

Notification of Insurance Commission
Subject: Rules, Procedures and Conditions on Application for Permission
to Open a Branch or to Relocate the Head Office or a Branch Office or to Dissolve a
Branch of a Life Insurance Companies B.E.2551

By virtue of the provision of Section 6 and Section 17 second paragraph of the Life Insurance Act, B.E. 2535, amended by the Life Insurance Act (No.2), B.E. 2551, the Insurance Commission hereby notifies as follows.

Clause 1: This Notification is called “Notification of Insurance Commission Subject: Rules, Procedures and Conditions on Application for Permission to Open a Branch or to Relocate the Head Office or a Branch Office or to Dissolve a Branch of a Life Insurance Companies B.E.2551”

Clause 2: This Notification shall come into force now and onwards.

Chapter 1
Opening a Branch
Part 1
Permission and Establishment

Clause 3: In applying for permission to open a branch, such branch must have at least the following authorities and functions:

- (1) Receiving insurance premium payment;
- (2) Making policy loan payment;
- (3) Making policy surrender payment;
- (4) Making any payment according to life insurance policy;

Clause 4: A company who wish to apply for permission to open a branch shall file its application to the Registrar in the form as attached to this Notification.

When the Registrar has considered the application under first paragraph and deems it appropriate to give permission, the Registrar shall notify the permission to the company in writing.

Clause 5: The company shall proceed to establish a branch within one year following the date of being notified by the Registrar under Clause 4 second paragraph.

The Registrar may extend the period specified under first paragraph for not more than one year in case that the company files an application prior to the expiry of such period with appropriate reason.

When the Registrar has reviewed the application under second paragraph and deems it as inappropriate reason, the Registrar shall not give permission to extend the period. In this event, it shall be deemed that the permission to open a branch under Clause 4 second paragraph shall be void.

Clause 6: A branch office must have its own office space.

Clause 7: Once the company has completely established a branch, the company shall submit its license application to the Registrar.

When the Registrar has received the application from the company under first paragraph, if there is no obstacle, the Registrar shall issue a license.

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

Part 2 Procedures

Clause 8: The permitted branch shall be opened within two months, or more if permitted by the Registrar, following the date of receipt of the license.

Clause 9: There shall be a name board at the front of the office which can be clearly seen and such a name board shall contain the company's name followed by "Branch.....".

Clause 10: The branch license shall be clearly shown and placed where easily seen in the office of the branch.

Clause 11: The person to be appointed as a staff or a person with an authority to manage the branch shall not be a person with disqualifications under Section 35 of the Life Insurance Act, B.E. 2535, amended by the Life Insurance Act (No.2), B.E.2551, and shall not be a person whose license for being a life insurance agent or license for being a life insurance broker has been revoked, except that the period stipulated in Section 69 (7) of the Life Insurance Act, B.E. 2535, amended by the Life Insurance Act (No.2), B.E.2551, has passed.

Clause 12: The company shall inform the name of staffs or persons with authority to manage the branch to the Registrar in writing within one month following the date of receiving the license.

Clause 13: The following changes must be informed to the Registrar in writing within one month following the change.

- (1) A change in authorized staffs or persons in Clause 11;
- (2) A change in authority of the authorized staffs or persons to manage

the branch.

Clause 14: In the case that a company intends to dissolve a branch, the company shall proceed as follows;

- (1) File an application for the branch dissolving as well as the reason and necessity to the Registrar in advance, at least one month before the date of the branch dissolving.

- (2) Specify business transferring and that which branches will hold such responsibility, and must return the license of the dissolving branch.

When the Registrar has reviewed the application under (1) and deems to permit the dissolving, the Registrar shall notify, in writing, such permission to the company. The company must announce, at least twice, the branch dissolving in a local newspaper. After the announcement, the company must submit the local newspapers publishing the announcement to the Registrar.

The request for the branch dissolving shall be in the forms as prescribed by the Registrar.

Part 3
Preparation of Registration Books
and Accounting Books related to the Business

Clause 15: A branch shall prepare registration books related to the business of branch in accordance with the prescription in the Notification of Insurance Commission, Subject: Form and Particulars of Registration Books related to Business of Life Insurance Company which issued under Section 40 of the Life Insurance Act, B.E. 2535, combined with Section 3 (2) of the Insurance Commission Act, B.E. 2550.

Clause 16: The preparation of accounting books related to business of a branch shall be in accordance with the law on accounting and, in the case of public limited company, the accounting books shall be prepared in accordance with the law on public limited company.

Chapter 2
Office Relocation

Clause 17: A company shall file an application for the head or branch office relocation permission to the Registrar in advance, at least thirty days prior to the date of relocation and shall specify a proposed location and date of relocation together with the reason of such relocation in the application.

The application for the permission of the head or branch office relocation shall be in forms as prescribed by the Registrar.

Clause 18: When the Registrar has considered the application under Clause 17 and deems it appropriate to give permission, the Registrar shall notify the permission to the company in writing.

Clause 19: When the company has received the written notification of permission to relocate the head or branch office, as the case may be, from the Registrar under clause 18, the company shall announce the relocation of its office, as follows:

(1) In case of head office relocation, the company shall make announcement in at least two of country-wide daily newspapers and shall be in at least one Thai newspaper for at least three consecutive days, and specify also the new location and date of the relocation in the announcement.

(2) In case of branch office relocation, the company shall announce in at least one of country-wide Thai newspapers for at least two consecutive days, and if the Registrar deems it appropriate, the Registrar may order the company to announce the relocation of its branch office in daily local newspaper.

Clause 20: When the company has completed the process under Clause 19, the company shall submit the newspapers publishing the announcement under Clause 19 to the Registrar.

In case of branch office relocation, the company shall return the old branch license to the Registrar.

Clause 21: If the company has completed the process under Clause 20, the Registrar shall grant the license to the company.

Chapter 3
Transitional Provisions

Clause 22: A branch or a sub-branch of the company, which obtains the permission prior to the date that this Notification comes into force, shall be deemed as the branch of the company which obtains the permission under this Notification.

Clause 23: Any application for permission that has been filed to the Registrar prior to the date that this Notification comes into force shall be deemed as an application for permission filed under this Notification.

Notified on the 3rd July B.E.2551

(Signed) Sathit Limpongpan

(Mr. Sathit Limpongpan)

Deputy Permanent Secretary for Finance,
Chairman of Insurance Commission

Note: The reason of this notification is that Life Insurance Act, B.E. 2535, amended by Life Insurance Act (No.2), B.E. 2551, provides that the Insurance Commission, in lieu of the Minister of Commerce, shall designate rules, procedures, and conditions for applying for permission to open a branch or to relocate the head or a branch Office or to dissolve a Branch of Life Insurance Companies.