27058393 02-27549459
The Actuarial Institute of the R.O.C.	Won-How Lo Shun-Shan Yah	122, Tun Hwa N. Rd., Taipei	02-27169947 02-27169920
Life Insurance Management Institute of the R.O.C.	Ban-Tui Lai Kuo-Cheng Shieh	20F, 66, Sec. 1, Chung Hsiao W. Rd., Taipei	02-23710852 02-23758879
Insurance Society of the R.O.C.	Frank Wang Martin Sha	12F, 219, Chung Hsiao East Rd., Taipei	02-27733595 02-27522658

*Representative Office of International Brokers*

Institution	Representative	Address	Tel/Fax
Insurance Agents Association of the R.O.C.	C. H. Huang Esther Lin	11F, 42, Sec. 3, Chien Kuo N. Rd., Taipei	02-25055891 02-25077885
Insurance Brokers Association of the R.O.C.	R. H. Cheng Silvia Tu	4F, 45, Sec. 3, Ming Chun E. Rd., Taipei	02-25174939 02-25174857
Insurance Brokers Association of the R.O.C.	Fan Huang Hai-Ping Ju	3F-2, 58, Lane 85, Lin Sen N. Rd., Taipei	02-25642809 02-25642814
Surveyors Association of Taipei	Kuo-Ming Chen Wei-Ping Liao	Rm 705, 7F, 43, Sec. 1, Chung Chin S. Rd., Taipei	02-23707617 02-23755407
Surveyors Association of Kaohsiung	Wan-Fa Shieh	8F-2, 224, San Duo Road II, Lin Ya District, Kaohsiung	07-7132207 07-7131853
Taipei Insurance Service Association	En-Ming Tseng Elton Chang	11F, 184, Sec. 4, Shin Yi Rd., Taipei	02-25966516 02-27056616

