

(Translation)

Notification of the Insurance Commission

Re: Rules, Procedures, and Conditions or Time Limits for Payment of Debts to Creditors who are Entitled to Receive Payment of Insurance Debts from the Non-life Insurance Fund, and Rules for Notifying Information about Insurance Debts and the Characteristics of Insurance Obligations, B.E. 2558 (2015)

By virtue of the fourth paragraph of section 61/3, and the first paragraph of section 80/5 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by the Non-life Insurance Act (No. 3), B.E. 2558 (2015), together with the resolution of Insurance Commission Meeting No. 8/2558 on 31 August 2015, the Insurance Commission hereby issues the following notification.

Clause 1 This notification is called the "Notification of the Insurance Commission Re: Rules, Procedures, and Conditions or Time Limits for Payment of Debts to Creditors who are Entitled to Receive Payment of Insurance Debts from the Non-life Insurance Fund, and Rules for Notifying Information about Insurance Debts and the Characteristics of Insurance Obligations, B.E. 2558 (2015)."

Clause 2 This notification shall come into force from the date of promulgation.

Clause 3 The Notification of the Insurance Commission Re: Rules, Procedures, and Conditions for Payment from the Non-life Insurance Fund, and Insurance Obligations, B.E. 2552 (2009), dated 30 June 2009 shall be repealed.

Clause 4 In this notification,

"creditor" means an insured, a beneficiary under an insurance policy, or a third party who has a claim under an insurance obligation, including a heir, an assignee of claim or a subrogee of that person.

Clause 5 An insurance obligation must be a claim arising from a non-life insurance contract, and must have the following characteristics:

(1) is a claim for compensation under an insurance contract or a compromising agreement over that claim, such as compensation for cost of repair, reconstruction, or replacement of property, or claim for a refund of premium under an insurance contract; and

(2) is not a claim arising from a reinsurance contract or any other contract or agreement, such as hire of work contract, hire of service contract, insurance agent or broker appointment agreement.

Clause 6 The liquidator shall compile the names of creditors, amount of debts, amount of debts that are settled, outstanding amount of debts, and details of the creditors, the copies of letters of certification of payment issued by the liquidator, as well as the evidence supporting payment, in the forms prescribed by the Fund which must be in hardcopy and electronic format, and submit them to the Commissioner and the Fund within 45 days from the date of making debt payment to the respective creditors.

Clause 7 The Fund shall notify the creditors in writing to file an application for payment from the Fund within 180 days from the date the Fund receives notification of information under clause 6 from the liquidator, except that in the event that it is necessary to examine additional details or there is a *force majeure* event, the notification shall be given within 60 days from the date the examination of additional details is completed, or the date the *force majeure* event ends.

Clause 8 The provisions in clause 6 and clause 7 shall not apply to the case where the Fund is a liquidator, and the Fund shall use its money to pay to the creditors under this notification.

Clause 9 The Fund shall pay debts to each creditor no more than the amount specified in section 80/5 paragraph one, in accordance with the rules and conditions as follows:

(1) if a casualty or an event specified in an insurance contract occurs, the Fund shall make payment of debts according to the obligation, deducted by indebtedness owed to the company; or

(2) if an insurance contract is terminated, the Fund shall refund the premium according to the conditions in the insurance policy, deducted by indebtedness owed to the company, to the creditor, except that where another company agrees to accept transfer of the insurance policy, with the consent of the creditor, the Fund shall refund the premium according to the conditions in the insurance policy, deducted by indebtedness owed to the company, to that transferee company.

The amount that each creditor is entitled to receive from the Fund under the first paragraph shall not include tax or duty obligation, interest obligation, or damages arising as a result of late payment of debts by the company.

Clause 10 In the case that a company is subject to revocation of its license to undertake non-life insurance business after the establishment of the Fund under the Non-life Insurance Act, B.E. 2535 (1992), as amended by the Non-life Insurance Act (No. 2), B.E. 2551 (2008), and the Fund has not yet made payment of debts to creditors who are entitled to receive payment of insurance debts on behalf of that company whose license is revoked according to section 12 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015), the provisions of clauses 5, 6, 7 and 9 shall apply *mutatis mutandis*.

Notified on 28 December 2015.

Somchai Satchapong

Permanent Secretary for Finance

Chairman

The Insurance Commission