

## Ming-jin Enterprises

### 1648<sup>th</sup> Commissioners' Meeting (2023)

Case: Ming-jin Enterprises violated the Fair Trade Law by falsely claiming "19 years of insurance claim handling experience"

Keyword(s): Founding time, personal experiences, false advertisement

Reference: Fair Trade Commission Decision of May 10, 2023 (the 1648<sup>th</sup> Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 112029

Industry: Other Activities Auxiliary to Insurance (6559)

Relevant Law: Article 21 of the Fair Trade Law

#### Summary:

1. The FTC received complaints accusing Ming-jin Enterprise Co., Ltd. (hereinafter referred to as Ming-jin Enterprises) of claiming on its L-shaped folders and its company website that the company had "over 18 years of professional insurance claim processing experiences" and "19 years of professional insurance claim handling experiences" (hereinafter referred to as the advertisement in concern). However, according to the business registration records of the Ministry of Economic Affairs, Ming-jin Enterprises was founded on February 22, 2019. Apparently, the claim was false.

#### 2. Findings of the FTC after investigation:

The FTC requested Ming-jin Enterprises to provide a written statement and also give its explanation at the FTC. The company stated that its representative was a manager at Ming-jian Executive Advisor (hereinafter referred to as Ming-jian Advisor) when it was founded in March 2003 and he handled insurance claims. Ming-jin Enterprises thought the representative had indeed 19 years of insurance claim handling experiences and therefore the company decided to print "over 18 years of insurance processing experiences" and "19 years of insurance claim handling experiences."

#### 3. Grounds for disposition:

(1) The advertisement was produced and posted by Ming-jin Enterprises. As a result, Ming-jin Enterprises was the advertiser. The advertisement gave people the impression that Ming-jin Enterprises had been in operation for more than 18 years and the company had plenty of experiences as an

- insurance claim handling agent and was more reliable than competitors.
- (2) The FTC's investigation showed that the company was founded on February 22, 2019. Apparently, as of the day the advertisement was posted, February 20, 2021, the company couldn't have been in operation for more than 18 years. Even if the representative of the company had served as an insurance claim handling agent when Ming-jian Advisor was founded in March 2003 and had been in the profession for around 18 years, Ming-jin Enterprises and Ming-jian Advisor were two different business entities. The length of service of the representative of Ming-Jin Enterprises in the profession was personal experiences. It could not serve as evidence of the age of Ming-jin Enterprises. For this reason, the claim in the advertisement was inconsistent with the fact and the difference could cause the general public to have wrong perceptions about the quality of the company's service or make wrong decisions. The conduct was in violation of Paragraph 4 of Article 21 of the Fair Trade Law and Paragraph 1 of the same article was applicable *mutatis mutandis*.
  - (3) After assessing the motive and purpose behind Ming-jin Enterprises' unlawful act, the profit expected, the level of harm to trading order, the duration of the conduct, the profit obtained, the business scale, management condition and market status of the company, past violations, corrective measures taken and the level of cooperativeness during the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$100,000 on the company.

Summarized by: Lin, Yen Kuang; Supervised by: Hsieh, Hsiu Lin