

(Translation)

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Registrar's Order

No. 48/2561

Re: Required Disclosure of Financial Standing and Operating Results of Non-life Insurance Companies

By virtue of section 50/1 of the Non-Life Insurance Act, B.E. 2535 (1992), as amended by the Non-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 Non-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. 48/2561 re: Required Disclosure of Financial Standing and Operating Results of Non-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 The following orders shall be repealed: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. 2/2552 re: Required Disclosure of Financial Standing and Operating Results of Non-life Insurance Companies; and

(2) Registrar’s order No. 7/2552 re: Required Disclosure of Financial Standing and Operating Results of Non-life Insurance Companies (No. 2).

Section 4. In this order:

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

(Translation)

“director” means any director authorized to bind the company obtaining a non-life insurance business license under the laws on non-life insurance, and includes a branch manager of a foreign non-life insurance company which has obtained a non-life insurance business license in the Kingdom under the laws on non-life insurance.

Section 5. Each company must 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 Non-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 the company’s financial standing and operating results required to be disclosed under this order is true and correct.

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

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

(2) The company must disclose its quarterly financial standing and operating results in Form PorPhorWor. 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 must disclose its financial standing and operating results in Form PorPhorWor. 2, attached hereto, on a monthly basis until the ratio exceeds 140 percent.

Section 8. The company must 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 Non-life Insurance Companies, within the following specified periods.

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

(Translation)

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

Section 9. The company must 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) for 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 information for 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 PorPhorWor.1 - Annual Basis

Disclosure Form (attached to Commission's Order 48/2561)

Re: Required Disclosure of Information of Non-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 affixed (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 this 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.

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

1.1 Background:

Note

Briefly describe the company's background.

1.2 Policies, objectives and business strategies

Note

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

1.3 Business description

Note

Describe the business currently undertaken by the company.

(Translation)

1.4 Details of key products and services of the company, and ratio of insurance premiums by 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)

Unit: million Baht

Unit: million Baht

Item	Fire Insurance	Marine and transport insurance		Vehicle insurance		Miscellaneous insurance						Total
		Marine hull	Cargo	Compulsory	Voluntary	Property risk	Third party liability	Engineering	Personal accident	Health	Others	
Amount of direct insurance premiums												
Proportion of insurance premium (percent)												

Source: Annual reports

1.5 Contact information, process and time period for insurance claim submission, review and payout of compensation under the insurance contract

1.5.1 Procedures, duration, documents and insurance claim submission process

(Translation)

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.

2. The Company's corporate governance framework and corporate compliance, along with implementation thereof

2.1 Corporate governance framework and internal control process

Note

Describe the company's existing corporate 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 the company's 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

(Translation)

- the company's executives.

2.4 Committees

- 2.4.1 Audit committee
- 2.4.2 Risk management committee
- 2.4.3 Investment committee
- 2.4.4 Nomination committee (if any)
- 2.4.5 Remuneration committee (if any)
- 2.4.6 Other committees (if any)

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 corporate 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, and 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

(Translation)

Note

Describe the 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 the company's enterprise risk management policy and guidelines.

3.2 Asset Liability Management (ALM)

Note

Outline rules and policies for decision-making pertaining to its asset and liability management; criteria for managing liquidity and investment; and measures for preventing significant loss that may occur from sale of its investment assets during a period when the market environment is undesirable.

Quantitative information must include:

Unit: million Baht

Item	Year 20XX	Year 20XX
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(Translation)

	Book value	Admitted value	Book value	Admitted value
Total investment assets				
Total liquid assets				
Total liabilities				
Liabilities under insurance contracts				

Remarks - Book value means assets and liabilities which are assessed based on financial reporting standards.

- Admitted value means assets and liabilities which are assessed based on the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Non-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 the full benefits determined in the insurance contracts to the insured.

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 in forecasting potential significant loss and risk exposure from underwriting; policy and rules for decision-making in accepting underwriting risks; reinsurance, or other transfer of risk; linkage between funds and insurance underwriting risks; and insurance concentration risk, territories, types or insurance, and reinsurance. Rules for selection of reinsurer to provide services to the company must also be described.

(Translation)

Quantitative information must include:

Unit: million Baht

Description	Amount
Reinsurance recoverable	
Reinsurance receivable	
Deposits on reinsurance treaties	

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
Insurance contract liabilities				
- Premium liabilities				
- Claim liabilities				

Remarks: - Book value means the value of insurance contract liabilities which are assessed based on accounting standards, with the main purpose of allowing investors and financial analysts to understand the economic value of insurance contract

(Translation)

liabilities accepted by the Thai accounting principles. That value must be certified by a certified public accountant.

- Admitted value means the value of insurance contract liabilities which are assessed under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Non-life Insurance Companies, with the main purpose being to monitor the financial security of insurance companies and to ensure that the companies are able to pay the 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 company's insurance portfolio. 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, insurance contract 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 insurance contract liabilities before making any decision.

(Translation)

6. Investment

Note

Outline the company's policies, objectives and investment process. Present hypotheses, and approaches to assess investment 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 Non-life insurance Companies, B.E. 2554 (2011).

Quantitative information must include:

Unit: million baht

Investment assets	Value as of 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.				

(Translation)

Loans; vehicle leasing; finance leases.				
Warrants for debentures and investment units.				
Derivatives.				
Other investment.				
Total investment assets				

Notes: - Book value means assets and liabilities assessed based on financial reporting standards.

- Admitted value means assets and liabilities assessed under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Non-life Insurance Companies with the main purpose 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 operating results overview and present an analysis of its operating results, along with related ratios based on financial reporting standards.

Quantitative information must include at least:

Unit: million Baht

Item	20XX	20XX
Total insurance premiums		
Insurance premiums as income (net)		

(Translation)

Net investment income and other income		
Net profit (loss)		

Significant financial ratios (%)

Ratios	20XX	20XX
Loss ratio		
Expense ratio		
Combined ratio		
Liquidity ratio		
Return on equity		

8. Capital adequacy

<i>Note:</i> <i>Describe the policies, objectives, and capital management process, including capital adequacy assessment.</i>
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Quantitative information must include:

Unit: million Baht

Item	As of 31 December	
	Year 20XX	Year 20XX
Total assets		
Total liabilities		
-Insurance contract liabilities		
-Other liabilities		

(Translation)

Shareholders' equity		
Capital adequacy ratio (percent)		
Total capital available		
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 non-life insurance companies, provide that the Registrar may establish necessary measures to regulate companies having a capital adequacy ratio of less than 140 percent.

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

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

Note

The financial statement must be in compliance with the Notification of the Federation of Accounting Professionals re: Accounting Standards and Financial Reporting Standards.

(Translation)

Form Por Phor Chor 1 - Quarterly

Disclosure form (attached to the Registrar's Order No. 48/2561)

Re: Required Disclosure of Information of Non-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:

(Translation)

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

(Translation)

1. Capital adequacy

Note:

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

Disclosed on:

Unit: million baht

Item	Q1		Q2		Q3	
	20XX	20XX	20XX	20XX	20XX	20XX
Capital adequacy ratio (percent)						
Total available fund						
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 non-life insurance companies, provide that the registrar may establish necessary measures to monitor companies having a capital adequacy ratio of less than 140 percent.
 - "Capital" is the capital at the admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Non-life Insurance Companies.

(Translation)

- Q2 means accumulated operating results over the period of six months, and Q3 means accumulated operating results over the period of nine months.

(Translation)

2. Financial reports

Audited quarterly financial statements

Note

Financial statements must be in compliance with the Notification of the Federation of Accounting Professions re: 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.

Form PorPhorWor. 2

[company's name]

Disclosed as at

Unit: million Baht

Description	Month...	Month...	Month...
Assets			
Liabilities			
Shareholders' equity			
Total available capital			
Statutory capital			
Capital adequacy ratio (percent)			

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 non-life insurance companies, provide that the Registrar

(Translation)

may establish necessary measures to monitor companies having a capital adequacy ratio of less than 140 percent.

- Subject to the Notification of the Registrar re: Rules, Procedures and Conditions for the Preparation of the Maintenance of Capital of Non-life Insurance Companies, any company with its ratio of capital adequacy at less than 140 percent must present its capital maintenance report to the Registrar on a daily basis.
- "Capital" is the capital at the admitted value under the Notification of the Insurance Commission re: Valuation of Assets and Liabilities of Non-life Insurance Companies.

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

(Translation)

1. *Form PorPhorWor. 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.*