

**Press release from the Administrative Enforcement Agency
(AEA), Ministry of Justice**



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Spokesperson: Deputy Director-General Yeh Tzu-Chiang

Contact number: (02)26332528

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**AEA's First Seminar of Expert Consultation on Insurance Issues
Jointly Establish a Warm and Resilient Enforcement Practice**

The Administrative Enforcement Agency of the Ministry of Justice (AEA) held a seminar of expert consultation on “Issues of Practice in the Enforcement of Rights in Life Insurance Contracts” on January 8, which was chaired by Director-General Huang Yu-Yuan and persons from the National Taxation Bureau of Taipei, Ministry of Finance, Revenue Service Office, Taipei City Government and New Taipei City Government, colleagues from AEA Branches and staff from insurance companies including Nanshan Life Insurance, Cathay Life Insurance, and Fubon Life Insurance, etc., to discuss how to properly enforce insurance contract rights in response to the Ruling of 2019 Tai-Kang-Da-Zi No. 897 of the Civil Panel of the Supreme Court.

The Panel ruled that, when necessary, the court of enforcement or AEA Branches may issue an enforcement order to terminate a life insurance contract in which the debtor is the proposer and ordered that the third-party insurance company pay the cancellation fee. However, the ruling also emphasized that life insurance contracts often have the function of protecting the life of the policyholder and their families to stabilize social order. When determining whether to exercise the right of termination to enforce the claim for cancellation fee, one shall still be cautious and grant the opportunity for creditors, debtors or interested parties to state their comments, so as to facilitate a fair and reasonable judgment in any specific case by taking into account the rights and interests of creditors, debtors and other interested parties in

accordance with the laws.

Director Huang said in his speech that the AEA shall not only actively handle the enforcement of monetary payment obligations in accordance with the laws, so as to collect legal claims and implement state power, Besides, since caring for the disadvantaged is additionally one of the important policy philosophies of the AEA, that flexible and lenient enforcement measures shall be implemented for disadvantaged obligors and appropriate care shall be given to help them endure their hardships. Also, insurance contracts serve an important function of keeping social order, which fits the concept of “Inclusive Financing” proposed by the United Nations in 2005 to allow the economically disadvantaged to enjoy the protection provided by insurance contracts (a part of financial services). Hence, while strictly enforcing the laws, one shall also take into account the principles of proportionality, fairness and reasonableness, and prudently determine whether to forcefully terminate the insurance contracts. In cases where sudden termination is inappropriate, the obligor shall be assisted in finding other appropriate methods to deal with the legal debts (for example, payment in installments), so that disadvantaged obligors may feel the sense of warmth and humanity, which is exactly the intention of Premier Chen of the Executive Yuan to establish a warm and resilient country so that every citizen can enjoy warm care.

The topics discussed in the seminar of expert consultation included key practical matters, including whether the addendum will be terminated after the master insurance contract is forcibly terminated, whether the original forcibly terminated insurance contract can be restored to its original state when the enforcement order is subsequently revoked and whether the pledged policy is the subject of enforcement. Participants of the seminar all actively presented their comments to discover more specific subjects of enforcement and clarify relevant legal issues, so that justice and care can be taken into account in individual cases, and implementation carried out prudently.