



# National Catastrophe Insurance Fund Guidance

# The National Catastrophe Insurance Fund Decree

- The Cabinet has approved The National Catastrophe Insurance Fund Decree on January 10th, 2012.
- To provide risk management through insurance and reinsurance.
- To provide financial assistance for non-life insurance business by 50 billion baht.
- Announced in Government Gazette and came into force on January 27th, 2012.

# Catastrophe

Catastrophe means

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Windstorm

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floods

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earthquake and

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other incident considered Catastrophe  
according to the announcement of the  
Minister.



# Objective

- ☪ To offer help to the people and the entrepreneurs for coverage of property and business.
- ☪ To increase reinsurance capacity with the lowest premium rate.
- ☪ To make Catastrophe Insurance accessible for the people with an appropriate premium.
- ☪ To ensure the foreign investors and the entrepreneurs to continue running business in Thailand.

# Fund Management Committee

The panel of ministers has approved the appointment of the executive committees of the National Catastrophe Insurance Fund on Tuesday, February 7th, 2012. Members include:

1. Mr. Payunsak Chartsutipol

Chairman of the Board

2. Mr. Areepong Bhooch-oom

Executive Director

Permanent Secretary,

Ministry of Finance

3. Mr. Somchai Sujjapongse

Executive Director

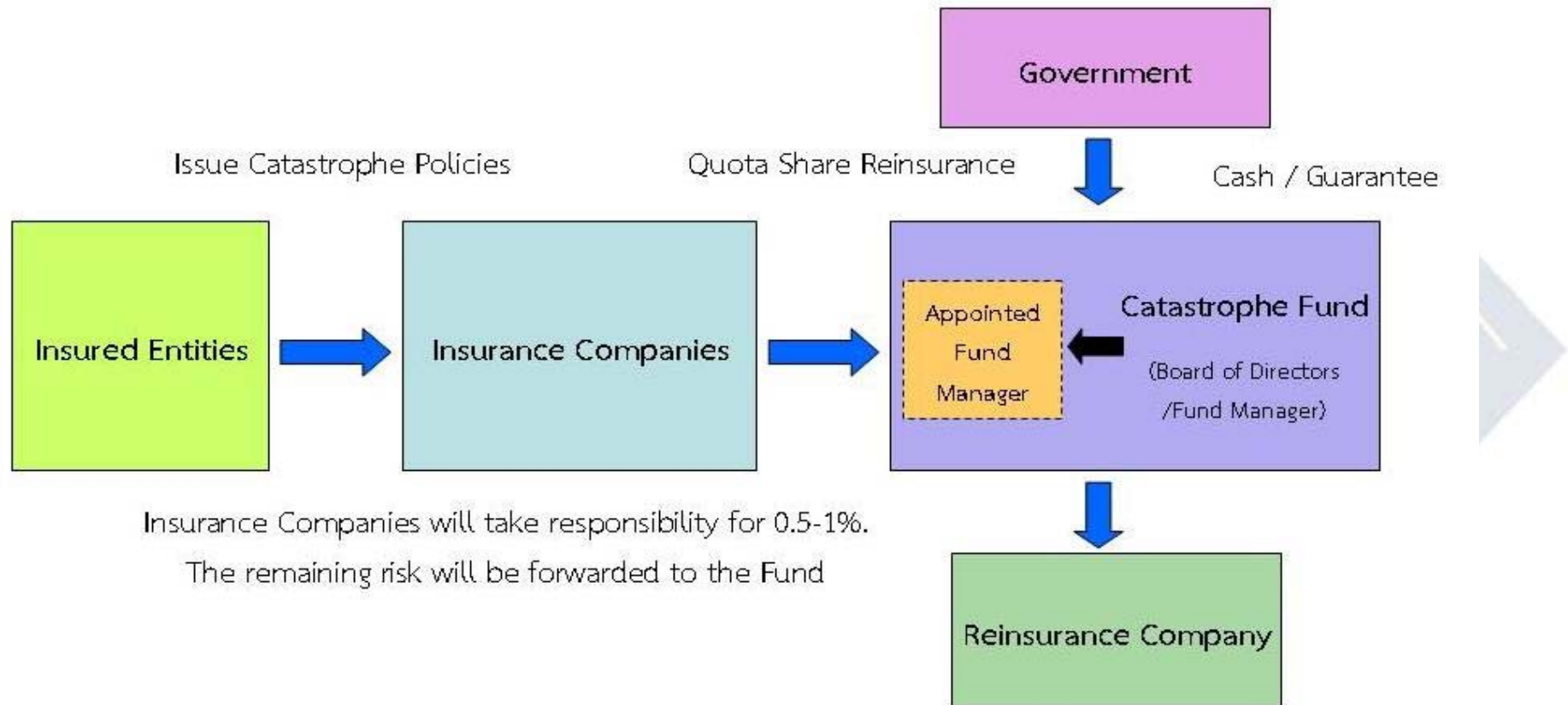
Director - General,

Fiscal Policy Office

# Fund Management Committee (2)

- |   |                     |
|---|---------------------|
| 4. Mr.Pravej Ongartsittigul               | Executive Director  |
| Secretary, Office of Insurance Commission |                     |
| 5. Mr.Chakkrit Parapuntakul               | Qualified Member    |
| 6. Mr.Seri Chintanaseri                   | Qualified Member    |
| 7. Mr.Chukiat Sapphaisal                  | Qualified Member    |
| 8. Mr.Isara Vongkusolkrit                 | Qualified Member    |
| 9. Mr.Lavaron Sangsanit                   | Secretary           |
| 10. Mr.Theeras Athanavanich               | Secretary Assistant |

## Mechanism of the Catastrophe Insurance



# Coverage and premium

Insured Type	Coverage	Premium (Per Annum)
Household	a sub limit of up to 100,000 baht	0.5%
SME	a sub limit of up to 30% of the sum insured	1%
Industrial Sector	a sub limit of up to 30% of the sum insured	1.25%



# Type of Insurance Policy

Insured Type	Coverage
Household	“Fire and Catastrophe Insurance Policy for Household” will provide automatic coverage to catastrophe with a sub limit of up to 100,000 baht
Business (SME and Industrial Sector)	SME will be entitled to buy catastrophe’s protection with a sub limit of up to 30% of the sum insured (with the Conditions of having “Fire and Catastrophe Insurance Policy for Household” and “Industrial All Risk Insurance Policy”)

# Coverage

“Catastrophe Insurance Policy” will offer coverage for damages caused by the 3 types of natural disaster, namely floods, earthquake and windstorm.

# Additional Coverage

The Insured can increase the Catastrophe and other natural disaster coverage by paying additional premium directly to the Insurance company.

# Definition

The definition of “catastrophe” to be a natural disaster if one of these permutations occur:

- Upon the advice given by the Department of Disaster Prevention and Mitigation, declaration of the Cabinet of Ministers that a particular event has escalated to a ‘Catastrophe’ **or**;
- The total claim for catastrophe damages exceeds 5 billion baht per event that is within a 60-day duration and with a minimum of 2 claimers **or**;
- Earthquake with the magnitude at least 7 on the Richter scale **or**;  
Windstorm with the wind speed at least 120 kilometers per hour.

# Claim Payment

Insured Type	sub limit	Claim payment (flood)	Claim payment ( <u>Windstorm/</u> <u>Earthquake</u> )	Deductible
Household	a sub limit of up to 100,000 baht	<ul style="list-style-type: none"> <li>- Water reaches the floor of the household: 30% of sub limit</li> <li>• Water reaches 50 cm: 50% of sub limit</li> <li>• Water reaches 75 cm: 75% of sub limit</li> <li>• Water reaches 100cm: 100% of sub limit</li> </ul>	Loss adjuster / Surveyor will determine the actual loss and the business operators will be paid accordingly	None

# Claim Payment

Insured Type	sub limit	Claim payment (flood)	Claim payment ( <u>Windstorm/</u> <u>Earthquake</u> )	Deductible
<b>Business (SME and Industrial Sector)</b>	a sub limit of up to 30% of the sum insured	The Insurance Company will survey and adjust loss, then pay for the actual loss but not over the sub limit.	The Insurance Company will survey and adjust loss, then pay for the actual loss but not over the sub limit.	5% of the sub limit

Thank you

National Catastrophe  
Insurance Fund

[www.ncif.or.th](http://www.ncif.or.th)

0-2290-8899