

**EMERGENCY DECREE
ESTABLISHING FUND FOR PROMOTION OF
CATASTROPHIC INSURANCE,
B.E. 2555 (2012)**

BHUMIBOL ADULYADEJ, REX.

Given on the 26th Day of January B.E. 2555;
Being the 67th Year of the Present Reign

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

Whereas it is expedient to have the law establishing fund for promotion of catastrophic insurance;

This Emergency Decree contains certain provisions in relation to the restriction of right and liberty of person, in respect of which Section 29 in conjunction with Section 41 and Section 43 of the Constitution of the Kingdom of Thailand, so permit by virtue of law;

Be it, therefore, enacted by the King, by virtue of Section 184 of the Constitution of the Kingdom of Thailand, as follows:

Section 1

This Emergency Decree is called the "Emergency Decree Establishing Fund for Promotion of Catastrophic Insurance, B.E.2555 (2012)".

Section 2

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 Act:

"Catastrophe" means calamity caused by storm, flood, earthquake and other calamities as notified by the Minister;

"Fund" means the Fund for Promotion of Catastrophic Insurance;

"Insurer" means a limited company or public limited company which is licensed to run insurance business under the law on insurance;

"Board" means the Executive Board of the Fund for Promotion of Catastrophic Insurance;

"Minister" means the Minister having charge and control of the execution of this Emergency Decree.

Section 4

There shall establish the fund within the Ministry of Finance called the "Fund for Promotion of Catastrophic Insurance". The Fund shall be a juristic person with the objective in managing catastrophe risks by means of insurance and reinsurance and by providing financial aids to insurer under the provisions of this Emergency Decree.

Section 5

All incomes of the Fund shall not be remitted to the treasury as State revenue under the law on budgetary procedure and the law on treasury reserve.

Section 6

The Fund consists of the following money and properties:

- (1) money allocated by the Government;
- (2) money received under Section 12;
- (3) money received under Section 13;

- (4) premium;
- (5) compensation or returned premium received on account of reinsurance;
- (6) donated money or properties;
- (7) fruits of money or incomes incurred from properties of the Fund.

Section 7

The business of the Fund is not subject to the law on insurance and the law on regulation and promotion of insurance business committee.

Section 8

The Fund shall have the power to do any act within the scope of its objective under Section 4 and shall have the following powers:

- (1) to have ownership, possessory right and real right;
- (2) to establish right or to engage in any juristic act within the Kingdom and abroad;
- (3) to invest its properties for beneficiary;
- (4) to do any act in connection with, or in relation to, the accomplishment of its objective.

Section 9

Money of the Fund shall be paid in accordance with the regulation prescribed by the Board and for the following activities:

- (1) engaging in insurance and reinsurance and providing financial aids for insurer in accordance with the objective of the Fund;
- (2) Fund's administration and other activities in relation to, or in connection with, Fund's management.

Section 10

An insurance and reinsurance of the Fund shall be undertaken in accordance with the rules, procedure and conditions as notified by the Board.

The Fund may entrust or employ other juristic person to conduct the undertaking under paragraph one on its behalf.

Section 11

Categories, forms and policies of insurance of, and rates of premium and payment of compensation for insurance of, the Fund shall be in accordance with the rules, procedure and conditions notified by the Board.

Section 12

If there is necessary and the Board thinks fit, the Fund may provide financial aids to insurer so as to prevent his damage from paying compensation incurred on account of his engagement in serious catastrophic insurance.

The insurer who requires the financial aids under paragraph one shall make a request to the Fund. If the Fund agrees to provide such aids, the Fund shall inform the insurer. In this case, the insurer shall remit money to the Fund at the rate prescribed by the Board.

The provision of financial aids, the making of a request for aids and the remittance of money to the Fund shall be in accordance with the rules, procedure, conditions and period as notified by the Board. In this case, the provisions of Section 10 shall apply *mutatis mutandis*.

Section 13

The Ministry of Finance, with approval of the Council of Ministers, shall have the power to raise loan in form of Thai Baht or foreign currency on behalf of the Government of the Kingdom of Thailand. The raised loan shall be remitted to the Fund so as to be paid within the scope of its objective without remittance to the treasury as State revenue under the law on budgetary procedure and the law on treasury reserve.

The raised loan under paragraph one shall not exceed fifty thousand million Baht.

Section 14

The amount of loan and the management and procedure in relation to the raising of loan shall be approved by the Council of Ministers.

Section 15

All expenses incurred in the raising of loan and the issuance and management of debt instrument may be paid from the budget set out in the budgetary appropriation or from such loan.

Section 16

The Public Debt Management Office shall have the powers and duties in relation to the raising, disbursement, repayment of loan as well as any other act in relation to the loan raised under this Emergency Decree.

Section 17

Otherwise prescribed herein, the provisions of the law on public debt management shall apply *mutatis mutandis*.

Section 18

There shall establish the Board called the "Executive Board of the Fund for Promotion of Catastrophic Insurance" consisting of the Chairperson appointed by the Council of Ministers, the Permanent-Secretary of the Ministry of Finance, the Director of the Fiscal Policy Office, the Secretary-General of the Regulation and Promotion of Insurance Business Committee and not exceeding four qualified persons appointed by the Council of Ministers as members.

The Permanent-Secretary of the Ministry of Finance shall appoint an official of the Ministry of Finance as Secretary and not exceeding two officials of the Ministry of Finance as Assistant-Secretaries.

Section 19

Term of, and vacation from, office of a qualified member shall be prescribed by the Council of Ministers.

Section 20

The Board shall have the powers and duties to control and supervise the Fund to fulfill its objective as prescribed by Section 4 and shall have the following powers and duties:

- (1) to lay down policy and to give approval to any execution of the Fund;
- (2) to give advice to the Council of Ministers for a resolution requiring any State agency to act in compliance with this Emergency Decree;
- (3) to prescribe rules, procedure and conditions on management of the Fund under Section 10, Section 11 and Section 12;
- (4) to prescribe regulation in relation to the acceptance, payment and maintenance of money and the investment for beneficiary of the Fund;
- (5) to prescribe regulation in relation to the meeting of the Board and its Sub-committee;
- (6) to do any act which is necessary to, or in concerning with, the accomplishment of the objective of the Fund.

Section 21

In the performance of duties under this Emergency Decree, the Board shall have the power to establish Subcommittee for considering or executing any act entrusted by the Board.

Section 22

The Chairperson, a qualified member and a member of a Sub-committee shall be entitled to meeting allowance or other benefits in accordance with the rules prescribed by the Council of Ministers.

Section 23

The accounting of the Fund shall meet with international standard and shall be made in the form and under the rules prescribed by the Board.

Section 24

The Fund shall submit its balance sheet, financial statement and account to the auditor within one hundred and twenty days as from the ending date of its accounting year.

The State Audit Office, or any person entrusted by the Board with approval of the State Audit Office, shall audit the Fund annually. The auditor shall conduct both account and performance audits on the payment of money and properties of the Fund and shall submit the Board his analysis report as to whether all payments has been made in compliance with its objective, value for money and meet with the targeted outcome. A copy of such report shall be forwarded to the Council of Ministers.

Section 25

Whenever the Fund is deemed unnecessary, the Minister shall request the Council of Ministers for its resolution to dissolve the Fund.

If the Council of Ministers so agree, the Fund shall be dissolved after thirty days as from the date the resolution of the Council of Ministers has been made.

The juristic person status of the Fund still exists for the period as necessary for the completion of the execution under Section 26.

Section 26

When the Fund is dissolved, the examination of properties and liquidation process, including the transfer or sale of the remaining properties shall be conducted in accordance with the rules, procedure and conditions as prescribed 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

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