Abstract

An insurance guaranty fund is set up to cover an insolvent insurer's financial obligations, within statutory limits, to policyholders, beneficiaries, annuitants, and third-party claimants. The basic purpose of it is to protect policyholders, beneficiaries, annuitants, and third-party claimants against losses which might occur due to an insolvency of an insurer. Consequently, when an insurer is impaired or insolvent, the system is complete or not is quite important.

At first, this study researches the insurance insolvency law of Taiwan and other developed countries, such as the United States, the United Kingdom, and Japan. Even if there are many differences in the coverage, statutory limits, and how the funds are assessed, their purposes are the same , that is to reduce the damage might caused by insolvency of an insurer. Moreover, the study focuses on the insurance market stabilization fund law in Taiwan. After discuss the issues and problems which are encountered, the suggestions for resolving such issues and problems are submitted as the conclusion of this study.