

Chunghwa Post Co.Ltd

Special Records

Unit: NT\$

Item	Description and the Amount of Money
<p>1.Manager (person in charge) or staff members who have been prosecuted for business violation in the last year.</p>	<p>Mr. Wu, the staff of Taiping Pinglin post office issued a false “purchase receipt for postage stamp” in the amount of NT\$3,000 in the name of a colleague on January 19,2019, being suspected crime of forging private document.</p> <p>The investigation has been concluded by Taiwan Taichung District Prosecutors Office on December 22, 2020 and a public prosecution has been initiated.</p>
<p>2.Organizations or individuals who have been fined by the competent authority due to the business violation in the last year.</p>	<p>Chunghwa Post is found to use improper flyer which is mentioned the endowment insurance would be ceased when engaging in postal simple life insurance business. That breaks provisions set forth in the Financial Consumer Protection Act, and the Financial Supervisory Commission(FSC) imposes a fine of NT\$ 300,000 in accordance with subparagraph 1, paragraph 1,Article 30-1 of the Financial Consumer Protection Act on 12th October,2020.</p>
<p>3.Organizations or individuals who have been corrected by the competent authority due to the business negligence in the last year.</p>	<p>Chunghwa Post was found to violate the provisions set forth in the Insurance Act when engaging in the insurance business. The FSC corrected Chunghwa Post in accordance with paragraph 1, Article 149 of the Insurance Act on 29th March, 2021. The violation incidents are as follows:</p> <ol style="list-style-type: none"> 1. Chunghwa Post neither established proper internal regulations for the management of the insurance solicitors suspended from solicitation nor set up and implemented a mechanism to prohibit the insurance solicitors suspended from solicitation from executing the interim premium and application creating programs in the life insurance business system, which allowed the insurance solicitors to engage in insurance business during their suspension. 2. About policyholders’ participating the new insurance policy again after terminating the former policy of the

	<p>same insurance product, Chungwa Post did not ask the insurance solicitors and underwriters to check on the reason for that behavior based on the new mechanism, so as to assess the need and applicability of policyholders.</p> <ol style="list-style-type: none">3. As to policy loan applications, Chungwa Post did not follow the internal rules of conservation to ask the applicants to provide a letter of agreement signed by insurants who are juvenile and above 7 years old.4. Chungwa Post established the internal regulation of deferred acceptance of the insurance policy for the insurants who is under 5 years old and suffering from “hearing impairments”. Chungwa Post did not consider offering the proposers an option to purchase the life insurance product by using exclusion rider and did not implement the internal regulation of the underwriting.5. Chungwa Post neither assessed the risk of asset-liability mismatching and the liquidity of disposal of investment upon maturity of insurance policies nor considered the conditions for repayment and early redemption of bonds in the process of decision-making or risk assessment or had relevant internal regulations regarding capital utilization in place.6. Chungwa Post neither included in the national risk assessment of any bond ETF whose investment area is clearly known as a single country nor set the numerical control over each stock traded on a single day. It did not analyze the effect of the disposal of investment assets and had no relevant internal controls over risk management.7. Chungwa Post did not manage its foreign investment properly, which was detrimental to the effectiveness of risk management and sound business operations.
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4.Organizations or individuals who have been fined either individually or a total exceeding 50 million due to safety accidents caused by fraud, major incidents or failure to comply with the “Safety Maintenance Guidelines of Financial Institutions” in the last year.	None.
5.Others.	None.