

MEMORANDUM

OF

UNDERSTANDING

Between

**New York State Insurance Department
(NYSID)**

And

**The Office of Insurance Commission, Thailand
(OIC)**

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Memorandum of Understanding Concerning Cooperation, Coordination, Consultation and Exchange of Information Related to Persons or Entities Engaged in the Business of Insurance

Overview

In light of the growing globalization of insurance markets, and pursuant to Section 110 of New York Insurance Law, the New York State Insurance Department (“NYSID”) and the Office of Insurance Commission, Thailand (“OIC”) (collectively, the “Authorities”) hereby enter into this Memorandum of Understanding (“MoU”) to provide a formal basis for cooperation and coordination, including for the exchange, handling, protection and return of information in their possession and, where appropriate, investigative assistance with respect to companies and persons engaged in the business of insurance. The NYSID and the OIC express, through this MoU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates and functions.

The NYSID regulates all insurance business transacted in New York State and is the primary regulator for insurance entities domiciled therein. In its capacity as regulator, the NYSID administers, interprets and enforces the provisions of New York’s insurance laws and regulations, and is vested and charged with all rights, powers and duties as expressed or reasonably implied by the New York Insurance Law.

The OIC was established in September 2007 by the Insurance Commission Act B.E. 2550 (2007), as an autonomous insurance regulatory authority, administered in the form of the Insurance Commission. Under this Act, the OIC is responsible for regulating and supervising all licensed insurance companies and insurance intermediaries in Thailand. The Insurance Commission reports to the Minister of Finance.

Definitions

1. For purposes of this MoU, unless the context states otherwise:

- (a) “Administering” an applicable law, regulation or requirement includes enforcing the same.
- (b) “Applicable laws, regulations and requirements” means any law, regulation or requirement applicable in the State of New York and/or in Thailand, and where the context permits, includes:
 - (i) Relevant Legislation that has not yet been transposed into Thailand’s domestic law;
 - (ii) Any law, regulation or requirement applicable in the State of New York or Thailand; and
 - (iii) Any rule, direction, requirement, guidance or policy made or given by, or to be taken into account by an Authority.
- (c) “Authority” or “Authorities” means the NYSID and/or the OIC.
- (d) “Confidential Information” means:
 - (i) Any documents or records deemed confidential by New York law, regulation, requirements or privilege, including, but not limited to, draft examination reports; examination work papers; analyses of financial condition; reports of fraudulent activity; records regarding holding company transactions; and trade secrets or records maintained for the regulation of commercial enterprise, which if disclosed would cause substantial injury to the competitive position of the subject enterprise. Confidential information also includes records the disclosure of which would constitute unwarranted invasion of personal privacy, would impair present or imminent contract awards or collective bargaining negotiations, or would endanger the life or safety of any person; records compiled for law enforcement purposes; certain inter-agency or intra-agency correspondence; computer access codes; and examination questions or answers requested prior to the final administration of such questions.
 - (ii) Any information deemed confidential by Thai Law, regulation, requirement or privilege, including, but not limited to official information defined by Section 15 of the Official Information Act B.E. 2540 or any amendment thereto.
- (e) “Emergency Situation” means any situation or event that could materially affect or impair the financial or operational condition of a Regulated Entity or Person or

substantially affect the public interest of the jurisdiction of either Authority and that, accordingly, must be handled in an expedited manner.

- (f) “Hosting Authority” means the Authority in whose jurisdiction the On-Site Inspection will be performed.
- (g) “Inspecting Authority” means the Authority performing the On-Site Inspection.
- (h) “NYSID” means State of New York Insurance Department.
- (i) “OIC” means the Office of Insurance Commission, Thailand.
- (j) “On-Site Inspection” means any routine or regulatory inspection or examination of the books, records or premises of a Regulated or Related Entity or Person.
- (k) “Person” means a natural person, legal entity, partnership or unincorporated association.
- (l) “Regulated Entity” or “Regulated Person” means a company or person engaged in insurance activities subject to the supervision of the NYSID and/or the OIC.
- (m) “Related Entity or Person” means a company or person engaged in insurance activities, or legal entities or sub-groups of a Regulated Entity or Person, including affiliates, branches or subsidiaries, regulated by the NYSID and/or the OIC.
- (n) “Requesting Authority” means the Authority seeking assistance/information.
- (o) “Responding Authority” means the Authority responding to a request for assistance/information.

Purpose and Objective of MoU

2. The purpose of this MoU is to establish a formal basis for consultation, cooperation and coordination between the OIC and the NYSID, and to provide for the exchange of information relevant to each Authority’s supervisory, regulatory and examination responsibilities.

Requests for Assistance

3. Requests for assistance include, among other things, requests to: (1) confirm or verify information; (2) obtain information about a specified person or entity; (3) discuss issues of mutual interest between the Authorities; (4) question or take testimony of persons designated by the Requesting Authority; and (5) conduct inspections or examinations of Regulated/Related Entities or Persons. Requests for assistance that include requests for Confidential Information shall follow the procedure set forth in this MoU. If a request

for assistance is made under this agreement, each Authority shall use reasonable efforts to assist the other, subject to its laws and overall policy.

4. This MoU does not create any legally binding obligations, confer any rights, modify, or supersede any domestic laws or regulatory requirements in force in, or applying to, the State of New York or Thailand. This MoU does not confer upon any person the right or ability, directly or indirectly, to obtain, suppress or exclude any information or to challenge the execution of a request for assistance under this MoU. This MoU is not intended to affect any arrangements under any other MoUs in existence to which either of the Authorities is a party.

5. The Authorities acknowledge that they may only provide information under this MoU if permitted or not prevented under applicable laws, regulations and requirements.

6. The Authorities shall consider and promptly respond to all requests for assistance regarding: (1) the safety, soundness, or financial condition of a Regulated Entity or Person, or (2) the insurance activities of a Regulated Entity or Person. Where Confidential Information is involved, the decision to share this information is at the sole discretion of the Responding Authority; however, the Responding Authority shall use reasonable efforts to obtain and share such information.

Procedures for Making/Responding to Requests for Assistance

7. To the extent possible, all requests for assistance shall be in writing and, if made orally, the provisions of Paragraph 13 below must be followed. Requests for assistance must be directed to the appropriate appointed contact person(s) identified in Exhibit A hereto, and should include the following:

(a) A description of the information, confirmation or verification sought by the Requesting Authority, identifying relevant persons and specific questions to be asked;

(b) A general description of the matter that is the subject of the request and the purpose for which the information is sought;

(c) The desired time period for reply, and where appropriate, an explanation of the urgency thereof; and

(d) A description of other persons or entities, if any, to whom further disclosure of information provided to the Requesting Authority would be necessary, and the purpose such disclosure would serve.

8. Each Responding Authority shall use reasonable efforts to assess, on a case-by-case basis, whether any Confidential Information that has been requested can be provided under the terms of this MoU. Where the request cannot be fulfilled in whole or in part, the Responding Authority shall consider whether it, or any other regulatory authority in

its jurisdiction, has the ability to render assistance to the Requesting Authority and, to the extent possible, shall use reasonable efforts to facilitate such assistance.

9. In deciding whether and to what extent to fulfill a request, the Responding Authority may take into account:

- (a) Whether the request for assistance conforms with this MoU;
- (b) Whether the request for assistance involves the administration of a law, regulation or requirement that has no close parallel in the jurisdiction of the Responding Authority;
- (c) Whether compliance with the request for assistance would be so burdensome as to disrupt the proper performance of the Responding Authority's regulatory functions;
- (d) Whether it would be detrimental or otherwise contrary to the public interest or the essential national interest of the Responding Authority's jurisdiction to provide the information requested;
- (e) Any other matters specified by the laws, regulations and requirements of the Responding Authority's jurisdiction (in particular those relating to confidentiality, professional secrecy, data protection, privacy and procedural fairness); and
- (f) Whether complying with the request may otherwise be prejudicial to the performance by the Responding Authority of its functions.

Confidentiality

10. The Authorities may voluntarily and in their sole discretion provide information, including Confidential Information, without having received a request for assistance.

11. In responding to any request for assistance, the Responding Authority shall identify any information that is provided pursuant to this MoU that constitutes Confidential Information.

12. The Authorities agree to request Confidential Information only if it is relevant to their lawful supervision or examination of a Regulated Entity or Person, and shall use the Confidential Information they receive under this MoU only for those purposes.

13. To the extent possible, all requests for Confidential Information shall be made in writing and addressed to the appropriate appointed contact person(s) identified in Exhibit A. Where, due to an Emergency Situation or exceptional circumstances, an oral request is necessary, such request shall thereafter be confirmed by the Requesting Authority in writing within ten (10) business days. Requests for Confidential Information made at in-person meetings between the Authorities do not require a subsequent written

confirmation if such oral requests will be noted in the minutes of the meetings between the Authorities.

14. In assessing a request for assistance or information, the Responding Authority may rely on the confirmation of equivalent confidentiality protections or other certification or confirmation by the Requesting Authority of its ability and authority to maintain the protected nature of Confidential Information. The Responding Authority may also rely on other relevant issues, such as its own knowledge of the Requesting Authority's practices and procedures.

15. The NYSID states that pursuant to New York Insurance Law § 110, it has the legal authority necessary to enter into this MoU and to protect from disclosure, and otherwise preserve, the confidential or privileged nature of any Confidential Information that it requests and receives pursuant to this MoU. A copy of the law establishing such authority is attached hereto as Exhibit B.

16. The OIC states that pursuant to Section 20 (6) of the Insurance Commission Act B.E. 2550 (2007), and Section 15 of the Official Information Act B.E. 2550 (2007), it has the authority to enter into this MoU and to protect from disclosure, and otherwise preserve, the confidential or privileged nature of any Confidential Information that it requests and receives pursuant to this MoU. A Memorandum explaining the applicable Thai law establishing such authority is attached hereto as Exhibit B.

17. All Responding Authority Confidential Information belongs to, and shall remain the property of, the Responding Authority. The Requesting Authority shall, in accordance with applicable laws, regulations and pursuant to the terms of this MoU, take all actions reasonably necessary to preserve, protect, and maintain the confidentiality of such Confidential Information and any privileges associated therewith.

18. The Requesting Authority shall restrict access to Responding Authority Confidential Information to those employees and agents of the Requesting Authority who are subject to the Requesting Authority's confidentiality obligations, are under its direct supervision and control, and who have a need for such information that is consistent with, and directly related to, the purposes for which the information was requested.

19. The Requesting Authority may provide Confidential Information received under this MoU to other state, federal or international regulatory or law enforcement officials who have authority over the Regulated Entity that is the subject of the Confidential Information, provided that the Requesting Authority: (1) discloses, at the time of the request, to the Responding Authority the identity of each recipient with whom the Confidential Information will be shared; and (2) confirms that each recipient agrees to, and has the legal authority to, maintain the confidential status of the information provided. In all other cases the Requesting Authority will seek consent from the Responding Authority before disclosing any Confidential Information that it receives pursuant to this MoU.

20. Where there is a subpoena or other legally enforceable demand for information supplied under this MoU, the Requesting Authority shall notify the Responding Authority. The Requesting Authority shall use all reasonable legal means to resist such a demand, including asserting such appropriate legal exemptions or privileges with respect to that information as may be available, and shall afford the Responding Authority the opportunity to take whatever action it deems appropriate to preserve, protect and maintain the confidential nature of the information provided, including consenting to any application by the Responding Authority to intervene in any action to preserve the confidentiality of Responding Authority Confidential Information.

21. Each Authority will attach a copy of the confidentiality provisions applicable in its country to this MoU as Exhibit B. The Authorities will inform each other in due course if the confidentiality regime is significantly affected by a change of law or a court decision.

On-Site Inspections

22. The NYSID and the OIC recognize that cooperation is particularly useful in assisting each other in carrying out On-Site Inspections of Regulated or Related Entities and Persons in both jurisdictions. To that end, the Authorities agree to comply with the following procedures prior to conducting On-Site Inspections:

(a) The Inspecting Authority shall notify the Host Authority of: the Inspecting Authority's intent to conduct an On-Site Inspection, by itself or by an authorized third party; the time frame for the inspection; and the scope of such inspection. Where practicable, the Inspecting Authority shall notify the Host Authority of the inspection at least one week prior to informing the Regulated or Related Entity or Person that it will be the subject of the On-Site Inspection;

(b) The Host Authority will, to the extent permitted by law, allow the Inspecting Authority to conduct on-site inspections, which may be granted with conditions as the Host Authority may prescribe; and

(c) The Host Authority may, in its discretion, accompany the Inspecting Authority to, and assist the Inspecting Authority with, any On-Site Inspections.

Costs

23. Where the cost of fulfilling a request is deemed substantial, the Responding Authority may, on a case-by-case basis, require the Requesting Authority to bear some or all of such costs.

Consultation Between the Authorities

24. The Authorities shall keep the operation of this MoU under review and shall consult with each other as necessary with a view to improving its operation and resolving any concerns that have arisen out of its operation.

25. Where a specific conduct outlined in a request for assistance constitutes a breach of a law, regulation or requirement in the jurisdiction of both Authorities, the Authorities shall consult with each other to determine the most appropriate means for each Authority to provide the assistance requested.

Commencement and Termination of the MoU

26. This MoU shall take effect when both Authorities have signed it and shall continue to have effect until terminated by either Authority upon thirty (30) days written notice. Termination shall not in any way affect the rights or obligations of either Authority with respect to Confidential Information previously provided under this MoU or any privileges associated with such information.

27. This MoU supersedes and replaces all other existing agreements or representations, either oral or written, between the parties to this MoU regarding the sharing of information. No waiver, alteration or modification of the provisions of this MoU shall be binding unless subsequently made in writing and signed by duly authorized representatives of the Authorities.

Executed by the Parties:

**For the New York State
Insurance Department**

**For the Office of Insurance
Commission, Thailand**

Kermit J. Brooks
Acting Superintendent of Insurance

Chantra Purnariksha
Secretary-General

Date: July 6, 2009

Date: July 6, 2009

EXHIBIT A**Contact Persons for:**

**New York State Insurance Department
25 Beaver Street
New York, NY 10004**

Name: Joseph Fritsch
Title: Director of Insurance Accounting Policy
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OR

Name: D. Monica Marsh
Title: Supervising Attorney
Telephone Number: (212) 480-5298
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Contact Persons for:

**The Office of Insurance Commission, Thailand
44/100 Nonthaburi 1 Road
Nonthaburi 11000, Thailand**

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OR

Name: Atthaphon Phibunthanaphatthana
Title: Director, International Affairs
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EXHIBIT B

New York Insurance Confidentiality Statute:

Insurance Law § 110. Cooperation with Other Regulatory Agencies

(a) In order to assist in the performance of the superintendent's duties under this chapter, the superintendent:

(1) may share documents, materials or other information, including the confidential and privileged documents, materials or information with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient has the authority and agrees to maintain the confidentiality and privileged status of the document, material or other information; provided, however, that this paragraph shall not be construed as limiting access to records pursuant to article six of the public officers law;

(2) may receive documents, materials or information, including otherwise confidential and privileged documents, materials or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material or information;

(3) may enter into agreements governing sharing and use of documents, materials or information consistent with this subsection.

(b) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the superintendent under this section or as a result of sharing as authorized in this section.

The Office of Insurance Commission Memorandum on Thai Law Concerning Information Disclosure and Confidentiality

Introduction

The purpose of this memorandum is to identify and summarize the main Thai law concerning information disclosure.

The protection of information can be found in the Insurance Commission Act B.E. 2550 (2007), which establishes the Office of Insurance Commission, Thailand (OIC). Even though the Act does not provide an explicit provision regarding the protection of information, the protection of information rests in the rules and regulations issued

thereunder. The protection of information can also be acquired from a chapter regarding malfeasance in office in the Criminal Code which protects any disclosure arising from dishonest or wrongful acts of an official.

With respect to information that has to be disclosed, the OIC, as a state agency, is required to disclose certain information to the public under the Official Information Act B.E. 2540 (1997). However, the Act also protects certain information from disclosure pursuant to Section 15 of the Official Information Act. Recently the OIC, as a state agency supervising insurance companies, which are part of financial institutions, has signed MoU with the Bank of Thailand and Securities and Exchange Commission. Under that MoU, it agrees to disclose certain information. In addition, similar to other countries, the OIC has to comply with subpoenas in criminal and civil litigation.

Office of Insurance Commission Rule on Employees issued under Section 12 (8) of the Insurance Commission Act B. E. 2550 (2007) (Available only in Thai language)

This Act concerns the establishment of the Office of Insurance Commission; the composition of the Insurance Commission; the appointment of Secretary General; and the Commission's powers to regulate insurance industry and issue rules regarding administration of the Office of Insurance Commission, etc. In particular, Section 12 (8) provides that the Commission has the authority to prescribe insurance business policy and regulate, promote and develop insurance business. These powers shall include: specifying rules, methods, conditions and codes of practice in operating insurance business in accordance with international standards; and prescribing rules, regarding administration of the office, finance and personnel, general administration, internal audit, including welfare of the Office of Insurance Commission's employees.

Based on the authority under Section 12 (8), the Insurance Commission has issued "Office of Insurance Commission rule on employees." The rule composes of different chapters. Chapter 5 Articles 19-21 prescribe disciplines which should be abided by OIC's employees. It broadly requires the OIC's employees to exercise their duties cautiously, preventing conflicts of interest, and with respect to the protection of information, it specifies that OIC's employees must keep confidential any information that the employee has received or that has come to the knowledge of the employee in the capacity as an employee. Damages resulting from these acts constitute a grave violation, which can result in disciplinary action against an employee. In addition, if the act of any employee damages any person, that employee might be prosecuted as a criminal offender under the Criminal Code.

The Criminal Code

The OIC's employee, as an employee of a State agency, is regarded as official, subject to the Criminal Code. In particular, Section 157 provides that whoever, being an official, wrongfully exercises or fails to exercise any of his duties to the damage of any person, or dishonestly exercises or omits to exercise his duties, shall be punished with imprisonment of one to ten years, or a fine of two thousand to twenty thousand baht, or both. This

section therefore serves as a further protection from any wrongful or dishonest disclosure of information by employees.

The Official Information Act

The OIC is bound by the Official Information Act which requires the OIC, a state agency, to disclose information in its possession or control whether it is information relating to the operation of the State or information relating to a private individual. Certain information must be published in the Government Gazette to satisfy the disclosure, i.e., the structure and organization of its operation; the summary of important powers and duties and operational methods; by-laws, resolutions of the Council of Ministers, regulations, orders, circulars, Rules, work pattern etc. The OIC is required to make available certain information for public inspection, i.e., the result of a legal opinion or claims settlement, or a decision which has a direct effect on a private individual including a dissenting opinion and an order relating thereto; a policy or interpretation which does not fall within the scope of the requirement of publication in the Government Gazette; a work-plan, project and annual expenditure estimate of the year of its preparation; a manual or order relating to work procedure of State officials which affects, among other things, the rights and duties of private individuals.

Nevertheless, Chapter 2 of the Act sets forth information not subject to disclosure. The important section is Section 15 which provides that a state official may issue an order prohibiting the disclosure of official information falling under any of the following descriptions, having regard to the performance of duties of the State agency under law, public interests and the interests of the private individuals concerned:

- 1) the disclosure thereof will jeopardize the national security, international relations, or national economic or financial security;
- 2) the disclosure thereof will result in the decline in the efficiency of law enforcement or failure to achieve its objectives, whether or not it is related to litigation, protection, suppression, verification, inspection, or knowledge of the source of information;
- 3) an opinion or advice given within the state agency with regard to the performance of any act, not including a technical report, fact report or information relied on for giving opinion or recommendation internally;
- 4) the disclosure thereof will endanger the life or safety of any person;
- 5) a medical report or personal information the disclosure of which will unreasonably encroach upon the right of privacy;
- 6) any official information protected by law against disclosure or any information given by a person or entity and intended to be kept undisclosed; and
- 7) other cases as prescribed in the Royal Decree.

It can thus be said that this Chapter of the Act protects from disclosure information received by the OIC pursuant to this MoU.

Disclosure Required by MoU signed with the Bank of Thailand and the Office of Securities and Exchange Commission

The OIC has signed MoU with the Bank of Thailand and the Office of Securities and Exchange Commission on October 3, 2005, which provides that information received under that MoU must be treated as confidential and consent from the party that originates the information is required prior to any disclosure. As state agencies, they are therefore under the Official Information Act.

Subpoenas in Criminal and Civil Litigation

The OIC, as an insurance supervisory authority, is obliged to comply with a court witness summons, requiring it to provide oral evidence or documents in civil or criminal litigation to which it is not a party. Also, where the OIC is subject to any legal proceedings, it will be subject to the disclosure obligations on litigants. In other words, if litigation arises, the OIC is subject to the civil and criminal litigation code (whichever case it may be) to provide oral evidence or documents as required by law. In the event that the OIC is required by law to comply with any court order, including summons or subpoenas, it agrees to act in accordance with the provisions in Paragraphs 19-20 of this MoU.
