

## Notification of the Insurance Commission

Re: Guidelines on the Participation in the Insurance Regulatory Sandbox

B.E. 2564 (2021)

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In order to establish a policy on supervision, promotion, and development of the insurance business operation, whereby the insurance business sector shall introduce technology to support the provision of services, and be able to test innovation in the provision of services to actual consumers in a limited environment and services under a regulatory criteria framework that could be specified or improved so that it becomes as flexible as necessary, with an aim to upgrade the supervision and promotion of the development of the ecosystem that is suitable for the insurance business operation in the digital era, and in line with the quantum leap development of innovation technology in the digital era, by virtue of Section 12 (2) and (5) the Insurance Commission Act B.E. 2550 (2007), together with the resolution of the Insurance Commission Meeting No. 1/2021 on 29 January 2021, the Insurance Commission hereby prescribes this Notification as follows:

Clause 1 This Notification shall be called the “Notification of the Insurance Commission Re: Guidelines on the Participation in the Insurance Regulatory Sandbox B.E. 2564 (2021).”

Clause 2 This Notification shall take effect from the date of this Notification onwards.

Clause 3 The Notification of the Office of Insurance Commission Re: Guidelines on the Participation in the Insurance Regulatory Sandbox B.E. 2562 (2019) dated 27 December 2019 shall be repealed.

Clause 4 In this Notification:

“insurance Company” means

(1) a company that has been granted a life insurance business license under the law on life insurance, and shall include a foreign life insurance company’s branch office that has been granted a license to operate a life insurance business in the Kingdom of Thailand under the law on life insurance; or

(2) a company that has been granted a non-life insurance business license under the law on non-life insurance and shall include a foreign non-life insurance company’s branch

office that has been granted a license to operate a non-life insurance business in the Kingdom of Thailand under the law on non-life insurance;

“insurance Broker” means

(1) a juristic person that has been granted a life insurance broker license under the law on life insurance; or

(2) a juristic person that has been granted a non-life insurance broker license under the law on non-life insurance;

“Office” means the Office of Insurance Commission;

“Insurance Regulatory Sandbox” means the testing of an innovation that introduces technology in support of the insurance business by providing services to actual consumers in a limited environment and provision of services and is under the supervision of the Office.

Clause 5 The applicants of the Insurance Regulatory Sandbox can be:

(1) Insurance Companies;

(2) Insurance Brokers;

(3) Business operators having expertise in technology, and being interested in offering a testing of new insurance technology innovation, while refraining from the operations of life or non-life insurance business, or the activities of inviting, indicating any opportunities or making any arrangements for any persons to enter into insurance contracts.

Clause 6 Each applicant for participation in the Insurance Regulatory Sandbox project must have the following qualifications:

(1) having resources in finance, operation system, and personnel with adequate knowledge, capability, and experience to appropriately provide relevant services;

(2) having clearly defined the framework and scope of the testing, and the expected results from the testing of innovation, and having the intention to offer such innovation to consumers in Thailand, after it has passed the testing in the Insurance Regulatory Sandbox;

(3) having the results of the studies that show the feasibility of the innovation to be tested, which include a study of any potential risks associated with the testing, and a plan for management of such risks;

(4) having in place a contingency plan for existing from the Insurance Regulatory Sandbox, in the circumstances of both success and failure of the applicants.

Clause 7 An Insurance Regulatory Sandbox project shall be in accordance with the criteria, procedures, and conditions prescribed and notified by the Office. The types of transaction to be tested in the Insurance Regulatory Sandbox must not be against public order or morality and must have the following characteristics:

- (1) being an innovation that introduces technology for testing that is beneficial to the overall insurance business, which makes it necessary to conduct such testing jointly; or
- (2) being beneficial to the development of the insurance industry; or
- (3) being beneficial to the consumers; or
- (4) having in place certain supervision criteria requiring a testing to be conducted in the Office's Insurance Regulatory Sandbox.

In this regard, if the innovation to be tested relates to an insurance premium rate fixing, the applicant shall apply such insurance premium rate which have been specifically approved by the Registrar for the Insurance Regulatory Sandbox, provided that such insurance premium rate must be in line with the expenses and rates of damage expected to be incurred, and in accordance with the principles of actuarial science.

(๔) มีหลักเกณฑ์การกำกับดูแลที่เกี่ยวข้องข้อกำหนดให้เข้าทดสอบใน Insurance Regulatory Sandbox ของสำนักงาน คปภ.

ทั้งนี้ หากนวัตกรรมที่นำมาทดสอบมีความเกี่ยวข้องกับการกำหนดอัตราเบี้ยประกันภัยให้ผู้สมัครใช้อัตราเบี้ยประกันภัยที่ได้รับความเห็นชอบจากนายทะเบียนเป็นการเฉพาะ เพื่อใช้กับโครงการทดสอบนวัตกรรมที่นำเทคโนโลยีมาสนับสนุนการให้บริการสำหรับธุรกิจประกันภัย ทั้งนี้ อัตราเบี้ยประกันภัยดังกล่าวต้องมีความสอดคล้องกับค่าใช้จ่าย อัตราความเสียหายที่คาดว่าจะเกิดขึ้น และเป็นไปตามหลักคณิตศาสตร์ประกันภัย

Clause 8 The testing period in the Insurance Regulatory Sandbox depends on the suitability of each project, but shall not exceed 1 year for each occasion. If the testing meets expectations, the Office may consider extending the testing period for no more than 1 year for each extension. In this regard, each applicant for participation in the project must file an application for approval of an extension at least 30 business days prior to the due date, detailing reasons for and the period of such extension applied for.

Clause 9 In the implementation of the Insurance Regulatory Sandbox project, the Office must ensure that each applicant for participation in the project has in place certain measures to ensure the insured's adequate receipt of accurate and complete information for

making a decision to participate in the testing. In addition, the applicant must maintain adequate risk management, including a plan of compensation for damage sustained by a party from any testing errors, which contains the following details at a minimum:

(1) Protection of Consumers:

The applicant must maintain measures for protecting the insured as follows:

(a) To ensure that the insured receives accurate and complete information for making a decision, and is informed of the testing's being under the Insurance Regulatory Sandbox and of the scope of testing;

(b) To ensure that the insured gives consent to the use of such innovation in the testing and to the disclosure of relevant information in respect of the testing;

(c) To ensure that the details of channels and measures for handling grievances are specified;

(d) To ensure that a plan of compensation for damage sustained by the insured or any party from any testing errors.

(2) Management of risks:

The applicant must maintain an adequate risk management system, which includes the confidentiality and integrity of its operating system and information, and the availability of its operating system. In this regards, any IT risk and cyber risk must be taken into consideration.

(3) Submission of reports:

(a) The applicant must inform the Office of its commencement of the project, and the Office shall then inform the Insurance Commission accordingly;

(b) The applicant must submit a report relating to the project to the Office within a period specified by the Office.

(4) Compliance with other relevant laws:

The applicant must comply with other relevant laws, for example, the law on electronic transactions, the law on personal data protection, the law on cybersecurity, the law on anti-money laundering; the law on combating the financing of terrorism and the proliferation of weapons of mass destruction, etc.

Clause 10 Where the Office is of the view that the testing results prove to be successful and beneficial to the development of the insurance industry and to the consumers, and that it is therefore necessary to prescribe or amend any Notifications of the Insurance

[Translation]

Commission, the Office shall make a proposal of such to the Insurance Commission for further consideration.

Clause 11 Projects that have been approved by the Office before the effective date of this Notification and are the testing, shall be eligible to proceed further until the end of their testing periods.

Notified on this 25<sup>th</sup> day of March B.E. 2564.

Krisada Chinavicharana  
Permanent Secretary, Ministry of Finance  
Chairman of the Insurance Commission