

Notification of the Insurance Commission

Re: Valuation of Non-life Insurance Companies' Assets and Liabilities (No. 4) B.E. 2562 (2019)

By virtue of Section 37 (2) of the Non-life Insurance Act B.E. 2535 (1992), as amended by the Non-life Insurance Act (No. 2) B.E. 2551 (2008), together with the resolution of the Insurance Commission Meeting No. 10/2019 on 30 September 2019, the Insurance Commission prescribes this Notification as follows:

Clause 1 This Notification shall be called the “Notification of the Insurance Commission Re: Valuation of Non-life Insurance Companies' Assets and Liabilities (No. 4) B.E. 2562 (2019)”.

Clause 2 This Notification shall take effect as from 31 December B.E. 2562 (2019) onwards.

Clause 3 The provision of Clause 27 of the Notification of the Insurance Commission Re: Valuation of Non-life Insurance Companies' Assets and Liabilities B.E. 2554 (2011) shall be repealed and replaced by the following provision:

“Clause 27 The provision for adverse deviations at the seventy-fifth percentile confidence interval for the unexpired risk reserve and claims reserve shall be regarded as a percentage of the best estimate of the unexpired risk reserve and claims reserve, as specified below:

Type of Insurance	Provision for Adverse Deviations at the 75 th Percentile Confidence Interval	
	Premium Reserve Risk	Claims Reserve Risk
Fire	20	15
Marine - hull	16	12
Marine - cargo	16	12
Compulsory motor vehicle	16	12
Compulsory motorcycle	10	8
Non-compulsory motor vehicle	10	8
Industrial All Risks (IAR)	27	21
Liability	31	24

[Translation]

Engineering	27	21
Aviation	16	12
Personal accident and health	16	12
Property	27	21
Financial	27	21
Travel	16	12
Others	27	21
Any insurance that provides coverage for critical illnesses, accident insurance, or health insurance with a coverage period exceeding one year, or a contract with guaranteed automatic renewals, under which the Company is not entitled to terminate, to make any upwards or downwards adjustment to the premiums, or to amend any benefits throughout the contract period, provided that the aggregate written insurance premiums pertaining to policies of this type shall be less than or equivalent to five percent of the Company's total written premiums as at the valuation date.	16	12

Notified on this 27th day of December B.E. 2562

-Signature-

Mr. Prasong Poontaneat

Permanent Secretary, Ministry of Finance

Chairperson of Insurance Commission

[Translation]

Remarks: The reason for issuing this Notification is that there has been an adjustment of the provision of adverse deviation, in order to be consistent with the current business condition and the improvement of the criteria for maintaining risk-based capital (RBC).