

(Unofficial Translation)

EMERGENCY DECREE

National Catastrophe Insurance Promotion Fund

B.E. 2555 (2012)

BHUMIBOL ADULYADEJ, REX.

Given on the 26th Day of January B.E. 2555 (2012);

Being the 67st Year of the Present Reign

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

Whereas it is expedient to have the law on National Catastrophe Insurance Fund.

This Emergency Decree contains certain provisions concerning the restriction of personal rights and freedom, which under section 29, together with section 41 and section 43 of the Constitution of the Kingdom of Thailand, can be done by virtue of the provisions of law.

By virtue of section 184 of the Constitution of the Kingdom of Thailand, a Emergency Decree is hereby enacted, as follows:

Section 1 This Emergency Decree is called the “Emergency Decree on National Catastrophe Insurance Fund, B.E. 2555 (2012)”.

Section 2¹ This Emergency Decree shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3 In this Emergency Decree:

“national catastrophe” means windstorm, flood, geohazard, and other national catastrophes as specified by the Minister;

“fund” means Disaster Insurance Promotion Fund;

“non-life insurance operator” means a limited company or a public limited company obtained a license to operate non-life insurance under the law on non-life insurance;

“committee” means Disaster Insurance Promotion Fund Committee;

“minister” means a minister having charge and control of the execution of this Emergency Decree.

Section 4 A fund shall be established in Ministry of Finance and shall be called “Disaster Insurance Promotion Fund”. It shall be a legal entity with the purpose to administer

¹ Published in the Government Gazette, Vol. 129, Part 10a, Page 5, dated 26th January B.E. 2555 (2012)

the risk from disaster by insuring and reinsuring and to provide financial assistance to non-life insurance operator as prescribed under this Emergency Decree.

Section 5 Income of the Fund shall not be submitted to the Treasury as the public income under the law on appropriation and finance.

Section 6 The fund shall consist of money and properties as follow:

- (1) money as allocated by the government;
- (2) money as received under section 12;
- (3) money as received under section 13;
- (4) money as the insurance fee;
- (5) money received from the compensation or refund of insurance fee from reinsurance;
- (6) other money or properties as donated;
- (7) interest or income derived from the properties of the fund.

Section 7 The operation of the fund shall not be subject to the law on non-life insurance and the law on Office of Insurance Commission.

Section 8 The fund shall have the powers to pursue several activities within the scope of the purpose under section 4 Such powers shall include:

- (1) to hold the ownership right, possession right and other property rights;
- (2) to establish rights or perform any juristic act inside and outside the Kingdom;
- (3) to invest for benefits from the properties of the fund;
- (4) to perform any other acts concerning or relating to the administration to ensure the success following the purpose of the fund.

Section 9 The payment from the fund shall be as prescribed by the committee as the expenses for the following:

- (1) to administer the insurance and reinsurance, and to provide financial assistant to operators of the non-life insurance under the purpose of the fund;
- (2) to administer the fund and other matters concerning or relating to the administration of the fund.

Section 10 Insurance and reinsurance of the fund shall be in accordance with rules, procedures and conditions as prescribed by the committee.

The undertaking under paragraph one may be assigned to or may hire another legal entity to perform such undertaking.

Section 11 Types of insurance, forms and insurance policies, insurance premiums and compensation in insurance of the fund shall be in accordance with rules, procedures and conditions as prescribed by the committee.

Section 12 In the case where it is necessary and deemed appropriate by the committee that it is appropriate, the fund may provide financial assistance to operators of non-life insurance to prevent any damages from compensation payment in non-life insurance which is a severe disaster.

An operator of non-life insurance who wishes to receive the assistance under paragraph one shall inform their wish to the fund and when the fund considers that it is appropriate to provide assistance and inform the operator of non-life insurance, the operator of non-life insurance shall pay the contribution to the fund in accordance with the rate as prescribed by the committee.

The assistance, the receipt of assistance and the contribution shall be in accordance with the rules, procedures, conditions and time as prescribed by the committee and the provision in section 10 paragraph two shall apply mutatis mutandis.

Section 13 The Ministry of Finance upon the approval of the Council of Ministers shall have the powers to borrow money in Baht or foreign currencies on behalf of the Government of the Kingdom of Thailand and provide it to the fund to be disbursed under its purposes without submitting it to the Treasury under the law on appropriation and finance.

The borrowing of money under paragraph one shall not exceed fifty thousand million Baht altogether.

Section 14 The limitation, management and means relating to the loan shall be as approved by the Council of Ministers.

Section 15 Expenses in regard to borrowing of money and the issuance and management of bonds may be disbursed from the money as set up in the annual appropriation or loan.

Section 16 The Public Debt Management Office shall have the powers and duties to undertake matters related to the administration and management of loan, disbursement of loan, repayment of debt, and other matters relating to the borrowing of money under this Emergency Decree.

Section 17 In addition to cases as provided in this Emergency Decree, the provisions of the law on public debt management shall, mutatis mutandis, apply.

Section 18 There shall be a committee called “Disaster Insurance Promotion Fund Committee” consisting of the Chairperson of the Committee as appointed by the Council of Ministers, the Permanent-Secretary of the Ministry of Finance, Director of the Fiscal Policy Office, Secretary-General of the Office of Insurance Commission and no more than four qualified members as appointed by the Council of Ministers as members.

The Permanent-Secretary of the Ministry of Finance shall appoint one government officials from the Ministry of Finance as a secretary and no more than two government officials as assistants to the secretary.

Section 19 Holding and vacating office of qualified members shall be as prescribed by the Council of Ministers.

Section 20 The Committee shall have the powers and duties to supervise the fund to ensure that its undertaking is in accordance with the purposes prescribed in section 4 and such powers and duties shall include:

- (1) to prescribe policies and approve the undertaking of the fund;
- (2) to provide recommendations to the Council of Ministers to have a resolution to order any government agency to execute under this Emergency Decree;
- (3) to prescribe rules, procedures and conditions on the administration of the operation of the fund under section 10, section 11 and section 12;
- (4) to prescribe rules relating to receipt of money, disbursement of money, maintenance of money and procurement of benefits of the fund;
- (5) to prescribe rules relating to the meetings of the Committee and subcommittee;
- (6) to perform any other acts as necessary or is related to the fulfill the purposes of the fund.

Section 21 For the performance of duties under this Emergency Decree, the Committee shall have the power to appoint a sub-committee to consider or execute as assigned by the Committee.

Section 22 The Chairperson, members of the Committee and members of the sub-committee shall receive the remuneration or other benefits as prescribed by the Minister.

Section 23 The account of the fund shall be conducted in accordance with the international standard and rules as prescribed by the Committee.

Section 24 The fund shall conduct the balance sheet, budget and account and submit them to an auditor within one hundred and twenty days as from the date of the last day of accounting year of each year.

Every accounting year, the Office of the Auditor General of Thailand or an external person as appointed by the Committee with the approval of the Office of the Auditor General of Thailand shall be an auditor and shall evaluate the disbursement of money and properties of the fund by providing opinion analyzing the extent of how much such disbursement is in accordance with the purposes, cost saving and goal fulfillment. Such person shall conduct a report on the account auditing to the Committee and also submit a copy to the Council of Ministers.

Section 25 In the case where the execution of the fund is no longer necessary, the Minister shall submit to the Council of Ministers for consideration of abolishment of the fund.

Upon the approval of the Council of Ministers, the fund shall be abolished when the period of thirty days has lapsed as from the date that the Council of Minister has a resolution.

The status of legal entity of the fund shall exist so far as it is necessary for the purpose of executing the operation under section 26.

Section 26 Upon the abolishment of the fund, the properties and liquidation shall be examined including the transfer and distribution of remaining properties as prescribed by rules, procedures and conditions by the Minister.

Section 27 The Minister of Finance shall have charge and control of the execution of this Emergency Decree.

Countersigned by:
Yingluck Shinawatra
Prime Minister