

Thesis Title : Authorities of the Insurance Commissioner: Case study on the operational controls of the life insurance business which is in the condition or operates its business which shall cause damages to the insured or public.

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## ABSTRACT

The insurance business is the significant business of the country. It is also a financial institution which needs extremely stability because its operational performance may directly affects to the insured or public. Hence, it is the obligation of the state to take any supervision measures which are appropriate and able to eliminate all problems occurred in accordance with the principle of Laissez-faire which is provided in section 84(1) of the Constitution of the Kingdom of Thailand B.E.2550 that the state shall follow the policy directive on economics that encourage a free and fair economic system through market force, and encourage the sustainable economic development by abolishing and refraining the enactment of laws and regulations supervising the business that are inconsistent to the business necessity.

The Non-Life Insurance Act B.E.2535, section 52 provided that the insurance commissioner with the consent of the insurance undertakings supervision and promotion commission is empowered to order any insurance company which is in the condition or operates its business which shall cause damages to the insured or public to improve its conditions or operations within the time specified by the insurance commissioner. In such a case, the

insurance commissioner may order the company to increase or reduce its capital, or may order the company to temporarily discontinue its non-life insurance business, or may order the company to remove its directors, managers or persons responsible for its operation who having caused such condition or operation of the company.

The foregoing measures, in the author's opinion, are not enough appropriate because they still lack of the insurance business control procedure which is necessary for the development of insurance supervision system in Thailand. Moreover, if an order to control the insurance company is already take place, but the financial conditions and operations of the company are not improved, the insurance commissioner may issue an order to form an organization to carry out overhaul of the insurance company before revoke the company's license to engage the business.

The proposed recommendations are very much appropriate and in consistent to the business necessity and also able reduce the number of non-life insurance business which operates its business which shall cause damages to the insured or public.

