

**HANDBOOK FOR ASEAN INSURERS OFFERING CROSS-
BORDER MARINE, AVIATION AND GOODS IN TRANSIT
("MAT") INSURANCE**

22 March 2019

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Introduction

At the 13th ASEAN Summit in Singapore on November 2007, ASEAN leaders jointly adopted the ASEAN Economic Community Blueprint (“AEC Blueprint”), with the goal of establishing ASEAN as a single market and production base, with free flow of goods, services, investments and skilled labour, and freer flow of capital.

Pursuant to the AEC Blueprint, ASEAN member states developed the ASEAN Insurance Integration Framework (AIIF) to guide the progressive liberalisation of ASEAN insurance markets to ensure more competitive insurance markets and greater choice for consumers. Under the AIIF, three broad lines of insurance that were beneficial to the development and growth of ASEAN economies had been identified as priority areas of liberalisation, namely: international Marine, Aviation and Goods in International Transit (MAT) insurance; catastrophe reinsurance, and reinsurance. These priority areas of liberalisation were also identified in the Strategic Action Plan for ASEAN Financial Integration 2016-2025.

In 2016, eight ASEAN jurisdictions fully liberalised the cross-border supply of international MAT insurance in the Seventh Package of Financial Services Commitments under the ASEAN Framework Agreement on Services. Under these commitments, an insurer domiciled and licensed to offer MAT insurance in its home jurisdiction can also offer such insurance to persons in the participating jurisdictions on a cross-border basis.

Objective of this Handbook

As the cross-border liberalisation of MAT insurance is a new initiative, the ASEAN Insurance Forum has published this Handbook to enable industry practitioners to gain an understanding of the different legislative requirements and the procedures for the offering of cross-border MAT insurance in each participating jurisdiction.

This Handbook serves as a reference guide only. Interested parties should contact the respective regulator and/or refer to the specific legislation issued by each jurisdiction to understand the respective regulatory requirements.

Common Definition of MAT Insurance

In order to ensure greater consistency on the MAT insurance policies that could be offered on a cross-border basis, the participating jurisdictions have adopted a common base-line definition of MAT insurance. This base-line definition sets out the minimum types of risks to be covered under an MAT insurance/ MAT insurance policy, and each jurisdiction may choose to broaden the scope of risks to be included in their definition.

Common Definition

The 'MAT insurance' definition broadly covers the type of risks that are considered MAT risks while the 'MAT insurance policy' definition provides specific details on the type of coverage that can be offered under such insurance policies.

"MAT insurance" means insurance of risks comprising –

- a) international maritime shipping, commercial aviation and freight, with such insurance to cover one or both of the following:
 - i. the goods being transported;
 - ii. the vehicle transporting the goods and any liability arising therefrom; and
- b) goods in international transit.

"MAT insurance policy" means a policy of insurance –

- a) upon vessels or aircraft, or upon the machinery, tackle, furniture or equipment of vessels or aircraft;
- b) upon goods, merchandise or property of any description whatsoever on board vessels or aircraft;
- c) upon the freight of, or any other interest in or relating to, vessels or aircraft;
- d) against damage arising out of or in connection with the use of vessels or aircraft, including third party risks;
- e) against risks incidental to the construction, repair or docking of vessels, including third party risks; or
- f) against transit risks (whether the transit is by sea, inland water, land or air, or any combination thereof) including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance.

Note: As jurisdictions are able to broaden the risks covered under the definition to cater to the needs of their domestic environment, interested applicants may wish to check whether a particular jurisdiction allows for additional risks under the cross-border MAT insurance commitment.

Summary of Procedures and Requirements to offer cross-border MAT Insurance [BRUNEI DARUSSALAM]

A. Procedures for offering cross-border MAT insurance in Brunei Darussalam

ASEAN domiciled insurers or Labuan insurers seeking to provide cross-border MAT insurance to persons in Malaysia are required to apply to Autoriti Monetari Brunei Darussalam (“AMBD”) for approval. In assessing an application, AMBD may have regard to such factors that it considers relevant and AMBD may approve the applicant, with or without conditions, or reject the application.

When making an application, the applicant shall submit a written application and such documents or information specified by AMBD (*once the framework is ready*) may include: (a) completed application form (*can be downloaded from AMBD website when it is ready*); (b) certified true copy of the licence issued; and (c) annual report and financial statements of both the applicant and its ultimate parent company for the last three years. Interested applicants should contact AMBD for a preliminary discussion before submitting a formal application.

B. Regulatory requirements for approved MAT insurers in Brunei Darussalam

An approved MAT insurer is subject to the following requirements:

An overview of the envisaged regime is as follows:

- Authorisation is required from the Autoriti Monetari Brunei Darussalam (“AMBD”) for insurers to offer cross-border MAT insurance;
- Minimum criteria for authorisation such as a strong capital and solvency position, and a good track record;
- Disclosure requirements to AMBD and potential policyholders;
- Deposit requirement with AMBD; and
- Submission of statutory returns as prescribed by AMBD.

[Note: These are the list of identified processes AMBD envisages will take place in the implementation of the cross-border MAT commitment in the 7th Package of AFAS for Financial Services for Brunei Darussalam. It is without prejudice to the final framework that will be implemented by AMBD.]

C. Links to relevant legislation

- (a) Insurance Order, 2006 ([link](#))
- (b) Takaful Order, 2008 ([link](#))

D. Miscellaneous

Email address for interested applicants: tiuadmin@ambd.gov.bn or findev@ambd.gov.bn

Summary of Procedures and Requirements to offer cross-border MAT Insurance [CAMBODIA]

A. Procedures for offering cross-border MAT insurance in Cambodia

ASEAN insurers established outside Cambodia seeking to provide cross-border MAT insurance to persons in Cambodia are required to apply to the Ministry of Economy and Finance (“MEF”) for approval. In assessing an application, the MEF considers the following criteria: (a) Domestic and international rankings; (b) Credit ratings; and (c) Financial soundness of the insurers.

When making an application, the following documents will need to be submitted to the MEF: (a) Written and valid application form; (b) Certified true copy of the licence issued; and (c) Annual report and financial statements of the applicant for the last three years.

B. Regulatory requirements for approved MAT insurers in Cambodia

An approved MAT insurer (Mode 1) in Cambodia is subject to the following requirements:

Annual Fee

- An annual fee of 12,000,000 Riel (approximately 3,000 USD)

Disclosure Requirements

Requirement to disclose the following before it enters into an insurance contract: (a) its approved status; (b) it is not licensed under the MEF to carry on insurance business in Cambodia, but approved by the MEF as an approved MAT insurer, oversight by the MEF upon necessary; (c) it is providing services from outside Cambodia and does not have a commercial presence in Cambodia; (d) policy owners are not protected by the Insurance Law 2014; and (e) any complaints may be directed to the approved MAT insurers.

Statutory Submission Requirements

Requirement to submit the following on an annual basis: (a) the financial results of the insurer’s MAT insurance business in Cambodia; and (b) the annual audited financial statements and the auditor’s opinion on the financial statements.

For an insurer licensed in Cambodia for commercial presence (Mode 3)

Capital Requirements:

The minimum paid-up capital requirement for a general insurance company in Cambodia shall not be less than 5,000,000 (five million) SDR (approximately 7,000,000 USD) as per prevailing rate at the issuance of license. Insurance company must maintain its capital at all time during period of its operation as a general insurance company.

Note: The requirements above are not exhaustive. Please refer to the Law and Regulations related to Insurance of Cambodia for further detail.

C. Links to relevant legislation

- (a) Law on Insurance (2014)
- (b) Sub-decree on Insurance (2001)
- (c) Prakas on Licensing of General and Life Insurance Companies (2007)
- (d) Prakas on the General Limitation for Insurance Operation (2001)

D. Miscellaneous

Application shall be made directly to “The Ministry of Economy and Finance of Cambodia”, Street 92, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia.

Summary of Procedures and Requirements to offer cross-border MAT Insurance [LAO PDR]

A. Procedures for offering cross-border MAT insurance in Lao PDR

The current legislation does not specify cross-border offerings of MAT insurance. However, the company or any person who would like to conduct insurance business in Lao PDR need to obtain insurance business license from Ministry of Finance (MOF) as prescribed in Insurance Law.

For insurance policies, including related documents or endorsements, that an insurance company issues to the insured shall be in the form, and consist of the text, as approved by MOF. However, there is no legal support for an international and cross-border policy in Lao PDR.

For offering insurance locally, the licensed insurance company is allowed to offer insurance to both Lao people and foreigners within the country. For offering insurance abroad, it can be done within the host country regulations.

B. Regulatory requirements for approved MAT insurers in LAO PDR

Presently, there is no specific legislation on cross-border MAT insurer in Lao PDR. An insurer wishing to offer MAT insurance in Lao PDR needs to have commercial presence (Mode 3) and is subject to the following requirements:

1. Annual fee

- Non-life insurance business license – 10,000,000 LAK (one time)
- Annual renewal fee for Non-life insurance business – 2,000,000 LAK

2. Capital requirements

Insurance companies must maintain capital at all time through out of period of its operation of Non-life insurance business, in proportion with its assets, liabilities, obligation, or risks, at least 16,000,000,000 LAK and 20% of net premium of the previous year.

3. Disclosure Requirements

Before entering into an insurance business in Lao PDR, these following information must be disclosed to MOF:

- (a) Company background, history, direction, and business objectives;
- (b) Business strategy, to the extent that it is not confidential and will not affect the ability of the company to compete in the market;
- (c) Details of core products and services;
- (d) Contact information;
- (e) Procedures for claim submissions;

(f) Good corporate governance framework and internal control process, including compliance; and

(g) Financial statements and remarks, including: Annual financial statement from the prior year, audited and commented on by an auditor; and Quarterly financial statements, audited by an auditor.

4. Statutory submission requirement

- Insurance companies shall submit to MOF annual reports of the calculation of liabilities under insurance policies, under the form, rules, procedures, conditions, and periods prescribed by the MOF;

- Insurance companies shall prepare and submit financial statements and reports on operating results to MOF;

- Every quarter, insurance companies shall prepare and submit a capital funds maintenance reports in the accordance with rules, procedures, and conditions prescribed by MOF; and

- Insurance Companies shall maintain reserves as prescribed by MOF.

C. Links to relevant legislation

(1) Insurance Law No. 06/NA dated 21 December 2011;

(2) Ministerial Instruction on Insurance Business Licensing No. 770/MOF dated 21 March 2016;

(3) Ministerial Decision on Reporting No. 3060/MOF dated 27 September 2018;

(4) Ministerial Decision on Reserves and Solvency No. 3059/MOF dated 27 September 2018;

(5) Ministerial Decision on Corporate Governance and Business Conduct No. 3058/MOF dated 27 September 2018; and

(6) Ministerial Instruction on Implementing the Law on Insurance No. 539/MOF dated 19 February 2014.

D. Miscellaneous

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Summary of Procedures and Requirements to offer cross-border MAT Insurance [INDONESIA]

A. Procedures for offering cross-border MAT insurance in Indonesia

There is no existing Indonesia Law that deals separately and specifically with cross-border MAT Insurance.

Under the insurance law, any insurance objects located in Indonesia shall only be covered by insurance company licensed by OJK; except on certain conditions as stipulated in the Law. In common business practices, MAT insurance could be categorized under non-life insurance business activities.

Interested applicants shall firstly acquire a business license from OJK as a non-life insurance company. The form of insurance legal entity is limited to two different types of company, those are Limited Liability Company and Cooperative. Moreover, insurance foreign branch offices is prohibited by Insurance Law.

The maximum foreign ownership in insurance sector is 80% of total paid up capital of the company. While, 20% of total paid up capital of the company is from Indonesian individual and/or Indonesian legal entities that are directly or indirectly wholly owned by Indonesian individuals.

After the granting of business license, the non-life insurance company shall request for OJK's approval of its insurance product (in this case, the MAT insurance policy) before it is permitted to be sold or marketed to the public.

B. Regulatory requirements for approved MAT insurers in Indonesia

There is no existing Indonesia Law that deals separately and specifically with cross-border MAT Insurance.

A licensed insurer (Mode 3) in Indonesia is subject to the following requirements:

1. Business License Fee paid to OJK (one-time only)

Rp100.000.000,00

2. Capital requirements:

Rp150.000.000.000,00

3. Annual Levy paid to OJK

0,045% of insurer's asset or a minimum nominal of Rp10.000.000,00

4. Disclosure requirement:

Before entering into a non-life insurance business in Indonesia, the following documents (information) must be submitted to OJK:

- articles of association;
- organization structure, completed with job description and work procedure;
- paid-up capital;
- Guarantee fund;
- ownership details;
- the feasibility and appropriateness of the shareholders and controller;
- fit and proper test relating to BoD, BoC, actuary and internal auditor;
- expert resources;
- feasibility of work plan;
- feasibility of the risk management system;
- framework for reporting to OJK;
- products to be marketed.

4. Requirements of foreign legal entity:

- foreign party is a legal entity in the same type of insurance business (i.e., a foreign life insurance company may only participate in a joint venture life insurance company) or a holding company, provided that one of its subsidiaries is a similar type of insurance company (not necessarily in Indonesia).
- With minimum rating A or equivalent (internationally);
- Has a minimum total amount of equity which is 5 times greater than direct ownership in Indonesia.

5. Guarantee fund:

Insurance company shall form guarantee fund. The Guarantee Fund is the last assurance with the aim of providing protection to policyholders in case their insurer is liquidated or has its license revoked. The amount of guarantee fund is 20% of paid up capital. The guarantee fund can be placed in time deposit and government bond.

6. Statutory Submission requirement

- Insurance company shall comply with the provisions on financial soundness;
- Insurance companies shall prepare and submit financial statement and reports on operation results to OJK;
- Insurance companies shall maintain reserve as determined by OJK.

C. Links to relevant legislation

- (1) Law Number 40 Year 2014 concerning insurance;
- (2) Government Regulation Number 14 Year 2018 concerning insurance foreign ownership;
- (3) OJK Regulation Number 14/POJK.05/2015 concerning own retention and domestic insurance and reinsurance;
- (4) OJK Regulation Number 23/POJK.05/2015 concerning insurance product and its distribution;
- (5) OJK Regulation Number 67/POJK.05/2016 concerning licensing and institutional aspects of insurance companies, sharia insurance companies, reinsurance companies, and sharia reinsurance companies.

(6) OJK Regulation Number 71/POJK.05/2016 concerning financial soundness for insurance companies and reinsurance companies.

Note: The regulations listed can be found in <https://www.ojk.go.id/en>

D. Miscellaneous

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Summary of Procedures and Requirements to offer cross-border MAT Insurance [MALAYSIA]

A. Procedures for offering cross-border MAT insurance in Malaysia

ASEAN domiciled insurers or Labuan insurers seeking to provide cross-border MAT insurance to persons in Malaysia are required to apply to Bank Negara Malaysia (“BNM”) for approval. In assessing an application, BNM may have regard to such factors that it considers relevant and BNM may approve the applicant, with or without conditions, or reject the application.

When making an application, the applicant shall submit a written application and such documents or information specified by BNM, including: (a) the written consent of the applicant’s supervisory authority for it to carry on business as an approved MAT insurer; and (b) an undertaking that the applicant shall treat its liabilities to policy owners arising from such business to the same extent as similar liabilities in the country in which it is licensed, approved, registered or regulated, or in Labuan, as the case may be.

B. Regulatory requirements for approved MAT insurers in Malaysia

An approved MAT insurer is subject to the following requirements:

Annual Fee

An annual fee of RM10,000.

Disclosure Requirements

Requirement to disclose the following before it enters into an insurance contract: (a) its business name, business address, website (if any), e-mail address and telephone number; (b) it is not licensed under the Financial Services Act 2013 to carry on insurance business, but only approved by BNM to carry on business as an approved MAT insurer, with limited oversight by BNM; (c) it is carrying on business from outside Malaysia and does not have a commercial presence in Malaysia; (d) policy owners are not protected by the Takaful and Insurance Benefits Protection System under the Malaysia Deposit Insurance Corporation Act 2011; and (e) any complaints may be directed to the approved MAT insurer. Requirement (c) is not applicable to an approved MAT insurer who is a Labuan insurer.

Statutory Submission Requirements

Requirement to submit the following documents on an annual basis: (a) the financial results of the insurer’s MAT insurance business in Malaysia; and (b) its annual audited financial statements and the auditor’s opinion on the financial statements, as submitted to its supervisory authority.

Note: The requirements above are not exhaustive. Please refer to the Financial Services (Approved Marine, Aviation and Transit Insurers) Regulations 2017 for the full suite of requirements.

C. Links to relevant legislation

(a) Financial Services Act 2013 (Act 758) – ([link](#))

(b) Financial Services (Approved Marine, Aviation and Transit Insurers) Regulations 2017 – ([link](#))

D. Miscellaneous

Applications shall be directed to “Director, Insurance Development Department, Bank Negara Malaysia, Jalan Dato’ Onn, 50480 Kuala Lumpur, Malaysia”.

Summary of Procedures and Requirements to offer cross-border MAT Insurance [MYANMAR]

A. Procedures for offering cross-border MAT insurance in Myanmar

In current situation of Myanmar Insurance Market, the cross-border MAT insurance operation has not been permitted and legislation does not specify for it. To be participated by private sector in the area of insurance, 'Insurance Business Law' was enacted in 1996 and 'Insurance Business Rules' was promulgated in the following year, 1997. Myanmar's government is attempting to attract foreign companies into the local insurance market through a process of gradual liberalization. The Insurance Liberalization Mechanism will be created for Myanmar Insurance Market and Market Liberalization will be allowed soon for enabling to keep abreast with the regional ASEAN Insurance Market and to reach at AEC objectives.

B. Regulatory requirements for approved MAT insurers in Myanmar

In current situation of Myanmar Insurance Market, the cross-border MAT insurance operation has not been permitted and legislation does not specify for it.

Liberalization should need to create an environment that is conducive to developing the insurance industry for the benefit of Myanmar people. While regulations allow for the development of various distribution channels and products to meet the needs of a geographically and affluence-diverse populations, there should be minimum standards in the regulations to promote the healthy competitions and sustainable development in Myanmar's insurance industry, either in phases or in scope. To this end, the legal framework should take the following into consideration:

- (a) *Market conduct and / or treating customers fairly* – regulations to prescribe minimum standards in the licensing / certification of sales agents and / or intermediaries, as well as on disclosure of important information in sales collaterals, benefit illustrations and policy contracts.
- (b) *Healthy development of distribution channels* – regulations could impose limits on sales remuneration, either on total basis or linked with suitable formulae taking into consideration the underlying product class i.e. protection vs. savings; long-term vs. short-term etc.
- (c) *Risk based capital and product pricing requirements* – regulations should promote the prudent (but not excessive) solvency requirements that will in turn drive the appropriate development of insurance protection and savings solutions for the benefit of the people of Myanmar.

C. Links to relevant legislation

- (a) Insurance Business Law (1996)

(b) Insurance Business Rule (1997)

D. Miscellaneous

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Summary of Procedures and Requirements to offer cross-border MAT Insurance [PHILIPPINES]

A. Procedures for offering cross-border MAT insurance in Philippines

There is no existing Philippine Law that deals separately and specifically with cross-border MAT insurance. However, under the Insurance Code of the Philippines, as amended, any licensed non-life insurance company can offer MAT insurance subject to the requirement of approval of a policy.

Interested applicants can be licensed as a non-life insurance company either by incorporating a One Hundred Percent (100%) owned domestic insurance company or by establishing a branch office.

Once licensed, said insurance company can now request for the approval of the MAT insurance policy.

B. Regulatory requirements for approved MAT insurers in Philippines

There is no existing Philippine Law that deals separately and specifically with cross-border MAT insurance.

Licensing Requirements for licensed insurer (Mode 3):

- I. One Hundred Percent (100%) owned domestic non-life insurance company:
 - a. Licensing Fee: PhP 181,800.00 (valid for three years)
 - b. Statutory submission requirements: The following shall be submitted on an annual basis:
 - i. Audited Financial Statements with comparative figure signed by an accredited external auditor
 - ii. Adjusted Trial Balance signed by Chief Accountant
 - iii. Computation of Risk Based Capital Ratio
 - iv. List of current members of board of directors, their respective addresses, positions, and committee membership.
 - c. Annual Supervision Fee: PhP 176,500.00
 - d. Documentary Requirements: (please see pp. 68 to 70 of the attached link - <https://www.insurance.gov.ph/citizens-charter/>)
 - e. Capitalization of One Billion Pesos (PhP 1,000,000,000.00)
 - f. Reserving Requirement: please see attached link - https://www.insurance.gov.ph/wp-content/uploads/2017/02/CL2016_67.pdf

II. Establishing of a branch office:

- a. Licensing fee: PhP 181,800.00 (valid for three years)
- b. Statutory submission requirements:
 - i. Audited Financial Statements with comparative figure signed by an accredited external auditor.
 - ii. Adjusted Trial Balance signed by Chief Accountant
 - lii. Computation of Risk Based Capital Ratio
 - iv. List of current members of board of directors, their respective addresses, positions, and committee membership.
 - v. Annual Statement on Worldwide Business and Statement of Receipts and Disbursements as of year-end.
- c. Supervision Fee: PhP 176,500.00
- d. Documentary Requirements: (please see pp. 71 to 73 of the attached link - <https://www.insurance.gov.ph/citizens-charter/>)
- e. Capitalization of One Billion Pesos (PhP 1,000,000,000.00)
- f. Reserving Requirement: please see attached link - https://www.insurance.gov.ph/wp-content/uploads/2017/02/CL2016_67.pdf

Requirements for Policy Approval - please see attached link -

https://www.insurance.gov.ph/wp-content/uploads/2017/02/CL2015_58-A.pdf

C. Links to relevant legislation

Insurance Code of the Philippines –

<https://www.insurance.gov.ph/issuances/laws/amended-insurance-code/>

D. Miscellaneous

Applications shall be directed to “Office of the Insurance Commissioner, Insurance Commission, 1071 United Nations Avenue, Ermita, Manila, Philippines.”

Contact Email Address: ocom@insurance.gov.ph

Summary of Procedures and Requirements to offer cross-border MAT Insurance [SINGAPORE]

A. Procedures for offering cross-border MAT insurance in Singapore

ASEAN domiciled insurers seeking to provide cross-border MAT insurance to persons in Singapore are required to apply to the Monetary Authority of Singapore (“MAS”) for approval. In assessing an application, MAS considers the following admission criteria:

- (a) Domestic and International Rankings;
- (b) Past and Present Credit Ratings;
- (c) Track Record, Financial Soundness and Reputation; and
- (d) Fitness and Propriety

When making an application, the following documents will need to be submitted: (a) completed application form found on the MAS’ website; (b) certified true copy of the licence issued; and (c) annual report and financial statements of both the applicant and its ultimate parent company for the last three years. Interested applicants should contact MAS for a preliminary discussion before submitting a formal application.

B. Regulatory requirements for approved MAT insurers in Singapore

An approved MAT insurer is subject to the following requirements:

Annual Fee

An annual fee of S\$20,000.

Capital Requirements

Requirement to place an insurance deposit, under the name of MAS, with a bank licensed in Singapore. The deposit amount is the higher of S\$2m, 30% of gross written premiums, or 30 % of gross liabilities from MAT insurance policies written in Singapore.

Disclosure Requirements

Requirement to disclose the following before it enters into an insurance contract: (a) its approved status; (b) it is providing services from outside Singapore and does not have a commercial presence in Singapore; and (c) it is subjected to limited oversight from MAS.

Statutory Submission Requirements

Requirement to submit the following forms on an annual basis: (a) the financial results of the insurer’s MAT insurance business in Singapore; (b) the insurance deposit it is required to maintain; (c) the balance sheet and profit & loss statements of the insurer’s operations; and (d) information on the insurer’s external auditors.

Note: The requirements above are not exhaustive. Please refer to the Insurance (Approved Marine, Aviation and Transit Insurers) Regulations for the full suite of requirements.

C. Links to relevant legislation

- (a) Insurance Act (Cap. 142) of Singapore – ([link](#))
- (b) Insurance (Approved Marine, Aviation and Transit Insurers) Regulations – ([link](#))
- (c) Admission Criteria and Application Form for MAT insurers – ([link](#))

D. Miscellaneous

Email address for interested applicants: webmaster@mas.gov.sg

Summary of Procedures and Requirements to offer cross-border MAT Insurance [THAILAND]

A. Procedures for offering cross-border MAT insurance in Thailand

The current legislation does not specify cross-border offerings of MAT insurance. However, for Commercial presence (Mode 3), anyone who desires to undertake insurance business in Thailand must be established in the form of public limited company or branch of foreign insurance company and must obtain a license from the Minister, with the approval of the Cabinet.

For insurance policies, including related documents or endorsements, that an insurance company issues to the insured shall be in the form, and consist of the text, as approved by the Registrar. However, there is no legal support for an international and cross-border policy in Thailand. The same is applied for premium rates.

For offering insurance locally, licensed insurance companies are allowed to offer insurance within the country to both Thai people and foreigners. While for offering insurance abroad, it can be done within the host country regulations.

B. Regulatory requirements for approved MAT insurers in Thailand

The current legislation does not specify cross-border offerings of MAT insurance.

A licensed insurer in Thailand for Commercial presence (Mode 3) is subject to the following requirements:

1. Annual fee

- Non-life insurance business license – certain types 400,000 baht
- Annual fee for the undertaking a Non-life insurance business – certain types 16,000 baht

2. Capital requirements

Insurance companies must maintain capital funds at all time throughout the period of its operation of a Non-life insurance business, in proportion with its assets, liabilities, obligation, or risks, at the rate prescribed by the Commission

3. Disclosure Requirements

Insurance companies must disclose, as follows: before entering into an insurance company:

- (a) Company background, history, direction, and business objectives;
- (b) Business strategy, to the extent that it is not confidential and will not affect the ability of the company to compete in the market;
- (c) Details of core products and services;
- (d) Contact information;

- (e) Procedures for claim submissions;
- (f) Good corporate governance framework and internal control process, including compliance;
- (g) Quantitative and qualitative data on the company's enterprise risk management and asset liability management;
- (h) Quantitative and qualitative data on underwriting risks, which are foreseeable and material and which could affect the financial status of the company, as well as reinsurance management, concentration risk, and the relationship between the company's reserves and such risks;
- (i) Quantitative and qualitative data on valuation, methods, and assumptions for the company's insurance contracts liabilities assessment;
- (j) Quantitative and qualitative data on the company's processes, types of investment, and other types of business (i.e. non-insurance business), if any, insurance underwriting profitability, claims compensation, investment profits, premium adequacy, and other relevant ratios;
- (k) Quantitative and qualitative data on reserve adequacy and assessment thereof, as well as directions, objectives, and process for the company's reserves management; and
- (l) Financial statements and remarks, including: Annual financial statement from the prior year, audited and commented on by an auditor; and Quarterly financial statements, audited by an auditor.

4. Statutory submission requirement

- Insurance companies shall submit to the Commission annual reports of the calculation of liabilities under insurance policies, certified by actuary, under the form, rules, procedures, conditions, and periods prescribed by the Commission
- Insurance companies shall prepare and submit financial statements and reports on operating results
- Insurance companies shall prepare and submit a capital funds maintenance reports to the Registrar every month in the accordance with rules, procedures, and conditions prescribed by the Commission
- Insurance Companies shall allocate reserves for Unearned Premium Reserves with the Registrar as prescribed by the Commission.

C. Links to relevant legislation

- (a) Life Insurance Act, B.E. 2535 (1992)
- (b) Non-Life Insurance Act, B.E. 2535 (1992)
- (c) Insurance Commission Notification on Rules, Procedures, and Conditions for Disclosure of Financial Standing and Operating Results of Life Insurance Companies; B.E.2561 (2018)
- (d) Insurance Commission Notification on Rules, Procedures, and Conditions for Disclosure of Financial Standing and Operating Results of Non-Life Insurance Companies; B.E.2561 (2018)

D. Miscellaneous

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Summary of Procedures and Requirements to offer cross-border MAT Insurance [VIETNAM]

A. Procedures for offering cross-border MAT insurance in Viet Nam

The MAT insurance offerings shall comply with the relevant regulations and the best practice. However, there are regulations on cross -border insurance supplying in Vietnam.

Article 90 Decree 76/2016/ND-CP dated 1/7/2016 set provisions:

1. Providers of cross-border insurance services and insurance brokerage services (below referred to as cross-border insurance service providers) are foreign insurance businesses and insurance brokerage businesses that are headquartered in a country with which Vietnam has concluded trade treaties containing agreements on provision of cross-border insurance services in Vietnam.
2. Users of cross-border insurance services are businesses established in Vietnam of which foreign investors hold over 49% of the charter capital and foreigners working in Vietnam.
3. Reinsurance, international maritime insurance, international aviation insurance, international reinsurance brokerage, consultancy, risk calculation and assessment and claim settlement services shall be provided in accordance with current laws and best practices.

ASEAN domiciled insurers seeking to provide cross-border insurance in Viet Nam are required to undertake business through a licensed brokerage firm in Vietnam and to fulfil the requirements set in Law.

Marine insurance is stipulated in Viet Nam Marine Act. Aviation insurance is stipulated in Viet Nam Aviation Act, the compulsory liability insurance of transporter and aircraft operator is stipulated in Aviation Law.

B. Regulatory requirements for approved MAT insurers in Viet Nam

B1. Providing cross- border insurance in Viet Nam (Mode 1):

The foreign insurer shall meet the following criteria to provide cross- border insurance in Vietnam:

(i) General conditions:

- Have licence on type of insurance business which intends to provide into Vietnam and have at least 10 years experience in that area.
- Have a letter of the home regulatory authority that allows foreign insurer to provide cross border insurance in Vietnam and certifies that the insurer has not breached any regulations in the latest 3 years.

(ii) Financial conditions:

- Have total assets of at least USD 2billion;
- Rate at least at B++ or BBB

- Having conducted profitable business for 3 consecutive fiscal years prior to the year of provision of cross-border insurance services in Vietnam.

(iii) Claim settlement conditions:

- Deposit at least VND 100billion in a Viet Nam commercial bank;

- Have a proper claim settlement procedure. In any cases, the representative of foreign insurer shall be presented at the place where loss happened within 48 hours since received the claim.

- Foreign brokerage shall have liability insurance for business in Viet Nam.

B2. Providing MAT as a licensed non life insurer in Viet Nam (Mode 3)

1. Non Life insurer and non life foreign insurance branch which provide MAT in Vietnam have to fulfill Law on Insurance Business, Revised Law on Insurance Business and the implementing guidelines.

(i) Legal capital requirement:

* For non life insurer:

- Legal capital level of a non-life insurance business:

a/ VND 300 billion, if it provides non-life insurance (except aviation insurance or/and satellite insurance) and health insurance;

b/ VND 350 billion, if it provides the insurance according to Point a of this Clause and aviation insurance or satellite insurance;

- Legal capital level of a foreign branch:

a/ VND 200 billion, if it provides non-life insurance (except aviation insurance or/and satellite insurance) and health insurance;

b/ VND 250 billion, if it provides non-life insurance, health insurance and aviation insurance or satellite insurance.

(ii) Information Disclosure

Information Disclosure shall comply with Article 82 of Decree 73/2016/ND-CP, Article 35 of Circular 50/2017/TT-BTC. Insurance company shall disclose the annual audited financial report with attached the independent auditor opinion; annual statement complies with the Form 1-CBTT, summarized financial report complies with the Form 2- CBTT with attached independent auditor opinion; product information (terms and conditions, tariff, proposal and related documents).

(iii) Statutory Submission Requirements

- When applying for licensing, depending on the type of insurer and foreign branch, the documents submitted to Ministry of Finance shall comply with the Article 11 or Article 12 or Article 13 of Decree 73/2016/ND-CP;

- During the operation, insurance company and foreign branch shall report to Ministry of Finance periodically complying with Article 80 of Decree 73/2016/ND-CP, Article 32 of Circular 50/2017/TT-BTC.

Moreover, due to any cases such as changing the member of Board of Director, expanding the scope of operation, changing reserve methods, etc... insurance company shall comply with the related regulations in order to submit the documents to Ministry of Finance for getting approval.

Note: The requirements above are not exhaustive. Please refer to Law on Insurance Business No. 24/2000/QH10 dated 9/12/2000, Revised Law on insurance Business No. 61/2010/QH12 dated

24/11/2010, Decree 76/2016/ND-CP dated 1/7/2016, Viet Nam Marine Act No. 95/2015/QH13 dated 25/11/2015, Viet Nam Aviation Law No. 66/2006/QH11 dated 29/6/2006, revised Viet Nam Aviation Law No. 61/2014/QH13 dated 21/11/2014 for the full suite of requirements.

C. Links to relevant legislation

- Law on Insurance Business
- Revised Law on insurance Business No. 61/2010/QH12 dated 24/11/2010,
- Decree 76/2016/ND-CP dated 1/7/2016,
- Viet Nam Marine Act No. 95/2015/QH13 dated 25/11/2015,
- Viet Nam Aviation Law No. 66/2006/QH11 dated 29/6/2006,
- Revised Viet Nam Aviation Law No. 61/2014/QH13 dated 21/11/2014

D. Miscellaneous

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