

Reference: Insurance Broker Inspection Manual

The check points below are listed only as examples of items peculiar to insurance broker for use by inspectors during their inspections of insurance brokers.

When performing inspections, note that insurance brokers are not under the direction or supervision of an insurance company.

Note that when verifying specific cases regarding compliance with laws and ordinances on insurance sales by using this manual, the verification must be based on the provisions of the Insurance Business Law, relevant ordinances and the Guidelines.

Item	Check Point Peculiar to Insurance Brokers	Explanation of Check Points Peculiar to Insurance Brokers	Remarks
Items related to insurance brokers	(1) Guarantee on deposit	Is guarantee deposited properly? Is the amount sufficient?	
	(2) insurance contracts for insurance brokers' liability of compensation	When insurance contracts for insurance brokers liability of compensation is concluded, does it fulfill the requirement for deposit substitution?	
	(3) Prohibition of serving concurrently as insurance agents	Is the relationship with other agents appropriate? (Example of inappropriate cases) ? Holding two jobs, consignment of sales, commission payment ? Concerted activities ? Office sharing ? Disclosure of non-public information on policyholders In case of sharing a computer with relevant agents, is information properly cut off?	
	(4) Keeping to brokerage of insurance contracts from the insurance company	Is the relationship with the insurance company appropriate? (Example of inappropriate cases) ? Office sharing ? Equity contribution ? Giving facilities ? Personnel exchanges	
	(5) Good faith obligations to policyholders	Does the insurance broker provide advice on the most appropriate contents to policyholders? Does the insurance broker properly communicate information on insurance? Does he/she properly communicate policyholders' requests to the insurance company? Does the insurance broker take care not to discriminate policyholders, like offering different services, depending on the amount of commissions? Does the insurance broker keep in mind that brokerage commissions are to be charged in their entirety to the insurance company, not to policyholders? Does the insurance broker keep confidentiality agreements properly? Does the insurance broker properly manage premiums deposited by policyholders and remit them to the insurance company?	