

Notification of the Insurance Commission

Re: Criteria, Procedures, Conditions, and Periods for Payments under Life Insurance Contracts and Cases regarded as Life Insurance Companies' Acts to impede Payments or Insurance Premium Refunds

B.E. 2566 (2023)

Wherewithal the provisions of the Insurance Commission Act B.E. 2550 (2007) require the Insurance Commission to prescribe any act or conduct to be regarded as life insurance companies' acts to impede payments or insurance premium refunds, as well as the criteria, procedures, and conditions for payments under life insurance contracts, for the purpose of supervising life insurance companies' due compliance and payments to the insured, the beneficiaries, or the persons being entitled to make claims under insurance policies, in accordance with the conditions and periods specified in the life insurance contracts.

By virtue of Section 37, paragraph two, Section 38 (12), and Section 45 of the Life Insurance Act B.E.2535 (1992), as amended, and Section 3 (2) of the Insurance Commission Act B.E. 2550 (2007), together with the resolution adopted at the Insurance Commission's Meeting No. 13/2022 on 23 December 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, Conditions, and Periods for Payments under Life Insurance Contracts and Cases regarded as Life Insurance Companies' Acts to impede Payments or Insurance Premium Refunds B.E. 2566 (2023)."

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

Clause 3 The following notifications shall be repealed:

(1) the Notification of the Ministry of Commerce Re: Criteria, Procedures, and Periods regarded as Life Insurance Companies' Acts to impede Payments or Insurance Premium Refunds, dated 4 January 2005;

(2) the Notification of the Insurance Commission Re: Criteria, Procedures, and Periods regarded as Life Insurance Companies' Acts to impede Payments or Insurance Premium Refunds, dated 29 January 2016.

Clause 4 In this Notification

"Office" means the Office of the Insurance Commission;

“Company” means a company that has been licensed to undertake the life insurance business under the law on life insurance, and shall include a branch of any foreign life insurance company that has been licensed to undertake the life insurance business in the Kingdom of Thailand under the law on life insurance;

“Headquarters” shall include an office of any foreign life insurance company’s branch that has been licensed to undertake the life insurance business in the Kingdom of Thailand under this Act;

“Registrar” means the Secretary-General of the Insurance Commission, or any person assigned by the Secretary-General of the Insurance Commission;

“Commission” means the Insurance Commission;

“Insurance Fraud” means any committed offense as prescribed in Section 114/4 and Section 114/5 of the Life Insurance Act B.E. 2535 (1992), and any amendment(s) thereto.

Clause 5 This Notification shall not apply to any company that has been licensed to undertake only the reinsurance business.

Clause 6 A Company’s Board of Directors shall be tasked with the duty to supervise the Company’s compliance with the criteria, procedures, conditions, and periods specified in this Notification.

Chapter 1

Criteria, Procedures, and Conditions for Payments under Life Insurance Contracts

Clause 7 The Office shall be empowered to prescribe the guidelines in the interest of due compliance with this Notification.

Clause 8 A Company shall set up an operating system for managing payments under life insurance contracts, that is readily operational with the following characteristics at a minimum:

(1) Having a data recording and inspecting system for the purpose of making payments in accordance with the conditions of life insurance contracts, such as maturity amounts, cash surrender values, amounts in the case of contract avoidance, amounts in the case of request for insurance premium refunds, or loans under the insurance policy, and for the purpose of making payment upon any occurrence of an event that entitles the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policies, being eligible under life insurance contracts to make any claim, such as death benefits or compensation in the case of medical treatment;

(2) Having a data system, for recording claims or availing communication channels between the Company and the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policies;

(3) Having a data system, for recording claims and issuing life insurance contracts claim receipt numbers, that links the data recordings with the estimated payment amounts data, and the life insurance contracts payment approval data, as well as having a system for recording every change of the aforesaid data;

(4) Having a support system for supporting life insurance contracts payments management, such as an information technology or computer system, where the Company shall demonstrate the linkage of the related systems, such as insurance underwriting data that is linked to the life insurance contracts payment system and the Company's receiving and making payment system;

(5) Having a system for linking data between the Headquarters and branch offices so as to ensure that the acquired data and the data on life insurance contracts payments carried out by branch officers are accurately and completely recorded.

Clause 9 A Company shall designate persons being empowered to review and approve the payments under life insurance contracts, and persons being empowered to authorize payments in accordance with the principle of internal checks and balances.

Clause 10 When a Company receives a claim for payment under a life insurance contract, the Company shall undertake the following acts at a minimum:

(1) Recording data of the claim by linking such data to the record of relevant payment register and the Company's account within seven days from the date of receipt of the data; simultaneously issuing a log number for the payment items verification and the estimate of the payment to be made under the life insurance contract; and also informing the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, of all necessary documents and evidence required in proceeding with the claim, the channels for communicating with the Company, and the period for reviewing and making payment under the life insurance contract. Every change to the estimate of payment to be made under life insurance contract must be recorded, and any cause of such changes must be traceable;

(2) Setting up a procedure for reviewing payments to be made under the life insurance contract, as well as making communications to align comprehension among the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, with a view to making the life insurance contract payment procedure be acceptable and less likely be objected to by any concerned parties;

(3) Proceeding with a review and a payment to be made under the life insurance contract until its completion, and informing the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy of such proceedings within the following periods:

(a) In a case of an insurance policy surrender for receipt of a cash surrender value, the Company shall complete a review and a payment thereof within twenty days from the date of receipt of a complete set of documents and evidence;

(b) In a case of a loan under an insurance policy, the Company shall complete a review and a payment thereof within fifteen days from the date of receipt of a complete set of documents and evidence;

(c) In a case of a claim under accident insurance (non-fatal case), health insurance, medical expenses, or a critical illness insurance, the Company shall complete a review and a payment thereof within fifteen days from the receipt of a complete set of documents and evidence;

(d) In a case of insurance policy payments, other than (a), (b), and (c), but excluding the payments pursuant to (e), the Company shall complete a review and a payment thereof within fifteen days from the date of receipt of a complete set of documents and evidence;

(e) In a case where an insurance policy reaches its maturity or dividend payment due date, the Company shall make payment of the amount due under the insurance policy or the dividend to the insured within fifteen days of the insurance policy's maturity or the due date of payment to be made by the Company, as the case may be;

In a case where there is a reasonable doubt that a claim for payment under a life insurance contract made against the Company pursuant to (c) and (d) is not in accordance with the coverage as agreed in the life insurance contract, the Company may extend the specified period as necessary for a period not exceeding ninety days from the date of the Company's receipt of a complete set of documents. The Company shall bear the burden of proof to show that the claim for payment made against the Company is not in accordance with the life insurance contractual terms through adducing additional evidence;

Any life insurance contract payment made later than the period specified in paragraph one, or later than the period extended pursuant to paragraph two, shall cause the Company to be responsible for a default interest at the rate of fifteen percent per annum;

(4) In a case where the Company has agreed to make a life insurance contract payment pursuant to (3), the Company shall set up a procedure for monitoring a receipt of the intended

payment by the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, throughout the period during which the life insurance contract claim is not barred by prescription;

(5) In a case where the Company's intended life insurance contract indemnity payment is made by cheque, and none of the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, has yet to collect any cash from the bank when the cashing period has lapsed, such uncashed cheque amount shall be considered an outstanding sum of the life insurance contract payment, and the Company shall be required to pursue a procedure for monitoring a receipt of the intended payment by said persons pursuant to (4);

(6) In a case where the Company refuses to make any life insurance contract payment, or is unable to reach an agreed amount of such payment, the Company shall ensure that the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, are clearly and promptly informed of such refusal with details of relevant facts and rationales, including legal provisions or conditions under the insurance policy or clarification of the rationale behind the refusal of the claimed amount, as well as a notification of channels and procedure for communicating with the Company, that includes, at a minimum, email addresses and telephone numbers of the Company's assigned personnel being responsible for the review of such claim;

(7) In a case where the Company refuses to make any life insurance contract payment pursuant to (6) on the basis of a suspicion of any dishonest or corrupt act, or Insurance Fraud committed by the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, which constitutes an offense under Section 114/4 or Section 114/5 of the Life Insurance Act B.E. 2535 (1992), including any amendment thereto, or Section 341 and Section 342 of the Penal Code, the Company shall lodge a complaint with an inquiry official or institute a lawsuit at the court without any delay. After having proceeded as aforesaid, the Company shall notify the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, of the details of such proceedings together with its refusal to make the life insurance contract payment. In addition, the Company shall set up a procedure for monitoring the proceedings of action against those persons consecutively, in order to be informed of the outcome of the proceedings and promptly apply it in the life insurance contract payment review;

(8) In a case where the Company's monitoring reveals that the public prosecutor has not yet issued a prosecution order or an opinion supporting an order to prosecute such persons, within two years from the date of the Company's lodging of a complaint pursuant to (7), the Company shall make the life insurance contract payment within fifteen days from the date of the Company's

receipt of documents evidencing the monitoring of such proceedings from the public prosecutor or the inquiry official, as the case may be, indicating that the public prosecutor has not issued a prosecution order or an opinion supporting an order to prosecute, and a complete set of the documents and evidence in support of such life insurance contract payment claim;

(9) The Company shall notify the review outcome pursuant to (6) and (7) in writing. In this regard, the Company may notify the review outcome in writing via registered return-receipt mail or by electronic means. In the case of electronic means, the Company shall have first obtained consent from the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, and must proceed by using a method with the security level as prescribed by the law on electronic transactions and affixing electronic signatures which are reliable under such law. In addition, the Company shall transmit the information on the review outcome to the information system specified by the insured only. In a case where the Company is unable to notify the review outcome via that information system, the Company shall notify the review outcome via registered return-receipt mail.

Clause 11 In a case where a Company engages a third-party to provide services in relation to any proceeding under this Notification, the Company must arrange for an engagement contract with a material subject matter concerning the details of the service fee rates and operating expenses, details of expenses in support of the operations, and the period for rendering services to the Company. In addition, the Company must oversee such party's performance of contractual obligations, and the giving of testimony, opinions, or delivering relevant documents or evidence to the Registrar or the competent officer upon being requested by the Registrar or the competent officer.

The provision of paragraph one shall not apply to the use of any third-party services with a prior permission granted by the Registrar under Section 36 of the Life Insurance Act B.E. 2535 (1992), including any amendment thereto.

Clause 12 A Company shall set up a specific internal unit tasked with handling a request for reconsideration of the life insurance contract payment review outcome, to consider any complaints in a case where the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, do not agree with the Company's life insurance contract payment review outcome and wish for the Company's reconsideration of the review outcome. In this regard, the Company shall consider the complaint and proceed in accordance with the following criteria:

(1) An executive being empowered to make decisions on complaints, shall supervise the proceeding and review of the life insurance contract payment;

(2) In a case where a complaint is complicated or involves a large amount of money, any decision on the complaint must be made by a committee, comprising the executives being empowered to make decisions on complaints, the persons being responsible for the claim payment review unit, the underwriting unit, the legal unit, and the legal compliance unit. In this regard, the Company may specify the composition of the committee to be different from the above with the approval of the Company's Board of Directors;

(3) The unit tasked with handling a request for reconsideration of the life insurance contract payment review outcome shall complete any such reconsideration within a period specified by the Company, that is not exceeding thirty days from the date of the Company's receipt of a request for the reconsideration or any additional documents and evidence (if any);

(4) In a case where the Company agrees to make a life insurance contract payment, the Company shall complete such payment within the period specified by law;

(5) In a case where the unit tasked with handling a request for reconsideration of the life insurance contract payment review outcome affirms the opinion of the Company's officer pursuant to Clause 10 (6) and (7), such unit shall notify the reconsideration requester accordingly, entailing the rationale for the affirmation of such claim refusal, and the relevant laws or conditions under the insurance policy, or clarifying the rationale for being unable to make a payment in the claimed amount to the reconsideration requester;

(6) The Company shall notify the review outcome pursuant to (5) in writing. In this regard, the Company may notify the review outcome in writing via registered return-receipt mail or by electronic means. In the case of electronic means, the Company shall have first obtained consent from the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, and must proceed by using a method with the security level as prescribed by the law on electronic transactions and affixing electronic signatures which are reliable under such law. In addition, the Company shall transmit the information on the review outcome to the information system specified by the insured only. In a case where the Company is unable to notify the review outcome via that information system, the Company shall inform the review outcome via registered return-receipt mail.

(7) The Company shall store the information on all proceedings for further report to the Office upon request.

Clause 13 A Company must maintain its preparedness with respect to sufficient and quality personnel, and must procure written manuals for an operating system pursuant to Clause 8, for proceedings pursuant to Clause 10, and for an operation of a specific internal unit tasked with handling a request pursuant to Clause 12, as well as for an operation of relevant employees at all levels, that are up-to-date, in line with the Company's business operation, and available for inspection by the competent officer upon request. In this regard, the Office may order the Company to revise these manuals, as well as any relevant operating systems and operating procedures as it considers appropriate.

Clause 14 A Company shall disclose the steps and procedure for filing life insurance contract payment claims pertaining to each type of insurance policy, as well as the procedure for reconsideration of life insurance contract payment review outcome, on the Company's website, specifying the following details at a minimum:

(1) All documents and evidence required of the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy in pursuing a life insurance contract payment claim;

(2) Channels for communicating with the Company and its relevant units;

(3) The period of time for review and payment of the life insurance contract payment which shall not exceed the period specified in Clause 10 (3).

After having proceeded in accordance with paragraph one, the Company shall provide the Office with the details of such disclosure in accordance with the procedure specified by the Office within thirty days of the date of disclosure on the website. In a case where there is a reasonable cause, the Company may request the Office to grant an extension of such period, but not exceeding sixty days. In this regard, the Office may order the Company to revise the details of such disclosure made pursuant to paragraph one as it considers appropriate.

In a case where the Company changes any material detail of the disclosure made pursuant to paragraph one, the Company shall comply with paragraph one and paragraph two upon making each change.

In a case where the Company does not disclose the period of time for review and payment pertaining to any type of life insurance contract, it shall be deemed that the period for the Company's review and payment is in accordance with the period specified in Clause 10 (3).

Chapter 2

Criteria, Procedures, and Periods Regarded as Life Insurance Companies' Acts to impede Payments or Insurance Premium Refunds

Clause 15 Any act or conduct of a Company conforming to any one of the following criteria, procedures, and periods shall be regarded as the Company's acts to impede payments or insurance premium refunds to the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, without justifiable reasons or in bad faith:

(1) In a case where the Company voids an insurance contract in accordance with Section 865 of the Civil and Commercial Code without due reason or evidence indicating that the insured has omitted to disclose certain known facts or has knowingly made a misrepresentation;

(2) In a case where the Company, without due reason, offers to make payments of an amount lower than the sum insured, or pays medical expenses in an amount lower than the actual amount or that is lower than the amount specified in the insurance policy;

(3) In a case where an agreement or compromise settlement entailing an amount to be paid under an insurance contract or an insurance premium to be refunded has been concluded as a contract, regardless of when such contract is concluded, the Company fails to comply with such settlement;

(4) The Company intentionally violates the provisions of life insurance contracts, or any requirement or rules that clearly require the Company to have the obligation to make payment under life insurance contracts, to give any other benefits or to undertake any act for the sake of the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy;

(5) The Company fails to perform the debt obligation arising from a life insurance contract, rendering that it is necessary for the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, to lodge a complaint to the Office. If after having considered the complaint, the Registrar is of the opinion that the Company is obligated to make payments according to an insurance policy, or to refund insurance premiums, as the case may be, and the Company has not disputed or objected to the opinion of the Registrar in writing within fifteen days from the date of the Company being informed of the Registrar's opinion, and the Company fails to comply with the Registrar's opinion;

(6) The Company fails to perform the debt obligation arising from a life insurance contract, rendering that it is necessary for the insured, the beneficiaries, or the persons being entitled to

make claims under the insurance policy, to lodge a complaint with the Office; and after having considered the complaint the Registrar has the opinion that the Company is obligated to make payments according to an insurance policy, or to refund insurance premiums, as the case may be; and the Company fails to comply with the Registrar's opinion and has disputed or objected to the Registrar's opinion in writing within fifteen days from the date of the Company's being informed of the Registrar's opinion; and the case is subsequently referred to the review by court or arbitration; and the court renders a final judgement, or the arbitrator renders an award requiring the Company to make payments or refund insurance premiums;

(7) In a case where an insurance contract, regulations, or any rules issued by virtue of the law clearly impose obligation on the Company to refund insurance premiums when insurance policies become null to the insured, the beneficiaries or the persons being entitled to make claims under the insurance policies, but the Company fails to refund the insurance premiums within fifteen days from the date the insurance policies become null;

(8) In a case where the Company is obligated by a final court judgment to make payment according to an insurance policy or to refund an insurance premium, the Company fails to comply with the court judgement within the period specified in a legal execution decree;

(9) In a case where an arbitral tribunal renders an award that requires the Company to make payment according to an insurance policy or to refund an insurance premium, the Company fails to comply with the arbitral award within the period specified in the award, with the exception of the case that the Company has filed a petition to the court to challenge the arbitral award within ninety days from the date of the Company's receipt of a copy of the award, and thereafter the court renders a final order dismissing the Company's petition or the court has issued a final order requiring the Company to comply with the arbitral award;

(10) In a case where the Company refuses to make payment under a life insurance contract due to the suspicion of any dishonest, corrupt, or Insurance Fraud, committed by the insured, the beneficiaries, or the persons being entitled to make claims under the insurance policy, which constitutes an offense under Section 114/4 or Section 114/5 of the Life Insurance Act B.E. 2535 (1992), including any amendment thereto, or Section 341 and Section 342 of the Penal Code, and the Company has commenced criminal proceedings against such persons, but the public prosecutor issues an order ceasing the investigation or issues an absolute order of non-prosecution, or the court renders a final judgement dismissing the complaint, as the case may be, and the Company fails to make a life insurance contract payment within fifteen days from the date of the public prosecutor's order or the court's judgment, as the case may be.

[Translation]

Transitory Provision

Clause 16 All notifications, conditions, or orders issued under the Notification of the Insurance Commission Re: Criteria, Procedures, and Conditions for Payments under Life Insurance Contracts by Life Insurance Companies B.E. 2559 (2016) that take effect on the effective date of this Notification shall continue to be in full force to the extent that they are not contrary to or in conflict with this Notification, until notifications, conditions, or orders are issued under this Notification and take effect.

Clause 17 Any investigation or review lawfully carried out by the Office before this Notification takes effect shall be valid. Any investigation or review having remained pending before this Notification takes effect shall be carried out in accordance with this Notification until it is completed.

Notified on this 24th day of January B.E. 2566 (2023).

Permanent Secretary, Ministry of Finance
Chairman of the Insurance Commission