

**Notification of the Insurance Commission**

**Re: Criteria, Procedures, and Conditions for Life Insurance Companies' Application for Permission to Open Branch Offices, Relocate Headquarter or Branch Offices, or Dissolve Branch Offices**

**B.E. 2565 (2022)**

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For the sake of suitability, clarity and expediency of the criteria, procedures, and conditions for life insurance companies' application for permission to open Branch Offices, relocate headquarter or Branch Offices, or dissolve Branch Offices, and for promoting enhancement of business operation boundary of life insurance companies that possess preparedness through enabling them to provide more comprehensive insurance services to customers.

By virtue of Section 8, paragraphs five and six, and Section 17, paragraph two, of the Life Insurance Act B.E. 2535 (1992), as amended by the Life Insurance Act (No.2) B.E. 2551 (2008), together with the resolutions adopted at the Insurance Commission's Meetings No. 12/2021 on 29 October 2021, and No. 6/2022 on 27 May 2022, the Insurance Commission hereby prescribes this Notification as follows:

Clause 1 This Notification shall be called "the Notification of the Insurance Commission Re: Criteria, Procedures, and Conditions for Life Insurance Companies' Application for Permission to Open Branch Offices, Relocate Headquarter or Branch Offices, or Dissolve Branch Offices B.E. 2565 (2022)".

Clause 2 This Notification shall take effect as from the date of its publication onwards.

Clause 3 The Notification of the Insurance Commission Re: Criteria, Procedures, and Conditions for Life Insurance Companies' Application for Permission to Open Branch Offices, Relocate Headquarter or Branch Offices, or Dissolve Branch Offices B.E. 2551, dated 3 July 2008 shall be repealed.

Clause 4 In this Notification

"Office" means the Office of the Insurance Commission;

"Company" means the company under the law on life insurance;

"Branch Office" includes an office being segregated from a Company's headquarter, regardless of what it is called, and receiving funds, whether directly or indirectly, from the Company to cover its expenses, but excludes any place that has been approved by the Registrar to be used as a location of data operations unit, document storage, or training facilities in relation to the Company's business;

“Off-premises Business Operation” means the provision of services by the employees of the Company or its Branch Offices, or the provision of services by electronic devices, outside of the premises of the Company or its Branch Offices, from time to time and on a temporary basis, in order to facilitate the service users.

Clause 5 If the Office has set up an electronic system to accommodate any submission or delivery to the Office that is required of a Company for its compliance with this Notification, the Company shall proceed as required in accordance with the electronic form and method prescribed by the Office.

Clause 6 A Branch Office must be capable of carrying out activities relating to the life insurance business, such as inducing persons to enter into insurance contracts with a Company, underwriting, receiving payments of insurance premiums, making payment of insurance policy loan proceeds, making payment of insurance policy cash surrender value, and making payments under insurance policies.

Clause 7 An Off-premises Business Operation must be for the purpose of facilitating the insured or any intended service users within or beyond business hours from time to time, for a period of not exceeding thirty days on each occasion, and must not pose a characteristic of circumventing the Branch Office opening permit application process or a compliance with Section 8, paragraph five, of the Life Insurance Act B.E. 2535 (1992) and other relevant laws. The Off-premises Business Operation may be carried out at a venue for general events, such as exhibitions, trade fairs, charities, and festivals.

Clause 8 With respect to a Branch Office’s opening, dissolving, or relocation, and the Off-premises Business Operation, a Company must produce an annual action plan for such Branch Office’s opening, dissolving, or relocation, and the Off-premises Business Operation, that covers the overview of implementation of the previous year’s plan for the Branch Office’s opening, dissolving, or relocation, and the Off-premises Business Operation, and the intended implementation of that particular year’s action plan for the Branch Office’s opening, dissolving, or relocation, such as a number of Branch Offices to be opened, dissolved, or relocated, the scope of services to be provided at the Branch Office, the Off-premises Business Operation, and the tendency to apply technology in support of the provision of services, etc.

The Company must deliver the plan produced pursuant to paragraph one to the Office annually within ninety days from the date of each calendar year end.

In a case of any revision to the plan produced pursuant to paragraph one, the Company must deliver such revised plan within thirty days from the date of approval of such significant

revision as granted by the Board of Directors or another committee delegated by the Board of Directors, as the case may be.

## **Chapter 1**

### **Branch Office Opening, Off-premises Business Operation**

#### **Part 1**

##### **Permission and Issuance of Permit**

Clause 9 Subject to Section 8, paragraph five, of the Life Insurance Act B.E. 2535 (1992), a Company eligible to open a Branch Office must possess the following qualifications:

(1) Having the capital adequacy ratio (CAR) of not less than the ratio that the Registrar may prescribe as necessary measures for the supervision of the Company's financial position pursuant to the Notification of the Insurance Commission Re Classification and Type of Capital as well as Criteria, Procedure, and Conditions for Computation of Life Insurance Companies' Capital Requirement;

(2) Having the readiness in its operating system, personnel, management, internal control, risk management, information security, and complaints handling, including the process for monitoring and supervising the Branch Office's operation.

Clause 10 A Company possessing the qualifications pursuant to Clause 9 and is desirous to open a Branch Office shall obtain a Branch Office opening permit from the Registrar.

The Company shall submit a Branch Office opening permit application, in which the name of the branch manager or any other person being empowered to manage the Branch Office, must be specified.

After the Registrar's receipt of the application pursuant to paragraph two, together with relevant documents, the Registrar shall review the application within thirty days from the date of receipt of the application and complete set of documents. In this regard, the Registrar may extend the period of such review for no more than two occasions, each of which shall not exceed thirty days from the expiry date of such period.

The Branch Office opening permit application and the Branch Office opening permit shall be in the forms prescribed and notified by the Registrar.

Clause 11 A person to be appointed as the manager or any other person being empowered to manage the Branch Office must have the following characteristics:

(1) possessing the qualifications and none of the prohibited characteristics pursuant to Section 35 of the Life Insurance Act B.E. 2535 (1992), as amended by the Life Insurance Act (No.2) B.E. 2551 (2008);

(2) Not being a life insurance broker;

(3) Not being subject to a suspension of life insurance agent license, non-life insurance agent license, or non-life insurance broker license;

(4) Not having used to be subject to a revocation of life insurance agent license, life insurance broker license, non-life insurance agent license, or non-life insurance broker license, except where the period after such revocation is beyond the period prescribed in Section 69(2) (f) of the Life Insurance Act B.E. 2535 (1992), as amended by the Life Insurance Act (No.4) B.E. 2562 (2019) or Section 64(2) (f) of the Non-life Insurance Act B.E. 2535 (1992), as amended by the Non-life Insurance Act (No.4) B.E. 2562 (2019), as the case may be;

Clause 12 A manager or any other person being empowered to manage the Branch Office possessing no such qualifications, or some of the prohibited characteristics pursuant to Clause 11, shall discontinue any duty performance; and the Company must inform the Registrar accordingly within seven days and promptly appoint a person having the characteristics pursuant to Clause 11 to act as substitute, but no later than seven days from the date of the Company's being aware of said fact, or the date of such person's removal from office, as the case may be, and also notify the Registrar of the appointment within seven days, unless an extension of time is granted by the Office.

Clause 13 In a case where there is any change to a Company's or its Branch Office's name, or the registered address of the Branch Office's location without any physical relocation of such Branch Office, the Company shall notify the Registrar of the change within fifteen days from the date of such change; and the Registrar shall issue a replacement Branch Office opening permit to the Company upon the Company's return of the original Branch Office opening permit.

In a case where the Branch Office opening permit is substantially damaged or lost, the Company shall submit an application for a replacement permit to the Registrar within fifteen days from the date of becoming aware of such event.

The letter notifying the change pursuant to paragraph one and the application for a replacement permit pursuant to paragraph two shall be in the forms prescribed and notified by the Registrar.

Clause 14 A Company or its Branch Office must notify the Registrar of its intention to undertake Off-premises Business Operation at least seven days in advance, together with the following information, details, and document and evidence:

- (1) the scope of the intended Off-premises Business Operation;
- (2) the name of the Company or the Branch Office being responsible for provision of services pertaining to the intended Off-premises Business Operation;
- (3) the list of employees delegated by the Company or the Branch Office.

A letter notifying the intention pursuant to paragraph one shall be in the form prescribed and notified by the Registrar.

## **Part 2**

### **Operation**

Clause 15 A Company shall establish a set of written regulations on the operation of its Branch Office and Off-premises Business Operation, and maintain copies of such regulations at the headquarter or the Branch Offices for inspection by the Office.

Clause 16 After a Company has obtained a Branch Office opening permit from the Registrar, the Company shall be eligible to commence its Branch Office's operation on the date specified in the said permit application. In a case where the Company is unable to commence the Branch Office's operation on the date specified in the said permit application, the Company shall promptly notify the Registrar.

Clause 17 A Branch Office must be specifically segregated, and have its name clearly written on a signboard that is visibly displayed at the front part of the Branch Office location.

Clause 18 A Branch Office must display its Branch Office opening permit and organization chart, as well as list of employees or persons empowered to manage the Branch Office, at an overt and visible spot of such Branch Office location.

Clause 19 A Company must arrange for its internal officers to conduct an audit of its Branch Office's business activities and assets, as well as internal control within a reasonable period, taking into consideration the risk-based audit plan of each Branch Office, and to prepare and submit an audit report to the headquarter within sixty days from the completion date of the audit of such Branch Office.

The provision of paragraph one shall not apply to a Branch Office having been opened for the first year.

## **Part 3**

### **Preparation of Registers and Account Books on Businesses**

Clause 20 A Branch Office shall establish a register in relation to its Branch Office's business in accordance with the provisions of the Notification of the Insurance Commission prescribing the forms and particulars of registers in relation to businesses of life insurance companies that was issued by virtue of Section 40 of the Life Insurance Act B.E. 2535 (1992), together with Section 3(2) of the Insurance Commission Act B.E. 2550 (2007).

Clause 21 The account books in relation to a Branch Office's business shall be prepared in accordance with the law on accounting and the provisions of the law on public limited companies, and the Branch Office's trial balance must be prepared and submitted to its headquarter on a monthly basis by the twentieth day of the following month.

## **Chapter 2**

### **Relocation of Headquarter or Branch Offices**

Clause 22 A Company shall proceed with an office relocation of its headquarter for the purpose of facilitating the general public and the insured, and publish an announcement of such relocation in at least two nationwide daily Thai newspapers for not less than three consecutive days, or make the announcement via electronic media or other media for the general public, and post the announcement on an overt and visible spot at the former office location of the headquarter as well as on the Company's website for not less than thirty days prior to the intended relocation date, indicating the new location and the intended relocation date in the announcement.

In applying for a permission to relocate its headquarter, the Company shall be deemed to have been granted a headquarter relocation permit by the Registrar after the Company has submitted an application in the form prescribed and notified by the Registrar, together with the evidence of the announcements made pursuant to paragraph one, and has made payment of the permit fee.

The provision of this Clause shall apply, *mutatis mutandis*, to an office relocation of a Branch Office of a Company that is a foreign life insurance company's branch.

Clause 23 A Company shall proceed with an office relocation of its Branch Office for the purpose of facilitating the general public and the insured, and post the announcement on an overt and visible spot at the former office location of the Branch Office, as well as on the Company's website for not less than thirty days prior to the intended relocation date, indicating the new location and the intended relocation date in the announcement.

The Company shall apply for a permission to relocate its Branch Office by submitting to the Registrar an application in the form prescribed and notified by the Registrar, together with the evidence of the announcements made pursuant to paragraph one.

After having received the application and evidence of the announcements produced pursuant to paragraph two, the Registrar shall review the application within thirty days from the date of receipt of the application and the complete set of documents. In this regard, the Registrar may extend the review period for no more than two occasions, each of which shall not be longer than thirty days from the expiry date of such period.

Once the Registrar has approved the relocation of the Branch Office, the Registrar shall issue a new license to open a Branch Office to replace the former license, only when the former license has been returned and the Company has paid for the approval fee.

### **Chapter 3**

#### **Dissolution of Branch Office and Revocation of Branch Office Opening Permit**

Clause 24 In a case where a Company intends to dissolve a Branch Office, the Company shall post an announcement of the intended Branch Office's dissolution on an overt and visible spot at the office location of that Branch Office, as well as on the Company's website, for not less than thirty days prior to the intended date of the Branch Office's dissolution; indicating information about to which any other Branch Office's responsibility that the dissolving Branch Office's business will be transferred.

In applying for a permission to dissolve a Branch Office, the Company shall be deemed to have been granted a Branch Office dissolving permit by the Registrar after the Company has submitted an application in the form prescribed and notified by the Registrar, has returned the Branch Office opening permit, and has delivered the evidence of its compliance with paragraph one.

Clause 25 Where it appears to the Registrar that any Company's Branch Office has operated its business in a way that may cause damage to the insured, or is incapable of complying with this Notification throughout the period of its permit or the duration of its intended operation, the Registrar shall be empowered to order the Company to rectify, undertake any act or omission for the purpose of compliance with this Notification, or to revoke the Branch Office opening permit. In this regard, the Registrar may also prescribe any condition for the Company to comply with.

[Translation]

## Chapter 4

### Transitory Provision

Clause 26 All Branch Offices of a Company that have been permitted to operate prior to the effective date of this Notification shall be deemed as Branch Offices of the Company having been granted permits under this Notification.

Clause 27 All applications submitted by a Company to the Registrar prior to the effective date of this Notification shall be deemed as applications for permission so submitted pursuant to this Notification. In this regard, the Registrar may instruct the Company to submit additional documents and evidence in support of such applications review.

Notified on this 11<sup>th</sup> day of August B.E. 2565 (2022).

Permanent Secretary, Ministry of Finance  
Chairman of the Insurance Commission