

(Translation)

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**Registrar's Order**

**No. 47/2561**

**Re: Required Disclosure of Financial Standing and Operating Results of Life Insurance Companies**

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By virtue of section 46/1 of the Life Insurance Act, B.E. 2535 (1992), as amended by the Life Insurance Act (No. 2), B.E. 2551 (2008), and section 5 of the Notification of the Insurance Commission re: Rules, Procedures and Conditions for Disclosure of Information of Life Insurance Companies, B.E. 2561 (2018), the Registrar hereby issues an order as follows.

Section 1. This order is called "Registrar's Order No. 47/2561 re: Required Disclosure of Financial Standing and Operating Results of Life Insurance Companies".

Section 2. This order shall enter into force on 1 October 2018.

Section 3. The following orders shall be repealed:

(1) Registrar's Order No. 1/2552 re: Required Disclosure of Financial Standing and Operating Results of Life Insurance Companies; and

(2) Registrar's Order No. 6/2552 re: Required Disclosure of Financial Standing and Operating Results of Life Insurance Companies (No. 2).

Section 4. In this order:

"company" means any company which has obtained a life insurance business license under the Life Insurance Act, and includes any branch of a foreign life insurance company which has obtained a life insurance business license in the Kingdom under laws on life insurance; and

"director" means any director authorized to bind the company obtaining a life insurance business license under the laws on life insurance, and includes a branch manager of a foreign life

(Translation)

insurance company which has obtained a life insurance business license in the Kingdom under laws on life insurance.

Section 5. Each company shall disclose its financial standing and operating results set forth in Chapter 2: Information Required to be Disclosed of the Notification of the Insurance Commission re: Rules, Procedures and Conditions for Disclosure of Information of Life Insurance Companies, B.E. 2561 (2018) in accordance with the forms; conditions; periods; and details provided for in this order.

Section 6. The Company's directors must sign to certify that information on financial standing and operating results required to be disclosed under this order is true and correct.

Section 7. Each company shall disclose information on financial standing and operating results in the form and within the specified periods as follows.

(1) The company shall disclose its annual financial standing and operating results in Form PorPhorChor.1 (Yearly Basis) attached hereto within five months from the end of its financial year.

(2) The company shall disclose its quarterly financial standing and operating results in Form PorPhorChor.1 (Quarterly Basis) attached hereto, within 60 days from the end of the quarter.

If the company's capital adequacy ratio (CAR) is less than 140 percent, the company shall disclose its financial standing and operating results in Form PorPhorChor.2 attached hereto on a monthly basis until the ratio exceeds 140 percent.

Section 8. The company shall disclose information with respect to financial statements in the form required in the Notification of the Insurance Commission re: Rules, Procedures, Conditions and Specified Periods for the Preparation and Filing of Financial Statements and Operating Results of Life Insurance Companies, within the following specified periods.

(1) Financial statements for the preceding calendar year that have been audited, with auditor's opinions, shall be disclosed by the company within five months from the end of the financial year.

(2) Quarterly financial statements reviewed by a certified public accountant shall be disclosed within sixty days from the end of the quarter.

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Section 9. The company shall disclose information described in sections 7 and 8 above on its website, and notify the Office of an up-to-date universal resource locator (URL) of that information, to provide the insured or the public access to the information disclosed by the company via the Office's website.

Section 10. The company must disclose its financial standing and operating results for 2017, along with the same of the first and second quarters of 2018, in and under the forms, conditions and details set forth in this order, by 1 November 2018.

Issued this 25th day of September 2018

-Signature-

(Mr. Suthiphol Taweechaikarn)

Secretary General of the Insurance Commission

Registrar

(Translation)

Form PorPhorChor.1 - Annual Basis

Disclosure Form (attached to Commission's Order 47/2561)

Re: Required Disclosure of Information of Life Insurance Companies, B.E. 2561 (2018)

Part 1: Certification of disclosed information

Note

*A director authorized to bind the company or a branch manager of a foreign company (in case of a foreign branch office) must sign with the corporate seal (if any) to certify that the information disclosed by the company as required by the Registrar is true and correct.*

We have carefully reviewed the disclosed information and certify that such information is correct, complete, not false, not misleading, and without omission of material facts. We hereby certify that all information disclosed is true and correct.

By: .....

Name: .....

Title: .....

By: .....

Name: .....

Title: .....

Date: .....

For (Year): .....

Part 2: Details of the disclosure

Note

*For details of the disclosure under items 1- 9 below, if those details have been posted on the company's website, the company may link the URLs of the information to the details disclosed.*

*The company shall disclose information with the following particulars.*

1. The company's background; its policies; objectives; business strategies; business description; details of key products and services; contact information; process and time periods for claim handling; decision-making and payouts under life insurance contracts.

1.1 Background:

Note

*Briefly describe the company background*

1.2 Policies, objectives and business strategies

Note

*Provide a brief overview of the company's policies and objectives, along with brief account of business environment, marketing , competition, industry trends, and business strategy.*

1.3 Business description

Note

(Translation)

*Describe the description of business currently undertaken by the company.*

1.4 Details of key products and service of the company, and ratio of insurance premiums based on types of insurance

Note

*Describe the types or classes of key products and services provided by the company, indicating diversity, and expertise in the products and services distributed and provided by the company.*

(Translation)

Ratio of insurance premiums based on types of insurance for 20XX

Unit: million Baht

| Item                                      | Ordinary insurance |         |             |        |       | Industrial insurance | Personal accident insurance | Group insurance | Total |
|---|--------------------|---------|-------------|--------|-------|----------------------|-----------------------------|-----------------|-------|
|   | Lifetime           | Savings | Contingency | Others | Total |                      |                             |                 |       |
| Amount of direct insurance premiums       |                    |         |             |        |       |                      |                             |                 |       |
| Proportion of insurance premium (percent) |                    |         |             |        |       |                      |                             |                 |       |

Source: Annual reports

**1.5 Contact information, insurance claim submission process**

1.5.1 Procedures, duration, documents and insurance claim submission process

1.5.2 Channel to contact the company and related agencies in case of disputes or complaints.

Note

*Clearly explain the procedures; duration; documents; and insurance claim submission process, as well as the channel for contacting the company and related agencies in case of disputes or complaints.*

(Translation)

## 2. The company's good governance framework and corporate compliance, along with implementation thereof

### 2.1 Good governance framework and internal control process

Note

*Describe the company's existing good governance framework and internal control process to give assurance to the insured and end-users of the company's determination and recognition of responsible, honest and prudent business conduct in view of the interests of the company and the insured.*

### 2.2 Organizational structure

Note

*Present its organizational structure, which can be in any format, including but not limited to an organization chart.*

### 2.3 Management structure

Note

*Indicate names, titles, tasks and responsibilities of :*

- the company's board of directors; and*
- the company's executives.*

### 2.4 Committees

2.4.1 Audit committee

2.4.2 Risk management committee

(Translation)

- 2.4.3 Investment committee
- 2.4.4 Nomination committee (if any)
- 2.4.5 Remuneration committee (if any)
- 2.4.6 Any others

Note

*Specify names; titles; and information on the scope of authority of each of the committees. If the company has appointed any committee listed in 2.4.4 to 2.4.6 above, the relevant information must also be disclosed to demonstrate that the company is equipped with good governance mechanisms and operates under the responsibility of the relevant committees.*

**2.5 Nomination and appointment of directors, independent directors, and executives**

Note

*The company must indicate the rules, procedures, processes for the nomination and appointment of its directors, independent directors and executives to ensure transparency in director nominations, and to give assurance that the directors, independent directors and executives have the qualifications; knowledge; experience; and competency that fit the needs of the company's business.*

**2.6 Remuneration policy**

Note

(Translation)

*Describe its remuneration policy applied to the company's directors, independent directors and executives to demonstrate that the company has put in place a remuneration policy that is transparent, clearly-defined, appropriate and fair as well as commensurate to the competency and duties of those directors, independent directors and executives.*

### 3. Enterprise Risk Management (ERM) and Asset Liability Management (ALM)

#### 3.1 Enterprise Risk Management (ERM)

Note

*Illustrate the overview of its enterprise risk management policy and guidelines.*

#### 3.2 Asset Liability Management (ALM)

Note

*Briefly outline activities carried out in the company's asset and liability management, explaining general principles implemented by the company to manage asset and liability. The adequacy analysis and duration matching of its assets and liabilities must be presented.*

### 4. Insurance underwriting risks that are foreseeable and significant which may affect the company's financial standing; reinsurance; management; linkage between funds and insurance underwriting risk; and insurance concentration risk.

Note

*Outline process to forecast significant loss that may occur from underwriting, rules for decision-making in accepting underwriting risks; reinsurance, or transfer of risk by other*

(Translation)

*means; linkage between funds and insurance underwriting risks; and insurance concentration risk.*

5. Value, methods and hypotheses for insurance liability assessment

Note

*Describe the methods and hypotheses for the company's insurance liability assessment.*

*Quantitative information must include:*

Unit: million Baht

| Item                          | Year 20XX  |                | Year 20XX  |                |
|-------------------------------|------------|----------------|------------|----------------|
|                               | Book value | Admitted value | Book value | Admitted value |
| Long-term technical reserves  |            |                |            |                |
| Short-term technical reserves |            |                |            |                |
| Unpaid policy benefits        |            |                |            |                |
| Due to insured                |            |                |            |                |

Remarks

- Book value means the value of underwriting liabilities which are assessed based on accounting principles. Its main purpose is to enable investors and financial analysts to

(Translation)

understand the economic value of underwriting liabilities accepted by the Thai accounting standards. This value must be certified by a certified public accountant.

- Admitted value means the value of underwriting liabilities assessed under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies. Its main purpose is to monitor the financial security of insurance companies and to ensure that the companies are able to pay full benefits determined in insurance contracts to the insured. The valuation must be conducted by an actuary, who must be licensed by the registrar, under generally accepted actuarial principles. Hypotheses employed in the valuation must be consistent with actual experiences. In the event that the company has insufficient data, the hypothesis may be based on industry-based experience and tailored to the characteristics of the insurance portfolio of the company. In addition, the value of technical reserves must include a provision for adverse deviations (PAD), as prescribed by the Office of Insurance Commission.

**Observation:** In certain financial reporting periods, underwriting liabilities may have significant differences between the book value and admitted value as a result of different underlying objectives and valuation methodologies. Users of this information are advised to carefully study and familiarize themselves with the purposes of the different approaches to valuation of underwriting liabilities before making any decision.

## 6. Investment

Note

*Outline the company's policies, objectives and investment process by presenting hypotheses, approaches to evaluate capital assets implemented in the preparation of financial reports under accounting standards, as well as capital adequacy reporting in compliance with the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies, B.E. 2554 (2011).*

(Translation)

Quantitative information shall include:

Unit: million Baht

| Type of capital assets   | Value as at 31 December |                |            |                |
|--|-------------------------|----------------|------------|----------------|
|  | Year 20XX               |                | Year 20XX  |                |
|  | Book value              | Admitted value | Book value | Admitted value |
| Cash deposits and deposit certificates with financial institutions   |                         |                |            |                |
| Debt instruments (bonds, debentures, promissory notes, bills of exchange, convertible debentures, and Government Savings Bank lottery tickets) |                         |                |            |                |
| Equities (excluding investment in subsidiaries and associated companies)   |                         |                |            |                |
| Investment units   |                         |                |            |                |
| Lending with insurance policies as collateral  |                         |                |            |                |
| Lending and granting of credit for vehicles hired purchase and leasing   |                         |                |            |                |
| Warrants for shares, debentures, and investment units  |                         |                |            |                |
| Derivatives  |                         |                |            |                |
| Other investment   |                         |                |            |                |
| Total capital assets   |                         |                |            |                |

**Remarks:**

(Translation)

- Book value means assets and liabilities which are assessed based on financial reporting standards.
- Admitted value means assets and liabilities which are assessed under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies. Its main purpose is to monitor the financial security of insurance companies and to ensure that they can pay full benefits as provided in their insurance contracts to the insured.

**7. Operating results of insurance companies and related analyses and ratios**

*Note:*

*Describe the company's overall operating results and present analysis of its operating results, along with related ratios based on financial reporting standards.*

Quantitative information shall include at least:

Unit: million Baht

| Item   | 20XX | 20XX |
|--|------|------|
| Total insurance premiums   |      |      |
| Insurance premiums as income (net)   |      |      |
| Net investment income  |      |      |
| Long-term technical insurance reserve increasing (or decreasing) from the preceding year |      |      |
| Net insurance benefits and payouts   |      |      |
| Net profit (loss)  |      |      |

Unit: percent

(Translation)

| Ratios  | 20XX | 20XX |
|---|------|------|
| 1st year underwriting expenses: net insurance premiums  |      |      |
| Underwriting expenses in subsequent years: net insurance premiums   |      |      |
| Return on equity ratio  |      |      |
| Return on asset ratio<br>-Return on total asset ratio<br>-Return on asset ratio, excluding unit-linked and universal life insurance policies                |      |      |
| Return on investment ratio<br>-Return on total investment ratio<br>-Return on investment ratio, excluding unit-linked and universal life insurance policies |      |      |
| Investment assets to insurance reserves ratio (admitted value)  |      |      |

- Remarks:**
- Admitted value means assets and liabilities which are assessed under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies. Its main purpose is to monitor the financial security of insurance companies and to ensure that they can pay full benefits as provided in their insurance contracts to the insured.
  - A unit-linked insurance policy is an insurance policy that provides life coverage and mutual fund investment. The value of the insurance policy is linked to the value of investment units. Assets in the investment fund belong to the insured, not the company.
  - A universal life insurance policy is an insurance policy that clearly separates life coverage and investment . Return on investment is linked to the company's

(Translation)

investment outcome but is no less than the prescribed guaranteed minimum return.

8. Capital adequacy

Note:

Describe the policies, objectives, and capital management process, including capital adequacy assessment.

Quantitative information must include:

Unit: million baht

| Item                                | As at 31 December |           |
|-------------------------------------|-------------------|-----------|
|                                     | Year 20XX         | Year 20XX |
| Total assets                        |                   |           |
| Total liabilities                   |                   |           |
| -Insurance liabilities              |                   |           |
| -Other liabilities                  |                   |           |
| Shareholders' equity                |                   |           |
| Capital adequacy ratio<br>(percent) |                   |           |
| Total capital available             |                   |           |
| Statutory capital                   |                   |           |

Notes: - The Notification of the Insurance Commission re: Designation of Classes and Types of Capital, along with the rules, procedures, and conditions for the calculation of capital of life insurance companies, provide that the registrar may establish necessary measures to monitor companies having a capital adequacy ratio of less than 140 percent.

(Translation)

- "Capital" is the capital at admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies.
- The foregoing items are based on admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies.

9. Financial statements and notes to financial statements for the preceding calendar year as audited by a certified public accountant, with their opinions.

Note

*The financial statement must be in compliance with the Federation of Accounting Professions Notification on accounting standards and financial reporting standards.*

(Translation)

Form Por Phor Chor 1 - Quarterly

Disclosure form (attached to the Registrar's Order No. 47/2561)

Re: Required Disclosure of Information of Life Insurance Companies, B.E. 2561 (2018)

*Part 1 Certification of disclosed information*

Note

A director authorized to bind the company or a branch manager of a foreign company (in case of a foreign branch office) must sign with the corporate seal (if any) affixed to certify that the information disclosed by the company as required by the Registrar is true and correct.

We have carefully reviewed the disclosed information and certify that such information is correct, complete, not false, not misleading, and without omission of material facts. We hereby certify that all information disclosed is true and correct.

By: .....

Name: .....

Title: .....

By: .....

Name: .....

Title: .....

Date: .....

For . ----- Quarter,(Year): .....

(Translation)

(Translation)

1. Capital adequacy

*Note:*

*Describe the policies, objectives, and capital management process, including capital adequacy assessment.*

Disclosure date:

Unit: million Baht

| Item                             | Quarter 1 |      | Quarter 2 |      | Quarter 3 |      |
|----------------------------------|-----------|------|-----------|------|-----------|------|
|                                  | 20XX      | 20XX | 20XX      | 20XX | 20XX      | 20XX |
| Capital adequacy ratio (percent) |           |      |           |      |           |      |
| Total available capital          |           |      |           |      |           |      |
| Statutory capital                |           |      |           |      |           |      |

**Remarks:** - The Notification of the Insurance Commission re: Designation of Classes and Types of Capital, along with the rules, procedures, and conditions for the calculation of capital of life insurance companies, provide that the registrar may establish necessary measures to monitor companies having a capital adequacy ratio of less than 140 percent.

(Translation)

- "Capital" is capital at admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies.
- Quarter 2 means accumulated operating results over the period of six months, and quarter 3 means accumulated operating results over the period of nine months.

**2. Financial reports**

Audited quarterly financial statements

Note

*Financial statements must be in compliance with the Federation of Accounting Professions Notification on accounting standards and financial reporting standards. (The company may link to the URL for this information in the company's financial statement on its website).*

(Translation)

Form Por Phor Chor. 2

[company's name]

Disclosed as at .....

Unit: million Baht

| Description                      | Month... | Month... | Month... |
|----------------------------------|----------|----------|----------|
| Assets                           |          |          |          |
| Liabilities                      |          |          |          |
| Equity                           |          |          |          |
| Total available capital          |          |          |          |
| Statutory capital                |          |          |          |
| Capital adequacy ratio (percent) |          |          |          |

- Notes
- The Notification of the Insurance Commission re: Designation of Classes and Types of Capital, along with the rules, procedures, and conditions for the calculation of capital of life insurance companies, provide that the registrar may establish necessary measures to monitor companies having a capital adequacy ratio of less than 140 percent.
  - The Notification of the Insurance Commission re: Rules, Procedures, and Conditions for the Reporting on Maintenance of Capital of Life Insurance Companies requires companies with a capital adequacy of less than 140 percent to report their capital adequacy status to the Registrar on a monthly basis.
  - "Capital" is capital at admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Life Insurance Companies.

(Translation)

We have carefully reviewed the disclosed information and certify that such information is correct, complete, not false, not misleading, and without any omission of material facts. We hereby certify that all information disclosed is true and correct.

By: .....

Name: .....

Title: .....

By: .....

Name: .....

Title: .....

Date: .....

Notes

- 1. Form Por Phor Chor. 2 is for disclosure by the company in the event that its capital adequacy ratio is less than 140 percent.*
- 2. A director authorized to bind the company or a branch manager of a foreign company (in case of a foreign branch office) must sign with the corporate seal affixed to certify that the information disclosed by the company as required by the Registrar is true and correct.*