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- FSC allows offshore foreign institutional investors to appoint multiple custodian institutions
- FSC adopts "Standards for Computing Use of Differentiated Regulatory Measures and Incentives to Increase Insurers' Asset Allocation Flexibility"
- FSC explains approach to licensing of Fintech patents and technologies by financial institutions to third parties

Policy and Law

FSC allows offshore foreign institutional investors to appoint multiple custodian institutions

To attract more international capital into Taiwan's stock markets, and to build an investment environment that is friendly to foreign investors, the FSC on 26 August announced that it had decided to allow foreign institutional investors (FINIs) to simultaneously appoint multiple custodian institutions. When a FINI appoints multiple custodian institutions, it must designate one primary custodian institution and up to a maximum of three secondary custodian institutions.

In addition, a set of "Operation Directions for Appointment of Multiple Custodian Institutions by Offshore Foreign Institutional Investors" recently submitted by the Taiwan Stock Exchange Corporation (TWSE) has been filed by the FSC for recordation. The primary matters addressed by the Operation Directions include the following: registration of FINIs; shareholder services; and a requirement that a FINI with multiple custodian institutions must calculate separate caps—one for the primary custodian institution, and one for the secondary custodian institution(s)—on its investments in investment-grade bonds, on the price of outwardly remitted borrowed securities, and on other such limited transactions. The TWSE and the Taiwan Depository & Clearing Corporation (TDCC), shareholder services institutions, custodian institutions, securities firms, and other market participants are currently carrying out systems development and installation. The Operation Directions are scheduled to come into force in the first quarter of 2025.

The implementation of this deregulatory measure will help FINIs to achieve better investment efficiency in Taiwan, and will reduce asset management costs. These benefits will in turn make them more willing to invest in Taiwan.

FSC adopts "Standards for Computing Use of Differentiated Regulatory Measures and Incentives to Increase Insurers' Asset Allocation Flexibility"

To encourage insurers to improve their financial and business operations as well as their asset-liability management capabilities, so that they can smoothly adopt the new-generation solvency system in 2026, on 16 April 2024, the FSC announced its adoption of a set of "Differentiated Regulatory Measures" for Insurance Enterprises. Depending on the degree of effort an insurer puts into its "capital increases" and "contractual service margins (CSMs)," and without increasing insurers' overseas investment caps, the Differentiated Regulatory Measures add a measure that "increases insurers' asset allocation flexibility" as well as an incentive that "decreasing risk factor." And on 31 July 2024 the FSC adopted a set of calculation rules for "Coordinated Measures to Increase Insurers' Asset Allocation Flexibility," and the content of an application form and incentive measures, in order to improve insurers' asset allocations and allow them to adjust their investment strategies more flexibly.

FSC amends supervisory reporting forms for compulsory automobile liability insurance

For non-life insurers that conduct compulsory automobile liability insurance, the amount deducted from an insurer's business expense contributions per insurance contract to fund compulsory auto liability insurance special reserves has been reduced from NT\$30 to NT\$15. The amended deduction will come into force on 1 October 2024. In coordination with the adjusted deduction from insurers' business expense contributions per insurance contract, the FSC amended various supervisory reporting forms for compulsory automobile liability insurance on 26 August 2024. The amended reporting forms are scheduled to come into force on 1 October 2024.

FSC amends "Directions for Operation Outsourcing by Insurance Enterprises"

Given the insurance industry's active adoption of emerging technologies such as cloud services in response to domestic Fintech development and digital transformation in recent years, there is a continuous increase in the demand for outsourcing of operations to external professional institutions. To facilitate the construction of a comprehensive risk management framework for outsourced operations in the insurance industry, and to increase the performance and flexibility of outsourced operations, the FSC amended the "Directions for Operation Outsourcing by Insurance Enterprises" (hereinafter, "the Directions") on 10 August 2023 and again on 30 July 2024. Key points of the amendments include the following: (1) insurance enterprises are required to switch to a risk-based approach to control the risks of operation outsourcing, and to implement enhanced risk control for materially significant operation outsourcing; (2) the scope of items for which prior approval is required has been greatly decreased; (3) only an initial operation outsourcing case requires prior approval; (4) when an insurance enterprise outsources the delivery of a consumer publication, it need not report the matter to the competent authority; and (5) the scope of eligible partners cooperating with insurers has been broadened.

To coordinate with the amendments to the Directions, the FSC has approved amendments to a pair of FAQs prepared by the ROC Non-life Insurance Association (NLIA) and the ROC Life Insurance Association (LIA-ROC). One of these is entitled "FAQs for the Directions for Operation Outsourcing by Insurance Enterprises" and the other is entitled the "FAQs for the Directions for Operation Outsourcing by Insurance Enterprises—Outsourcing Of Cloud Services." Also, to ensure that insurance enterprises using cloud services have robust governance mechanisms as well as risk and information security policies, the FSC has asked the NLIA and the LIA-ROC to jointly draft related self-regulatory rules.

FSC explains approach to licensing of Fintech patents and technologies by financial

institutions to third parties

To encourage Fintech innovation and to spur the development of related lines of business, the FSC on 29 August publicly explained how financial institutions license Fintech patents and technologies to third parties. The FSC took this action in hopes of using a clearer and more open method to encourage financial institutions to get involved in Fintech development, and to spur them to cooperate with Fintech firms and stir up a wave of innovation and development in the financial markets.

The FSC will issue orders to explain that with respect to any Fintech patents or technologies that a financial institution develops to resolve its own business or management needs, if the financial institution intends to license the aforementioned to another party, such licensing should be regarded as the disposal or management of intangible assets, and may be carried out in accordance with the provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." If the financial institution intends to accept a request from another party to develop a Fintech technology or application, or intends to regularly engage in "licensing of Fintech patents and technologies" as a business, it must do so via a Fintech firm in which it has invested.

The approach described above will encourage parties of the financial ecosystem to jointly invest in Fintech technologies and related R&D work. This will inject innovative energy into the Fintech sector, and spur further Fintech development in Taiwan.

Abbreviated term for the "Financial Fast Identity Online" mechanism is changed from "Financial FIDO" to "Financial Fast-ID"

Since 2021, the FSC has promoted the Financial Fast Identity Online mechanism, using "Financial FIDO" as the abbreviated name. Now, to use terms that are distinguishable from those used by the international FIDO Alliance, and to make it easier for outsiders to understand the FSC's mechanism and its special features, the FSC switched from "Financial FIDO" in favor of "Financial Fast-ID" as the abbreviated name for Taiwan's mechanism on 16 August 2024. Various related regulations will now be amended to reflect this change.

International Activities

FSC Vice Chairperson Jean Chiu attends opening ceremony of the East Asia Pacific Insurance Forum 2024



Vice Chairperson Jean Chiu attended the East Asia Pacific Insurance Forum 2024 hosted by the Taiwan Insurance Institute, and is shown here posing for a group photo with distinguished guests from various countries, including Anita G. Fox, Director of the Michigan Department of Insurance and Financial Services (DIFS), USA.

AmCham pays a visit to the FSC



An AmCham delegation led by President Patrick P. Lin (11th from the left) paid a courtesy call to the FSC on 22 August 2024. They were warmly received by FSC Chairperson Dr. Jin-Lung Peng (10th from the left), and both sides broadly exchanged views on issues of mutual interest.

FSC receives delegation from the Japan-Taiwan Exchange Association



Deputy Representative Dr. HATTORI Takashi (third from the right) of the Japan-Taiwan Exchange Association was warmly received by the FSC Vice Chairperson Yen-Liang Chen (fourth from the left) on 20 August, 2024. The two sides broadly exchanged views on financial exchanges.

Industry Updates

FSC broadens scope of online account opening applications that can be accepted by banks, and guides banks to enhance control measures for suspicious accounts

To enhance the development of banks' online business while supporting the banks' business operations and risk management, the FSC has instructed the Bankers Association to include companies, organizations, and groups as eligible applicants of digital deposit accounts, and requested banks to strengthen the control measures for suspicious accounts. On 22 August 2024, the FSC approved the "Bank Accepting Customer Opening Digital Deposit Account Online Guideline" filed by the Bankers Association.

FSC holds award ceremony and conference for 3rd stage "Evaluation of Handling of Trust 2.0 Plan by Trust Enterprises"

On 29 August 2024, the FSC held the award ceremony and conference for the 3rd stage "Evaluation of Handling of Trust 2.0 Plan by Trust Enterprises." Premier Cho Jung-tai was invited to deliver a speech and confer the awards to the winners. Those in attendance included representatives from central and local government agencies, social service groups, and financial services firms.

The FSC launched the Trust 2.0 Plan in September 2020, then in September 2022 launched the Trust 2.0 Phase 2 Plan to encourage trust enterprises to act in line with the Trust 2.0 Plan, and to actively enhance the functionality of their trust services. The FSC started conducting annual evaluations of trust enterprises' implementation of the Trust 2.0 Plan in 2021 in order to confer awards to banks that turn in superior performance in implementing the plan. This year's activity was based on the "Trust 2.0 Phase 2 Plan Evaluation and Incentive Measures," under which the results of evaluations for the 3rd stage (2024) have been released. The FSC conferred awards upon banks with the best performance. The winners were as follows:

1. Best Trust Award: Mega International Commercial Bank; TCB Bank; Bank SinoPac
2. Elderly Care Trust Award
 - (a) A Group: Bank of Taiwan; First Commercial Bank; Chang Hwa Bank; Mega International Commercial Bank; TCB Bank; Land Bank of Taiwan
 - (b) B Group: Far Eastern International Bank; Bank of Kaohsiung Co.
3. Employee Benefit Trust Award: CTBC Bank; TCB Bank; Taipei Fubon Commercial Bank
4. Trust Business Innovation Award: First Commercial Bank; CTBC Bank; E.Sun Bank
5. Trust Alliance Award: Mega International Commercial Bank; TCB Bank; First Commercial Bank

FSC amends foreign exchange valuation reserve approach to help life insurers hedge more flexibly and strengthen capital

In order to help life insurers hedge more flexibly and achieve more robust financial operations, the FSC amended the "Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises" (hereinafter, "New Approach") on 6 September 2024 to adopt a new foreign exchange valuation reserve approach. An overview of the new approach is provided as follows:

1. A life insurer that has had a proposal reviewed by its risk management committee and submitted it for approval by the board of directors may file an application with the competent authority to adopt the new approach.
2. The ceiling of the reserve under the new approach is calculated based on the currency risk on the average foreign investment positions over the preceding three years. The currency risk is the maximum possible foreign exchange loss within one year calculated at a 95% confidence level (VaR 95%). The floor of the reserve cannot be below zero.
3. For unhedged foreign exchange gains or losses on foreign currency assets and liabilities, the rate of an insurer's extra charges to valuation reserves will be raised to 100%; for fixed charges to valuation reserves, the charge rate will be raised to 1.2%. In addition, the traditional hedging cost deposit (offset) mechanism will be eliminated.
4. A life insurer that has received approval to apply for permission to adopt the new approach may simultaneously (or at a later date) transfer reserves under "Specific Liabilities" to foreign exchange valuation reserves, which include the following items: real estate capital gain special reserve; policy reserve—operations loss reserve; policy reserve—for withdrawal of special catastrophe reserve; voluntarily enhanced setting aside of reserves; and other enhanced setting aside of reserves. Apart from real estate capital gain special reserve, after deducting reserves classified under "Specific Liabilities" would be transferred to foreign exchange valuation reserves (as per the previously mentioned application), the new system fair value assessment of liabilities of insurance contracts during the most recent period must be sufficient.

In addition, regardless whether a life insurer adopts the new or the old approach to reserving, if its initial implementation of IFRS 17 will have a positive impact on equity, the insurer can apply for permission to transfer portions of this positive impact to the foreign exchange valuation reserve.

"Financial Action Innovation Regulation Adaptation Platform" holds its first working group meeting on August 6



In order to build a financial market that is both safe and achieves vigorous development, the FSC has established the "Financial Action Innovation Regulation Adaptation Platform," which has four working groups in the fields of banking, insurance, securities and futures, and technological innovation. Representatives of academia serve as the conveners of each working group, and invite members from academia and the financial industry to put forward suggestions. They actively and fully communicate and discuss with representatives of the FSC. In this manner, the working groups facilitate efforts by the competent authority to adjust its supervisory actions. The first meetings for each working group took place on 6 August, when conveners for the next sessions were selected. Those conveners were Professor Chih-Cheng Wang, Professor Jian-Jhih Lin, Professor Jie-Haun Lee, and Professor Cheng-Yun Tsang.

The FSC explained that this regular financial supervision policy communication platform is different from an ordinary deregulatory mechanism. Various financial issues can be raised, and after identifying issues to be discussed, each working group invites scholars, industry associations, and representatives of relevant units to participate in the discussions. This approach ensures prompt communication and feedback between industry, government, and academia. The FSC will monitor and respond to market trends.

As the work of the four working groups progresses, the FSC will adopt an open attitude and actively solicit suggestions from all walks of life to adapt to financial market trends, adjust various financial legislation and supervisory actions, and thereby enhance the international competitiveness of the nation's financial industry.

FSC increases subsidies for Fintech projects

To tap into the professionalism, technology, and experience of the government and private sectors to jointly develop financial technologies that will allow for more efficient utilization of resources, the FSC on 28 August 2024 amended the "Financial Supervisory Commission Operation Directions for Provision of Subsidies (Donations) to Entities that Establish or Operate Fintech Parks or Conduct Fintech Development Projects," aiming to use the subsidy mechanism to support the conduct of Fintech development projects. When a party applies for a subsidy, the FSC will approve the subsidy amount based on the size of the project, the applicant's experience and record of previous success, expected benefits of the project, etc. Any party intending to apply for a subsidy may submit a subsidy application to the FSC for the following year during the current year's application period (1–30 September). The FSC will invite experts and scholars to form a review panel to review all the applications.

By subsidizing Fintech projects, the FSC hopes to accelerate the development and application of financial technologies, and seeks to encourage more enterprises to get involved in innovation, thereby spurring development of the Fintech ecosystem and enhancing Taiwan's international competitiveness. Also, the FSC will continue providing more flexible policy support targeted to the needs of those engaged in innovation efforts at different phases of the process, in order to raise Taiwan's profile in the global Fintech field.

NPL Ratio for Domestic Banks as of the End of August 2024

Unit: NT\$1 billion / percentage points

	31 Aug. 2024	31 July 2024	Increase/Decrease
Total outstanding loans	41,167	40,891	Increased by 276billion
NPL ratio	0.16%	0.16%	-
Coverage Ratio	864.33%	850.15%	Increased by 14.18percentage points

As of the end of August 2024, there were 38 domestic banks in Taiwan, and their asset quality continuously remained manageable according to the above figures. The FSC will require banks to undertake measures to improve asset quality and financial structure on an ongoing basis.

NPLs at credit cooperatives at the end of August 2024

Unit: NT\$1 billion / percentage points

	31 Aug. 2024	31 July 2024	Increase/Decrease
NPL	0.62	0.65	Decreased by NT\$0.037 billion
NPL ratio	0.10%	0.10%	-
Coverage Ratio	2441.37%	2267.96%	Increased by 173.41 percentage points

As of the end of August 2024, there were 23 credit cooperatives in Taiwan, and their asset quality continuously remained manageable according to the above figures. The FSC will require credit cooperatives to undertake measures to improve asset quality and financial structure on an ongoing basis.

Net purchases and sales of listed stocks by foreign and mainland China investors, as well as the inflow and outflow of funds¹. Net foreign and Mainland Area investment in listed shares

Unit: NT\$1 billion

As of Aug. 2024		TWSE-listed shares	TPEX-listed shares
Foreign Investors	Bought	22,469.99	3,722.41
	Sold	22,833.13	3,768.22
	Net bought (sold)	(363.14)	(45.81)
Mainland area investors	Bought	4.08	0.28
	Sold	3.70	0.34
	Net bought (sold)	0.38	(0.06)
Total		(362.76)	(45.87)

2. Cumulative net (outward) inward remittances by foreign and mainland China investors

Unit: NT\$1 billion

	End-Aug. 2024	End-July 2024	Increase (Decrease)
Cumulative net (outward) inward remittance from offshore foreign institutional investors and foreign individual investors	273.418	271.995	1.423
Cumulative net (outward) inward remittance from Mainland area investors	0.069	0.075	(0.006)
Total	273.487	272.070	1.417

Sales statistics of foreign-currency denominated products by life insurance industry as of the end of June 2024

Unit: NT\$1 billion

	End-June 2024	End-June 2023	Increase (Decrease)
Investment-linked insurance	21.185	34.395	-38%
Traditional life insurance	127.142	107.113	19%
New-policy premium income (total)	148.327	141.508	5%

Profit/loss, net value and exchange gains/losses, hedging gains and losses, and foreign exchange volatility reserves of insurance enterprises as of July 2024

1. Pre-tax profit of insurance enterprises

Unit: NT\$1 billion

	End-July 2024	End-July 2023	Growth Rate %
Pre-tax profit of life insurance enterprises	300.5	123.1	144.1%
Pre-tax profit of non-life insurance enterprises	18.1	6.4	182.8%
Pre-tax profit of all insurance enterprises (total)	318.6	129.5	146.0%

2. Owners' equity of insurance enterprises

Unit: NT\$1 billion

	End-July 2024	End-July 2023	Increase (Decrease)
Owners' equity of life insurance enterprises	2,670.1	2,167.4	23.2%
Owners' equity of non-life insurance enterprises	145.1	119.2	21.7%
Owners' equity of insurance enterprises (total)	2,815.2	2,286.6	23.1%

3. As of the end of July 2024, the NT Dollar had depreciated by 6.40% against the US Dollar since the end of 2023, and the cumulative balance of foreign exchange valuation reserve of life insurance enterprises was NT\$230.6 billion, increasing by NT\$138.6 billion. Meanwhile, the combined impact of exchange gains/losses, hedging gains/losses, and the net effect of volatility on the foreign exchange valuation reserve of life insurance enterprises was NT\$-109.1 billion. Over the same period, the overseas investments of life insurers resulted in net gains (including exchange gains/losses and hedging gains/losses, but not including the net effect of volatility on the foreign exchange valuation reserve) of NT\$659 billion.

Investor and Consumer Protection

2024 Financial Literacy Campaign for the Campus and Community

In September 2024, the FSC held 61 activities at different locations, including the Sanxia Senior Living Center, as part of the 2024 Financial Literacy Campaign for the Campus and Community, attracting 6,788 participants. The Financial Literacy Campaign is free of charge and has struck a chord with many people since its inception in 2006. As of the end of 2023, a total of 8,509 events had been held and over 1.19 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military service personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers.

FSC, Ministry of Finance, and Ministry of Health and Welfare review accessible barrier-free financial facilities and services



On 14 August 2024, FSC Chairperson Jin-Lung Peng, in the company of Tsui-Yun Chuang (Minister of Finance) and a representative of the Ministry of Health and Welfare, visited the Jinan Road Branch of Bank SinoPac and the Nangang Branch of Chang Hwa Bank to review the two branches' accessible financial facilities and services.

The FSC urges financial institutions to actively cooperate with the Ministry of Health and Welfare, other government agencies and groups concerned with the rights and interests of persons with disabilities, and such persons themselves, to provide friendlier financial services. As they do so, the FSC urges them to maintain a clear focus on the following five undertakings: (1) formation of an internal organizational culture that appreciates the importance of friendly financial services; (2) establishment of models of best practice and spread barrier-free facilities to all bank branches; (3) enhancement of training for front-line bank employees; (4) continued enhancement of the quality of barrier-free facilities and services; and (5) continued dialogue with disability rights groups. The FSC is also going to oversee continuing dialogue meetings between the ROC Bankers Association and disability rights groups so that the Association can act in a timely manner to improve self-regulatory rules in a manner that ensures friendly financial services. Financial institutions must act in line with the principles of the Convention on the Rights of Persons with Disabilities (CRPD). Among other things, this means to make reasonable adjustments for the sake of persons with disabilities, and to provide them with supported decision-making measures, in order to achieve equal financial rights and financial inclusion.

FSC urges public to be wary of investment fraud schemes, and to invest only via legitimate firms

There have been numerous recent reports of fraudsters using counterfeit securities investment consulting business licenses, leverage contracts, statements on internal controls for AML/CFT compliance, FSC announcements and letters, and other such "official documents" to defraud investors. The FSC strenuously urges members of the public not to fall for tricks of this sort. In addition, scammers are also known to borrow the names of celebrities to talk about their supposed investment experiences, or tout tremendous investment returns to tempt ordinary persons into taking part in fraudulent investment clubs that require a member to download a designated app which gives the impression that the user is buying securities when in fact the money goes straight to scammers.

The principal function of the FSC is to adopt policies concerning financial markets and financial services firms, and to supervise and regulate financial

institutions. The FSC would never get directly involved in a consumer's financial transaction, much less would the FSC require a consumer to conduct a bank transfer or make a payment of funds.

Consumers can visit the website of the Ministry of Economic Affairs to check on company registration information, and the FSC reminds them to take note of two things while on the Ministry's website. First, the code number for the line of business of a legally registered securities investment consulting enterprise is "H304011 SICE". And second, a legally registered securities investment consulting enterprise will not be listed as an ordinary investment adviser. Consumers must not lend easy credence to false information regarding high investment returns, or casually remit funds. Instead, they should prudently assess the veracity of investment information in order to avoid getting caught up in a scam.

To provide the public with multiple fact checking channels and improve the transparency of anti-fraud disclosures, the FSC uses a special section on its website (Investors Information/Preventing Illegal Securities and Futures Practitioners) to disclose a list of the names of legitimate securities and futures firms as well as a list of red flags that would indicate that a firm might be illegitimate. In addition, the various securities and futures industry trade associations have set up special warning sections on their websites that list "Securities & Futures Firms and Products not Approved by the FSC." The ROC Securities Investment Trust and Consulting Association (SITCA) has set up a similar warning section on its website that website visitors can use to check whether investment trusts and their personnel are legitimate.

The FSC reminds members of the public that when managing one's finances, one must be very alert to risks, and prudently assess the legitimacy of financial services firms. When there is any doubt, one may call the FSC's anti-fraud hotline (2737-3434) or the National Police Agency's anti-fraud hotline (165), or call the FSC's main telephone number at (02)8968-0899 to make inquiries. If you have evidence to back up concerns about a particular party, you may directly contact the police or investigative authorities to file a complaint.

FSC reminds owners of mini electric two-wheel vehicles to purchase compulsory automobile liability insurance and obtain a license plate

As of 30 November 2022, the "Road Traffic Management and Penalty Act" and the "Compulsory Automobile Liability Insurance Act" subject mini electric two-wheel vehicles to regulatory provisions regarding road traffic and insurance. Accordingly, the owner of a mini electric two-wheel vehicle is required to purchase compulsory automobile liability insurance, register the vehicle, obtain a license plate for it, and display the license plate on the vehicle in order to operate it legally on the road. As for mini electric two-wheel vehicles that were already in use prior to 30 November 2022, the owner must obtain insurance and a license within a two-year grace period. The FSC reminds owners who have not yet obtained insurance or a license that the grace period comes to an end on 29 November 2024, so they must make haste to obtain insurance and a license to avoid being fined. The fines will range from NT\$1,200 to NT\$3,600, and owners without licenses will not be allowed to operate their vehicles.

FSC urges caution prior to purchase of investment-linked insurance products

The FSC recently reminded consumers that investment-linked insurance products are sold in a wide variety and feature many different types of fee structures. Moreover, the risks are borne by the policyholders, while returns are not guaranteed, so before purchasing this type of insurance consumers should understand the risks and fee structures of the products they are thinking of purchasing, and be very prudent in selecting suitable products.

Investment-linked insurance products combine the features of insurance and investment products. The FSC reminds consumers that before purchasing investment-linked insurance products they should be clear about the following matters in order to avoid disputes at a later date: (1) they should be sure exactly what their insurance protection needs are; (2) they should be sure exactly what risks they are assuming; and (3) they should carefully note each product's cautionary statements.

The FSC suggests that consumers visit the website of the Taiwan Insurance Institute (TII) to understand the special characteristics and basic facts of investment-linked insurance products in general, and then before buying a particular investment-linked insurance product a consumer should visit the website of the ROC Life Insurance Association and browse the special section on investment-linked insurance products to learn about the fees charged by different insurers, the policy conditions, and rules governing underwriting and sales. In addition, consumers are also advised to make sure whether a particular product is suited to their needs so as to avoid buying an unsuitable policy. Before purchasing insurance, a consumer must be sure to carefully read the policy provisions, but after signing a contract, a consumer who finds that a policy does not suit their needs may still rescind the contract within the first 10 days counting from the day next after receipt of the policy, and the insurer is required to unconditionally refund any paid premiums.