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**Office of Insurance Commission**

**Registrar Order**

**No. 77/2560**

**Re: Criteria of Application for Approval of Form and Wording of Insurance Policy and  
Insurance Premium Rate for Universal Life Insurance Policy**

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In order to improve the criteria of application for approval of form and wording of insurance policy and insurance premium rate for universal life insurance policy so that it is in alignment with the current situation, by virtue of clause 29 and clause 30 of the Life Insurance Act, B.E. 2535 the Registrar issues the following order.

Clause 1 This order shall be called "The Registrar Order No. 77/2560 Re: Criteria of Application for Approval of Form and Wording of Insurance Policy and Insurance Premium Rate for Universal Life Insurance Policy."

Clause 2 This order is effective henceforth.

Clause 3 The Notification of the Department of Insurance re: Criteria of Application for Approval of Form and Wording of Insurance Policy and Insurance Premium Rate for Universal Life Insurance Policy dated 1 March 2007 shall be cancelled.

Clause 4 In this order:

"Universal life insurance" means an insurance that provides death benefit and investment return that depends on the result of the company's investment of the universal life policy's investment asset. The policy gives crediting interest and minimum return guarantee. The

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investment sum is the remaining premium after deducting cost of insurance and other expenses. Such premium includes top-up premium.

Clause 5 In applying for approval of form and wording of universal life insurance policy, a company must take action as follows.

(1) The company must use insurance application for universal life insurance only, which will be deemed a part of the universal life policy. The company must include fee and expense table, minimum return rate, expected return rate, and expected cancellation refund in each policy year. The following table must be shown under the insured's signature.

**The rate of return on the insured's balance depends on the company's investment performance but will not be lower the company's minimum rate of return.**

(2) In universal life policy, the company must use the standard ordinary insurance schedule and add the following:

- (a) identifying that the policy is a universal life insurance policy;
- (b) identifying the company's minimum rate of return.

(3) In universal life policy, the company must use the standard ordinary insurance general provisions as approved by the Registrar and add the following:

- (a) related definitions;
- (b) provision regarding submission of the financial status report of the insured's insurance policy at least once per year or as requested by the insured; and
- (c) fees, expenses and table of cost of insurance.

Clause 6 In applying for approval of premium rate of universal life policy, the company must take the following actions.

- (1) The insured sum and the net amount at risk
  - (a) **Type 1** For universal life insurance that has death benefit equalling either the insured sum or the total amount of the net amount at risk and the policy value, whichever is higher, the company must have:

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1) minimum insured sum of at least 12 times the yearly premium for 0-49 year old insureds and at least 10 times the yearly premium for insureds who are 50 years old or over; and

2) net amount at least of at least three times the yearly premium;

(b) **Type 2** universal life insurance that has death benefit equalling the total of minimum insured sum throughout the insurance term, which is at least eight times the yearly premium for 0-49 year old insureds and at least five times the yearly premium for insureds who are 50 years old or over.

(2) In each policy year, the total top-up premium of each period must not exceed the yearly premium.

(3) The mortality rate used must not exceed 100 percent of the mortality rate of Thai 2017 ordinary gender-based mortality table.

(4) The front end loading rate and the back end loading rate as well as other fee rates must be appropriately used as approved by the Registrar.

(5) The company must determine the minimum return rate that will be paid to the insured.

(6) The company must show calculation method of the company's investment return and investment return that will be paid to the insured.

Clause 7 In applying for approval of form and wording of insurance policy and premium rate for universal life insurance, the following documents are required:

(1) two copies of insurance premium rate book, the actuary's certification of premium rate and policy value rate calculation, the investment manager's certification for the universal life policy, ancillary documents, table showing expected return and table showing expected cancellation refund for each policy year;

(2) three copies of insurance policy form and wording and provisions regarding return payment;

(3) three copies of fee receipt for insurance policy form and wording and return payment and a copy of fee receipt for insurance premium rate; and

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(4) documents in (1) and (2) must be signed by the person who certifies liability under policy calculation report and the manager of investment as per the Registrar's order re: Criteria, Methods, and Conditions for Issuing and Offering of Universal Life Insurance Policy.

Ordered on 6 November 2017

(signed)

(Mr. Suthiphon Thaveechaiyagarn)

Secretary-General

The Office of Insurance Commission

Registrar