

**Notification of the Insurance Commission**

**Re: Life Insurance Companies' Investment in Other Businesses (No. 6)  
B.E. 2565 (2022)**

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By virtue of Section 28 of the Life Insurance Act B.E. 2535 (1992) and Section 3 (2) of the Insurance Commission Act B.E. 2550 (2007), together with the resolutions of the Insurance Commission Meeting No. 8/2021 on 27 August 2021 and No. 12/ 2021 on 29 October 2021, the Insurance Commission hereby prescribes this Notification as follows:

Clause 1 This Notification shall be called the “Notification of the Insurance Commission Re: Life Insurance Companies' Investment in Other Businesses (No. 6) B.E. 2565 (2022)”.

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

Clause 3 The following provision shall be added as Clause 9/1 and Clause 9/2 of the Notification of the Insurance Commission Re: Life Insurance Companies' Investment in Other Businesses B.E. 2556 (2013).

“Clause 9/1 In a case where a Company engages in granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, or issuing letters of guarantee as collateral for fulfillment of contracts for projects, the company shall establish a credit committee or any other committee appointed by the Board of Directors to perform the duties pursuant to this Notification.

The credit committee or the other committee pursuant to paragraph one must comprise not less than three members, with at least one member having possessed credit-related knowledge or expertise for at least three years.

Upon any appointment, removal, or replacement of any member of the credit committee or such other committee pursuant to paragraph one, the company shall notify the Office within thirty days from the date of such appointment, removal, or replacement made by the Board of Directors.

The provision of paragraph one shall not apply to any investment in the form of granting loans against the company's insurance policies as collateral and loans to its employees.

Clause 9/2 The credit committee or other committee appointed by the Board of Directors pursuant to Clause 9/1 shall have the following roles and responsibilities:

(1) To establish a credit policy framework on granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, and issuing letters of guarantee as collateral for fulfillment of contracts for projects, for the purpose of obtaining the Board of Directors' approval thereof;

(2) To regulate the credit activities in relation to granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, and issuing letters of guarantee as collateral for fulfillment of contracts for projects, to ensure due compliance with the credit policy, the risk management policy, and the relevant laws;

(3) To regulate the corporate governance, transparency, prevention of conflicts of interest in credit activities in relation to granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, and issuing letters of guarantee as collateral for fulfillment of contracts for projects ;

(4) To regulate the system for operations, personnel, information required in the credit activities in relation to granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange , and issuing letters of guarantee as collateral for fulfillment of contracts for projects to ensure the systems are made sufficiently available for supporting the operation;

(5) To report the results of the credit activities in relation to granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange , and issuing letters of guarantee as collateral for fulfillment of contract for projects to the Board of Director on a regular basis.”

Clause 4 The provisions of (3) of Clause 12 of the Notification of the Insurance Commission Re: Life Insurance Companies' Investment in Other Businesses B.E. 2556 (2013) shall be repealed and replaced by the following:

“(3) In a case where the Company engages in granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, or issuing letters of guarantee as collateral for fulfillment of contract for projects pursuant to Clause 9/1, paragraph one, to or for any person, the company must establish a policy on granting loans, offering vehicle hire-purchase, giving an aval of bills of exchange, or issuing letters of guarantee as collateral for fulfillment of contract for projects which must covers at least the following details:

(a) The regulations and procedure, criteria, and conditions for concluding any credit transactions, as well as risk management, internal control, data storage; and preparation of

written reports for the purpose of monitoring and analyzing relevant data and associated risks in writing, which must be approved by the Board of Directors and subject to the notifications prescribed by the Registrar, with minimum standards not lower than those of financial institutions as prescribed by the Bank of Thailand;

(b) The responsible persons involving in the credit-activities-related procedure, tasked with segregated duties and responsibilities in terms of credit operation, risk management relating to credit transactions, and auditing of credit transactions, must be described with at least the following details :

1) The credit analyst must be tasked with analyzing the debt repayment default risk according to the characteristics or types of credit, collateral, and the criteria for interest computation, before it is presented to the authorized person for approval;

2) The persons authorized to approve credit transactions at each appropriate level must be specified with their approval authority clearly defined in terms of the type of credit transactions and the maximum credit limit that each position has authority to approve;

3) The post approval credit reviewers must be tasked with responsibility for or verification of relevant operation;

4) The credit risk reviewers must be tasked with monitoring and reporting any risk associated with credit transactions to the Board of Directors or other delegated committee;

5) The credit transaction reviewers must be tasked with inspecting the conclusion of credit transactions and providing the Board of Directors with such inspection reports on a regular basis.

The persons pursuant to 1), 2), and 4) must not be the same individual, and the units tasked with responsibilities pursuant to 1) and 2) and the units tasked with responsibilities pursuant to 3), 4), and 5) must not be the same units.”

Clause 5 The provisions of Clause 36 of the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in Other Businesses B.E. 2556 (2013), as amended by the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in Other Businesses (No. 4) B.E. 2563 (2020), shall be repealed and replaced by the following provision:

“Clause 36 The company may deposit money with foreign banks, invest in foreign debt instruments, foreign equity instruments, investment units of funds established abroad , and trust certificates of trusts established abroad, investment units of property funds, trust

certificates of real estate investment trusts, investment units of infrastructure funds, trust certificates of infrastructure funds established abroad , foreign venture capitals, and syndicated loans to infrastructure project activity jointly with commercial banks to juristic person borrowers in foreign countries, with the total investment value not exceeding thirty percent of the investment assets of the company.”

Clause 6 The following provision shall be added as Clause 52/1, Section 1, Chapter 4, Part 8 on granting loans, offering Vehicle Hire-Purchasing, giving an Aval of Bills of Exchange, and Issuing Letters of Guarantee as Collateral for Fulfillment of Contract for Projects of the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in Other Businesses B.E. 2556 (2013):

“Clause 52/1 In this Part,

“Infrastructure Project Businesses”, means infrastructure project activities of the public sector, infrastructure that is beneficial to the general public of Thailand, including infrastructure projects in the ASEAN Region that bring about benefits to Thailand.”

Clause 7 The following provision shall be added as Clause 55, paragraph two of the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in Other Businesses B.E. 2556 (2013), as amended by the Notification of the Insurance Commission Re: Life Insurance companies’ Investment in Other Businesses (No. 2) B.E. 2558 (2015):

“The provision of paragraph one shall not apply to syndicated loans to infrastructure projects conducted jointly with commercial banks under Clause 56/1.”

Clause 8 The following provisions shall be added as Clause 56/1 and Clause 56/2 of the Notification of the Insurance Commission Re: Life Insurance Companies’ Investment in Other Businesses B.E. 2556 (2013):

“Clause 56/1 A Company may invest in syndicated loans for infrastructure activities under the following conditions:

(1) The company that wishes to invest in syndicated loans for infrastructure activities must have at least the following qualifications and characteristics:

(a) Having capital surplus of not less than ten thousand million baht ;

(b) Having an investment asset to the insurance reserve ratio of not less than ten percent;

(c) Having the capital adequacy ratio (CAR) for the most recent four quarters of not less than two hundred percent;

(d) Having an operating system that accommodates the operation related to the credit transactions.

(2) Being any of the following infrastructure project activities:

(a) Railway or pipeline transportation;

(b) Electricity;

(c) Waterworks;

(d) Roads, expressways, or concession ways;

(e) Airports or airfields;

(f) Deep sea ports;

(g) Telecommunication, or infrastructures for information technology and communication;

(h) Alternative energy;

(i) Water management or irrigation systems;

(j) Natural disaster protection systems, including warning systems and management systems to mitigate the severity of natural disasters;

(k) Waste management systems.

(l) A multi-infrastructure project that includes multiple infrastructure activities in (a) to (k), for which the infrastructure activities must fully comply with the following characteristics:

1) The infrastructure activities are inter-connected, promote or bring about benefits to one another or to the immediate community or nearby communities; and

2) The infrastructure activities generate or will generate not less than Eighty percent of the total revenue of the multi-infrastructure project.

(3) The syndicated loan must have the following characteristics:

(a) The lead manager or lead arranger must be a large-sized commercial bank according to the classification of the Bank of Thailand and with a credit rating of not less than the investment grade.

For the syndicated loan under paragraph one, the aggregate lending proportion of every commercial bank combined must not be less than sixty percent of the credit value under that loan agreement;

(b) The borrower or the guarantor, who is not the Thai Government, must have a credit rating of not less than the investment grade;

(c) The Company must not act as the lead manager or lead arranger;

(d) The Company may lend an amount of not more than 10% of the credit value under that loan agreement;

(e) The Registrar shall have the power to prescribe and notify other investment sub-limits as necessary.

(4) The assets or collateral placed as a mortgage or pledge against the borrowing must be any of the following assets or collateral:

(a) Being debt instruments that have been issued, paid, certified, accepted in aval , or guaranteed by either the Thai Government, the Bank of Thailand, the Ministry of Finance, or the Financial Institution Development Fund under Clause 44 (1);

(b) Being debt instruments that have been issued, paid, certified, accepted in aval, or guaranteed by financial institutions, or debt instruments that have been issued by limited companies, organizations, or state enterprises, or debt instruments that have been issued by real estate investment trusts, and that have been established in Thailand under Clause 44 (2);

(c) Being equity instruments listed on the stock exchanges in Thailand;

(d) Being investment units of mutual funds under Clause 49;

(e) Being real estate properties located in Thailand;

(f) Being guaranteed by a financial institution or a person, such as a Government, financial institutions that have a credit rating of not less than the investment grade, or the parent company of the person applying for credit that has a credit rating of not less than the investment grade, etc.;

(g) Being properties that have been registered as business collateral under the Business Collateral Act B.E. 2558 (2015), namely the right in deposits, the right to rent real estate properties, the right to receive money as collateral, other rights of claims, or machinery or equipment for use in the operation of infrastructure activities;

(h) Being the right to receive the future cash inflow of the project.

Clause 56/2 After the company has made an investment pursuant to Clause 56/1, the company must inform the Registrar of the investment within thirty days from the investment date, and submit at least the following information and documentation:

(1) The minutes of the meeting of the credit committee or other committee delegated by the Board of Directors;

(2) The details of the qualifications of the company pursuant to Clause 56/1 (1) (a), (b), and (c);

[Translation]

- (3) At least the following details of credit analysis:
- (a) The details of the infrastructure project;
  - (b) The consideration of the qualification of the borrower and the analysis on the ability to pay debts;
  - (c) The purpose of the loan;
  - (d) The project feasibility analysis and the project cash flow projection;
  - (4) The analysis of collateral, or the right to receive money or other rights of claim;
  - (5) The information relating to the consideration of credit received from the lead manager, including contracts related to the credit of the infrastructure project.”

Clause 9 In the case that the company has investment by means of granting loans, offering Vehicle Hire-Purchasing, giving an Aval of Bills of Exchange, or Issuing Letters of Guarantee as Collateral for Fulfillment of Contract for Projects before the effective date of this Notification, but excluding any investment by means of granting loans with the company’s insurance policies as collateral, or loans to its employees, the company shall establish a credit committee or other delegated committee to issue a credit policy, a policy on classification and reserves, and to set aside reserves for assets and financial obligations, to prepare credit information and asset retirement, and to improve the debt structure in compliance with the provisions of this Notification, within 180 days from the effective date of this Notification.

Notified on this 2<sup>nd</sup> day of June B.E. 2565 (2022).

Permanent Secretary, Ministry of Finance  
Chairman of the Insurance Commission