

(Counterpart)

Office of Insurance Commission

Registrar Order No. 56/2560

**re: Principles of Approval of Format, Content and Premiums of Insurance Policies Offered
via Electronic Channels, for Non-Life Insurance Companies**

In order for Companies to be able to offer insurance policies for sale via electronic channels in an appropriate manner, and that people can access those offerings via electronic channels more easily and efficiently, by virtue of section 29 and section 30 of the Non-Life Insurance Act, B.E. 2535, and clause 11 of the Notification of the Insurance Commission re: Rules and Procedures for Issuance of Insurance Policies, Offering Insurance Policies for Sale, and Indemnity under Insurance Contracts via Electronic Channels, B.E. 2560, the Registrar issues the order with the following details.

Clause 1. This order is called "Registrar Order No. 56/2560 re: Principles of Approval of Format, Content and Premiums of Insurance Policies Offered via Electronic Channels, for Non-Life Insurance Companies."

Clause 2. This order will be henceforth effective.

Clause 3. Companies must submit their insurance policies that are intended to be offered for sale via electronic (online) channels and supporting documents to the Registrar for approval. The Registrar will consider the appropriateness of those insurance policies on a case-by-case basis.

Clause 4. Companies must include the following statements in their insurance policies:

- (1) "sale through electronic (online) channels," for English insurance policies, and the Thai translation thereof for Thai insurance policies, in insurance

policies that are submitted for approval for sale via electronic channels;
and

- (2) the statement regarding the free look period, as shown below, in insurance application forms and insurance policies.

"Free look period

If the insured wants to cancel this insurance policy for whatever reason, he or she must submit a request for the cancellation, and return the insurance policy to the Company within 15 days after the date of receiving the insurance policy from the Company. If the insurance policy is issued by the Company via an electronic channel, the insured is not required to return it. In these cases, the insurance policy is invalid from the beginning date of the insurance period specified in the insurance coverage schedule, and the Company holds no liability for any loss or damage arising under this insurance policy. The Company will return all paid premiums to the insured, without the deduction of any costs or expenses, by the means as agreed upon by both parties."

If the free look period is longer than 15 days after the date of receiving the insurance policy from the company, the company must clearly indicate the number of days of the free look period in the insurance policy and the insurance application form. To determine a free look period, companies must consider the suitability of the insurance policies that are offered for sale.

Clause 5. Applications for the approval of the format, content and premiums of insurance policies offered for sale via electronic (online) channels must be submitted to the Registrar, along with at least the following required supporting documents:

- (1) the application form for the approval of the format and content of the insurance policy offered for sale via electronic (online) channels, signed by the company's authorized director;
- (2) the application form for the approval of the premiums of the insurance policy offered for sale via electronic (online) channels, signed by the company's authorized director;
- (3) the format and content of the insurance policy offered for sale via electronic (online) channels, with the statements in clause 4 included; and
- (4) a document showing the details of the process of offering insurance policies for sale via electronic (online) channels by the company, non-life insurance brokers, or banks, with at least the following required information:
 - (a) the insurance application process, contact channels, complaint process, and contact channels in the case of an error in the electronic services;
 - (b) the objectives of offering the insurance policy, benefits of buying the insurance policy, and recommendations for non-life insurance policies that are suitable for acceptable risk and payment capacity (the suitability requirement);
 - (c) the information on the insurance policy, such as a summary of the general terms and conditions, the benefits under the insurance policy and exclusion, the premiums of the insurance policy and the riders thereto (if any), the insurance coverage period, the premium payment period, and a reminder for prospects to study, read, and understand the information of the insurance policy;
 - (d) a flow chart showing the details of the process of offering insurance policies for sale via electronic (online) channels;

- (e) premium payment channels for prospects who want to make payments via electronic channels;
- (f) the methodology and format of the company's confirmation of insurance, whereby for a confirmation by phone call, the company must provide the confirmation call script to support its application; and
- (g) how the applicants for the insurance policy must identify and authenticate themselves.

Clause 6. If the company wants to offer an insurance policy for sale via electronic (online) channels, and the format, content and premiums of that insurance policy has been approved by the Registrar for sale on other channels, the company must submit the application form for the approval of the format and content, and/or the premiums of the insurance policy to the Registrar with at least the following required supporting documents:

- (1) the application form for the approval of the format and content of the insurance policy offered for sale via electronic (online) channels that is signed by the company's authorized director, and that provides the following information:
 - (a) the list of its insurance policies that have been approved, and its intention to add electronic (online) channels as distribution channels for those insurance policies; and
 - (b) an attestation that the company fully will apply the same format and content of the insurance policy that has been approved, and that it will add the statements as specified in clause 4 to the insurance policy that has been approved by the Registrar;
- (2) the application letter for the approval of the premiums, and the discount thereon, for the insurance policy offered for sale via electronic (online) channels, signed by the company's authorized director (if any);

- (3) a copy of the document covering the format, content and premiums of the insurance policy that has been approved by the Registrar; and
- (4) documents showing the details of the process of offering insurance policies for sale via electronic (online) channels, as described in clause 5 (4).

Clause 7. If the format, content, and premiums of the insurance policy offered for sale via electronic (online) channels, or the documents supporting the application as prescribed in clause 5 and clause 6 are incorrect or incomplete, the Registrar may request the company to correct them within the timeframe specified by the Registrar.

If the company unreasonably fails to correct or provide an accurate and complete document covering the format, content, and premiums of the insurance policy, or fails to provide the accurate and complete documents supporting the application as prescribed in clause 5 and clause 6 within the specific timeframe, the Registrar may reject the application.

Clause 8. If the format, content and premiums of insurance policies are submitted to the Registrar for approval for sale via electronic (online) channels, they will only be able to be used after they have been approved by the Registrar.

If the company submits its application for the approval of the format, content, and premiums of an insurance policy offered for sale via electronic (online) to the Registrar no later than 20 November 2017, it can use the format, content, and premiums of the insurance policy unless the Registrar issues a written notification of a decision otherwise. The consideration process takes no more than 15 days after the date of the Registrar's receipt of the complete application and supporting documents.

This order is issued on 25 August 2017.

- Signed -

(Mr. Suthipol Taweechaikarn)

Secretary general of the Office of Insurance Commission,

the registrar