IFIGS
Success Stories

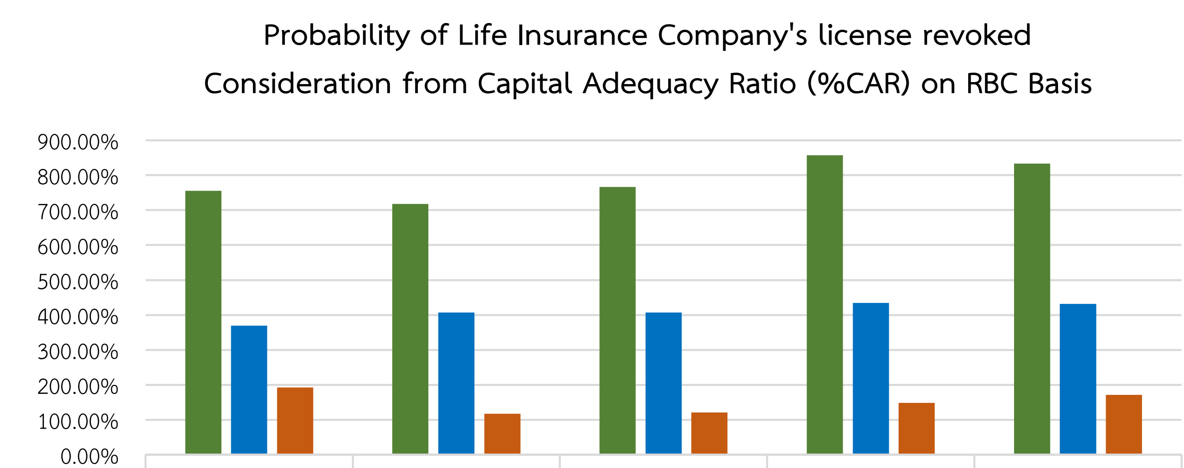
Follow-up on ‘Over-Prescription Policy Benefits’

- ***Insurance*** **Life Insurance**
- ***Country*** **Thailand**
- ***IGS*** **Life Insurance Fund (LIF)**

Currently, there are 21 active life insurance companies in Thailand. All companies are financially strong and have a low risk of insolvency or license revocation since the Capital Adequacy Ratio (CAR under the RBC criteria set by the OIC) averages more than 350% while the OIC standard benchmark to be warned is at lower than 140% and to be closed is at lower than 100%.

However, should the insurer be insolvent and the company's license is revoked, LIF (as insurance guarantee scheme or IGS) will be appointed by the Office of Insurance Commission (OIC) as the liquidator after the company have been closed. The resolution plans and strategies have been prepared to protect the life insureds (as creditors) who are entitled to receive debts payment arising from the life insurance contract after company closing.

As the first priority, LIF must pay claims or benefits by policy contract to the policyholders from LIF funds but no more than THB 1 million (US$ 30,500) for each insured as advance payment. After that, LIF have to access the assets of the insolvent insurer by the liquidation or bankruptcy process for the payment of all related creditors as well as the refund of LIF advance payment.



	4Q2023	4Q2024	1Q2025	2Q2025	3Q2025
Maximum	755.30%	717.50%	766.60%	857.13%	832.96%
Average	369.54%	407.20%	406.99%	434.61%	431.80%
Minimum	192.00%	117.10%	120.39%	148.53%	171.14%

About Over Prescription policy benefits

Another major role of LIF is to follow up with policyholders who have not yet got their life insurance benefits for over 10 years from the benefits date (called “over prescription policy benefits”) to get their benefits.

Insurance benefits refer to rights under life insurance contracts, such as benefits during the contract, dividend, maturity benefits, surrender values, claims payment, and etc

For the first 10 years from the benefit due date (still not over prescription period), it is the responsibility of the insurer to follow-up and pay the benefits. The life insurance company must remit the policy benefits to the LIF within one month after over prescription period (over than 10 years from the benefits due date).

About LIF

‘Life Insurance Fund (LIF) – Thailand’ was established in 2008 under the Life Insurance Act. It is a juristic person and government agency directly reported to the ‘LIF Executive Board of Directors’ chaired by the Permanent Secretary of the Ministry of Finance and deputy-chaired by the Office of Insurance (OIC) Secretary. ‘LIF Executive Board of Directors’ is responsible for setting policies, issuing rules and regulations regarding the operations. LIF Manager is the Board’s secretary and LIF Head.

Objectives by Law (Life Insurance Act BE 2535 / AD 1992, and amended)

1. To protect insured persons (as creditors) who are entitled to receive debts payment arising from the life insurance contract if the life insurance company's license is revoked by Ministry of Finance via OIC (also known as insolvency).

2. Development of the Life Insurance Business for sustainable growth and stability.