

Notification of the Insurance Commission

**Re: Classification and Type of Capital as well as Criteria, Procedures, and Conditions for
Computation of the Capital Amount required of Life Insurance Company (No.5)**

B.E. 2564 (2021)

By virtue of Section 27 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. 5/2021 on 28 May 2021 and No. 7/2021 on 23 July 2021, the Insurance Commission hereby prescribes this Notification as follows:

Clause 1 This Notification shall be called the "Notification of the Insurance Commission Re: Classification and Type of Capital as well as Criteria, Procedures, and Conditions for Computation of the Capital Amount required of Life Insurance Company (No.5) B.E. 2564 (2021)."

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

Clause 3 The following provision shall be added as 9) of Clause 9 (1) (b) of the Notification of the Insurance Commission Subject: Classification and Type of Capital as well as Criteria, Procedures, and Conditions for Computation of Life Insurance Companies' Capital Requirements B.E. 2562 (2019) dated 27 December 2019:

"9) The remaining items to be deducted from Tier 1 capital that is a financial instrument, in a case where the full amount of Tier 1 capital that is a financial instrument is insufficient for the deduction."

Clause 4 The following provision shall be added as 3) and 4) of Clause 9 (2) (b) of the Notification of the Insurance Commission Subject: Classification and Type of Capital as well as Criteria, Procedures, and Conditions for Computation of Life Insurance Companies' Capital Requirements B.E. 2562 (2019) dated 27 December 2019:

“3) The direct or indirect investment in financial instruments that is counted as Tier 1 capital of other companies, or any company having been licensed to undertake the non-life insurance business under the law on non-life insurance;¹

4) The remaining items to be deducted from Tier 2 capital in a case where the full amount of Tier 2 capital is insufficient for the deduction.”

Clause 5 The following provision shall be added as (d) of Clause 10 (2) of the Notification of the Insurance Commission Re: Classification and Type of Capital as well as Criteria, Procedures, and Conditions for Computation of Life Insurance Companies’ Capital Requirements B.E. 2562 (2019) dated 27 December 2019:

“(d) The direct or indirect investment in financial instruments that is counted as Tier 2 capital of other companies, or any company having been licensed to undertake the non-life insurance business under the law on non-life insurance.²”

Notified on this 27th day of August B.E. 2564 (2021)

Permanent Secretary, Ministry of Finance
Chairman of the Insurance Commission

¹ Indirect investment in financial instruments that is counted as Tier 1 capital shall include the following instances: A Company enters into a debt-instrument-related derivatives contract with underlying assets which are financial instruments that is counted as Tier 1 capital of other companies, or any company having been licensed to undertake the non-life insurance business under the law on non-life insurance, whereby the Company is the buyer of those debt instruments, or has an opportunity to acquire those debt instruments in the future.

² Indirect investment in financial instruments that is counted as Tier 2 capital shall include the following instances: A Company enters into a debt-instrument-related derivatives contract with underlying assets which are financial instruments that is counted as Tier 2 capital of other companies, or any company having been licensed to engage in the non-life insurance business under the law on non-life insurance, whereby the Company is the buyer of those debt instruments or has an opportunity to acquire those debt instruments in the future.