

The Office of Insurance Commission

Registrar Order

No. 54/2561

re: Rules for Approval of the Format and Content of Insurance Policies, Supplemental Documents, Addendums, and Insurance Premiums, for Facultative Insurance

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By virtue of provisions in section 29 and section 30 of the Non-Life Insurance Act, B.E. 2535 (1992), the registrar hereby issues the following order.

Clause 1. This order is called Registrar Order No. 54/2561 re: Rules for Approval of the Format and Content of Insurance Policies, Supplemental Documents, Addendums, and Insurance Premiums, for Facultative Insurance.

Clause 2. This order is henceforth effective.

Clause 3. Registrar Order No. 9/2557 re: Rules for Approval of the Format and Content of Insurance Policies, Supplemental Documents, Addendums, and Insurance Premiums, for Facultative Insurance, dated 13 February B.E. 2557 (2014), will be repealed.

Clause 4. When a company applies for approval of the format and content of an insurance policy, supplemental documents, addendums, and insurance premiums, for facultative insurance, under the rules prescribed in this order, the registrar will consider and approve them within 30 days after the date that the Office of Insurance Commission affixes a stamp to certify the receipt of the application, and the company has paid the fees. If the registrar sends no written notice of objection to the company, or written request for the company's explanation or additional evidentiary materials, within 30 days after the date of the receipt of the application, the format

and content of the insurance policy, supplemental documents, addendums, and insurance premiums, are deemed to be approved by the registrar on the date following the 30-day period.

Clause 5. The format and content of the insurance policy, supplemental documents, and addendums, for which the company applies for approval under clause 4, must be of any of the follow types of insurance:

- (1) property insurance against all risks for general businesses or industrial entities, which may include business interruption insurance, boiler and pressure tank insurance, and machinery breakdown insurance;
- (2) engineering insurance, including construction contract work insurance, contractors plant and machinery insurance, boiler and pressure tank insurance, electronics equipment insurance, system and machinery erection insurance, machinery insurance, and loss of profit following machinery breakdown insurance;
- (3) aviation insurance;
- (4) compulsory liability insurance, including compulsory third-party insurance, product liability insurance, directors and officers liability insurance, product recall insurance, and professional liability insurance;
- (5) marine cargo insurance, inland cargo insurance, hull insurance, and marine and logistics liability insurance; or
- (6) other insurance, including burglary insurance, money insurance, fidelity guarantee insurance, advertising board insurance, and trade credit insurance.

The company must be able to present the source of insurance pricing; or the source of information and the calculation method based on which insurance premium rates submitted for approval under clause 4 are determined.

Clause 6. The insured must have any of the following characteristics:

- (1) being a juristic person with property to be insured valued at no less than THB 2 billion, and standard insurance policies for general people are considered unfit for risks facing the company due to the severity and unique nature of those risks. These juristic persons may include oil refineries, power plants, and aviation businesses;
- (2) being a foreign juristic person doing business in Thailand under requirements from its overseas headquarters that it must be insured under an insurance policy with the same conditions worldwide; or
- (3) being a natural person or a juristic person with demands for insurance specifically designed for the business, due to extraordinary risks, and no existing standard insurance program is appropriate for the business.

Clause 7. The company must present the Letter of Intent to Use the Conditions of the Facultative Insurance Policy provided at the end of this order, which has been completed by the insurance applicant; or the insurance applicant's letter of acknowledgment that the format and content of the insurance policy, supplemental documents, and addendums that the company submits to the registrar for approval are not those of a standard insurance policy; and that the insurance applicant wants to use that format and content.

Clause 8. The company must show the proportion of its liability, the allocation of reinsurance both inside and outside Thailand, and the credit rating of the reinsurance company,

which must meet the requirements under the Notification of the Insurance Commission re: Rules, Procedures, and Conditions on Reinsurance of Non-Life Insurance Companies.

Clause 9. The company must maintain the capital adequacy ratio (CAR) at no less than the rate that the registrar may determine for supervision over its financial position under the Notification of the Insurance Commission re: Classification and Types of Capital Fund; and the Rules, Procedures, and Conditions for Valuation of Fund of Non-Life Insurance Companies.

Clause 10. The company must submit the following documents to the registrar to accompany its application for approval of the format and content of the insurance policy, supplemental documents, addendums, and insurance premiums, submitted under clause 4:

(1) the application form for approval of the format and content of the insurance policy, and insurance premiums, signed by an authorized director with the company seal affixed;

(2) copy of the receipt of fee payment;

(3) the Letter of Intent to Use the Conditions of the Facultative Insurance Policy provided at the end of this order, which has been completed by the insurance applicant; or the insurance applicant's letter of acknowledgment that this is not a standard insurance policy, and that the insurance applicant wants to use the format and content of the insurance policy, as well as the supplemental documents and addendums, that the company submits to the registrar, of the insurance applicant, which is an authorized person, for approval;

(4) the letter showing the company's liability proportion, the allocation of reinsurance both inside and outside Thailand, and the credit rating of the reinsurance company;

(5) the certification of CAR;

- (6) two copies of the format and content of the insurance policy, indicating the name of the insured under clause 6 (1), 6 (2) or 6 (3) (if any), and the insurance premiums, printed on the company's letterhead, for application;
- (7) documents showing insurance overview, general conditions, insurance coverage, and exceptions, in Thai; and
- (8) documents showing the source of insurance pricing; or the source of information and the calculation method based on which insurance premium rates are determined.

Clause 11. If the format and content of the insurance policy, supplemental documents, addendums, or insurance premiums, are later found to fail to comply with the provisions in this order, the format and content of the insurance policy, supplemental documents, addendums, or insurance premiums will be deemed to never have been approved by the registrar.

Issued on 2 November 2018

[Signature]

(Mr. Suthipol Taweechaikarn)

Secretary-General,

The Office of Insurance Commission

Remarks: This order is issued with the aim of adding the types of insurance that can be submitted for approval of format and content of facultative insurance policies; and shortening the procedures and improving the flow of the process to consider and approve the format and content of an insurance policy, supplemental documents, addendums, and insurance premiums, for facultative insurance.

Letter of Intent to Use the Conditions of the Facultative Insurance Policy

Made at .....

On this date of .....

\* I, Mr. / Mrs. / Miss ..... (insert the name and surname of the insured person), holding identification certificate no. .... (insert the number of the national identification card, the number of the passport, or the number of other official certificates), residing at ..... Alley: ..... Road: .....  
..... Village no.: ..... Subdistrict: ..... District: .....  
..... Province: ..... ; or Mr. / Mrs. / Miss ....., the attorney under the power of attorney, dated: ..... Month: .....  
Year: ....., which is attached to this letter,

\*\* I, ..... (insert the name of the insured juristic person), director authorized to sign to bind the company, as specified in the Office of the Company Limited and Partnership Registration certificate\*\*\* no....., dated: .....  
..... Month: ..... Year: ....., which is attached to this letter; or Mr. / Mrs. / Miss .....  
....., the attorney under the power of attorney, dated: .....  
..... Month: ..... Year: ....., which is attached to this letter, with its principal office at ..... Alley: ..... Road: ..... Village no.: .....  
Subdistrict: ..... District: ..... Province: .....  
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have read and understood the content in the ..... (insert the title of the insurance policy) Insurance Policy; supplemental documents, including .....  
..... (insert titles of supplemental documents); and addendums, including .....

..... (insert titles of addendums), to this letter in the execution of this insurance contact.

In witness whereof, I hereby sign my name.

(Signature) ....., insurance applicant  
(.....)

Company's stamp (if any)

Remarks:

This page can be printed in your business format, but at least the required information must be provided as shown above.

\* If the insured is a person. \*\* If the insured is a juristic person (please choose).

\*\*\* If the insured is a juristic person which is a public-sector organization or a state enterprise, other evidentiary materials of the attorney may be provided, subject to the registrar's permission.