


Content

Title :	Livestock Insurance Regulation 
Date :	2000.11.30
Legislative :	<ol style="list-style-type: none">1.These regulations were prescribed and promulgated on June 21, 1974.2.Article 11 was amended and promulgated on August 37, 1980.3.Article 1 was amended and promulgated on November 26, 1983.4.Article 1, Article 9 and Article 14 of this regulation were amended and promulgated on January 11, 1985.5.It was amended and promulgated on March 18, 1989.6.All the 22 Articles were amended and promulgated on November 30, 1990.
Content :	<p>Article 1</p> <p>These regulations are prescribed according to Article 58, Paragraph 2 of Agricultural Development Statutes.</p> <p>Article 2</p> <p>Dairy cattle, hog, dairy goat, sheep, and other kinds of livestock as sanctioned and pronounced by the central competent authorities are subject to this regulation for application on livestock insurance.</p> <p>Article 3</p> <p>Livestock insurance can be broken down into the following three categories:</p> <ol style="list-style-type: none">1. Life insurance: it refers to the indemnity resulting from death caused by diseases, difficult childbirth, striking of lightning, drowning, burning, car accident and tumble or slaughter in accordance with the regulation.2. Livestock transportation insurance: it refers to the indemnity resulting from insured object' s death caused in the duration of transportation or emergent slaughter.3. Other items as sanctioned by the central competent authorities <p>The valid period of life insurance is six months for hog, ten months for dairy goat, and one year for other kinds of livestock. The insurance may be continued after it expired. However, if the proprietorship of the insured object changes hands, the insurance contract becomes void.</p> <p>The valid period of livestock transportation insurance extends from the time when the insured livestock gets on the vehicle to the time when it arrives at the destination and gets unloaded from the vehicle. If the initial vehicle fails to make it to the destination, it may be replaced by another. If the livestock dies before the auction or is slaughtered in an emergency and if its death can be proved to have occurred during the transportation, the insurer are held liable to indemnity.</p> <p>After the insured livestock covered by livestock transportation insurance is transported to the destination, the owner may apply to the insurer for reinsurance.</p> <p>Article 4</p> <p>The competent authorities may consign livestock insurance to farmers'</p>

groups.

The members of a farmers' group may apply to the group to which they belong for formulating the contract as prescribed by this law.

Article 5

If the farmers' association of the village (township, city, district) is the insurer, the farmers' association of the county (city) and province (city) is the reinsurer; if the farmers' cooperative is the insurer, the association of farmers' cooperatives to which it belongs can be the reinsurer.

The reinsurance policy and the original livestock insurance policy go into effect at the same time.

If a member wishes to apply for livestock insurance, he should fill out the insurance application form, and the insurance should cover all the livestock of the same species raised in the same place.

Article 6

The liability quota and distribution criterion of farmers' associations of each level are prescribed as follows:

1. The coverage of farmers' associations of the village (township, city, district) takes up sixty percent of the coverage.
2. The reinsurance liability quota of the reinsuring farmers' associations of the county (city) takes up thirty-three percent of the coverage, while the farmers' association of the province take up seven percent of the coverage.

The insurer is responsible for all the liability quota of farmers' cooperatives that handle livestock insurance.

Article 7

Farmers' associations or farmers' cooperatives consigned to underwrite livestock insurance should be approved by the assembly of members (representatives) and make ready with the following documents to apply for the approval of the central competent authorities via the review of the local competent authorities.

- 1 the resolution record of the assembly of members
- 2 the business prospectus
- 3 trial balance of revenue and expenditure
- 4 statement of the minimum fund deposit
- 5 insurance policy, insurance application form and the rules related to the underwriting and adjustment procedure.
- 6 other documents as prescribed by the competent authorities

If the farmers' associations or cooperatives intend to suspend the business of livestock insurance with which they are charged, they should make clear the concrete reasons and draw up business transference plans. After being approved by the assembly of members (representatives), the plan should be subjected to the review of local competent authorities and approval by the central competent authorities.

Article 8

The insurer may refuse to underwrite the livestock which matches any of the

following descriptions.

- 1 the livestock which is injured, deformed, of malicious foibles, undergrown, or seriously diseased.
- 2 the livestock whose proprietorship is unclear.
- 3 the livestock which is not vaccinated and made immune to infectious diseases as dictated by the government.
- 4 the livestock which is raised as described in Article 3 and in the same place but is not insured.
- 5 the same livestock which is already underwritten by another insurance company.

Article 9

The insurer is not responsible for the indemnity if any of the following occurrences happens to the insured livestock.

- 1 When it has moved out of the business area of the insuring farmers' associations or cooperatives. The livestock transit life insurance is the exception.
- 2 When its death is caused by slaughter by men or animals or misuse of drugs.
- 3 When its death is caused by natural disaster. The death by lightning is the exception.

Article 10

After the insured object which dies in any insured accident within the valid period of life insurance is examined by veterinarians, the insurer should pay the indemnity according to the following criteria. The indemnity should not exceed the insured coverage.

1. dairy cattle: full settlement according to the grade to which it is designated when insured.
2. hog: the settlement is estimated according to its weight and market value.
- 3 dairy goat: full settlement according to the grade to which it is designated when insured.
- 4 sheep: the settlement is estimated according to its weight and market value.

The market value of the previous item refers to the average wholesale prices of the day prior to when the insured object dies.

When the insured object of transportation insurance dies, the indemnity is estimated according to its weight and the average wholesale prices of the farmer's porkers and muttony sheep. The indemnity should not exceed the insured coverage.

The indemnity of livestock slaughtered in emergency is estimated as that of death coverage with the amount for which the insured object is sold and slaughtered being deducted from it.

Article 11

If the insured object dies of non-legally prescribed contagious diseases and is thus edible, the amount for which it is sold and slaughtered and the compensation given by the government that slaughters it in accordance with the law should be deducted from the insurer's livestock death indemnity.

Article 12

The authorities of each level and farmers' associations should include in its budget the managerial fees and premium needed for livestock insurance.

Article 13

If the insurer and reinsurer suffer a loss ratio as high as eighty percent within the same year may apply to the central competent authorities for special compensation.

The loss ratio is estimated as the percentage of the coverage, which is differentiated by the livestock's species, divided by the total premium.

Article 14

The insurer and reinsurer should recruit veterinarians, contracted veterinarians, or those of the local village (township, city, district) office to help in the handling of livestock insurance.

Article 15

The rate, the minimum fund, liability reserve, the maximum coverage, the articles of insurance policy and reinsurance commission should be prescribed by the central competent authorities.

The rate of the livestock insurance of the previous paragraph should be subjected to review every three years.

Article 16

The farmers' associations or cooperatives should establish a managerial committee in charge of the livestock insurance business to manage and make use of the insurance fund and liability reserve. The organization of the committee and the regulations concerning the use of the fund are to be prescribed by the central competent authorities.

Article 17

The insurer and reinsurer should establish an independent accounting system to keep track of the livestock insurance business and its financial state, and report them together with the information as dictated by the competent authorities within the set period to the central competent authorities via the local competent authorities.

Article 18

The insurer and the reinsurer may not object to the investigation on livestock insurance business and its financial state conducted by the personnel sent by the central competent authorities.

Article 19

To promote livestock insurance, the central competent authorities may hold business competitions and give awards to those who stand out.

Article 20

If the insurer and reinsurer should violate the stipulations of this law, they will be subject to the following penalties.

1. They need to make corrections within a limited period. If they fail to do so, their livestock insurance franchise will be suspended.
2. The subsidy for the year' s managerial fees and loss ratio will be canceled.

Article 21

The various forms and brochures needed for the processing of livestock insurance are to be prescribed by the central competent authorities.

Article 22

These regulations are to be enforced on the day of its promulgation.

Data Source : MONISTRY OF AGRICULTURE Laws and Regulations Retrieving System