

NON-LIFE INSURANCE ACT, B.E. 2535 (1992)

**BHUMIBOL ADULYADEJ, REX.,
Given on the 4th Day of April, B.E. 2535;
Being the 47th Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to revise the law on non-life insurance.

Be it, therefore, enacted by the King, with the advice and consent of the National Legislative Assembly acting as the Parliament, as follows:

Section 1 This Act is called the "Non-life Insurance Act, B.E. 2535 (1992)."

Section 2 This Act shall come into force on and from the day following the date of its publication in the Government Gazette.

Section 3 The Non-life Insurance Act, B.E. 2510 (1967) shall be repealed.

Section 4 In this Act,
"loss" means any damage that may be estimated in terms of money, and includes the loss of rights, benefits, or income.

"company"¹ means a public limited company that is licensed to undertake the non-life insurance business under this Act, and shall include the branch office of a foreign non-life insurance company that is licensed to undertake the non-life insurance business in the Kingdom under this Act.

"head office" includes the branch office of a foreign non-life insurance company that is licensed to undertake the non-life insurance business in the Kingdom under this Act.

"undertaking the non-life insurance business" includes the undertaking of the reinsurance business.

"capital fund"² (repealed).

"non-life insurance agent" means a person delegated by the company to solicit or procure persons to enter into non-life insurance contracts with the company.

"non-life insurance broker" means a person who, for commissions, indicates the opportunities or arranges for persons to enter into non-life insurance contracts with the company.

"Commission"³ means the Insurance Commission.

"Fund"⁴ means the Non-life Insurance Fund.

* Pending review and approval by the Office of the Council of State or the Office of Insurance Commission.

¹ The definition of "company" was amended by section 3 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"company" means a limited company or a public limited company that is licensed to undertake the non-life insurance business under this Act, and shall include the branch office of a foreign non-life insurance company that is licensed to undertake the non-life insurance business in the Kingdom under this Act."

² The definition of "capital fund" was repealed by section 4 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"capital fund" means the portion of assets that exceeds the company's liabilities based on the appraised price of the company's assets and liabilities that are appraised according to this Act."

³ The definition of "Commission" was added by section 6 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴ The definition of "Fund" was amended by section 5 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"competent officer" means a person appointed by the Minister for the execution of this Act.
"Registrar"⁵ means the secretary-general of the Insurance Commission, or the person delegated by the secretary-general of the Insurance Commission.

"Minister" means the Minister being in charge and in control of the execution of this Act.

Section 5⁶ The Minister of Finance shall be in charge and in control of the execution of this Act, and shall be empowered to appoint competent officers, to issue Ministerial Regulations prescribing the fees, which shall not be in excess of the rates in the Schedule attached hereto, and to determine other activities for the execution of this Act, as well as to issue notifications by virtue of the provisions of this Act.

These Ministerial Regulations and notifications shall come into force upon their publication in the Government Gazette.

Chapter I Company

Section 6⁷ The non-life insurance business may be undertaken only if it is established in the form of a public limited company under the law on public limited companies, with a license to undertake non-life insurance business from the Minister, with the approval of the Cabinet.

In applying for a license to undertake the non-life insurance business under the first paragraph, the promoters of a company shall lodge an application with the Minister. When the Minister, with the approval of the Cabinet, grants approval for the undertaking of the non-life insurance business, the promoters shall incorporate a public limited company, and shall place a security deposit according to section 19 and maintain a capital fund according to section 27 within six months of the date of registration of the public limited company.

"Fund" means the Fund for Development of the Non-life Insurance Business."

⁵ The definition of "Registrar" was amended by section 7 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Registrar" means the Director-General of the Department of Insurance, or the person delegated by the Director-General of the Department of Insurance."

⁶ Section 5 was amended by section 8 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 5 The Minister of Commerce shall be in charge and in control of the execution of this Act, and shall be empowered to appoint competent officers, to issue Ministerial Regulations prescribing the fees, which shall not be in excess of the rates in the Schedule attached hereto, and to determine other activities for the execution of this Act, as well as to issue notifications by virtue of the provisions of this Act.

These Ministerial Regulations and notifications shall come into force upon their publication in the Government Gazette."

⁷ Section 6 was amended by section 8 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 6 Subject to section 7, the non-life insurance business may be undertaken only if it is established in the form of a limited company under the Civil and Commercial Code, or a public limited company under the law on public limited companies, with a license to undertake non-life insurance business from the Minister, with the approval of the Cabinet.

The establishment of a limited company or a public limited company under the first paragraph must be approved by the Minister, with the approval of the Cabinet. In this regard, conditions may be prescribed for the compliance therewith before the granting of approval.

When a limited company or a public limited company has been incorporated, a security deposit has been placed according to section 19, and a capital fund has been maintained according to section 27, an application to undertake the non-life insurance business shall be lodged with the Minister within the period prescribed by the Minister, but not exceeding six months from the date of registration of the limited company or public limited company.

The application for, and the issuance of, a license to undertake non-life insurance business shall be in accordance with the regulations and procedures prescribed in Ministerial Regulations. The Minister may also prescribe the conditions when issuing a license."

When the Minister finds that the applicants have fulfilled their obligations under the second paragraph, a license shall be issued to the public limited company incorporated by them.

In case where the public limited company is unable to place a security deposit or maintain a capital fund within the prescribed period, the approval to undertake the non-life insurance business shall be deemed nullified.

The application for, and the issuance of, a license shall be in accordance with the regulations, procedures, and conditions prescribed in Ministerial Regulations. The Minister may also prescribe the conditions when issuing a license.

Section 7 A foreign non-life insurance company may establish a branch office for the purpose of undertaking the non-life insurance business under this Act only after obtaining a license from the Minister, with the approval of the Cabinet. The Minister may also prescribe the conditions when issuing a license.

The application for, and the issuance of, a license to undertake the non-life insurance business for establishing a branch office of a foreign non-life insurance company under the first paragraph shall be in accordance with the regulations and procedures prescribed in Ministerial Regulations.

A branch office of a foreign non-life insurance company which is granted a license to undertake the non-life insurance business shall maintain assets in Thailand according to the amounts, types, procedures, and conditions announced by the Commission. The amount of assets prescribed by the Commission must not be less than the amount of the capital fund that must be maintained by a company under section 27.

The Minister shall issue a license under the first paragraph only after the company has placed a security deposit under section 19, and maintained assets in Thailand according to the third paragraph.

A company that is a branch office of a foreign non-life insurance company may not open a branch office anywhere.

A branch office shall include an office that is separate from the company's head office, regardless of what it is called, and receives funds for its expenditures from the company, either directly or indirectly, but shall not include the premises approved by the Registrar to be used as the site for information operations, storage of documents, and training in connection with the company's business.

Section 8⁸ A company's ordinary shares and preference shares shall be in the form of name certificates, and shall have a registered par value of not exceeding Baht 100 per share.

The issuance of preference shares under the first paragraph shall be in accordance with the law on public limited companies. The Registrar may prescribe the regulations, procedures, and conditions for protecting the interests of the insured, provided that these regulations, procedures, and conditions are not in conflict with the law on public limited companies.

Section 9⁹ A company must have Thai nationals holding at least 75 percent of the total number of its voting shares that have been sold, and not less than three-fourths of the total number of its directors must be Thai nationals.

⁸ Section 8 was amended by section 9 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 8** A company's shares shall be ordinary shares in the form of name certificates, and shall have a par value of not exceeding Baht 100 per share. The articles of association of the company shall have no restrictions on share transfers."

⁹ Section 9 was amended by section 3 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 9** A company must have directors who are Thai nationals not less than three-fourths of the total number of its directors, and must have the persons under (1) or (2), or (1) and (2) below, holding shares in aggregate representing more than 75 percent of the total number of its voting shares that have been sold:

- (1) Thai individuals, or non-registered ordinary partnerships in which all partners are Thai nationals;
- (2) juristic persons registered in Thailand and possessing the following characteristics:

In case where the Commission deems it appropriate, the Commission may permit persons of non-Thai nationality to hold shares up to 49 percent of the total number of voting shares that have been sold, and permit persons of non-Thai nationality to serve as directors in a number exceeding one-fourth, but less than one-half, of the total number of directors.

In the event that the company's standing or operations are of a condition that might cause damage to the insured or the public, or for the purpose of strengthening the stability of any company or the stability of the non-life insurance business, the Minister, upon the recommendation of the Commission, is empowered to grant a waiver to permit the company to have shareholders or directors other than as specified in the second paragraph.

The application for, and the granting of, permission under the second paragraph, as well as the application for, and the granting of, a waiver under the third paragraph shall be in accordance with the regulations, procedures, and conditions or time limits prescribed by the Commission or the Minister.

When permission is granted by the Commission, or a waiver is granted by the Minister, the Office of Insurance Commission shall announce that permission or waiver, together with the reasons and conditions or time limits, in the Government Gazette.

Section 10 If any person acquires shares of any company, and that acquisition causes the number of shares or shareholders to violate section 9, and to be non-compliant with section 11, this person may not set up the shares in excess of the prescribed percentage against the company, and the company shall not pay dividends or any other pecuniary benefit on the excess shares to that person, or allow that person to exercise voting rights on the said shares at its shareholders meetings.

Section 11 For the purpose of complying with section 9 and section 10, a company shall examine its register of shareholders not less than three months before each shareholders meeting, and shall inform the Registrar of the result of examination according to the particulars and within the period of time prescribed by the Registrar. In case where it is found that any shareholder holds a number of shares in violation of section 9, the company shall notify that shareholder thereof within 15 days from the date of finding so, and that shareholder shall make rectification within one month from the date of notification.

Section 12 The provisions of section 8, section 9, section 10, and section 11 shall not apply to a company that is a branch office of a foreign non-life insurance company under section 7.

Section 13¹⁰ A transfer or acceptance of transfer of the whole or any part of business, or an amalgamation of the companies, may only be executed between companies.

(a) having the persons under (1) holding its shares in excess of 50 percent of the total number of its voting shares that have been sold; or

(b) having the persons under (1), or the juristic persons under 2(a), or the persons under (1) and the juristic persons under 2(a), holding its shares in excess of 50 percent of the total number of its voting shares that have been sold.

If the Commission deems it appropriate, the Commission may permit persons of non-Thai nationality to hold shares up to 49 percent of the total number of voting shares that have been sold, and permit persons of non-Thai nationality to serve as directors in a number exceeding one-fourth, but less than one-half, of the total number of directors. In granting such permission, the regulations regarding shareholding by persons under the first paragraph shall apply, *mutatis mutandis*.

In the event that the company's standing or operations are of a condition that might cause damage to the insured or the public, the Minister, upon the recommendation of the Commission, is empowered to grant a waiver to permit the company to have shareholders or directors other than as specified in the second paragraph. The Minister may also prescribe the regulations or time limits when granting a waiver."

¹⁰ Section 13 was amended by section 10 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 13** A company licensed to undertake the non-life insurance business may not be amalgamated with another limited company or public limited company, except for the amalgamation with a company licensed to undertake the non-life insurance business.

In case where any companies wish to transfer or accept the transfer of a business, either in whole or in part, or to enter into an amalgamation under the first paragraph, the boards of directors of the companies shall jointly prepare and submit an operating scheme to the Commission. When granting its approval, the Commission may also prescribe any conditions as deemed appropriate to protect the interests of the insured, or to ensure the stability of business operations.

Section 13/1¹¹ A transfer of business, either in whole or in part, may be carried out after the approval by the Commission under section 13 paragraph two. The assignment of claims in that business transfer is not subject to the requirement to give notice to debtors under section 306 of the Civil and Commercial Code, provided that this assignment shall be without prejudice to the right of the debtors to set up a defense under section 308 paragraph two, of the Civil and Commercial Code.

In the case of the transfer of the whole business of the company, that transfer shall be deemed valid when the transferor company and the transferee company have complied with the conditions prescribed by the Commission under section 13 paragraph two, and shall constitute the revocation of the license to undertake non-life insurance business issued to the transferor company.

Section 13/2¹² An amalgamation of companies shall be in accordance with the law on public limited companies.

An amalgamation under the first paragraph shall be valid when the amalgamating companies have complied with the conditions prescribed by the Commission under section 13 paragraph two. It shall be deemed that the surviving company has been granted approval to undertake the non-life insurance business under section 6 paragraph one.

When the amalgamation is registered, a security deposit is placed according to section 19, and a capital fund is maintained according to section 27, the Minister shall issue a license to the surviving company. Such issuance shall operate as a revocation of the license to undertake non-life insurance business issued to the predecessor company.

Section 13/3¹³ In the case of the transfer of the whole or any part of the business of one company to another company, or in an amalgamation of companies, if the assets to be transferred include any collateral other than the right of mortgage, right of pledge, or right arising from a suretyship, which shall pass to the transferee by virtue of section 305 of the Civil and Commercial Code, that other collateral shall pass to the transferee company or the surviving company, as the case may be.

Section 14¹⁴ Apart from the fees for a license to undertake non-life insurance business, a company must pay an annual fee for the undertaking of the non-life insurance business every year, except in the year of issuance of the license.

The amalgamation under the first paragraph may be carried out only after the approval by the Minister. The Minister may prescribe any conditions for the compliance therewith before the granting of approval.

When the amalgamation is registered according to law, the new company resulting from the amalgamation shall apply for a license to undertake non-life insurance business according to section 6 within the period of time prescribed by the Minister, but not more than 3 months from the date of registering the new company resulting from the amalgamation. While applying for a license, the company may temporarily undertake the non-life insurance business under the old licenses. If the company fails to apply for a license within that period of time, or if the amalgamation is in violation of this section, the old licenses to undertake non-life insurance business issued to the companies before the amalgamation shall be deemed to expire."

¹¹ Section 13/1 was added by section 11 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹² Section 13/2 was added by section 11 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹³ Section 13/3 was added by section 11 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹⁴ Section 14 was amended by section 12 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 14** Apart from the fees for a license to undertake non-life insurance business, the company must pay an annual fee for the undertaking of non-life insurance business every year, except in the year of issuance of the license.

If any company fails to pay the annual fee within 3 months from the end of a calendar year, the Registrar shall issue an order to prohibit that company from expanding its business, until the fee is fully and correctly paid and the order of prohibition by the Registrar is revoked.

For the purpose of this section, to determine whether any case is an expansion of business under the second paragraph, the provisions in section 27/6 paragraph two, and the penalty in the case of a violation of section 27/6 paragraph one, as provided for under section 89/1, shall apply, *mutatis mutandis*.

Section 15¹⁵ (Repealed)

Section 16¹⁶ A company under section 6 that will open a branch office, relocate its head office or branch office, or dissolve its branch office, must obtain permission of the Registrar, wherein the provisions in section 7 paragraph six shall apply, *mutatis mutandis*.

The application for, and the granting of, permission shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 17¹⁷ No person shall act as an insurer by entering into an insurance contract with any person, unless he or she has obtained a license to undertake non-life insurance business.

No person shall use a form of insurance contract of a company, which he or she is not entitled to use under this Act.

Section 18 No person shall make use of the name or the description of "non-life insurance," or any other word or words having the same meaning, except the following persons:

- (1) a company;
- (2) an association of which the majority of members are companies, or an association of which the majority of members are officers or employees of a company;
- (3) an association of which the majority of members are non-life insurance agents or non-life insurance brokers;
- (4) an employers association, or a labor union of which the majority of members are officers or employees of a company;
- (5) a non-life insurance agent or non-life insurance broker who makes use of that description in his own business as a non-life insurance agent or non-life insurance broker, as the case may be;
- (6) a non-life insurance education institute, or any other institute relating to non-life insurance business, that makes use of that description in its name;
- (7) a director, officer, employee, member, or a person having any status, position, or duty in a company, association, labor union, non-life insurance education institute, or any other institute

If any company fails to pay the fees within 3 months from the end of each calendar year, its license to undertake non-life insurance business shall expire."

¹⁵ Section 15 was repealed by section 13 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 15** For the purpose of this Act, if a license to undertake non-life insurance business of any company expires, it shall be deemed that the license to undertake non-life insurance business of that company is revoked."

¹⁶ Section 16 was amended by section 14 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 16** A company under section 6 that will open a branch office, or relocate its head office or branch office, must obtain permission of the Registrar, wherein the provisions of section 7 paragraph six shall apply, *mutatis mutandis*.

The application for, and the granting of, permission under the first paragraph shall be in accordance with the regulations, procedures, and conditions announced by the Minister."

¹⁷ Section 17 was amended by section 14 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 17** No person shall act as an insurer by entering into an insurance contract with any person, unless he or she has obtained a license to undertake non-life insurance business under this Act."

relating to non-life insurance business under (1), (2), (3), (4), and (6) for the purpose of showing such position.

The use of a name, or an expression of a name, in the business of a non-life insurance agent or non-life insurance broker under (5) shall be in accordance with the regulations, procedures, and conditions announced by the Registrar.¹⁸

Section 19 A company shall place with the Registrar a security deposit, as collateral, according to the category of insurance.

The prescription of category of insurance and value of security deposit placed with the Registrar under the first paragraph shall be as prescribed in Ministerial Regulations.

The security deposit that must be placed by the company with the Registrar may be cash, Thai government bonds, or any other assets as announced by the Commission.

A company may change the security deposit placed by it, subject to the provisions of the second and third paragraphs.

Section 20 In case where the value of the security deposit of any company drops below that prescribed in the Ministerial Regulations issued under section 19, the Commission shall order that company to place additional security deposit to cover the prescribed amount within two months of the date of receiving the order.

Section 21 In case where the value of the security deposit of any company increases to a level above that prescribed in the Ministerial Regulations issued under section 19, the Commission shall be empowered to order the release of the portion of the increased value of that security deposit upon the request of the company if it can substantiate the increased value.

Section 22 In case where a company discontinues its non-life insurance business of any category, thereby causing the value of security deposit placed by it to exceed the value of security deposit prescribed for the undertaking of the remaining categories of non-life insurance business, the company is entitled to the return of the portion of the security deposit that exceeds the value of security deposit prescribed for the undertaking of the remaining categories of non-life insurance business when the company has produced evidence to the satisfaction of the Commission that it has settled the debts and has no outstanding liabilities for the category of non-life insurance business it has discontinued.

Section 23¹⁹ A company shall allocate reserves as follows:

- (1) a reserve for unearned premiums;
- (2) a reserve for claims; and
- (3) a reserve for other purposes as announced by the Commission.

The reserves under the first paragraph may be cash, Thai government bonds, or other assets in accordance with the regulations, procedures, conditions, and ratios announced by the Commission.

Section 24 The Commission shall be empowered to require that a company place the reserve under section 23(1) with the Registrar according to the categories of insurance, and the rates, regulations, and procedures announced in notifications.

¹⁸ Section 18 paragraph two was added by section 15 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹⁹ Section 23 was amended by section 16 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 23** A company shall allocate reserves as follows:

- (1) a reserve for unearned premiums;
- (2) a reserve for claims; and
- (3) a reserve for other purposes as announced by the Minister.

The allocation of assets as reserves under the first paragraph shall be in accordance with the regulations and procedures announced by the Minister.

The assets allocated as reserves under the first paragraph may be cash, Thai government bonds, or other assets as announced by the Minister."

Section 25 In case where the security deposit that a company places with the Registrar under section 19 and the reserve that a company places with the Registrar under section 24 are assets of which a transfer or acquisition must be registered with the competent officer under the law, or the transaction must be executed with another person involved with the transfer or acquisition thereof, the Registrar shall give notice in writing to the competent officer or that person concerned. The competent officer or that person may not transfer or dispose of these assets until the Registrar has given notice of the release or change thereof.

Section 26²⁰ The security deposit that a company places under section 19 and the reserve under section 23 that a company places with the Registrar under section 24 are not subject to execution of judgments so long as the company is not yet dissolved, including the time during which the company remains in existence as necessary for its liquidation.

In case where the company is dissolved, the creditors who are entitled to receive payment of insurance debts shall have preferential right over the assets placed as security deposit under section 19 and the reserve under section 23(1) that is placed with the Registrar under section 24, as well as the right to receive payment of debts out of these assets before other preferential creditors.

In case where the company's license to undertake non-life insurance business is revoked, the creditors who are entitled to receive payment of insurance debts shall have preferential right over the assets placed as security deposit under section 19 and the reserve under section 23(1) that is placed with the Registrar under section 24, and the procedures under section 61/2 and section 61/3 shall apply.

For assets of the company, apart from the security deposit under section 19 and the reserves under section 23(1) which are placed with the Registrar under section 24, the creditors who are entitled to receive payment of insurance debts shall have the same right to receive payment of debts therefrom as a holder of a preferential right over tax and duty under the Civil and Commercial Code.

Chapter I/I²¹

Maintenance of Capital Funds and Liquid Assets

Section 27²² The Commission shall be empowered to announce the types and categories of capital funds, including the regulations, procedures, and conditions for the computation of a company's capital funds.

²⁰ Section 26 was amended by section 4 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 26** The security deposit that a company places under section 19 and the reserves under section 23 that a company places with the Registrar under section 24 are not subject to execution so long as the company is not yet dissolved.

In case where the company is dissolved, the creditors who are entitled to receive payment of insurance debts shall have preferential right over the assets placed as security deposit under section 19 and the reserve under section 23(1) that is placed with the Registrar under section 24, as well as the right to receive payment of debts out of these assets before other preferential creditors.

In case where the company is bankrupt, the creditors who are entitled to receive payment of insurance debts shall have preferential right over the assets placed as security deposit under section 19 and the reserve under section 23(1) that is placed with the Registrar under section 24, as well as the same right to receive payment of debts out of these assets as a secured creditor under the bankruptcy law.

For assets of the company, apart from the security deposit under section 19 and the reserves under section 23(1) which are placed with the Registrar under section 24, the creditors who are entitled to receive payment of insurance debts shall have the same right to receive payment of debts therefrom as a holder of a preferential right over tax and duty under the Civil and Commercial Code."

²¹ Chapter I/I was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²² Section 27 was repealed by section 17, and added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 27** A company must maintain capital funds throughout the period of undertaking the non-life insurance business, in an amount not less than 10 percent of the total net premiums received in the preceding calendar year, but no less than Baht 30 million."

A company must maintain capital funds throughout the period of undertaking the non-life insurance business, in proportion to its assets, liabilities, obligations, or risks, at the rate announced by the Commission.

The Commission may determine the maintenance rate for capital funds under the second paragraph based on each or all sizes or categories of assets, liabilities, obligations, or risks.

In the event that a company buys back shares under the law on public limited companies, none of those shares shall be counted as part of the capital funds. Capital funds shall be reduced in accordance with the regulations, procedures, and conditions announced by the Commission.

A company is prohibited from using its capital funds to incur any obligation, subject to the regulations, procedures, and conditions announced by the Commission.

Section 27/1²³ A company shall maintain its liquid assets in proportion to its assets, liabilities, obligations, or reserves under section 23, at not less than the rate announced by the Commission.

The Commission may determine the maintenance rate for liquid assets under the first paragraph for certain types or all types of liquid assets, or may determine the proportion of each type thereof at any rate.

If a liquid assets maintenance rate determined by the Commission under this section increases, that increase shall be announced at least 60 days before the effective date.

Section 27/2²⁴ Liquid assets are:

(1) cash or deposits at banks, in accordance with the regulations, procedures, and conditions announced by the Commission;

(2) Thai government securities or Bank of Thailand securities;

(3) debentures or bonds, for which the Ministry of Finance, the Bank of Thailand, or the Financial Institutions Development Fund has guaranteed their principal and interest;

(4) other assets, in accordance with the regulations, procedures, and conditions announced by the Commission.

The liquid assets under (2), (3), and (4) above shall be negotiable and free from any obligations.

Section 27/3²⁵ A company shall manage its assets, liabilities, obligations, and reserves under section 23 to be consistent with the period of receipt of insurance premiums, receipt of payments from the insured or the public, or the period of borrowing, in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 27/4²⁶ A company shall allocate its assets for liabilities and obligations under insurance contracts, in accordance with the types, categories, and ratios announced by the Commission.

A company shall deposit reserves under section 23, save for the portion placed with the Registrar under section 24, and assets under the foregoing paragraph with financial institutions, or manage them in accordance with the regulations, procedures, and conditions announced by the Commission.

A company is not permitted to use the assets under the second paragraph to incur obligations, subject to the regulations, procedures, and conditions announced by the Commission.

Section 27/5²⁷ A company shall have a capital funds maintenance report prepared and presented to the Registrar every month, in accordance with the regulations, procedures, and conditions announced by the Registrar.

²³ Section 27/1 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²⁴ Section 27/2 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²⁵ Section 27/3 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²⁶ Section 27/4 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²⁷ Section 27/5 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

In the event that the capital funds of any company are reduced to less than the capital funds level required to be maintained under section 27 paragraph two, the company shall propose a scheme to refurbish the condition of its capital funds within 30 days of the receipt of notice from the Registrar or the detection of that condition by the auditor or the company.

A scheme under the first paragraph shall consist of at least the following particulars:

- (1) steps to increase capital funds to reach a sufficient amount;
- (2) the capital funds level anticipated to be maintained in each quarter, throughout the period of the scheme;
- (3) the description of the business to be carried out;
- (4) the period of the scheme, which shall not exceed one year.

The Registrar shall review the scheme and give notice of his consideration to the company within 30 days of the receipt of the scheme. The Registrar may also prescribe conditions or time limits in his approval.

In the event the Registrar rejects the scheme, or a company disagrees with the conditions or time limits determined by the Registrar, the company shall have the right to appeal to the Commission within 30 days of the receipt of notice. The Commission shall completely review the appeal within 60 days of the receipt of the appeal.

A decision of the Commission shall be final.

Section 27/6²⁸ While executing the approved scheme under section 27/5, a company may carry out its normal business, but may not expand its business until the company is able to maintain its capital funds in accordance with section 27 paragraph two.

To expand a business under the foregoing paragraph means:

- (1) to accept new insurance policies, or to expand the insured amount of the existing insurance policies;
- (2) to increase risks relating to investments in other businesses of the company;
- (3) to incur additional obligations, except as required by the existing obligations;
- (4) to enter into an agreement to appoint an additional non-life insurance agent or broker;
- (5) to accept a transfer of business from another company.

The Registrar shall announce those cases which represent an increase of risk under (2) or those cases which represent the incurring of additional obligations under (3).

Section 27/7²⁹ The Registrar shall consider carrying out the acts stated in section 52 if any of the following events occurs:

- (1) a company fails to propose a scheme under section 27/5 to the Registrar within the specified time;
- (2) a company fails to carry out activities under the scheme, or carries out activities not in accordance with the approved scheme under section 27/5, in accordance with the conditions or time limits prescribed by the Registrar;
- (3) a scheme proposed under section 27/5 is rejected and the company fails to appeal such rejection within the specified time, or the Commission makes a decision to dismiss such appeal.

Chapter II Supervision of Companies

Section 28 Apart from non-life insurance, a company may invest only in businesses announced by the Commission. The Commission may prescribe conditions for the undertaking of that business to the company for observance.

Section 29 Insurance policies, including related documents or endorsements, that a company issues to the insured shall be in the form, and consist of the text, as approved by the Registrar.

²⁸ Section 27/6 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

²⁹ Section 27/7 was added by section 18 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

The Registrar may, at his discretion or at the request of the company, order that the form or text approved by the Registrar under the first paragraph be changed, amended, or repealed, either in whole or in part.

In case where a company issues an insurance policy which differs in form or text from that approved by the Registrar under the first or second paragraph, the insured or the beneficiary of the insurance policy shall have the option of holding the company liable for performance of obligations according to the policy or text issued by the company, or according to the policy or text as approved by the Registrar. Regardless of whether the insured or the beneficiary exercises that option, the company shall not be released from its liabilities prescribed under this Act.

In the event that a company issues an insurance policy using the form or text which was not approved by the Registrar under the first or second paragraph, the insured shall have the option of holding the company liable under that insurance policy, or terminating the insurance contract and having the company fully return the premiums paid to the company. Regardless of whether the insured exercises that option, the company shall not be released from its liabilities prescribed under this Act.

Section 30 The premium rates prescribed by a company shall be approved by the Registrar.

The Registrar may, at his discretion or at the request of the company, order that the premium rates approved by the Registrar be changed, provided that any change in the rate shall not affect the insurance policies for which premium rates have already been fixed as previously approved by the Registrar.

Section 30/1³⁰ The text of or pictures in an advertisement or prospectus shall be deemed an integral part of the insurance policy. If any text or picture contains a meaning in conflict with the insurance policy, it shall be interpreted in a way that is favorable to the insured or the beneficiary of the insurance policy, as the case may be.

A non-life insurance agent is not allowed to use any text or picture in an advertisement or prospectus that has not been approved by the company to solicit a person to enter into an insurance contract.

Section 31 No company shall:

- (1) engage in the life insurance business;
- (2) underwrite loss in excess of the following amounts, except with the written

permission of the Registrar:

(a) underwrite fire insurance for a single or several risks combined, for the same insured peril, within an area prescribed by the Registrar, for an insured sum exceeding 10 percent of the capital fund;

(b) underwrite insurance for land, water, or air vehicles, and persons or property therein, and liability insurance for the same loss, for an insured sum in respect of each vehicle in excess of 10 percent of the capital funds;

(c) underwrite insurance for any loss other than that under (a) or (b), for an insured sum in respect of each type of insurance in excess of 10 percent of the capital funds.

In the case of reinsurance for loss under (a), (b), or (c), which becomes effective at the same time as the insurance for that loss, the insured sum under the reinsurance shall not be included in the sums prescribed under (a), (b), or (c);

(3) reduce its capital without written permission of the Registrar, and the approval of the Commission;

(4) deposit money elsewhere other than in banks, finance companies, or finance and securities companies;

(5) keep cash anywhere except at the office of the company;

³⁰ Section 30/1 was added by section 19 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

(6) pay money or any other property to a director, manager, consultant, officer, or employee of the company as commission or remuneration for or in connection with any transaction or any act, other than gratuities, salaries, bonuses, or monies which may normally be paid to them;

(7) pay money or any other property to non-life insurance agents or brokers, other than wages or commissions which may normally be paid to them;

(8) advance money or any other property to any person as commission or remuneration for work to be done for the company;

(9) pay commission to a person who assists in obtaining an insurance contract, but is not a non-life insurance agent or broker of the company;

(10) buy or hold immovable property, except:

(a) those for use as premises for operating the business, or for the welfare of the company's officers or employees, as may be reasonable;

(b) those for use for investment in other businesses, as announced by the Commission under section 28;

(c) those acquired by the company as a result of a debt settlement or enforcement of mortgage.

The purchase or possession of immovable property under (a) or (b), or the acquisition of immovable property as a result of a debt settlement under (c), requires the written permission of the Registrar. The Registrar may prescribe any conditions when granting permission;

(11) give special benefits to the insured or beneficiaries of the insurance policy, in addition to those specified in the insurance policy;

(12) accept from the insured a payment of premiums in an amount less than the amount payable;

(13) appoint or authorize persons other than non-life insurance agents, non-life insurance brokers, or officers of the company who have duties concerning receipt of money, to receive premium payments;

(14) issue an insurance policy without the signature of a director authorized to bind the company and without the company seal as registered, or without the signature of the branch manager of a foreign non-life insurance company as shown in the license to undertake non-life insurance business and without the company seal, if any;

(15) advertise the company or its non-life insurance business in a false or exaggerated manner;

(16) appoint or assign persons other than the company's non-life insurance agents to solicit or procure persons to enter into insurance contracts with the company, except for the acts of directors, officers, or employees of the company, for and on behalf of the company; or

(17)³¹ sell or give any immovable property or movable property with an aggregate value exceeding the amount prescribed by the Registrar to its directors, or purchase assets from any of its directors, including a person related to any of its directors, as announced by the Commission, except with the consent of the board of directors of the company and the approval of the Registrar.

Section 32 A non-permission order of the Registrar under section 31(2) may be appealed to the Commission within 15 days from the date of acknowledging the order. The decision of the Commission shall be final.

Section 33³² A company shall dispose of immovable property, acquired by the company under section 31(10), in the following cases:

³¹ Section 31(17) was amended by section 20 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 31(17) sell or give any immovable property or movable property with an aggregate value exceeding the amount prescribed by the Registrar to its directors, or purchase assets from any of its directors, except with the consent of its board of directors and the approval of the Registrar."

³² Section 33 was amended by section 21 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

(1) those maintained by the company for use as premises for operating the business, or for the welfare of the company's officers or employees, or for investment in other businesses under section 31(10)(a) or (b), and no longer used, shall be disposed of within five years from the cessation of use;

(2) those acquired by the company as a result of a debt settlement or foreclosure under section 31(10)(c) shall be disposed of within five years of the acquisition, unless the approval of the Registrar is obtained to maintain them for an activity under section 31(10)(a) or (b).

The Registrar may extend the period under (1) and (2) above, in accordance with the period announced by the Commission. The Registrar may also prescribe conditions for the extension of that period.

Section 34³³ A director, manager, or person authorized to act on behalf of the company, or a consultant to the company, shall hold a bachelor's degree or higher qualification, or shall have work experience in relation to the insurance business, and shall not have any of the following prohibited characteristics:

- (1) is, or has been, declared bankrupt;
- (2) has been imprisoned by a final court judgment, for an offense relating to property;
- (3) has been a director, manager, or person authorized to act on behalf of a company at the time such company had its license to undertake non-life or life insurance business revoked, except for a person whom the Registrar, with the approval of the Commission, appointed to hold such office at such time;
- (4) is a director, manager, or person authorized to act on behalf of another company licensed to undertake non-life insurance business, unless an exception in accordance with the regulations, procedures, and conditions announced by the Commission has been granted;
- (5) is removed from the position of director, manager, or person authorized to act on behalf of a company, under section 53;
- (6) is a political official or a person holding a political office;

Section 33 A company shall dispose of immovable property, acquired by the company under section 31(10), in the following cases:

(1) those maintained by the company for use as premises for operating the business, or for the welfare of the company's officers or employees, or for investment in other businesses under section 31(10)(a) or (b), and no longer used, shall be disposed of within nine years from the cessation of use;

(2) those acquired by the company as a result of a debt settlement or foreclosure under section 31(10)(c) shall be disposed of within nine years of the acquisition, unless the approval of the Registrar is obtained to maintain them for an activity under section 31(10)(a) or (b).

The Registrar may extend the period under (1) and (2) above for no more than three years, upon the company's request, with appropriate reason, before the lapse of that period. The Registrar may also prescribe any conditions for observance by the company."

³³ Section 34 was amended by section 21 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

Section 34 The company shall not appoint or allow the persons who have the following characteristics to be or act as its director, manager, employee, person with management authority, or consultant:

- (1) a person who is, or has been, declared bankrupt;
- (2) a person who has been imprisoned by a final court judgment, for an offense relating to property committed with dishonest intent;
- (3) a person who was a director, manager, or person with management authority of a company at the time such company had its license to undertake non-life or life insurance business revoked;
- (4) a person who is a director, manager, or person with management authority of another company licensed to undertake non-life insurance business, unless an exception in accordance with the regulations and conditions announced by the Minister has been granted;
- (5) a person who is removed from the position of director, manager, or person with management authority of a company, under section 53;
- (6) a person who is a political official;
- (7) a person who is a government official having a responsibility to control the company, unless the company is a public enterprise or the appointment is made with the approval of the Minister, for the purpose of assisting in the operations of the company, or the person is appointed under section 53."

(7) is a government official or an officer of the Office of Insurance Commission, having a responsibility to control the company, unless the company is a public enterprise or the appointment is made with the approval of the Commission, for the purpose of assisting in the operations of the company, or the person is appointed under section 53;

(8) has a bad record or carries out any activity showing a lack of responsibility or due care that a person of such profession is supposed to have in his conduct.

Section 35³⁴ Subject to section 66, no company shall appoint or assign any person to underwrite non-life insurance using the form of insurance policy of the company.

No company shall appoint or assign any person to pay claims under an insurance policy, wholly or partly, except for reinsurance, unless permission is granted by the Registrar.

Section 35/1³⁵ For the purpose of protecting the insured, a loss adjuster shall inspect and adjust losses of any type, and determine the extent of the insured loss, in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 35/2³⁶ A loss adjuster shall be licensed by the Registrar, and enrolled with the Office of Insurance Commission.

The application for license, the issuance of license, and the enrollment shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 35/3³⁷ An applicant for a license to be a loss adjuster must satisfactorily pass a training held by the Office of Insurance Commission, or an institute accredited by the Office of Insurance Commission, and must not have any of the following prohibited characteristics:

- (1) is a *non compos mentis* person, or a mentally incapacitated person;
- (2) was imprisoned by a final court judgment for an offense relating to property, or an offense under section 90/1 or section 90/2, unless he was released at least five years prior to the date of application;
- (3) is an officer, employee, or consultant of the company;
- (4) has his license to be a loss adjuster suspended;
- (5) had his license to be a loss adjuster revoked within the period of five years prior to the date of application.

Section 35/4³⁸ A license to be a loss adjuster shall be valid for two years from the date of issuance.

A licensee shall submit an application for renewal no later than two months prior to the date of expiration. The applicant for renewal must also have a certificate confirming that he has passed additional training held by the Office of Insurance Commission, or an institute accredited by the Office of Insurance Commission

Applications for renewal and the granting of renewal shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 35/5³⁹ In case where there occurs a loss according to the type and insured loss announced by the Commission under section 35/1, the parties to the insurance policy shall select a

³⁴ Section 35 was amended by section 21 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 35** No company shall appoint or assign any person other than its director, officer, or employee, to underwrite non-life insurance, receive insurance premiums, and pay claims under an insurance policy, wholly or partly, except for reinsurance."

³⁵ Section 35/1 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

³⁶ Section 35/2 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

³⁷ Section 35/3 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

³⁸ Section 35/4 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

³⁹ Section 35/5 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

loss adjuster enrolled with the Office of Insurance Commission to inspect and adjust the loss to be compensated by the company.

When inspecting and adjusting the loss, the loss adjuster shall prepare a report or paper, in the form and with the particulars announced by the Registrar, and submit a copy thereof to each party.

Section 35/6⁴⁰ A loss adjuster shall comply with the code of professional ethics, as prescribed by the Commission in the Government Gazette.

Section 35/7⁴¹ The Registrar shall be empowered to suspend a license to be a loss adjuster, if it appears to the Registrar that the loss adjuster violates or fails to comply with notifications of the Registrar, or notifications of the Commission, under section 35/5 or section 35/6.

The period of suspension under the foregoing paragraph shall be as the Registrar deems appropriate, but not more than one year for each suspension.

Section 35/8⁴² The Registrar shall be empowered to revoke a license to be a loss adjuster, if it appears to the Registrar that the loss adjuster:

- (1) lacks the qualifications or has any prohibited characteristic under section 35/3;
- (2) is a loss adjuster whose license was suspended and has repeated any of the actions under section 35/7.

Section 35/9⁴³ A loss adjuster whose license is suspended or revoked under section 35/7 or section 35/8 shall have the right to appeal to the Commission within 30 days from the receipt of the order to that effect. The Commission shall decide on the appeal within 60 days from the date of receipt of the appeal.

The decisions of the Commission shall be final.

Section 36. No company shall delay, without appropriate reason, payment of any loss or a return of premiums to an insured or a beneficiary, or make a payment of loss or return of premium in bad faith.

An act or performance of the company shall be deemed to contravene the provision of the first paragraph in accordance with the regulations, procedures, and period announced by the Commission.

Section 36/1⁴⁴ In case where any petition relating to insurance, payment of compensation, monetary compensation, or other benefits under an insurance policy is made, the Registrar may have such petition reviewed and arrange for resolution.

Section 37⁴⁵ Subject to the provisions of this Act, the Commission shall be empowered to

⁴⁰ Section 35/6 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴¹ Section 35/7 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴² Section 35/8 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴³ Section 35/9 was added by section 22 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴⁴ Section 36/1 was added by section 23 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁴⁵ Section 37 was amended by section 24 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 37** Subject to the provisions of this Act, the Registrar shall be empowered to issue notifications requiring the company to carry out any acts in regard to the following:

- (1) collection of premiums;
- (2) appraisal of the value of assets and liabilities of the company;
- (3) reinsurance;
- (4) classification of categories of expenses;
- (5) allocation of reserves for the respective types of risks;
- (6) wage or commission rates for non-life insurance agents or brokers, based on the types of non-life insurance;

announce regulations, procedures, and conditions for the company to carry out any acts in regard to the following:

- (1) collection of premiums;
- (2) appraisal of the value of assets and liabilities of the company;
- (3) reinsurance;
- (4) classification of categories of expenses;
- (5) allocation of reserves for the respective types of risks;
- (6) method for issuing and offering an insurance policy for sale;
- (7) wage or commission rates for non-life insurance agents or brokers, based on the types of non-life insurance;
- (8) forms, size, lettering, language, and content of documents showing receipt of money by the company;
- (9) types and maximum rates of insurance expenses;
- (10) receipt of money and payments, audits and internal controls;
- (11) compensation or claim payment under insurance contracts;
- (12) minimum standards for the company's risk management system.

Section 38 Companies shall open their offices for public business on the dates and at the times announced by the Commission. However, a company may keep its office open for longer than prescribed.

Section 39 For the purpose of supervision of fire insurance, when a company has concluded any fire insurance contract, the company shall submit to the competent officer, within seven days of the date of conclusion of that fire insurance contract, the particulars relating to the underwriting of fire insurance according to the form prescribed by the Commission.

The provisions of the first paragraph shall not apply to reinsurance.

Section 40 Upon receipt of the particulars under section 39, the competent officer may, if he considers it appropriate to do so, check the value of the insured property. For this purpose, the competent officer shall be empowered to enter the premises where the property is located, between sunrise and sunset, as considered appropriate, and to inspect and require submission of any documents or evidence for the purpose of ascertaining the true value of the property.

The insured or the persons concerned shall render reasonable facilitation to the competent officer who carries out the inspection under the first paragraph.

If the insured or the persons concerned fail to render facilitation according to the second paragraph, thereby causing the competent officer to be unable to carry out the inspection, the competent officer shall make a written report to the Registrar. In such case, if the Registrar deems it appropriate, the Registrar may order that such fire insurance contract be invalidated. The Registrar's order shall specify the date on which the fire insurance contract shall be invalidated, which shall not be less than three days from the date of the Registrar's order. The Registrar shall then immediately notify the company and the insured of that order. When the Registrar issues such an order, the fire insurance contract shall be invalidated on the date specified by the Registrar.

In case where the fire insurance contract is invalidated according to the third paragraph, so long as the legal relationship between the company and the insured is concerned, it shall be deemed as if the fire insurance contract was invalidated as a result of the termination thereof by the insured.

Section 41 In case where it appears to the competent officer during the inspection under section 39 that the value of the insured property is less than the insured sum to an extent that the competent officer considers it to be unreasonably low, the competent officer shall report the result of that inspection to the Registrar within seven days from the date the result of the inspection becomes known. In such case, if the Registrar considers it appropriate, the Registrar shall be empowered to

(7) forms, size, lettering, language, and content of power of attorney of the company, and documents showing receipt of money by the company."

order the company and the insured in writing, within 15 days of the date of receiving the report from the competent officer, to reduce the insured sum by an amount as the Registrar considers suitable, provided that the insured sum so reduced shall not be less than the value of the insured property as appearing in the inspection by the competent officer.

Section 42 When the order of the Registrar under section 41 has been issued:

(1) the insured shall have the right to terminate the fire insurance contract within three days from the date of receiving the order of the Registrar, and, upon the termination thereof, the company shall return the premiums to the insured in proportion to the period during which the insurance was in place;

(2) if the insured does not terminate the fire insurance contract under (1), it shall be deemed that the insured sum under this insurance is the amount that is reduced according to the Registrar's order, as from the date of the Registrar's order, and the Company shall fix the insurance premiums for the remaining term based on the reduced insured sum, and shall return the excess premiums to the insured within 15 days of the date of the Registrar's order.

Section 43 In the event of a loss to the insured property, if there are reasonable grounds for the responsible investigating officer under the Criminal Procedure Code to suspect that the loss was caused by an act in bad faith of the insured or the beneficiary of the insurance policy, the investigating officer shall notify the Registrar of that suspicion. In such case, the Registrar is empowered to order that the Company suspend payment of suspicious claims under the insurance policy. When there is no longer any reasonable cause for suspicion, the Registrar shall cancel that order and notify the company and the insured or the beneficiary of the insurance policy of that cancellation.

In case where the Registrar orders that the payment of claims be suspended according to the first paragraph, it shall be deemed that the right to demand payment of claims is suspended from the date of issuance of the Registrar's order until the date of cancellation thereof.

Section 44 Companies shall keep registers and account books concerning their business, in the forms and with the particulars prescribed by the Commission.

Particulars of events concerning business, which are required to be entered in the registers and account books of the company, shall be so entered by the company not later than seven days from the occurrence of the event.

Section 45⁴⁶ The registers and account books under section 44 shall be kept by a company at its office for not less than five years from the date of the last entry in such book, or from the date on which the company is released from the liability under the last entry of liability, whichever period is longer.

Section 46 An interested person may inspect the registers under section 44, only in regard to particulars with which he is concerned, or may request that the company provide a certified copy of said particulars, provided that he pays the fee prescribed by the Commission.

Section 47⁴⁷ A company shall prepare and submit to the Commission the following financial statements and report on its operating results:

⁴⁶ Section 45 was amended by section 25 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 45** The registers and account books under section 44 shall be kept by a company at its office for not less than 10 years from the date of the last entry in such book, or from the date on which the company is released from the liability under the last entry of liability, whichever period is longer."

⁴⁷ Section 47 was amended by section 26 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 47** A company shall submit to the Registrar an annual report showing its financial and business position during the preceding calendar year, in the form and according to the particulars prescribed by the Registrar, within five months of the end of each calendar year.

- (1) quarterly financial statements reviewed by an auditor;
- (2) audited financial statements for the last calendar year, with opinions as expressed by the auditor;
- (3) annual report, showing the operating results of the company.

The preparation and submission of the financial statements and report under the first paragraph shall be in accordance with the forms, regulations, procedures, conditions, and periods announced by the Commission. The auditor shall be a certified auditor under the law on accounting professions.

A company which is a branch office of a foreign non-life insurance company shall fulfill the obligations stated in paragraphs one and two, and shall submit an annual report of the foreign non-life insurance company of which it is a branch within five months from the end of the accounting year of the foreign non-life insurance company.

Section 48 If it appears that an annual report submitted by a company under section 47 paragraph one is incorrect or incomplete, the Commission shall be empowered to order the company to rectify or complete the report, within the period prescribed by the Commission.

In case where the company fails to comply as ordered in the first paragraph, it shall be deemed that the company has not submitted an annual report under section 47.

Section 49⁴⁸ The Commission shall be empowered to order that a company submit any reports or documents on the undertaking of its non-life insurance business. The Commission may also order that the company explain or clarify the content of the reports or documents.

The reports or documents submitted or produced, or the explanation or clarification made by the company under the first paragraph, must be complete and truthful.

Section 50⁴⁹ A company shall publish its balance sheets and statements of income, in the forms prescribed by the Commission, within 15 days from the date of submission of the financial statements under section 47(2), in at least one mass-circulation daily newspaper, for no less than three days. Each company shall also post such notice in a conspicuous place at the head office and branch office of the company, for at least one month.

Section 50/1⁵⁰ For the purpose of giving public access to information regarding the financial standing and operating results of a company, the Registrar shall be empowered to order the company to disclose that information, in accordance with the regulations, procedures, and conditions announced by the Commission.

A company which is a branch office of a foreign non-life insurance company shall submit an annual report of the foreign non-life insurance company of which it is a branch within five months from the end of the accounting year of the foreign non-life insurance company.

An annual report under this section must be certified by an auditor."

⁴⁸ Section 49 was amended by section 27 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 49 The Registrar shall be empowered to order that a company submit any reports or documents, either periodically or from time to time, in the form and according to the particulars prescribed by the Registrar. The Registrar may also order that the company explain or clarify the content of the reports or documents.

The reports or documents submitted or produced, or the explanation or clarification made by the company under the first paragraph, must be complete and truthful."

⁴⁹ Section 50 was amended by section 28 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 50 A company shall publish a brief report in the form prescribed by the Registrar, showing its assets and liabilities as of the end of the calendar year, within 15 days from the date of submission of the annual report under section 47, in at least one daily newspaper distributed in the locale of its head office, for no less than three days, and shall also post it in a conspicuous place at the company's head office and branches, for at least one month."

⁵⁰ Section 50/1 was added by section 29 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

Section 50/2⁵¹ A company shall submit to the Commission an annual report of the calculation of liabilities under the insurance policies, certified by an actuary, in the form and according to the regulations, procedures, conditions, and period announced by the Commission.

Section 51 The Registrar and the competent officer shall be empowered to examine the business activities and financial condition of a company and, for the purpose of examination, the Registrar and the competent officer shall be empowered:

(1) to enter the office of the company, during working hours, to obtain information and, in doing so, to call for documents or other evidence from the company's directors, managers, consultants, officers, or employees and to interrogate these persons;

(2) to enter the place of business of the company, or any premises where it is suspected that account books, documents, seals, or any other documents concerning the company's business, assets and liabilities are kept, during working hours or between sunrise and sunset, to inspect or appraise the property of the company;

(3) to order the company or persons concerned with the company's business to deliver documents or other evidence;

(4) to summon the persons mentioned in (1) or (3) to give statements or to order them to submit statements of fact, as required.

The persons concerned shall facilitate the Registrar and the competent officer in their performance under the first paragraph.

Section 52⁵² Where any event under section 27/7 occurs, or where there is evidence appearing to the Registrar that a company is in a condition, or operates its business in such a way, as may cause damage to the insured or the public, the Registrar, with the approval of the Commission, shall be empowered to order that the company improve its condition or operations within the time specified by the Registrar, or that the company increase or reduce its capital to comply with section 27 paragraph two, and may also order that the company temporarily suspend the underwriting of non-life insurance.

In case where any company fails to increase or reduce its capital within the period of time prescribed by the Registrar under the foregoing paragraph, the Registrar's order shall be deemed to be a resolution of the company's shareholders meeting, as of the expiry of the prescribed period.

Where there is an urgent need for any company to increase or reduce its capital, in order to support its condition and carry on its business, the Registrar, with the approval of the Commission, may order the company to immediately increase or reduce its capital. Such an order is deemed to be a resolution of the shareholders meeting.

⁵¹ Section 50/2 was added by section 29 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁵² Section 52 was amended by section 30 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 52 Where there is evidence appearing to the Registrar that a company is in a condition, or operates its business in such a way, as may cause damage to the insured or the public, the Registrar, with the approval of the Minister, shall be empowered to order that the company improve its condition or operations within the time specified by the Registrar. In this regard, the Registrar may also order that the company increase or reduce its capital, or temporarily suspend the underwriting of non-life insurance.

If any company fails to increase or reduce its capital within the period of time prescribed by the Registrar under the foregoing paragraph, the Registrar's order shall be deemed to be a resolution of the company's shareholders meeting, as of the expiry of the prescribed period.

Where there is an urgent need for any company to increase or reduce its capital, in order to support its condition and carry on its business, the Registrar, with the approval of the Minister, may order the company to immediately increase or reduce its capital. Such an order is deemed to be a resolution of the shareholders meeting.

The increase or reduction of capital under paragraph two or three shall not be subject to the provisions of section 1220, section 1224, section 1225, and section 1226 of the Civil and Commercial Code, and section 136 paragraph two (2), section 139, and section 141 of the Public Limited Companies Act, B.E. 2535 (1992)."

The increase or reduction of capital under paragraph two or three shall not be subject to the provisions of section 136 paragraph two (2), section 139, and section 141 of the Public Limited Companies Act, B.E. 2535 (1992).

Section 53 Where there is evidence appearing to the Registrar that a company is in a condition, or operates its business in such a way, as may cause damage to the insured or the public, or where the directors, or persons responsible for the operation of any company fail to comply with the order of the Registrar under section 52, the Registrar shall be empowered to order that company to remove its directors, or persons responsible for its operation, who have caused such condition or operation of the company.

In case where the Registrar orders the removal of any persons under the first paragraph, the company shall, with the Registrar's approval, appoint other persons to replace the persons so removed, within one month from the date of removal.

In case where any company fails to remove the persons under the first paragraph, or removes them but fails to appoint other persons in their place under the second paragraph, the Registrar, with the approval of the Commission, shall be empowered to issue an order of removal for such persons or to appoint any one or several persons to replace the persons so removed, for a period not longer than three years. The provision of section 34(4) shall not apply hereto.

The persons appointed by the Registrar under the third paragraph shall receive remuneration, to be paid from the assets of the company, as prescribed by the Commission. During the period that the persons were appointed to hold office, shareholders of the company shall not pass a resolution to revoke or change the order of the Registrar.

The persons removed by the order of the Registrar shall no longer be involved in or manage, directly or indirectly, any affairs of the company.

The order of removal or appointment issued by the Registrar under this section shall be deemed to be a resolution of the shareholders meeting.

Section 54 In case where a company is ordered by the Registrar to temporarily suspend the underwriting of non-life insurance under section 52, its directors, officers, or employees shall not order payment of any money of the company, or remove or dispose of the company's assets, except for payment of salaries or wages to the company's officers or employees as normal. Other payments shall be made as prescribed by the Registrar.

A company that is ordered by the Registrar to temporarily suspend the underwriting of non-life insurance under section 52 shall submit a written report concerning all of its creditors and debtors to the Registrar within the period prescribed by the Registrar.

Section 55 In the performance of their duties under this Act, the Registrar and the competent officer shall produce their identification cards, in accordance with the forms prescribed by Ministerial Regulations, upon request of the person concerned.

Section 56 Any interested persons may request to inspect the register book and documents relating to the register book which are kept by the Registrar and to make copies thereof with the certification by the Registrar, by submitting an application in the form prescribed by the Registrar to the Registrar.

Section 57⁵³ Any company wishing to discontinue its non-life insurance business shall file an application for permission to do so with the Commission.

⁵³ Section 57 was amended by section 31 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 57** Any company wishing to dissolve its business shall give notice of its intention to the Registrar at least three months before the dissolution.

In case where a company that is a branch office of a foreign non-life insurance company discontinues its business, that company shall go into liquidation, wherein the provisions of sections 60, 61, and 62 shall apply, *mutatis mutandis*."

To protect the interests of insureds, beneficiaries of the insurance policies, or interested persons, the Commission shall be empowered to determine at least the following regulations, procedures, conditions, and period to be fulfilled by the company, before permission for business discontinuation is granted:

- (1) method for managing or transferring the obligations under insurance policies that remain binding;
- (2) method for notifying insureds and beneficiaries of the insurance policies, as well as interested persons, to exercise their rights under law;
- (3) transfer or request receipt of the reserve under section 23(1), which is placed by the company with the Registrar under section 24;
- (4) management of the portion of assets and liabilities in connection with the non-life insurance business and the business permitted to be carried out under section 28;
- (5) period for execution of the transactions under (1), (2), (3), and (4).

In case where the Commission permits the company to discontinue its non-life insurance business and the company intends to dissolve, the dissolution shall take effect as from the receipt of permission for discontinuation. The company shall then proceed to go into liquidation. If a company does not intend to dissolve, the company shall have its memorandum of association amended, changing its name and objectives, so that they will not be related to the non-life insurance business.

Liquidation and amendments to the memorandum of association shall be carried out in accordance with the law on public limited companies.

In case of a company that is a branch office of a foreign non-life insurance company discontinues its business, that company shall go into liquidation, wherein the provisions of sections 60, 61, and 62 shall apply, *mutatis mutandis*.

Section 57/1⁵⁴ A company obtaining permission to discontinue its non-life insurance business shall surrender to the Registrar its license to undertake non-life insurance business, and shall submit an application for the return of the security deposit placed by the company under section 19, subject to section 26 paragraphs two and three .

Section 58 Any compensation to which an insured, or beneficiary of the insurance policy, or person entitled thereto is due under an insurance policy, if unclaimed against the company until the lapse of the period of prescription, shall be sent to the Fund by the company within one month from the end of such period of prescription.

Chapter III

Revocation of Licenses to Undertake Non-life Insurance Business

Section 59 The Minister shall be empowered to revoke a license to undertake non-life insurance business if it appears to the Minister that a company:

- (1) has liabilities in excess of its assets, or is in an unstable financial condition as may cause damage to insureds or the public;
- (2) violates the provisions of this Act or the Ministerial Regulations, conditions as prescribed by the Minister, or notifications issued or prescribed in accordance with this Act, or fails to comply with an order of the Minister, Registrar, or competent officer, given in accordance with this Act, provided that such violation or failure may cause damage to insureds or the public;
- (3) has ceased undertaking the non-life insurance business for no appropriate reason;
- (4) has delayed payment of any sum payable under an insurance policy or delayed a return of premiums to be paid or returned, without any appropriate reason, or has paid made a payment or return in bad fait;
- (5) if continuing to undertake the non-life insurance business may cause damage to insureds or the public.

⁵⁴ Section 57/1 was added by section 32 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

Section 60 Where a company's license to undertake non-life insurance business is revoked, the company shall be dissolved as from the date of revocation of its license and shall be liquidated. The Commission shall appoint a liquidator for the liquidation. The powers and duties of the general meeting of shareholders shall be the powers and duties of the Registrar.

Section 61 For the purpose of liquidation, a company that is a branch office of a foreign non-life insurance company shall be deemed a limited company and, for this purpose, the Registrar and the Office of Insurance Commission shall be deemed to be the partnerships and companies registrar or the partnerships and companies registration office, as the case may be, under the Civil and Commercial Code and reports to be submitted to the general meeting of shareholders shall be submitted to the Registrar, provided that this shall be without prejudice to any claim against that foreign non-life insurance company.

Section 61/1⁵⁵ The provisions regarding liquidation under the Civil and Commercial Code, or the law on public limited companies, as the case may be, shall apply to a company whose license to undertake non-life insurance business is revoked, unless specifically provided for under this Act.

Section 61/2⁵⁶ From the date a company's license to undertake non-life insurance business is revoked:

(1) the Registrar shall deliver the security deposit placed by the company under section 19, and the reserve under section 23(1) which is placed with the Registrar under section 24, to the liquidator within 30 days;

(2) the company's directors, managers, authorized persons, consultants, and officers shall deliver all accounts, evidence, and documents of the company to the liquidator within seven days.

Section 61/3⁵⁷ Within 30 days from the date of his appointment, the liquidator shall send notification by registered mail to the creditors who are entitled to receive payment of insurance debts, whose names appear in the company's accounts and documents, asking that they submit a demand to the liquidator, and announce that the company's license to undertake non-life insurance business has been revoked. The creditors who are entitled to receive payment of insurance debts shall submit a demand to the liquidator within 60 days from the date specified in the announcement. Once a creditor submits a demand, the statute of limitation period is interrupted.

Within 120 days after the expiration of the period for submitting a demand under the first paragraph, the liquidator shall verify the number of creditors who are entitled to receive payment of insurance debts and the aggregate amount of debts that these respective creditors are entitled to receive under all contracts. The liquidator shall use the security deposit and reserve delivered by the Registrar under section 61/2(1) for settlement exclusively to the creditors of uncontested insurance debts who have submitted a demand to the liquidator, proportionately to the amount of debts before the filing of a bankruptcy complaint to the court against the company. Thereafter, the liquidator shall issue a certification letter to each creditor, and notify the Registrar and the Fund of the names of creditors, amount of debts, amount of debts that are settled, outstanding amount of debts, and details of the creditors.

The announcement under paragraph one shall be published in at least three nationwide newspapers, for no less than three consecutive days.

The characteristics of insurance debts under paragraph one, and the notification of the names of creditors, amount of debts, amount of debts that are settled, outstanding amount of debts, and details of the creditors under paragraph two, shall be in accordance with the regulations announced by the Commission.

⁵⁵ Section 61/1 was added by section 5 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015).

⁵⁶ Section 61/2 was added by section 5 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015).

⁵⁷ Section 61/3 was added by section 5 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015).

Section 61/4⁵⁸ In the sale or transfer by the liquidator of assets, liabilities, or obligations of a company whose license to undertake non-life insurance business is revoked, section 237 and section 306 of the Civil and Commercial Code, or section 114 and section 115 of the Bankruptcy Act, B.E. 2483 (1940), as the case may be, shall not apply.

If the sale or transfer of the company's assets under paragraph one is the sale or transfer of assets secured by security other than rights of mortgage, rights of pledge, or rights arising from a suretyship, which shall be passed to the transferee under section 305 of the Civil and Commercial Code, that security shall be passed to the purchaser or transferee, as the case may be.

In selling or transferring the company's assets, liabilities, or obligations under paragraph one, if there are legal proceedings for enforcement of claims in court, the purchaser or transferee of the assets shall be subrogated to the right of a litigant in the case, or may submit new evidence to counter that already produced, cross-examine the witnesses, and refute evidence already presented. However, if such cross-examination or refutation would be unfair to any party to the litigation, the court may refuse to allow it. In case where the court has already rendered a judgment to enforce the claims, that person may be subrogated to the rights of a judgment creditor.

Section 62 A liquidator appointed by the Commission under section 60 may receive remuneration, to be paid from the company's assets, as prescribed by the Commission.

Chapter IV Non-life Insurance Agents and Brokers

Section 63⁵⁹ Any person wishing to act as a non-life insurance agent or broker shall obtain a license from the Registrar.

The application for a license and the license shall be in the form prescribed by the Registrar.

A license to be a non-life insurance agent shall indicate the company for which the non-life insurance agent works.

Section 64 An applicant for a license to be a non-life insurance agent shall have the following qualifications:

- (1) is *sui juris*;
- (2) is domiciled in Thailand;
- (3) is not a *non compos mentis* person, or a mentally incapacitated person;
- (4) shall never have been imprisoned by a final court judgment for an offense relating to property committed dishonestly, unless the sentence was completed at least five years prior to the date of application;
- (5)⁶⁰ is, or has been, declared bankrupt;
- (6) is not a non-life insurance broker;
- (7)⁶¹ shall not have had a license to be a non-life insurance agent or broker revoked within the period of five years prior to the date of application for a license;

⁵⁸ Section 61/4 was added by section 5 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015).

⁵⁹ Section 63 was amended by section 33 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 63** No person shall act as a non-life insurance agent or broker, unless with a license from the Registrar.

The application for a license and the license shall be in the form prescribed by the Registrar.

A license to be a non-life insurance agent shall indicate the company for which the non-life insurance agent works."

⁶⁰ Section 64(5) was amended by section 34 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"(5) has never been declared bankrupt";

⁶¹ Section 64(7) was amended by section 34 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"(7) shall not have had a license to be non-life insurance agent or broker revoked within the period of three years prior to the date of application for a license";

(8) shall have studied non-life insurance at an institute announced by the Commission, or have passed an examination concerning non-life insurance knowledge, in accordance with the program and procedures announced by the Commission.

Section 65⁶² A person qualified under section 64 who wishes to be a non-life insurance agent of any company shall submit to the Registrar an application for a license to be a non-life insurance agent for such company, together with a letter from the company expressing its intention to have such person be its non-life insurance agent, as well as a certificate confirming that such person satisfactorily passed a training program organized by the Office of Insurance Commission, or other training according to the program and procedures announced by the Office of Insurance Commission.

Applications for and the issuance of licenses shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

A non-life insurance agent for one company may apply for a license to be a non-life insurance agent for another company. The application shall be accompanied by a letter of consent from the company for which the applicant is already a non-life insurance agent, together with a letter from the new company, stating its intentions. The letter shall also mention that the new company knows that the applicant is already an agent of another company. After issuing the license, the Registrar shall notify the companies concerned.

The letter of intention under the first paragraph and the letter of consent under the third paragraph shall be in the forms prescribed by the Registrar.

Section 65/1⁶³ A company shall be jointly liable with its non-life insurance agent for the damages that agent causes when acting as a non-life insurance agent for the company.

Section 65/2⁶⁴ When performing the duties or acting as a non-life insurance agent, the non-life insurance agent shall not give any false information or conceal any fact which ought to be clarified. A non-life insurance agent shall comply with the regulations, procedures, and conditions announced by the Commission.

Failure by a non-life insurance agent to comply with the foregoing paragraph shall not impair the rights of insureds, beneficiaries of the insurance policies, or related persons.

Section 66⁶⁵ A non-life insurance agent shall be entitled to receive an insurance premium on behalf of the company.

A non-life insurance agent may enter into a non-life insurance contract on behalf of the company, upon being authorized by the company's power of attorney.

⁶² Section 65 paragraphs one and two, was amended by section 36 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 65** A person qualified under section 64 who wishes to be a non-life insurance agent of any company shall submit to the Registrar an application for a license to be a non-life insurance agent for such company, together with a letter from the company expressing its intention to have such person be its non-life insurance agent.

After considering the application under paragraph one to his satisfaction, the Registrar shall issue a license for that person to act as the company's non-life insurance agent, and notify the company accordingly."

⁶³ Section 65/1 was added by section 37 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁶⁴ Section 65/2 was added by section 37 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁶⁵ Section 66 was amended by section 38 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 66** A non-life insurance agent may enter into a non-life insurance contract on behalf of the company, upon being authorized by the company's power of attorney.

A non-life insurance agent, non-life insurance broker, or company employee, whose responsibility is to receive money, may receive insurance premiums on behalf of the company, upon being authorized by the company's power of attorney.

The powers of attorney of the company under paragraphs one and two above shall be in the form prescribed by the Registrar.

Even if the powers of attorney of the company are not in the form as prescribed by the Registrar, no right of a third party shall be impaired thereby."

A non-life insurance broker or a company employee, whose responsibility is to receive money, may receive insurance premiums on behalf of the company, upon being authorized by the company's power of attorney.

The powers of attorney of the company under paragraphs two and three above shall be in the form prescribed by the Registrar.

No right of the insured, the beneficiary of the insurance policy, or the related person shall be impaired even if the powers of attorney of the company are not in the form as prescribed by the Registrar.

Section 66/1⁶⁶ A non-life insurance agent shall present his license each time he solicits a person to execute a non-life insurance contract or when he receives insurance premiums on behalf of the company.

A non-life insurance agent shall issue a document evidencing the receipt of payment by the company, upon the receipt of premiums on behalf of the company.

Section 66/2⁶⁷ A non-life insurance broker or an employee of the company shall present a power of attorney of the company each time he receives insurance premiums on behalf of the company.

A non-life insurance broker or an employee of the company shall issue a document evidencing the receipt of payment by the company, upon receipt of premiums on behalf of the company.

The provisions of the first paragraph shall not apply to an employee of the company who performs his duty in receiving premiums at the office of the company.

Section 67 A natural person who applies for a license to be a non-life insurance broker cannot be a non-life insurance agent or a director, manager, officer, or employee of any company, and the provisions of section 64(1), (2), (3), (4), (5), (7), and (8) shall apply, *mutatis mutandis*.

A juristic person may apply for a license to be a non-life insurance broker if:

- (1) that juristic person has its head office in Thailand;
- (2) the business is within the scope of objectives of that juristic person;

(3) that juristic person has officers or employees licensed to be non-life insurance brokers under this Act to act on its behalf; and

(4)⁶⁸ that juristic person has not had a license to be a non-life insurance broker revoked within the period of five years prior to the date of application.

Section 68 A natural person or juristic person who is qualified under section 67 and wishes to be a non-life insurance broker shall submit an application for a license to the Registrar.

The issuance of a license to be a non-life insurance broker to a juristic person shall be in accordance with the regulations and conditions prescribed by the Commission.

The application for license and the license under this section shall be in the forms prescribed by the Registrar.

Section 69 A non-life insurance broker shall have an office, as indicated on the application for a license to be a non-life insurance broker. In case where such office is relocated, the non-life insurance broker shall notify the Registrar in writing of such change within five days from the date of change.

⁶⁶ Section 66/1 was added by section 39 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁶⁷ Section 66/2 was added by section 39 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁶⁸ Section 67 paragraph two (4) was amended by section 40 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"Section 67 paragraph two (4) that juristic person has not had a license to be a non-life insurance broker revoked within the period of three years prior to the date of application."

Section 70 A non-life insurance broker shall keep the registers, account books, and documents concerning its business, in the forms and with the particulars prescribed by the Commission. Particulars of events concerning business, which are required to be entered in the registers, account books, and documents under paragraph one shall be so entered by the non-life insurance broker not later than seven days from the occurrence of the event.

Section 71 A non-life insurance broker shall keep the registers, account books, and documents concerning its business, including supporting documents, at its office for not less than five years from the date the last record was entered in the registers or account books.

Section 72⁶⁹ The licenses to be a non-life insurance agent and licenses to be a non-life insurance broker shall be valid for one year from the date of issuance. Any licensee wishing to renew a license shall submit an application for renewal to the Registrar no later than two months prior to the expiration of the license. The applicant shall obtain from the Office of Insurance Commission a certificate evidencing that he has passed additional training held by the Office of Insurance Commission, or has passed training according to the program and procedures announced by the Office of Insurance Commission.

If the licensee under the foregoing paragraph has renewed his license two consecutive times and applies for another renewal, the newly issued license shall be valid for a period of five years.

Applications for the renewal and the granting of the renewal shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 73 When any non-life insurance broker is appointed a director, manager, officer, or employee of any company, his license to be a non-life insurance broker shall be deemed to expire.

Section 74 In case where a company delivers an insurance policy to an insured or a beneficiary of the insurance policy, or has given an insurance policy to a non-life insurance broker for delivering to the insured or the beneficiary, it shall be presumed that the insured has paid the premiums to the company.

Section 75 For the purpose of inspecting the performance of a non-life insurance broker, the Registrar and the competent officer shall be empowered to order a non-life insurance broker to give statements, or submit registers, account books, or any documents, or reports in the form and according to the particulars prescribed by the Registrar, for inspection, or to enter that person's office between sunrise and sunset to perform the inspection. The non-life insurance broker must render reasonable facilitation.

Section 76⁷⁰ The Registrar shall be empowered to revoke a license to be a non-life insurance agent or license to be a non-life insurance broker, if it appears to the Registrar that the non-life insurance agent or broker:

⁶⁹ Section 72 was amended by section 41 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 72** The licenses to be a non-life insurance and licenses to be a non-life insurance broker shall be valid for one year from the date of issuance. Any licensee wishing to renew a license shall submit an application for renewal, in the form prescribed by the Registrar, to the Registrar no later than two months prior to the expiration of the license.

If the licensee under the foregoing paragraph has renewed his license two consecutive times and applies for another renewal, the newly issued license shall be valid for a period of five years."

⁷⁰ Section 76 was amended by section 42 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 76** The Registrar shall be empowered to revoke a license to be a non-life insurance agent or a license to be a non-life insurance broker, if it appears to the Registrar that the non-life insurance agent or broker:

- (1) has committed an act that violates the provisions of this Act;
- (2) lacks the qualifications under section 64 or section 67, as the case may be;

- (1) has committed an act that violates the provisions of this Act;
- (2) has violated or failed to comply with the regulations, procedures, and conditions announced by the Registrar or the Commission;
- (3) lacks the qualifications under section 64 or section 67, as the case may be;
- (4) operates a business which causes, or may cause, damage to insureds, beneficiaries of the insurance policies, or the public.

Upon the revocation of a license under the first paragraph, the Registrar shall notify the person whose license is revoked accordingly.

Section 77 A person whose license is revoked under section 76 shall have the right to appeal to the Commission within 15 days from the date on which the order became known. The Commission's decision is final.

Section 78 No person shall solicit, advise, or in any manner act so as to cause any person to enter into an insurance contract with a non-life insurer abroad, or with any person except a person licensed to undertake the non-life insurance business under this Act.

The provisions of the first paragraph shall not apply to the solicitation or arrangement, by a non-life insurance broker licensed by the Registrar, that causes any person licensed to undertake the non-life insurance business under this Act to enter into a reinsurance contract with a non-life insurer abroad.

Chapter IV/I⁷¹ Actuaries

Section 78/1⁷² A report of the calculation of liabilities under the insurance policies of the company shall be certified by an actuary.

Section 78/2⁷³ An actuary must obtain a license from the Registrar.

The application for, and the issuance of, a license shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 78/3⁷⁴ A person applying to be an actuary shall have the following qualifications:

(1) graduated in actuarial sciences in the program or course announced by the Registrar from an educational institution certified by the Civil Service Commission, and conducted actuarial or statistical work, in relation to insurance, as announced by the Registrar, for a period of not less than five years;

(2) is a fellow member of the actuary association, as announced by the Registrar.

The notification of the Registrar under the first paragraph shall be published in the Government Gazette.

Section 78/4⁷⁵ An applicant for a license to be an actuary shall not have any of the following prohibited characteristics:

(1) having been imprisoned by a final court judgment for an offense relating to property, or an offense under section 108/1 or section 108/2, unless the sentence was completed at least five years prior to the date of application;

(3) operates a business which causes, or may cause, damage to insureds, beneficiaries of the insurance policies, or the public.

Upon the revocation of a license under the first paragraph, the Registrar shall notify the person whose license is revoked accordingly."

⁷¹ Chapter IV/I was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷² Section 78/1 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷³ Section 78/2 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷⁴ Section 78/3 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷⁵ Section 78/4 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

- (2) is a *non compos mentis* person, a mentally incapacitated person, or an incompetent or quasi-incompetent person;
- (3) is, or has been, declared bankrupt;
- (4) has his license to be an actuary suspended;
- (5) had his license to be an actuary revoked within the period of five years prior to the date of application.

Section 78/5⁷⁶ A license to be an actuary shall be valid for two years from the date of issuance.

A licensee shall submit an application for renewal no later than two months prior to the date of expiration. Upon the applicant's submission of an application, it shall be deemed that the applicant is a licensee, until the receipt of a rejection order.

Applications for the renewal and the granting of renewed licenses shall be in accordance with the regulations, procedures, and conditions announced by the Commission.

Section 78/6⁷⁷ An actuary shall prepare a report or paper, in relation to the calculation of liabilities under insurance policies, or other mathematical analysis report, in the form and with the particulars announced by the Registrar. The Registrar may request an explanation or clarification of the content of such report or document.

Section 78/7⁷⁸ An actuary shall comply with the code of professional ethics, as prescribed by the Commission in the Government Gazette.

Section 78/8⁷⁹ The Registrar shall be empowered to suspend a license to be an actuary, if it appears to the Registrar that the actuary:

- (1) fails to comply with section 78/6 or section 78/7;
- (2) certifies a report on calculation of liabilities under insurance policies without due care.

The period of suspension under the foregoing paragraph shall be as the Registrar deems appropriate, but not more than one year for each suspension.

Section 78/9⁸⁰ The Registrar shall be empowered to revoke a license to be an actuary, if it appears to the Registrar that the actuary:

- (1) lacks the qualifications under section 78/3, or possesses prohibited characteristics under section 78/4;
- (2) is an actuary whose license was suspended and has repeated any of the actions under section 78/8.

Section 78/10⁸¹ An actuary whose license is suspended or revoked under section 78/8 or section 78/9 shall have the right to appeal to the Commission within 30 days from the receipt of the order to that effect. The Commission shall decide on the appeal within 60 days from the receipt of appeal.

The decisions of the Commission shall be final.

Chapter V⁸²

⁷⁶ Section 78/5 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷⁷ Section 78/6 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷⁸ Section 78/7 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁷⁹ Section 78/8 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁸⁰ Section 78/9 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁸¹ Section 78/10 was added by section 43 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁸² Section 44 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008) provided that Chapter V: Fund for the Development of the Non-life Insurance Business shall be repealed and replaced by Chapter V: Non-life Insurance Fund, section 79, section 80, sections 80/1 – 80/7, section 81, sections 81/1 – 81/6, section 82, sections 82/1 – 82/4, section 83, and sections 83/1 – 83/2. The original wording is as follows:

Non-life Insurance Fund

Section 79⁸³ A Fund to be called the "Non-life Insurance Fund" shall be established as a juristic person, for the purposes of protecting creditors who are entitled to receive payment of insurance debts, in the event that a company is subject to revocation of the license to undertake non-life insurance business, and for development of the non-life insurance business, to ensure its stability and security.

The Fund shall not be a government organization or state enterprise under the law on budgetary procedures.

Section 80⁸⁴ The Fund shall consist of:

- (1) money and assets transferred from the Office of Insurance Commission's Fund for the Development of the Non-life Insurance Business;
- (2) money received under section 58;
- (3) money received under section 80/3;
- (4) surcharges received under section 80/4;
- (5) money vested in the Fund under section 80/5;
- (6) fines under section 111;
- (7) money obtained from loan or issuance of other financial instruments;
- (8) compensation obtained from liquidation as appointed by the Commission;
- (9) money or other property given by another person;

"Chapter V

Fund for the Development of the Non-life Insurance Business

Section 79 A Fund to be called the "Fund for the Development of the Non-life Insurance Business" shall be established, for the purpose of providing funds for the development of the life insurance business to ensure its stability and security.

Section 80 A company failing to make correct contributions to the Fund under section 58 shall pay a surcharge, at the rate of 2 percent per month of the outstanding contribution.

Section 81 The Fund shall consist of:

- (1) money received under section 120;
- (2) money received under section 58;
- (3) surcharges received under section 80;
- (4) money or other property given by another person, and
- (5) fruits of the Fund.

Section 82 The money and property under section 81 shall belong to the Department of Insurance and need not be sent to the Treasury as income of the State.

Section 83 The disbursement of money, the keeping of money and the management of the Fund shall be as announced by the Minister with the approval of the Ministry of Finance."

⁸³ Section 79 paragraph one was amended by section 6 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

Section 79 A Fund to be called the "Non-life Insurance Fund" shall be established as a juristic person, for the purposes of protecting creditors who are entitled to receive payment of insurance debts, in the event that a company is bankrupt or is subject to revocation of the license to undertake non-life insurance business, and for development of the non-life insurance business, to ensure its stability and security."

⁸⁴ Section 80 was amended by section 7 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

Section 80 The Fund shall consist of:

- (1) money and assets transferred from the Office of Insurance Commission's Fund for the Development of the Non-life Insurance Business;
- (2) money received under section 58;
- (3) money received under section 80/3;
- (4) surcharges received under section 80/4;
- (5) fines under section 111, after deduction of rewards and operating expenses;
- (6) money or other property given by another person;
- (7) interest or income derived from money or assets of the Fund;
- (8) government subsidies."

- (10) interest or income derived from money or assets of the Fund;
- (11) government subsidies.

Section 80/1⁸⁵ The Fund shall be empowered to carry out any activities within the scope of its purposes under section 79. This shall include the power to:

- (1) own, have possession rights, and hold any property rights;
- (2) establish rights or conduct any juristic acts in the Kingdom and elsewhere;
- (3) lend money to a company for its operations under the purpose of the Fund;
- (4) invest to gain interest from the assets of the Fund;
- (5) borrow money or issue other financial instruments for the purpose of making payment to the creditors who are entitled to receive payment of insurance debts on behalf of a company whose license to undertake non-life insurance business is revoked;
- (6) be a liquidator for a company as appointed by the Commission;
- (7) do other acts or things in connection with, or in relation to, arrangements to accomplish the purposes of the Fund.

Section 80/2⁸⁶ The Fund's money shall be expended for the following activities:

- (1) providing assistance to creditors who are entitled to receive payment of insurance debts, in the event that a company has its license to undertake non-life insurance business revoked;
- (2) developing the non-life insurance business to ensure its stability and security, provided that the sum shall not exceed the amount received under section 80(1) and (2);
- (3) managing the Fund, and paying expenses in relation to or in connection with Fund management, provided that this shall not exceed the rate determined by the Fund Management Committee;
- (4) repaying the principal and interest under Section 80/1(5).

Section 80/3 A company shall make contributions to the Fund at the rate announced by the Commission, with the approval of the Minister. This rate shall not exceed 0.5 percent of the insurance premiums received by the company during the period of six months prior to making contributions to the Fund.

The regulations, procedures, conditions, and period for making contributions to the Fund shall be as announced by the Commission.

In case where the Fund has sufficient money and assets to operate in accordance with its purpose, the Commission, with the approval of the Minister, may announce a reduction of rate, or discontinuation of contributions to the Fund.

⁸⁵ Section 80/1 was amended by section 7 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 80/1** The Fund shall be empowered to carry out any activities within the scope of its purposes under section 79. This shall include the power to:

- (1) own, have possession rights, and hold any property rights;
- (2) establish rights or conduct any juristic acts in the Kingdom and elsewhere;
- (3) lend money to a company for its operations under the purpose of the Fund;
- (4) invest to gain interest from the assets of the Fund;
- (5) do other acts or things in connection with, or in relation to, arrangements to accomplish the purposes of the Fund."

⁸⁶ Section 80/2 was amended by section 7 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 80/2** The Fund's money shall be expended for the following activities:

- (1) providing assistance to creditors who are entitled to receive payment of insurance debts, in the event that a company is bankrupt or has its license to undertake non-life insurance business revoked;
- (2) developing the non-life insurance business to ensure its stability and security, provided that the sum shall not exceed the amount received under section 80(1) and (2);
- (3) managing the Fund, and paying expenses in relation to or in connection with Fund management, provided that this shall not exceed the rate determined by the Fund Management Committee."

Section 80/4 A company failing to make full and correct contributions to the Fund under section 58 or section 80/3 shall pay a surcharge, at the rate of 1.5 percent per month of the outstanding contributions. Fractions of a month are counted as one month.

In case where the Registrar finds that the company fails to make contributions to the Fund, as set out in section 58 or section 80/3, due to an event of *force majeure* and the company has made such contributions within seven days from the expiration of the period for making contributions, the surcharge under the foregoing paragraph shall be reduced to 1.0 percent.

Throughout the period that the company fails to make contributions to the Fund, or fails to pay the surcharge under paragraph one, the Registrar shall order the company not to expand its business, until the contributions and surcharge are fully paid and the order prohibiting business expansion is cancelled.

For the purpose of this section, when determining whether an event is an expansion of business under the second paragraph, the provisions in section 27/6 paragraph two, and the penalty in the case of a violation of section 27/6 paragraph one, as provided for under section 89/1, shall apply, *mutatis mutandis*.

Section 80/5⁸⁷ Upon receiving information under section 61/3, the Fund shall make payment to the creditors entitled to receive payment of insurance debts on behalf of a company whose license to undertake non-life insurance business is revoked, in accordance with the regulations, procedures and conditions or time limits announced by the Commission. The amount of debt each such creditor is entitled to receive from the Fund, when combined with the amount obtained from the liquidator under section 61/3, shall not exceed 1,000,000. The amount to be received by each creditor shall be based on the number of persons protected under the insurance contracts.

With respect to the payment of debts on behalf of the company whose license to undertake non-life insurance business is revoked in accordance with paragraph one, the Fund shall send notification to the creditors who are entitled to receive payment of insurance debts, asking them apply to the Fund for payment within 60 days from the date of receipt of the notification. After the Fund has made payment to the creditors on behalf of the company whose license to undertake non-life insurance business is revoked in accordance with paragraph one, it shall also inform the Registrar in writing.

To request payment from the Fund, the creditors entitled to receive payment of insurance debts shall file an application in the form prescribed by the Fund together with the certification letter issued by the liquidator under section 61/3.

After the period specified under paragraph two, if the creditors entitled to receive payment of insurance debts fail to request payment from the Fund within 10 years, such amount will be vested in the Fund.

Payment of debts by the Fund under this section shall not affect the rights of the creditors entitled to receive payment of insurance debts to receive outstanding debts from the company's pool of assets.

Section 80/6⁸⁸ In the interest of fairness, the Commission, with the approval of the Minister, may announce that the amount to be paid to the creditors who are entitled to receive payment of

⁸⁷ Section 80/5 was amended by section 8 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 80/5** If a company is bankrupt or is subject to a revocation of license, and has insufficient money to make payment of debts under section 26, the creditors entitled to receive payment of insurance debts shall have the right to receive payment from the Fund.

The sum that each creditor will receive from the Fund, when combined with the payment under section 26, shall not exceed the amount of insurance debts. If the total amount of debts under all insurance contracts is more than one million baht, the creditor is entitled to receive a payment of only one million baht.

The regulations, procedures, and conditions for payment, as well as the amount of insurance debts under the second paragraph, shall be as announced by the Commission."

⁸⁸ Section 80/6 was amended by section 8 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

insurance debts be greater than the amount set out in section 80/5, for all or certain types of non-life insurance contracts.

Section 80/7⁸⁹ After making payment to a creditor entitled to receive payment of insurance debts under section 80/5, the Fund shall be subrogated to the right of the creditor in an amount equal to that paid by the Fund.

Section 81 A committee known as the "Fund Management Committee" shall be established, consisting of the Permanent Secretary of the Ministry of Finance, as chairman, the secretary-general of the Office of Insurance Commission, as deputy chairman, a representative of the Bank of Thailand, two representatives of the Thai Non-life Insurance Association, and up to four (4) qualified persons appointed by the Minister, as members.

The Fund Manager shall be the secretary of the Fund Management Committee.

Section 81/1 The term of office of qualified members appointed by the Minister shall be three years.

In the event that a qualified member, appointed by the Minister, retires from office before the expiration of his term, or in the event that the Minister appoints a new qualified member when the tenure of an existing member has not yet expired, the replacement member or new member shall retain office only for the remaining term of the members previously appointed.

Upon the expiration of the term set out in the first paragraph, if no appointment is made, the members who retire due to the expiration of term shall retain office until new members are appointed.

A retiring member shall be eligible for re-appointment, but may not retain office longer than two consecutive terms.

Section 81/2 Apart from retirement due to the expiration of term under section 81/1, a qualified member appointed by the Minister shall be removed from his office upon:

- (1) death;
- (2) resignation;
- (3) being, or having been, declared bankrupt;
- (4) removal by the Minister due to inadequate performance of duties, misconduct, or lack of ability;
- (5) incompetence or quasi-incompetence;
- (6) having been imprisoned by a final court judgment;
- (7) being a political official or a person holding a political office.

Section 81/3⁹⁰ The Fund Management Committee shall be empowered and duty to:

"**Section 80/6** In the interest of fairness, the Commission, with the approval of the Minister, may announced that the amount to be paid to the creditors who are entitled to receive payment of insurance debts be greater than the amount set out in section 80/5 paragraph two, for all or certain types of non-life insurance contracts."

⁸⁹ Section 80/7 was amended by section 8 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 80/7** The Fund shall be subrogated to the right of the creditors who are entitled to receive payment of insurance debts in an amount equal to that paid by the Fund, and shall be entitled to receive the payment of such amount from the official receiver or liquidator, as the case may be, with a preferential right over all the ordinary creditors of the company."

⁹⁰ Section 81/3 was amended by section 9 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015). The original wording is as follows:

"**Section 81/3** The Fund Management Committee shall be empowered and duty to:

- (1) determine the policies, rules, regulations and notifications in relation to the management of the Fund;
- (2) determine the rules regarding receipt, payment, and maintenance of money, and seeking interest for the Fund;

- (1) determine the policies, rules, regulations and notifications in relation to the management of the Fund;
 - (2) determine the rules regarding receipt, payment, and maintenance of money;
 - (3) determine the regulations, procedures, and conditions for lending money to a company under section 80/1 (3);
 - (4) determine the regulations, procedures, and conditions for seeking interest from the assets of the Fund under section 80/1(4);
 - (5) determine the regulation, procedures, and conditions for borrowing money or issuing other financial instruments under section 80/1 (5);
 - (6) determine the rules pertaining to use of the Fund's money in developing the non-life insurance business for its stability and security;
 - (7) determine the rates of expenses for managing the Fund, and other expenses in relation to or in connection with Fund management under section 80/2(3);
 - (8) issue the regulations concerning the services rendered by the Fund Manager;
 - (9) other necessary or relevant acts for achieving the purposes of the Fund.
- The acts under (2), (3), (4), (5), (6), and (7) require the approval of the Commission.

For the performance of its duties under the first paragraph, the Fund Management Committee may ask the Registrar, the company, or any person concerned to provide clarification and submit documents or evidence to support consideration.

Section 81/4 A quorum for a meeting of the Fund Management Committee shall consist of at least one-half of all its members.

In a meeting of the Fund Management Committee, if the chairman is not present at the meeting, or is unable to perform his duty, the deputy chairman shall serve as chairman of the meeting. If the chairman and the deputy chairman are not present, or are unable to perform their duties, the members present may elect one among themselves to be chairman of the meeting.

Resolutions of the meeting shall require a simple majority of votes. Each member shall be entitled to one vote. In the event of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

Section 81/5 For performance of its duties under this Act, the Fund Management Committee shall be empowered to appoint a sub-committee to review and carry out any act or thing as designated by the Fund Management Committee.

The provisions of section 81/4 shall apply, *mutatis mutandis*, to a meeting of the sub-committee.

Section 81/6 The chairman, members of the Fund Management Committee, and members of the sub-committee shall be entitled to an allowance for meeting attendance and other benefits as determined by the Minister.

Section 82 The Fund Management Committee shall appoint a Fund Manager.

(3) determine the rules concerning applications for, and granting approval of, paying debts to creditors who are entitled to receive payment of insurance debts;

(4) determine the rates and rules pertaining to the use of money of the Fund in developing the non-life insurance business, for its stability and security;

(5) determine the rules, procedures, and conditions for lending money to a company under section 80/1(3);

(6) determine the rates of expenses for managing the Fund under section 80/2(3);

(7) determine the regulations concerning the services render by the Fund Manager;

(8) other necessary or relevant acts for achieving the purposes of the Fund.

The acts under (2), (3), (4), (5), and (6) require the approval of the Commission.

For the performance of its duties under the first paragraph, the Fund Management Committee may ask the Registrar, the company, or any person to provide clarification and submit documents or evidence to support consideration."

The Fund Manager's term of office, removal, conditions for probation period, and conditions for rendering services in the capacity of manager shall be in accordance with an engagement contract determined by the Fund Management Committee. The engagement term shall not exceed four years. Upon the expiration of the engagement contract, the Fund Management Committee may renew the contract, provided that the Fund Manager may not retain office for more than two consecutive terms.

The chairman shall be authorized to enter into the contract to engage a Fund Manager, on behalf of the Fund.

The Fund Manager shall receive wages, remuneration, and other monies, as determined by the Fund Management Committee.

Section 82/1 A person appointed as a Fund Manager shall be:

- (1) a Thai national;
- (2) not more than 65 years of age;
- (3) able to work full-time for the Fund.

Section 82/2 Other than the qualifications under section 82/1, the person appointed as the Fund Manager shall not have the following prohibited characteristics:

- (1) have been imprisoned by a final court judgment for an offense relating to property;
- (2) is or has been declared bankrupt;
- (3) is an official, officer, or employee of any ministry, bureau, department, local administration, or state enterprise under the law on budgetary procedures, or other governmental agencies;
- (4) is a political official, or holds a political office;
- (5) holds any other position in a juristic person carrying out a business that competes with the Fund;
- (6) has direct or indirect interest in the contracts entered into with the Fund, or in the activities carried out for the Fund, except for a person appointed by the Fund Management Committee to be a director of a company of which shares are held by the Fund.

Section 82/3 With the exception of retirement due to the expiration of the engagement contract, the Fund Manager shall be removed from his office upon:

- (1) death;
- (2) resignation;
- (3) lack of qualifications or possession of prohibited characteristics under section 82/1 or section 82/2;
- (4) the resolution of the Fund Management Committee to terminate the engagement.

Section 82/4 The Fund Manager shall represent the Fund when dealing with third persons for the activities of the Fund. The Fund Manager may assign or delegate any person to render his services, in accordance with the regulations prescribed by the Fund Management Committee.

Any juristic acts or things carried out by the Fund Manager which violate the provisions of the foregoing paragraph shall not bind the Fund, unless the Fund Management Committee has ratified such acts or things.

Section 83 The Fund shall plan and maintain its accounting system in accordance with international accounting standards. Internal audits shall be conducted on a regular basis. Books and accounts shall keep the particulars of:

- (1) the sums received and expended;
- (2) the assets and liabilities showing actual and reasonable financial standing, together with content showing causes of the relevant particulars.

Section 83/1 The Office of the Auditor-General, or an auditor approved by the Office of the Auditor-General, shall be the auditor of the Fund.

Section 83/2 An auditor's report shall be presented to the Fund Management Committee within 120 days from the end of each fiscal year. A copy of the auditor's report shall be furnished to the Commission and the Minister.

Chapter VI Penalty Provisions

Section 84 Any company that violates or fails to comply with section 7 paragraph five, section 8, section 9, section 10, section 16, or section 20, or fails to comply with the conditions prescribed by the Minister under section 6 paragraph four section 7 paragraph one or the conditions prescribed by the Registrar under section 31(10) paragraph two, or section 33 paragraph two, shall be liable to a fine from Baht 20,000 up to Baht 200,000, and, in the case of continuous offense, to a further fine not exceeding Baht 10,000 per day for every consecutive day during which that violation continues.

Section 85 Any company that fails to inspect its register of shareholders, or to inform its shareholders, constituting a failure to comply with section 11, shall be liable to a fine from Baht 10,000 up to Baht 50,000, and to a further fine not exceeding Baht 5,000 per day for every consecutive day during which that violation continues.

Section 86 Whoever violates section 17 shall be liable to imprisonment for a term of two years to five years, or a fine from Baht 200,000 up to Baht 500,000, or both, and to a further fine not exceeding Baht 20,000 per day for every consecutive day during which that violation continues.

Section 87⁹¹ Whoever violates section 18 paragraph one, shall be liable to a fine from Baht 20,000 up to Baht 100,000, and to a further fine not exceeding Baht 5,000 per day for every consecutive day during which that violation continues.

A non-life insurance agent or broker who uses a name or the expression of a name of a business, in violation of the regulations, procedures, and conditions announced by the Registrar under section 18 paragraph two, shall be liable to imprisonment up to 1 year, or a fine not exceeding Baht 100,000, or both.

Section 88⁹² Any company that violates or fails to comply with section 23, section 28, section 31, section 33, section 34, section 35, section 36, section 52, section 53, or section 54 paragraph one; or fails to place the reserve under section 24; or fails to comply with the provisions announced by the Commission under section 37; or fails to comply with an order of the Registrar under section 41 or section 43, shall be liable to a fine not exceeding Baht 500,000, and, in the case of continuous offense, to a further fine not exceeding Baht 20,000 per day for every consecutive day during which that violation continues.

Section 89 Whoever violates section 25 shall be liable to a fine not exceeding Baht 50,000.

⁹¹ Section 87 was amended by section 45 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 87** Whoever violates section 18 shall be liable to a fine from Baht 20,000 up to Baht 100,000, and to a further fine not exceeding Baht 5,000 per day for every consecutive day during which that violation continues."

⁹² Section 88 was amended by section 45 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 88** Any company that violates or fails to comply with section 23, section 28, section 31, section 33, section 34, section 35, section 36, section 52, section 53, or section 54 paragraph one; or fails to place the reserve under section 24; or fails to comply with the provisions prescribed by the Minister under section 37; or fails to comply with an order of the Registrar under section 41 or section 43, shall be liable to a fine not exceeding Baht 500,000, and a daily fine not exceeding Baht 20,000 for every consecutive day during which that violation continues."

Section 89/1⁹³ Any company that violates section 27 paragraph five, section 27/1 paragraph one, section 27/3, section 27/4, or section 27/6 paragraph one, shall be liable to a fine not exceeding Baht 500,000.

Section 90⁹⁴ Any company that issues an insurance policy, or related documents or endorsements, in violation of section 29, or determines premium rates in violation of section 30, shall be liable to a fine not exceeding Baht 300,000.

Section 90/1⁹⁵ Whoever violates section 35/2 shall be liable to imprisonment up to 3 years, or a fine not exceeding Baht 300,000, or both.

Section 90/2⁹⁶ Any loss adjuster who prepares a false report on loss inspection and adjustment shall be liable to imprisonment up to 2 years, or a fine not exceeding Baht 200,000, or both. The provisions of section 109 paragraphs two and three, shall apply *mutatis mutandis*.

Section 91 Any company that fails to comply with section 38 shall be liable to a fine not exceeding Baht 50,000.

Section 92 Any company that fails to comply with section 45 shall be liable to a fine not exceeding Baht 100,000.

Section 93⁹⁷ Any company that violates or fails to comply with section 27/5 paragraph one, section 39, section 44, section 47, section 50, section 50/2, or section 54 paragraph two, or fails to comply with the Commission's order under section 49, or the Registrar's order under section 50/1, shall be liable to a fine not exceeding Baht 100,000, and to a further fine not exceeding Baht 5,000 per day for every consecutive day during which that violation continues.

Section 94 Any company that fails to allow interested persons to inspect its register books, or fails to provide a copy of the particulars as the interested persons request under section 46 shall be liable to a fine not exceeding Baht 5,000.

Section 95 Any company that intentionally gives a false statement, or conceals any facts which must be notified while submitting particulars, or which must be clarified under section 49, shall be liable to a fine from Baht 20,000 up to Baht 100,000.

Section 96 Whoever obstructs or fails to facilitate the Registrar or the competent officer in the performance of his duties under section 51, or violates the Registrar's order or the competent officer's order under section 51, shall be liable to imprisonment up to 1 month, or a fine not exceeding Baht 10,000, or both.

⁹³ Section 89/1 was added by section 46 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁹⁴ Section 90 was amended by section 47 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 90** Any company that issues an insurance policy, or related documents or endorsements in violation of section 29, or determines premium rates in violation of section 30, shall be liable to a fine not exceeding Baht 100,000."

⁹⁵ Section 90/1 was added by section 48 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁹⁶ Section 90/2 was added by section 48 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

⁹⁷ Section 93 was amended by section 49 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 93** Any company that violates or fails to comply with section 39, section 44, section 47, section 50, or section 54 paragraph two, or fails to comply with the Registrar's order under section 49, shall be liable to a fine not exceeding Baht 100,000, and to a further fine not exceeding Baht 5,000 per day for every consecutive day during which that violation continues."

Section 97 Whoever violates section 53 paragraph five, shall be liable to imprisonment up to 3 years, or a fine not exceeding Baht 300,000, or both.

Section 98⁹⁸ Any company that violates section 57 paragraph one, shall be liable to a fine not exceeding Baht 500,000.

Section 98/1⁹⁹ Any director, manager, authorized person, consultant, or employee of a company who fails to comply with section 61/2(2) shall be liable to imprisonment up to 6 months, or a fine not exceeding Baht 50,000, or both.

Section 99 Whoever violates section 63 paragraph one, shall be liable to imprisonment up to 6 months, or a fine not exceeding Baht 50,000, or both.

Section 100¹⁰⁰ Any non-life insurance agent who enters into an insurance contract without the written authorization of the company under section 66 paragraph two, or any non-life insurance broker or company employee who collects premiums without the written authorization of the company under section 66 paragraph three, shall be liable to imprisonment up to 2 years, or a fine not exceeding Baht 200,000, or both.

Section 100/1¹⁰¹ Any non-life insurance agent who violates or fails to comply with section 30/1 paragraph two, or who fails to comply with section 66/1, shall be liable to a fine not exceeding Baht 30,000.

If any act under the foregoing paragraph causes damage to the company or the insured, the non-life insurance agent shall be liable to imprisonment up to 3 months, or a fine not exceeding Baht 30,000, or both.

Section 100/2¹⁰² Any non-life insurance agent or company employee who fails to comply with section 66/2 shall be liable to a fine not exceeding Baht 30,000.

If any act under the foregoing paragraph causes damage to the company or the insured, the non-life insurance agent or employee shall be liable to imprisonment up to 3 months, or a fine not exceeding Baht 30,000, or both.

Section 101 Any non-life insurance broker who does not have an office, as specified in the application for license to be a non-life insurance broker, or as informed to the Registrar as the change of office, under section 69, shall be liable to a fine from Baht 10,000 up to Baht 50,000.

Section 102 Any non-life insurance broker who moves its office without informing the Registrar under section 69 shall be liable to a fine not exceeding Baht 10,000.

Section 103 Any non-life insurance broker who fails to comply with section 70 paragraph one, or does not record events in its registers and account books, under section 70 paragraph two,

⁹⁸ Section 98 was amended by section 50 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 98** Any company that fails to comply with section 57 paragraph one, shall be liable to a fine not exceeding Baht 100,000."

⁹⁹ Section 98/1 was added by section 10 of the Non-life Insurance Act (No. 3), B.E. 2558 (2015).

¹⁰⁰ Section 100 was amended by section 51 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 100** Any non-life insurance agent who enters into an insurance contract without the written authorization of the company under section 66 paragraph one, or any non-life insurance broker or company employee who collects premiums without the written authorization of the company under section 66 paragraph two, shall be liable to imprisonment up to 2 years, or a fine not exceeding Baht 200,000, or both."

¹⁰¹ Section 100/1 was added by section 52 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹⁰² Section 100/2 was added by section 52 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

shall be liable to a fine not exceeding Baht 50,000, and to a further fine not exceeding Baht 2,000 per day for every consecutive day during which that violation continues.

Section 104 Any non-life insurance broker who fails to comply with section 71 shall be liable to a fine not exceeding Baht 50,000.

Section 105 Any non-life insurance broker who fails to comply with the order of the Registrar, or of the competent officer, under section 75, shall be liable to imprisonment up to 1 month, or a fine not exceeding Baht 10,000, or both.

Section 106 Whoever obstructs or fails to facilitate the Registrar or the competent officer in the performance of his duties under section 75 shall be liable to imprisonment up to 1 month, or a fine not exceeding Baht 10,000, or both.

Section 107 Whoever violates section 78 paragraph one, shall be liable to imprisonment up to 6 months, or a fine not exceeding Baht 50,000, or both.

Section 108¹⁰³ In case where any company intentionally violates section 23, section 28, section 35, or section 57 paragraph one, or intentionally gives a false statement, or conceals any facts that must be notified or clarified under section 49, or fails to temporarily suspend the underwriting of non-life insurance under section 52 paragraph one, the director or person responsible for the operation of the company shall be liable to imprisonment up to 1 year, or a fine not exceeding Baht 100,000, or both, unless that director or person can prove that he was not involved with the company's wrongdoing.

Section 108/1¹⁰⁴ Whoever violates section 78/2 shall be liable to imprisonment up to 3 years, or a fine not exceeding Baht 300,000, or both.

Section 108/2¹⁰⁵ Any actuary who makes a false statement, certifying a report on the calculation of liabilities under insurance policies, or a false report, or furnishes false relevant documents in connection therewith, shall be liable to imprisonment up to 2 years, or a fine not exceeding Baht 200,000, or both. The provisions of section 109 paragraphs two and three, shall apply, *mutatis mutandis*.

Section 109 In the event of any following offenses:

(1) in the operation of the company, any director or person responsible for that operation commits an offense related to property under chapter 1, chapter 3, chapter 4, chapter 5, or chapter 7 of Title 12 of the Criminal Code, or section 40, section 41, or section 42 of the Act Prescribing Offenses Concerning Registered Partnerships, Limited Partnerships, Limited Companies, Associations, and Foundations, B.E. 2499 (1956), or section 215 or section 216 of the Public Limited Companies Act, B.E. 2535 (1992);

(2) in auditing the company's accounts, any auditor commits an offense under section 269 of the Criminal Code, or section 31 of the Act Prescribing Offenses Concerning Registered Partnerships, Limited Partnerships, Limited Companies, Associations, and Foundations, B.E. 2499 (1956);

¹⁰³ Section 108 was amended by section 53 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008). The original wording is as follows:

"**Section 108** If any company intentionally violates section 23, section 28, or section 35, or intentionally gives a false statement, or conceals any facts that must be notified or clarified under section 49, or fails to temporarily suspend the underwriting of non-life insurance under section 52 paragraph one, the director or person responsible for the operation of the company shall be liable to imprisonment up to 1 year, or a fine not exceeding Baht 100,000, or both, unless that director or person can prove that he was not involved with the company's wrongdoing."

¹⁰⁴ Section 108/1 was added by section 54 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹⁰⁵ Section 108/2 was added by section 54 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

(3) whoever causes another to commit an offense, or supports another to commit an offense under (1) or (2),
the Office of Insurance Commission shall be deemed the injured party under the Criminal Procedure Code.

For an offense under this section, when filing a criminal case with the court, the public prosecutor shall be empowered to call for property, or costs, or claim compensation for damages for the injured party. The provisions regarding filing a civil and penal action under the Criminal Procedure Code shall apply, *mutatis mutandis*.

Section 110 Where there is evidence that any person committed an offense under section 109, and the Office of Insurance Commission considers that damage to the public may be caused unless immediate action is taken, the Office of Insurance Commission shall be empowered to order the seizure or attachment of the property of that person, or property which may legally be deemed to be property belonging to that person. The seizure or attachment may not be for longer than six months, unless a case has been filed in court. In which event, the order of seizure or attachment shall continue to operate until the court orders otherwise. Where circumstances render it impossible to file a case in court within six months, the court having territorial jurisdiction may extend the period of seizure or attachment for a period as requested by the Office of Insurance Commission.

The Office of Insurance Commission shall be empowered to appoint competent officers of the Office of Insurance Commission to seize or attach property under the first paragraph.

The provisions of the Revenue Code shall apply to seizures or attachments of property under the first paragraph, *mutatis mutandis*.

In cases under the first paragraph, where there are reasonable grounds for suspecting that said person is about to abscond from the Kingdom, and when requested by the Office of Insurance Commission, the criminal court shall be empowered to restrain that person from leaving the Kingdom, or in case of emergency, when the secretary-general of the Office of Insurance Commission or a person designated by the secretary-general of the Office of Insurance Commission notifies the Director-General of the Police Department, the Director-General of the Police Department shall be empowered to restrain that person from leaving the Kingdom for a temporary period of not more than 15 days, until the criminal court orders otherwise.

Whoever violates the order of the criminal court or Director-General of the Police Department, made under the provisions of the fourth paragraph, shall be liable to imprisonment up to 10 years, and to a fine not exceeding Baht 1,000,000.

Section 111 A settlement committee appointed by the Minister shall be empowered to settle out of court any offense under this Act, except for offenses under section 86 and section 110.

The committee appointed by the Minister under the first paragraph shall consist of three members, one of whom shall be an investigating officer under the Criminal Procedure Code.

Where a case has been settled by the committee and the alleged offender has paid the fine as fixed within the period of time specified by the committee, such settlement of the case shall be regarded as final.

Section 111/1¹⁰⁶ Any offense under this Act which is subject only to a fine shall be barred under the statute of limitations, if no lawsuit regarding such offense is brought before a court, or no settlement is made under section 111, within five years from the date of the offense.

Section 111/2¹⁰⁷ In case where any company, non-life insurance agent, non-life insurance broker, loss adjuster, or actuary violates or fails to comply with the provisions of this Act, or the Ministerial Regulations or notifications enacted under this Act, the Office of the Insurance Commission shall be empowered to proclaim or publish such violation or non-compliance, giving to the public the details thereof, as well as the names of the involved parties, in accordance with the regulations and procedures announced by the Commission.

¹⁰⁶ Section 111/1 was added by section 55 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

¹⁰⁷ Section 111/2 was added by section 55 of the Non-life Insurance Act (No. 2), B.E. 2551 (2008).

Transitional Provisions

under the Non-life Insurance Act (No. 3), B.E. 2558 (2015)

Section 11 A non-life insurance company which was granted permission or relaxation to have shareholders or directors according to section 9 paragraph two or three of the Non-life Insurance Act, B.E. 2535 (1992), as amended by the Non-life Insurance Act (No. 2), B.E. 2551 (2008), before the effective date of this Act, may continue to have shareholders or directors, as the case may be, as permitted by the Office of Insurance Commission, or relaxed by the Minister of Finance.

Section 12 In the event that the license to undertake non-life insurance business of a non-life insurance company is revoked after the establishment of the Non-life Insurance Fund under the Non-life Insurance Act, B.E. 2535 (1992), as amended by the Non-life Insurance Act (No. 2), B.E. 2551 (2008), if the creditors who are entitled to receive payment of insurance debts have filed a repayment request with the Non-life Insurance Fund, the liquidator, or the official receiver before the effective date of this Act, but have not yet received repayment of debts, the procedures set out below shall apply as appropriate:

(1) In case where the company is under the process of liquidation, the liquidator shall use the security deposit and reserve delivered by the Registrar for settlement exclusively to the creditors of uncontested insurance debts who have submitted a demand to the liquidator, proportionately to the amount of debts before the filing of a bankruptcy complaint to the court against the company. Thereafter, the liquidator shall issue a certification letter to each creditor, and notify the Registrar and the Non-life Insurance Fund of the names of creditors, amount of debts, amount of debts that are settled, outstanding amount of debts, and details of the creditors. After the Fund has received notification thereof, section 80/5 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*.

(2) In case where the company is under the process of bankruptcy, the official receiver shall use the security deposit and reserve delivered by the Registrar or liquidator for settlement exclusively to the creditors of uncontested insurance debts who have submitted a repayment request under the bankruptcy process, proportionately to the amount of debts, and shall notify the Registrar and the Non-life Insurance Fund of the names of creditors, amount of debts, amount of debts that are settled, outstanding amount of debts, and details of the creditors. After the Fund has received notification thereof, section 80/5 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*.

In case where the creditors who are entitled to receive payment of insurance debts have failed to submit a demand to the liquidator or the official receiver, but have submitted a repayment request to the Non-life Insurance Fund within the period announced by the Fund before the date this Act comes into force, the Fund shall verify the aggregate amount of debts that these respective creditors are entitled to receive under all contracts, and make payment exclusively to the uncontested creditors according to the amount of debts, but no more than Baht 1 million each. Furthermore, the Fund shall notify the liquidator or the official receiver accordingly.

After the Fund has made payment to the creditors who are entitled to receive payment of insurance debts under (1) or (2), as the case may be, the Fund shall be subrogated to the rights of those creditors in an amount equal to that paid by the Fund, which shall not be deemed the debt under section 94(1) of the Bankruptcy Act, B.E. 2483 (1940). If the creditors have submitted a repayment request under a bankruptcy case, the Fund shall be subrogated to the rights under the repayment requests submitted by the creditors specifically for the amount paid by the Fund, without having to submit a new repayment request.

Section 13 All Ministerial Regulations, rules, notifications, regulations, or orders issued under the Non-life Insurance Act, B.E. 2535 (1992), which are in force on the date this Act comes into force, shall remain effective insofar as they are not contrary to, or in conflict with, the provisions of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act until new Ministerial Regulations, rules, notifications, regulations, or orders are issued under the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act.

Section 14 The Minister of Finance shall be in charge and in control of the execution of this Act

Transitional Provisions
under the Non-life Insurance Act (No. 2), B.E. 2551(2008)

Section 56 All companies obtaining license to undertake non-life insurance business under the Non-life Insurance Act, B.E. 2535 (1992) shall be deemed licensees under the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, and a branch of a company obtaining a license to undertake non-life insurance business before or on the date this Act comes into force shall be deemed a branch of the licensee under the Non-life Insurance Act, B.E. 2535, (1992), as amended by this Act, under the conditions prescribed by the Minister when granting the license.

In case where a company obtaining a license under the foregoing paragraph is a limited company, that company shall be transformed into a public limited company within five years from the date this Act comes into force. If the transformation is not completed within the specified time, the company may continue its ordinary business, but may not expand its business until it becomes a public limited company, which shall be completed within three years. If the transformation is not completed within the specified time, the license to undertake non-life insurance business of the company shall expire and it shall be deemed that the company's license to undertake non-life insurance business has been revoked.

The transformation into a public limited company under the second paragraph shall be in accordance with the law of public limited companies.

For the purpose of this Act, when determining whether an event is an expansion of business under the second paragraph, the provisions in section 27/6 paragraph two, and the penalty in the case of a violation of section 27/6 paragraph one, as provided for under section 89/1 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*.

Section 57 Within five years from the date this Act comes into force, a company under section 56 paragraph one, of this Act shall change the ratio of its shareholders or directors to be in accordance with section 9 of the Non-life Insurance Act, B.E 2535 (1992), as amended by this Act. In case where the company is unable to make such change within the specified time, the company may continue its activities, but may not open new branches.

Section 58 During the transformation from a limited company to a public limited company under section 56 of this Act:

(1) the provisions of section 13, section 13/1, and section 13/3 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*, to a transfer or acceptance of transfer of any or all businesses between a limited company and a limited company, or a limited company and a public limited company, obtaining license to undertake non-life insurance business under the Non-life Insurance Act, B.E. 2535 (1992);

(2) the amalgamation of limited companies shall be in accordance with the Civil and Commercial Code, provided that the new company shall be registered as a public limited company under the law on public limited companies. The provisions of section 13/2 paragraphs two and three, of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*;

(3) the amalgamation of a limited company and a public limited company shall be in accordance with the law on public limited companies. The provisions of section 13/2 paragraphs two and three, of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall apply, *mutatis mutandis*;

(4) the increase or reduction of capital of a limited company under section 52 paragraph two or three, of the Non-life Insurance Act, B.E. 2535 (1992) shall not be subject to the provisions of section 1220, section 1224, section 1225, and section 1226 of the Civil and Commercial Code;

(5) liquidation, or amendment of the memorandum of association, in the event that a limited company obtaining a license to undertake non-life insurance business under the Non-life Insurance Act, B.E. 2535 (1992) wishes to discontinue its non-life insurance business under section

57 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, shall be in accordance with the Civil and Commercial Code.

Section 59 In case where the Commission has yet to issue a notification concerning capital funds under section 27 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, or the Commission has issued a notification which is yet to take effect, a company shall maintain capital funds according to section 27 of the Non-life Insurance Act, B.E. 2535 (1992).

The issuance of the notification under the first paragraph shall be completed within three years after the enforcement of this Act.

Section 60 All immovable property vested in a company, under section 31(10) of the Non-life Insurance Act, B.E. 2535 (1992), before the date this Act comes into force, shall be disposed of in accordance with section 33 of the Non-life Insurance Act, B.E. 2535 (1992).

Section 61 A company under section 56 paragraph one, of this Act shall cause a director, manager, authorized person, or a consultant to the company, who has the qualifications and does not possess the prohibited characteristics stated in section 34 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, to be appointed within two years from the date this Act comes into force.

Section 62 Where no notifications regarding the regulations, procedures, and conditions for application of a license, or for renewal of a license, under section 65 or section 72 of the Non-life Insurance Act, B.E. 2535 (1992), as amended by this Act, have been issued, or such notification has been issued, but has yet to take effect, the approval shall be considered in accordance with section 65 or section 72 of the Non-life Insurance Act, B.E. 2535 (1992), as the case may be.

Section 63 Any person who performs the duty of inspecting and adjusting loss on the date this Act comes into force, and has the qualifications and does not possess the prohibited characteristics under section 35/3, shall file an application for license to be a loss adjuster under this Act with the Registrar within three years from the date this Act comes into force. Once an application is submitted, he shall continue to perform his duty until the receipt of the Registrar's rejection order.

Section 64 Any person who performs the duty of certifying reports on calculation of liabilities under insurance policies of the company on the date this Act comes into force, may continue to perform his duty for another eight years.

Section 65 The Office of Insurance Commission shall transfer money, property, and debts of the Fund for the Development of the Non-life Insurance Business, existing on the date of the publication of this Act in the Government Gazette, to the Non-life Insurance Fund.

Section 66 The rates of fees stated in the Schedule attached to the Non-life Insurance Act, B.E. 2535 (1992) shall be repealed and replaced by the Schedule attached hereto.

Section 67 All Ministerial Regulations, notifications, conditions, or orders issued under the Non-life Insurance Act, B.E. 2535 (1992), which are in force on the date this Act comes into force, shall remain effective insofar as they are not contrary to, or in conflict with, the provisions of this Act until the Ministerial Regulations, notifications, conditions, or orders issued under this Act come into force.

Any Ministerial Regulations, notifications, conditions, or orders under the foregoing paragraph shall be issued within two years from the date this Act comes into force.

Section 68 The Minister of Finance shall be in charge and in control of the execution of this Act.

Transitional Provisions (Original)

under the Non-life Insurance Act, B.E. 2535 (1992)

Section 112 It shall be deemed that a company that already has a license to undertake non-life insurance business under the Non-life Insurance Act, B.E. 2510 (1967) is a company that has had a license to undertake non-life insurance business under this Act, and that a branch office of the company already licensed under said Act, before or on the date the Act comes into force, is a branch office of the company licensed under this Act, in accordance with the conditions prescribed by the Minister when granting the license.

Section 113 Any company under section 112 that has issued shares in contravention of section 8 of this Act, shall rectify such contravention to comply with section 8 of this Act, within two years from the date this Act comes into force.

Section 114 Any company under section 112 whose shareholders or directors of Thai nationality are fewer than prescribed in section 9 of this Act may continue to have shareholders or directors of Thai nationality in such number.

Section 115 Any company under section 112 that has already had an office that is separate from the head office of the company, and engages in any activity for the benefit of the company under section 112, shall apply for permission to open a branch office correctly under this Act or discontinue use of such office. The application shall be completed within one year from the date this Act comes into force. Within such period, the company under section 112 shall not be deemed to be in violation of section 16.

Section 116 The company under section 112 shall correctly place a security deposit under section 19 of this Act, within one year from the date the Ministerial Regulations issued under section 19 of this Act come into force.

Section 117 The company under section 112 shall cause the maintenance of capital funds correctly according section 27 of this Act, within three years from the date this Act comes into force.

Section 118 The provisions of section 33 of this Act shall not apply to all immovable property which the company under section 112 acquired or had before the date this Act comes into force, which must be disposed of under section 33 of this Act within nine years from the date of cessation of use or the date of acquisition of that immovable property, as the case may be, unless the company under section 112 acquired or had that immovable property before 14 April 2510 (1967).

Section 119 The provisions of section 34 of this Act shall not apply to a person who lawfully became a director, manager, officer, person with management authority, or consultant of the company under section 112, before or on the date this Act comes into force.

Section 120 If any compensation, to which an insured, or beneficiary of the insurance policy, or person entitled thereto is due under an insurance policy, is barred by prescription and is in the possession of the company on the date this Act comes into force, the company shall verify and send it to the Fund within three months from the date this Act comes into force. The provisions of section 80 shall apply, *mutatis mutandis*.

Section 121 Any company under section 112 licensed to undertake the life insurance business under the law on life insurance, before or on the date this Act comes into force, shall continue undertaking the life insurance business under its license, in accordance with the following conditions:

(1) the security deposit placed by the company with the Registrar and the capital funds maintained by the company under section 19 and section 27 of the Act, as the case may be, shall be a security deposit and capital funds separated from the security deposit and capital funds that the company under section 112 shall place and maintain under the law on life insurance;

(2) the income and expenditures of the life insurance business shall be separated from those of the non-life insurance business;

(3) in case where the Minister orders the revocation of a company's license to undertake non-life insurance business under section 59 of this Act, such order shall also be deemed an order to revoke the license to undertake life insurance business of that company under section 112.

A company under the first paragraph shall establish a new company to obtain a license to undertake the life insurance business under the law on life insurance, and shall transfer the assets, liabilities, and responsibilities under insurance policies, including officers and employees of the life insurance business of the company under section 112, to that new company within eight years from the date this Act comes into force. Failure to establish a new company to obtain said license within the time so specified, or to comply with the provisions of this section, shall cause the license to undertake life insurance business of the company under section 112 to expire.

Section 122 In case where there is a necessary reason, the Minister shall be empowered to extend the period prescribed in section 113, section 115, section 116, and section 117 of this Act, upon the application of the company under section 112, showing the necessary reason. However, that period so extended shall not exceed two years from the expiration of the period prescribed under section 113, section 115, section 116, and section 117.

Section 123 A person who has obtained a license to be a non-life insurance agent or a license to be a non-life insurance broker under the Non-life Insurance Act, B.E. 2510 (1967) shall be a person who has obtained a license to be a non-life insurance agent or a license to be a non-life insurance broker under this Act.

Section 124 A person who has simultaneously obtained a license to be a non-life insurance agent and a license to be a non-life insurance broker under the Non-life Insurance Act, B.E. 2510 (1967) shall notify the Registrar of his intention to cease to be a non-life insurance agent or a non-life insurance broker, as the case may be, within two months from the date this Act comes into force. Upon the expiration of this period, if any person fails to notify the Registrar thereof, his license to be a non-life insurance broker shall be deemed to be terminated as from the expiration of the notification period.

Section 125 All Ministerial Regulations, notifications, or conditions issued or prescribed in the granting of permission, which are in force before or on the date this Act comes into force, shall remain effective insofar as they are not contrary to, or in conflict with the provisions of this Act until the Ministerial Regulations, notifications, or conditions issued or prescribed under this Act come into force.

Ministerial Regulation

Prescribing the Fees for Non-life Insurance Business

B.E. 2552 (2009)

Issued under the Non-life Insurance Act (No. 2), B.E. 2551 (2008)

(1)	Application for license to undertake non-life insurance business	Baht	50,000
(2)	License to undertake non-life insurance business (all types of losses)	Baht	500,000
(3)	License to undertake non-life insurance business (certain types of losses)	Baht	400,000
(4)	License to open a branch of the company	Baht	6,000
(5)	Permission to relocate the head office or branch office	Baht	500
(6)	Application fee for examination to receive a license to be a non-life insurance agent or a license to be a non-life insurance broker	Baht	200
(7)	License to be a non-life insurance agent	Baht	300
(8)	License to be a corporate non-life insurance broker	Baht	10,000
(9)	License to be an individual non-life insurance broker	Baht	300
(10)	Application for license to be a loss adjuster	Baht	400
(11)	Application for license to be an actuary	Baht	400
(12)	License to be a loss adjuster	Baht	5,000
(13)	License to be an actuary	Baht	15,000
(14)	Replacement for every type of license	Baht	200
(15)	Annual fee for the undertaking of a non-life insurance business (all types of losses)	Baht	20,000
(16)	Annual fee for the undertaking of a non-life insurance business (certain types of losses)	Baht	16,000
(17)	Renewal of a license to be a non-life insurance agent (for one year)	Baht	200
(18)	Renewal of a license to be a non-life insurance agent (for five years)	Baht	800
(19)	Renewal of a license to be a corporate non-life insurance broker (for one year)	Baht	5,000
(20)	Renewal of a license to be a corporate non-life insurance broker (for five years)	Baht	20,000
(21)	Renewal of a license to be an individual non-life insurance broker (for one year)	Baht	200
(22)	Renewal of a license to be an individual non-life insurance broker (for five years)	Baht	800
(23)	Renewal of a license to be a loss adjuster	Baht	3,000
(24)	Renewal of a license to be an actuary	Baht	9,000
(25)	Examination of documents (for each examination)	Baht	30
(26)	Extraction or certification of a copy of a document (per page)	Baht	50
(27)	Application for approval of the form and content of an insurance policy, relevant document, or endorsement (per form)	Baht	200
(28)	Application for approval of premium rates (per form)	Baht	200

Schedule of Fees
under the Non-life Insurance Act (No. 2), B.E. 2551 (2008)

(1)	Application for license to undertake non-life insurance business	Baht	200,000
(2)	License to undertake non-life insurance business (all types of losses)	Baht	2,000,000
(3)	License to undertake non-life insurance business (in the case of amalgamation)	Baht	100,000
(4)	License to undertake non-life insurance business (certain types of losses)	Baht	1,600,000
(5)	License to open a branch of the company	Baht	80,000
(6)	Permission to relocate the head office or branch office	Baht	20,000
(7)	Application fee for examination to receive a license to be a non-life insurance agent or a license to be a non-life insurance broker	Baht	400
(8)	License to be a non-life insurance agent	Baht	800
(9)	License to be a corporate non-life insurance broker	Baht	40,000
(10)	License to be an individual non-life insurance broker	Baht	800
(11)	Application for license to be a loss adjuster	Baht	500
(12)	Application for license to be an actuary	Baht	500
(13)	License to be a loss adjuster	Baht	20,000
(14)	License to be an actuary	Baht	20,000
(15)	Replacement for every type of license	Baht	400
(16)	Annual fee for the undertaking of a non-life insurance business (all types of losses)	Baht	200,000
(17)	Annual fee for the undertaking of a non-life insurance business (certain types of losses)	Baht	160,000
(18)	Renewal of a license to be a non-life insurance agent (for one year)	Baht	400
(19)	Renewal of a license to be a non-life insurance agent (for five years)	Baht	2,000
(20)	Renewal of a license to be a corporate non-life insurance broker (for one year)	Baht	12,000
(21)	Renewal of a license to be a corporate non-life insurance broker (for five years)	Baht	60,000
(22)	Renewal of a license to be an individual non-life insurance broker (for one year)	Baht	400
(23)	Renewal of a license to be an individual non-life insurance broker (for five years)	Baht	2,000
(24)	Renewal of a license to be a loss adjuster	Baht	12,000
(25)	Renewal of a license to be an actuary	Baht	12,000
(26)	Examination of documents (for each examination)	Baht	100
(27)	Extraction or certification of a copy of a document (per page)	Baht	100
(28)	Application for approval of the form and content of an insurance policy, relevant document, or endorsement (per form)	Baht	4,000
(29)	Application for approval of premium rates (per form)	Baht	4,000

Schedule of Fees (Original)
under the Non-life Insurance Act, B.E. 2535 (1992)

(1)	Application for license to undertake non-life insurance business	Baht	50,000
(2)	License to undertake non-life insurance business (all types of losses)	Baht	500,000
(3)	License to undertake non-life insurance business (certain types of losses)	Baht	400,000
(4)	License to open a branch of the company	Baht	20,000
(5)	Permission to relocate the head office or branch office	Baht	5,000
(6)	Application fee for examination to receive a license to be a non-life insurance agent or a license to be a non-life insurance broker	Baht	200
(7)	License to be a non-life insurance agent	Baht	400
(8)	License to be a corporate non-life insurance broker	Baht	20,000
(9)	License to be an individual non-life insurance broker	Baht	400
(10)	Replacement for every type of license	Baht	200
(11)	Annual fee for the undertaking of a non-life insurance business (all types of losses)	Baht	50,000
(12)	Annual fee for the undertaking of a non-life insurance business (certain types of losses)	Baht	40,000
(13)	Renewal of a license to be a non-life insurance agent (for one year)	Baht	200
(14)	Renewal of a license to be a non-life insurance agent (for five years)	Baht	1,000
(15)	Renewal of a license to be a corporate non-life insurance broker (for one year)	Baht	6,000
(16)	Renewal of a license to be a corporate non-life insurance broker (for five years)	Baht	30,000
(17)	Renewal of a license to be an individual non-life insurance broker (for one year)	Baht	200
(18)	Renewal of a license to be an individual non-life insurance broker (for five years)	Baht	1,000
(19)	Examination of documents (for each examination)	Baht	50
(20)	Extraction or certification of a copy of a document (per page)	Baht	50
(21)	Application for approval of the form and content of an insurance policy, relevant document, or endorsement (per form)	Baht	1,000
(22)	Application for approval of premium rates (per form)	Baht	1,000

Remarks:

Before the Non-life Insurance Act (No. 2), B.E. 2551 (2008) came into force, the Non-life Insurance Act, B.E. 2535 (1992) was amended by section 3(1) of the Insurance Commission Act, B.E. 2550 (2007), as follows:

The term "Minister of Commerce" in section 5 of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "Minister of Finance."

The term "Minister" in section 7 paragraph three, section 13, section 16, section 19, section 23, section 24, section 28, section 31, section 32, section 34, section 36, section 52, section 53, section 60, section 62, section 77, and section 88 of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "Insurance Commission."

The terms "Director-General of the Department of Insurance" in section 4 and section 110 paragraph four of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "secretary-general of the Insurance Commission."

The term "Registrar" in section 20, section 21, section 22, section 37, section 38, section 39, section 44, section 46, section 47, section 48, section 49, section 50, section 57, section 63, section 64, section 66, section 68 paragraph two and section 70 of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "Insurance Commission."

The term "Department of Insurance" in section 61, section 82, section 109, and section 110 of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "Office of Insurance Commission."

The term "board of directors" in section 31(17) of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "board of directors of the company."

The term "committee" in section 111 of the Non-life Insurance Act, B.E. 2535 (1992) shall be read as the "settlement committee."