Thai Non-Life Insurance Landscape

Kheedhej Anansiriprapha
Executive Director
Formation of Thai General Insurance Association

The integration of 3 prominent Associations in 1967
Members of Thai General Insurance Association (TGI A)
# Numbers of Insurance Companies in Thailand

(As of 30th June, 2018)

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Local Company</th>
<th>Foreign Branch</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Life Insurance</td>
<td>50</td>
<td>5</td>
<td>55</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Reinsurer</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Members of Thai General Insurance Association (TGIA)**

- Local Incorporated Direct Companies: 54
- Foreign Branches: 5
- Reinsurer: 1
- Total: 60
# Numbers of Insurance Companies in Thailand

(As of 30th June, 2018)

<table>
<thead>
<tr>
<th>Class of Business</th>
<th>No. of Licensed Operators</th>
<th>No. of Operators with Premium Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Motor</td>
<td>52 + 1</td>
<td>51 + 1</td>
</tr>
<tr>
<td>- PA &amp; Health</td>
<td>58 + 1</td>
<td>55 + 1</td>
</tr>
<tr>
<td>- Marine</td>
<td>53 + 1</td>
<td>49 + 1</td>
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<tr>
<td>- Fire &amp; Property</td>
<td>53 + 1</td>
<td>53 + 1</td>
</tr>
<tr>
<td>- Miscellaneous</td>
<td>58 + 1</td>
<td>58 + 1</td>
</tr>
</tbody>
</table>

Remarks: 52 Insurers have full licenses to operate all classes of business
+1 is Thai Reinsurance (Public) Co., Ltd.
**TGIA Strategic Vision and Mission**

**Vision**

To promote and support insurance industry as a social and economic pillar of the nation

**Objective: To build up continued growth and sustainable insurance business**

**Freeze-kq (Mission 1)**

1. สร้างและยกระดับความสามารถในการบริหารความเสี่ยงและความปลอดภัยในการทำธุรกิจประกันภัย ให้เป็นระบบและเป็นมาตรฐานสูงมากขึ้น
2. สร้างความเข้าใจและเสถียรภาพของธุรกิจประกันภัยไทย

**Freeze-kq (Mission 2)**

1. ยกระดับและเพิ่มมูลค่าของธุรกิจประกันภัยให้เป็นระบบและเป็นมาตรฐานสูงมากขึ้น
2. ประสานงาน ความรู้ และความร่วมมือกับธุรกิจประกันภัยอื่น ๆ ที่เกี่ยวข้อง

**Freeze-kq (Mission 3)**

1. ขยายความร่วมมือ เพิ่มการประสานงานและสร้างความร่วมมือในธุรกิจประกันภัยอื่น ๆ ที่เกี่ยวข้อง
2. สร้างเสริมให้ธุรกิจ มีความมั่นคง

**Freeze-kq (Mission 4)**

1. สร้างเสริมสภาพพันธมิตร ความร่วมมือ และการสนับสนุนการดำเนินการของธุรกิจประกันภัย
2. สร้างเสริมและพัฒนาผู้นำ ผู้ทรงคุณวุฒิ ผู้ทรงคุณวุฒิในการบริหารจัดการและตอบสนองต่อการเปลี่ยนแปลงในการดำเนินธุรกิจและแก้ไขปัญหาของธุรกิจประกันภัยใหม่ ๆ ที่เกิดขึ้น
3. ประเมินผลการเตรียมความพร้อมของธุรกิจประกันภัยในการเรียนรู้และปรับปรุงตามทันสมัย
4. สร้างเสริมความร่วมมือ ความมั่นคง และการแก้ไขปัญหาที่เกี่ยวข้อง ระหว่างบริษัทประกัน
อาคารสมาคมประกันวินาศภัยไทย ปี 2517

อาคารสมาคมประกันวินาศภัยไทยปัจจุบัน

สร้างเสร็จเมื่อปี 2518

สมาคมประกันวินาศภัยไทย
223 ซอยร่วมฤดี ถนนวิทยุ แขวงลุมพินี เขตปทุมวัน กรุงเทพฯ 10330

โทรศัพท์: 0-2256 6032-8
โทรสาร: 0-2256 6039-40

www.tgia.org

สร้างเสร็จเมื่อปี 2518

สร้างเสร็จเมื่อปี 2530

ปรับปรุงอาคารเมื่อปี 2549
อาคารสมาคมประกันวินาศภัยไทย (แห่งใหม่)

25 ถนนสุขุมวิท 64/1 แขวงพระโขนงใต้ เขตพระโขนง กรุงเทพฯ 10260
โทรศัพท์ 0 2108 8399

25 Sukhumvit 64/1 Road Phra Khanong Tai Phra Khanong Bangkok 10260 Thailand
Tel. +66 (0) 2108 8399
แผนที่สมาคมประกันวินาศภัยไทย
25 ถนนสุขุมวิท 64/1 แขวงพระโขนงใต้ เขตพระโขนง กรุงเทพฯ 10260

เดินทางโดยรถจักรยานยนต์
ลงทางด่วน สุขุมวิท 62 ระยะทางประมาณ 2 กิโลเมตร

เดินทางโดยรถไฟฟ้า
BTS ลงสถานีปุณณวิชย์ ระยะทางประมาณ 350 เมตร
อาคารสมาคมประกันวินาศภัยไทย (แห่งใหม่)
ภาพแบบจำลองอาคาร
ภาพความคืบหน้าการก่อสร้าง
ณ วันที่ 27 มิถุนายน 2561
ภาพความคืบหน้าการก่อสร้าง
ณ วันที่ 27 มิถุนายน 2561
ภาพความคืบหน้าการก่อสร้าง
ณ วันที่ 27 มิถุนายน 2561
ภาพความคืบหน้าการก่อสร้าง
ณ วันที่ 18 กันยายน 2561
Growth in Thai Direct Life and Non-Life Insurance Premium: 1969 to 2017

Life Insurance growth from 1969 to 2017 = 7,803 times

Non-Life Insurance growth from 1969 to 2017 = 478 times

Remark: CAGR = Compound Annual Growth Rate
Source: Office of Insurance Commission compiled by IPRB

Exchange rate in 2017 US$ 1: Baht 34

Source: Office of Insurance Commission compiled by IPRB

Currency exchange rate in 2017 US$ 1: Baht 34

**Source:** Office of Insurance Commission compiled by IPRB

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<th>Year</th>
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<th>IARs</th>
<th>PA</th>
<th>Health</th>
<th>Others</th>
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<td>59.43%</td>
<td>4.54%</td>
<td>4.72%</td>
<td>15.92%</td>
</tr>
<tr>
<td>2005</td>
<td>8.65%</td>
<td>57.31%</td>
<td>4.06%</td>
<td>4.46%</td>
<td>16.63%</td>
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<tr>
<td>2006</td>
<td>7.53%</td>
<td>59.76%</td>
<td>3.95%</td>
<td>4.06%</td>
<td>15.38%</td>
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<td>2007</td>
<td>7.04%</td>
<td>60.91%</td>
<td>3.95%</td>
<td>3.79%</td>
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<td>2008</td>
<td>7.04%</td>
<td>60.37%</td>
<td>3.30%</td>
<td>3.95%</td>
<td>12.46%</td>
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<tr>
<td>2009</td>
<td>7.06%</td>
<td>59.48%</td>
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<td>3.46%</td>
<td>11.21%</td>
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<tr>
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<td>3.29%</td>
<td>3.46%</td>
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<tr>
<td>2011</td>
<td>7.04%</td>
<td>59.37%</td>
<td>2.89%</td>
<td>3.29%</td>
<td>7.72%</td>
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<tr>
<td>2012</td>
<td>6.29%</td>
<td>57.89%</td>
<td>2.61%</td>
<td>2.89%</td>
<td>7.17%</td>
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<tr>
<td>2013</td>
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<td>58.32%</td>
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<td>2014</td>
<td>5.49%</td>
<td>57.42%</td>
<td>2.58%</td>
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<td>57.50%</td>
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<td>2.55%</td>
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<td>2016</td>
<td>5.13%</td>
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<td>2.48%</td>
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<tr>
<td>2017</td>
<td>5.01%</td>
<td>58.11%</td>
<td>4.74%</td>
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<td>2018Q1</td>
<td>4.37%</td>
<td>59.53%</td>
<td>4.95%</td>
<td>4.95%</td>
<td>7.19%</td>
</tr>
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</table>

**Remark:** Broker Channels include Individual Broker, Corporate Broker, Finance & Car Dealer Business, Hypermarket, Convenience Store and Post Office.

**Source:** Office of Insurance Commission compiled by IPRB

<table>
<thead>
<tr>
<th>Year</th>
<th>Motor</th>
<th>Fire</th>
<th>Marine</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>2002</td>
<td>63.47%</td>
<td>22.49%</td>
<td>28.76%</td>
<td>53.99%</td>
<td>56.58%</td>
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<tr>
<td>2003</td>
<td>63.94%</td>
<td>20.56%</td>
<td>26.68%</td>
<td>44.01%</td>
<td>55.84%</td>
</tr>
<tr>
<td>2004</td>
<td>60.92%</td>
<td>23.61%</td>
<td>21.57%</td>
<td>53.79%</td>
<td>55.16%</td>
</tr>
<tr>
<td>2005</td>
<td>59.55%</td>
<td>22.68%</td>
<td>25.57%</td>
<td>50.89%</td>
<td>53.92%</td>
</tr>
<tr>
<td>2006</td>
<td>60.97%</td>
<td>19.80%</td>
<td>29.06%</td>
<td>50.11%</td>
<td>55.37%</td>
</tr>
<tr>
<td>2007</td>
<td>60.01%</td>
<td>25.63%</td>
<td>27.06%</td>
<td>49.02%</td>
<td>54.99%</td>
</tr>
<tr>
<td>2008</td>
<td>56.55%</td>
<td>14.88%</td>
<td>23.19%</td>
<td>47.88%</td>
<td>51.41%</td>
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<tr>
<td>2009</td>
<td>57.45%</td>
<td>17.93%</td>
<td>24.35%</td>
<td>45.52%</td>
<td>51.93%</td>
</tr>
<tr>
<td>2010</td>
<td>57.94%</td>
<td>18.80%</td>
<td>26.73%</td>
<td>53.18%</td>
<td>53.79%</td>
</tr>
<tr>
<td>2011</td>
<td>54.53%</td>
<td>141.10%</td>
<td>165.76%</td>
<td>696.34%</td>
<td>176.41%</td>
</tr>
<tr>
<td>2012</td>
<td>57.23%</td>
<td>81.10%</td>
<td>34.70%</td>
<td>24.03%</td>
<td>51.24%</td>
</tr>
<tr>
<td>2013</td>
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<td>6.13%</td>
<td>23.51%</td>
<td>-8.36%</td>
<td>41.98%</td>
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<tr>
<td>2014</td>
<td>57.80%</td>
<td>11.27%</td>
<td>25.14%</td>
<td>19.26%</td>
<td>47.01%</td>
</tr>
<tr>
<td>2015</td>
<td>61.08%</td>
<td>11.45%</td>
<td>29.34%</td>
<td>37.90%</td>
<td>52.72%</td>
</tr>
<tr>
<td>2016</td>
<td>63.44%</td>
<td>13.39%</td>
<td>26.05%</td>
<td>41.31%</td>
<td>54.90%</td>
</tr>
<tr>
<td>2017</td>
<td>63.81%</td>
<td>14.15%</td>
<td>30.31%</td>
<td>42.79%</td>
<td>55.83%</td>
</tr>
</tbody>
</table>

**Source:** Office of Insurance Commission compiled by IPRB

**2011 Thailand Mega Flood**
Thailand Key Economic Indicator

**Direct premium (Million Baht)**

- 2002: 62,627
- 2003: 71,160
- 2004: 79,289
- 2005: 88,454
- 2006: 95,287
- 2007: 100,888
- 2008: 106,239
- 2009: 110,028
- 2010: 125,075
- 2011: 138,387
- 2012: 179,596
- 2013: 203,120
- 2014: 205,368
- 2015: 209,244
- 2016: 215,728
- 2017: 218,434
- 2018: 227,171

**Direct premium Growth rate (%)**

- 2002: 13.6
- 2003: 13.6
- 2004: 11.4
- 2005: 11.6
- 2006: 7.7
- 2007: 5.9
- 2008: 5.3
- 2009: 3.6
- 2010: 13.7
- 2011: 10.6
- 2012: 29.8
- 2013: 13.1
- 2014: 1.1
- 2015: 1.9
- 2016: 3.1
- 2017: 1.3
- 2018: 4.0

**GDP (%)**

- 2002: 6.1
- 2003: 7.2
- 2004: 6.3
- 2005: 4.2
- 2006: 5.0
- 2007: 5.4
- 2008: 1.7 (0.7)
- 2009: 7.5
- 2010: 0.8
- 2011: 7.2
- 2012: 2.7
- 2013: 0.9
- 2014: 2.9
- 2015: 3.3
- 2016: 3.9
- 2017: 4.5

Events:
- Coup Detat
- First Car Buyers Government Scheme
- Avian Influenza & Oil Price Increase
- Hamburger Crisis (Subprime)
- Slow Down of World Economy and Airport Shutdown
- Mega Flood
- Slow Down of Private Expenditure & Increased Private Debts
- Government Scheme
- Slow Down of Private Expenditure & Increased Private Debts
- Slow Down of World Economy and Airport Shutdown
ประเทศ Thailand 5.0
เปลี่ยนแปลงสู่เศรษฐกิจที่ขับเคลื่อนด้วยวัตถุกรรม (Value-Based Economy)

ประเทศ Thailand 4.0
เน้นด้านดุษฎีกรรม

ประเทศ Thailand 3.0
เน้นด้านสุขภาพร่ม

ประเทศ Thailand 2.0
เน้นด้านเกษตรกรรม

ประเทศ Thailand 1.0
เน้นด้านการเกษตรกรรม

การเปลี่ยนย่าน 4 องค์ประกอบสำคัญ
- การเกษตรแบบดั้งเดิม ไปสู่ การเกษตรสมัยใหม่ ปักกิ่งตรงไปยังผู้ประกอบการ
- วิสาหกิจขนาดกลางและขนาดย่อม (SMEs) ที่มีวิสัยทัศน์ให้ ความยั่งยืนและไปสู่วิสาหกิจขนาดกลางและขนาดย่อม (SMEs) ที่มีศักยภาพสูง
- การบริการที่สร้างมูลค่าอย่างมีน้าาค่า ไปสู่ การบริการที่สร้างมูลค่าสูง
- แรงงานที่มีคุณค่า ไปสู่ แรงงานที่มีคุณค่าสูง
### Direct Life Insurance Premium Growth Rate (%)

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<tbody>
<tr>
<td>Rate</td>
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<td>15.4</td>
<td>13.5</td>
<td>10.3</td>
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<td>13.2</td>
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### Direct Non-Life Insurance Premium Growth Rate (%)

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<td>-9.5</td>
<td>6.2</td>
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<td>11.4</td>
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<td>5.8</td>
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<td>28.0</td>
<td>13.1</td>
<td>1.1</td>
<td>1.9</td>
<td>4.0</td>
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### GDP Growth Rate (%)

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<td>1.7</td>
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<td>0.8</td>
<td>7.2</td>
<td>2.7</td>
<td>0.8</td>
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</tbody>
</table>

**Remark:** CAGR = Compound Annual Growth Rate
Source: Office of Insurance Commission
Thai Non-Life Insurance Portfolio Mix by Classes of Business: 2017

Motor Voluntary
Motor Compulsory
Marine
Fire
Other Miscellaneous
Health
PA
IARs

Source: Office of Insurance Commission
Comparison of Direct Premiums and Portfolio Mix: 1987 and 2017

Source: Office of Insurance Commission

**Unit: In Million Baht**

**Direct Premiums: Baht 7.5 Billion and Portfolio Mix in 1987**
- Motor: 37.25%
- Marine: 7.80%
- Fire: 35.99%
- Other Miscellaneous: 18.45%
- Health: 0.51%

**Direct Premiums: Baht 218.4 Billion and Portfolio Mix in 2017**
- Motor Voluntary: 50.43%
- Motor Compulsory: 24.36%
- Marine: 2.45%
- Fire: 4.51%
- Other Miscellaneous: 7.44%
- PA: 12.91%
- IARs: 11.12%
- Health: 3.82%

30 Years Later...
Non-Life Insurance Distribution Channel: 2017

Unit: Million Baht

- **Broker**: 126,642 (57.85%)
- **Agent**: 31,683 (14.47%)
- **Bancassurance**: 28,841 (13.17%)
- **Walk-in**: 10,836 (4.95%)
- **Tele Marketing**: 7,476 (3.41%)
- **Internet**: 212 (0.10%)
- **Direct Mail**: 65 (0.03%)
- **Others**: 179 (0.08%)

Direct Premium by Quarter from 2004-2017

Source: Office of Insurance Commission
Top 10 Market Share: Year 2017

Top 10 Companies*
Dominated 62.2%

*Market Size > Baht 5 Billion

Top 12 Companies*
Dominated 67.4%

*Market Size > Baht 5 Billion

Remaining 47 Average Size: Baht 1.5 Billion

Total Market Average Size: Baht 3.7 Billion

Unit: Million Baht

Source: Office of Insurance Commission
Merger and Acquisition in Thailand

South East Group took over Thai Insurance Plc....
https://www.posttoday.com/finance/insurance/550743

King Wai Group spent 815 m. acquiring QBE (Thailand)"
https://m.mgronline.com/stockmarket/detail/9600000129357

Aetna acquired BUPA Thailand
http://marketeer.co.th/archives/125292

Tokio Marine spent 1.3 billion
acquiring Safety Insurance from
IAG Australia
https://www.posttoday.com/finance/insurance/555058

Phoenix rebrands after partnership with J P Mart
https://www.matichon.co.th/news-monitor/news_902732
Thai Non-Life Insurance Loss Ratio: 2012-2017

Source: Office of Insurance Commission
## Non-Life Loss Ratio and Expense Ratio (2012-2016)
### Classified by Company Sizes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 5 Years</td>
<td>51.25%</td>
<td>42.28%</td>
<td>93.53%</td>
</tr>
<tr>
<td><strong>Company Sizes (% Portfolio Mix of Motor : Non-Motor Companies)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. 5 Yrs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large (46.93% : 53.57%)</td>
<td>52.19%</td>
<td>38.62%</td>
<td>90.81%</td>
</tr>
<tr>
<td>Medium (36.03% : 63.97%)</td>
<td>48.74%</td>
<td>47.03%</td>
<td>95.77%</td>
</tr>
<tr>
<td>Small (51.04% : 48.96%)</td>
<td>53.73%</td>
<td>59.25%</td>
<td>112.98%</td>
</tr>
</tbody>
</table>

Source: Office of Insurance Commission

- Large company: Direct Premium more than 5,000 Million Baht
- Medium Company: Direct Premium between 1,000 – 5,000 Million Baht
- Small Company: Direct Premium less than 1,000 Million Baht
Thai Non-Life Insurance Underwriting Profit (2012-2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fire</th>
<th>Marine</th>
<th>Motor</th>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>(2,069)</td>
<td>830</td>
<td>664</td>
<td>6,450</td>
</tr>
<tr>
<td>2013</td>
<td>1,513</td>
<td>1,109</td>
<td>2,595</td>
<td>2,309</td>
</tr>
<tr>
<td>2014</td>
<td>2,079</td>
<td>2,409</td>
<td>2,605</td>
<td>10,316</td>
</tr>
<tr>
<td>2015</td>
<td>2,747</td>
<td>1,146</td>
<td>2,704</td>
<td>5,195</td>
</tr>
<tr>
<td>2016</td>
<td>1,188</td>
<td>(342)</td>
<td>3,424</td>
<td>2,248</td>
</tr>
<tr>
<td>2017</td>
<td>(229)</td>
<td>960</td>
<td>2,970</td>
<td></td>
</tr>
</tbody>
</table>

Source: Office of Insurance Commission

Million Baht
### Loss Ratio and Expense Ratio (2012-2017)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total all classes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td></td>
<td>54.60%</td>
<td>44.88%</td>
<td>49.23%</td>
<td>52.72%</td>
<td>54.90%</td>
<td>55.63%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>40.43%</td>
<td>40.57%</td>
<td>39.80%</td>
<td>39.41%</td>
<td>40.32%</td>
<td>40.20%</td>
<td></td>
</tr>
<tr>
<td><strong>Combined Ratio</strong> [3] = [1] + [2]</td>
<td>95.03%</td>
<td>85.45%</td>
<td>89.02%</td>
<td>92.13%</td>
<td>95.22%</td>
<td>95.83%</td>
<td></td>
</tr>
<tr>
<td><strong>Motor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compulsory</strong></td>
<td>Loss Ratio [1]</td>
<td>52.22%</td>
<td>51.47%</td>
<td>41.18%</td>
<td>46.44%</td>
<td>57.25%</td>
<td>55.80%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>44.94%</td>
<td>49.17%</td>
<td>44.92%</td>
<td>38.98%</td>
<td>38.96%</td>
<td>32.85%</td>
<td></td>
</tr>
<tr>
<td><strong>Combined Ratio</strong> [3] = [1] + [2]</td>
<td>97.16%</td>
<td>100.64%</td>
<td>86.10%</td>
<td>83.32%</td>
<td>95.51%</td>
<td>88.51%</td>
<td></td>
</tr>
<tr>
<td><strong>Voluntary</strong></td>
<td>Loss Ratio [1]</td>
<td>60.83%</td>
<td>62.01%</td>
<td>62.78%</td>
<td>63.75%</td>
<td>64.57%</td>
<td>64.81%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>38.75%</td>
<td>35.02%</td>
<td>36.72%</td>
<td>35.59%</td>
<td>36.42%</td>
<td>37.21%</td>
<td></td>
</tr>
<tr>
<td><strong>Combined Ratio</strong> [3] = [1] + [2]</td>
<td>99.57%</td>
<td>97.03%</td>
<td>99.50%</td>
<td>99.35%</td>
<td>100.99%</td>
<td>102.02%</td>
<td></td>
</tr>
<tr>
<td><strong>Hull</strong></td>
<td>Loss Ratio [1]</td>
<td>69.50%</td>
<td>68.90%</td>
<td>60.04%</td>
<td>19.15%</td>
<td>61.83%</td>
<td>47.15%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>-9.34%</td>
<td>-6.78%</td>
<td>-3.25%</td>
<td>33.79%</td>
<td>41.59%</td>
<td>39.08%</td>
<td></td>
</tr>
<tr>
<td><strong>Combined Ratio</strong> [3] = [1] + [2]</td>
<td>60.16%</td>
<td>62.12%</td>
<td>56.79%</td>
<td>52.93%</td>
<td>103.42%</td>
<td>86.23%</td>
<td></td>
</tr>
<tr>
<td><strong>Cargo</strong></td>
<td>Loss Ratio [1]</td>
<td>37.58%</td>
<td>26.65%</td>
<td>27.39%</td>
<td>29.89%</td>
<td>24.65%</td>
<td>31.51%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>33.01%</td>
<td>37.68%</td>
<td>37.02%</td>
<td>32.58%</td>
<td>35.09%</td>
<td>36.97%</td>
<td></td>
</tr>
<tr>
<td><strong>Combined Ratio</strong> [3] = [1] + [2]</td>
<td>70.59%</td>
<td>64.33%</td>
<td>64.41%</td>
<td>62.48%</td>
<td>59.74%</td>
<td>68.48%</td>
<td></td>
</tr>
</tbody>
</table>

**Remark:** * Preliminary Data means the data of Accounting Year from OIC quarterly statistic reports.

**Source:** Office of Insurance Commission compiled by IPRB
## Loss Ratio and Expense Ratio (2012-2017)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td>83.79%</td>
<td>7.98%</td>
<td>12.69%</td>
<td>11.45%</td>
<td>13.39%</td>
<td>15.43%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>55.37%</td>
<td>67.07%</td>
<td>51.56%</td>
<td>51.25%</td>
<td>49.24%</td>
<td>53.26%</td>
</tr>
<tr>
<td>Combined Ratio [3] = [1]+[2]</td>
<td>139.17%</td>
<td>75.05%</td>
<td>64.26%</td>
<td>62.69%</td>
<td>62.63%</td>
<td>68.69%</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td>31.00%</td>
<td>-3.16%</td>
<td>21.71%</td>
<td>37.90%</td>
<td>41.31%</td>
<td>42.67%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>41.23%</td>
<td>48.93%</td>
<td>44.75%</td>
<td>47.61%</td>
<td>48.79%</td>
<td>48.33%</td>
</tr>
<tr>
<td>Combined Ratio [3] = [1]+[2]</td>
<td>72.23%</td>
<td>45.77%</td>
<td>66.46%</td>
<td>85.51%</td>
<td>90.10%</td>
<td>91.00%</td>
</tr>
<tr>
<td><strong>IARs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td>-56.09%</td>
<td>-224.88%</td>
<td>-75.54%</td>
<td>20.48%</td>
<td>37.45%</td>
<td>45.50%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>-15.72%</td>
<td>-15.48%</td>
<td>-11.61%</td>
<td>49.60%</td>
<td>47.38%</td>
<td>54.48%</td>
</tr>
<tr>
<td>Combined Ratio [3] = [1]+[2]</td>
<td>-71.80%</td>
<td>-240.36%</td>
<td>-87.16%</td>
<td>70.07%</td>
<td>84.83%</td>
<td>99.97%</td>
</tr>
<tr>
<td><strong>PA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td>41.03%</td>
<td>36.56%</td>
<td>34.31%</td>
<td>35.18%</td>
<td>33.52%</td>
<td>34.59%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>84.86%</td>
<td>101.57%</td>
<td>97.92%</td>
<td>49.62%</td>
<td>51.75%</td>
<td>47.42%</td>
</tr>
<tr>
<td>Combined Ratio [3] = [1]+[2]</td>
<td>125.89%</td>
<td>138.12%</td>
<td>132.23%</td>
<td>84.81%</td>
<td>85.28%</td>
<td>82.01%</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss Ratio [1]</td>
<td>58.25%</td>
<td>57.69%</td>
<td>58.59%</td>
<td>58.06%</td>
<td>65.39%</td>
<td>59.91%</td>
</tr>
<tr>
<td>Expense Ratio [2]</td>
<td>10.10%</td>
<td>16.25%</td>
<td>8.01%</td>
<td>42.26%</td>
<td>41.91%</td>
<td>42.59%</td>
</tr>
<tr>
<td>Combined Ratio [3] = [1]+[2]</td>
<td>68.35%</td>
<td>73.94%</td>
<td>66.59%</td>
<td>100.31%</td>
<td>107.29%</td>
<td>102.51%</td>
</tr>
</tbody>
</table>

**Remark:** * Preliminary Data means the data of Accounting Year from OIC quarterly statistic reports.

**Source:** Office of Insurance Commission complied by IPRB
Non-Life Insurance Staff in 2017

- Below Bachelor’s Degree: 2,440 (50%) MAN, 2,421 (50%) WOMAN, Total 4,861 staff
- Bachelor’s Degree: 9,761 (41%) MAN, 14,313 (59%) WOMAN, Total 24,074 staff
- Higher than Bachelor’s Degree: 1,114 (41%) MAN, 1,610 (59%) WOMAN, Total 2,724 staff

Total Staff: 18,344 (Women), 13,315 (Men), Total 31,659

Source: Office of Insurance Commission
Non-Life Insurance Staff in 2017

Marketing 5,084 (32%)
Underwriter 4,572 (20%)
Investment 110 (39%)
Finance & Accounting 3,294 (11%)
Claims Officers 8,971 (27%)
Customer Services 1,923 (35%)
Actuary 157 (41%)
Others 7,548 (40%)
Total 31,659 (42%)

Source: Office of Insurance Commission

Women – 18,344 (58%)
Men – 13,315 (42%)
Total – 31,659
Staff Key Indicators in 2016

Total FTEs: 31,200 people

Average Premium per Staff: 6,914,000 Baht
- Large Companies: 8,333,000 Baht
- Medium Companies: 5,743,000 Baht
- Small Companies: 3,224,000 Baht

Average GOE per Staff: 935,000 Baht
- Large Companies: 894,000 Baht
- Medium Companies: 1,047,000 Baht
- Small Companies: 765,000 Baht

Average Profit per Staff: 547,000 Baht
- Large Companies: 886,000 Baht
- Medium Companies: 154,000 Baht
- Small Companies: 61,000 Baht

Source: Office of Insurance Commission

FTEs: Full Time Employees
GOE: General Operating Expense
Asia Insurance Market 2017

World
Total Premium 4,891,694
• Life 2,657,270
• Non-life 2,234,424

Asia
Total Premium 1,590,688
• Life 1,043,690
• Non-life 546,998

Noted: (...) = World Total Insurance Rankings 2017
Source: Swiss Re, Sigma No.3/2018
## Non-Life Insurance Industry in Asia 2017

<table>
<thead>
<tr>
<th>Continents</th>
<th>Non-Life Premium</th>
<th></th>
<th>Gross Premium (Global Ranking)</th>
<th>Premium Per GDP (%)</th>
<th>Premium Per Capita (US$)</th>
<th>GDP (Billion $US)</th>
<th>Population (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million $US</td>
<td>Share (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR China</td>
<td>223,876</td>
<td>10.0%</td>
<td>2</td>
<td>1.9%</td>
<td>158.8</td>
<td>11,856</td>
<td>1,410.0</td>
</tr>
<tr>
<td>Japan</td>
<td>114,818</td>
<td>5.1%</td>
<td>4</td>
<td>2.3%</td>
<td>904.1</td>
<td>4,911</td>
<td>127.0</td>
</tr>
<tr>
<td>South Korea</td>
<td>78,378</td>
<td>3.5%</td>
<td>7</td>
<td>5.0%</td>
<td>1,536.8</td>
<td>1,567</td>
<td>51.0</td>
</tr>
<tr>
<td>India</td>
<td>24,764</td>
<td>1.1%</td>
<td>15</td>
<td>0.9%</td>
<td>18.5</td>
<td>2,655</td>
<td>1,341.0</td>
</tr>
<tr>
<td>Taiwan</td>
<td>18,873</td>
<td>0.8%</td>
<td>16</td>
<td>3.4%</td>
<td>786.4</td>
<td>551</td>
<td>24.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>11,477</td>
<td>0.5%</td>
<td>22</td>
<td>3.4%</td>
<td>1,639.6</td>
<td>342</td>
<td>7.0</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>10,388</td>
<td>0.5%</td>
<td>24</td>
<td>2.8%</td>
<td>1,154.2</td>
<td>370</td>
<td>9.0</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>9,434</td>
<td>0.4%</td>
<td>28</td>
<td>1.4%</td>
<td>285.9</td>
<td>684</td>
<td>33.0</td>
</tr>
<tr>
<td>Israel</td>
<td>8,058</td>
<td>0.4%</td>
<td>33</td>
<td>2.3%</td>
<td>1,007.3</td>
<td>351</td>
<td>8.0</td>
</tr>
<tr>
<td>Iran</td>
<td>7,893</td>
<td>0.4%</td>
<td>34</td>
<td>1.9%</td>
<td>97.4</td>
<td>410</td>
<td>81.0</td>
</tr>
<tr>
<td>Thailand</td>
<td><strong>7,710</strong></td>
<td><strong>0.3%</strong></td>
<td><strong>35</strong></td>
<td><strong>1.7%</strong></td>
<td><strong>111.7</strong></td>
<td><strong>455</strong></td>
<td><strong>69.0</strong></td>
</tr>
<tr>
<td>Singapore</td>
<td>7,309</td>
<td>0.3%</td>
<td>36</td>
<td>2.3%</td>
<td>1,218.2</td>
<td>324</td>
<td>6.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4,666</td>
<td>0.2%</td>
<td>41</td>
<td>1.4%</td>
<td>145.8</td>
<td>323</td>
<td>32.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4,649</td>
<td>0.2%</td>
<td>42</td>
<td>0.5%</td>
<td>17.6</td>
<td>1,016</td>
<td>264.0</td>
</tr>
<tr>
<td>Vietnam</td>
<td>1,786</td>
<td>0.1%</td>
<td>51</td>
<td>0.8%</td>
<td>18.8</td>
<td>222</td>
<td>95.0</td>
</tr>
<tr>
<td>Philippines</td>
<td>1,718</td>
<td>0.1%</td>
<td>54</td>
<td>0.5%</td>
<td>16.4</td>
<td>313</td>
<td>105.0</td>
</tr>
<tr>
<td>Others</td>
<td>11,201</td>
<td>0.5%</td>
<td>NA</td>
<td>0.6%</td>
<td>13.0</td>
<td>1,901</td>
<td>862</td>
</tr>
<tr>
<td>Asia</td>
<td>546,998</td>
<td>24.5%</td>
<td>NA</td>
<td>1.9%</td>
<td>123.8</td>
<td>28,251</td>
<td>4,419.0</td>
</tr>
<tr>
<td>EU</td>
<td>621,171</td>
<td>27.8%</td>
<td>NA</td>
<td>2.9%</td>
<td>754.8</td>
<td>21,087</td>
<td>823.0</td>
</tr>
<tr>
<td>America</td>
<td>987,929</td>
<td>44.2%</td>
<td>NA</td>
<td>3.8%</td>
<td>988.3</td>
<td>26,194</td>
<td>999.6</td>
</tr>
<tr>
<td>World</td>
<td><strong>2,234,424</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>NA</strong></td>
<td><strong>2.8%</strong></td>
<td><strong>301.4</strong></td>
<td><strong>79,752</strong></td>
<td><strong>7,414.2</strong></td>
</tr>
</tbody>
</table>

**Remark:** Life and non-life business areas in this sigma study are categorized according to standard EU and OECD conventions: health insurance is allocated to non-life insurance, even if it is classified differently in the individual countries.

Source: Swiss Re, Sigma No.3/2018
Top 10 insurance Market Share 2017

Source: Swiss Re, Sigma No.3/2018
Update Status on Insurance Bureau System
Established 2535 (1992)

- Industry services for Motor Compulsory and Voluntary Insurance in respect of:
  - Motor insurance data bank
  - Motor insurance statistical reports
  - Motor Claims and Underwriting Exchange (CUE)
  - Related services for Motor business

- Data Center Hosting
- Data management and software development

Established 2548 (2005)

- Reference Loss Cost Rates (RLCR)
- Actuarial science study in respect of insurance products and pricings
- Insurance market study and research center
Thai Insurance Research and Development Institute (TIRD)

สถาบันวิจัยและพัฒนาธุรกิจประกันวินาศภัยไทย

Established 2535 (1992)

(26)

Established 2548 (2005)

(13)
Members of Insurance Information and Ratemaking Forum of Asia (IIFRA)
Members of Insurance Information and Ratemaking Forum of Asia (II FRA)

Korea Insurance Development Institute: KIDI

General Insurance Rating Organization of Japan: GI ROJ

Taiwan Insurance Institute: TII

Insurance Information Bureau of India: IIB

Insurance Service Malaysia: ISM

Insurance Association of China: IAC

Otoritas Jasa Keuangan: OJK

Insurance Premium Rating Bureau: IPRB

www.tgia.org
Insurance company to submit monthly premium/loss reports under (OIC-IBS Format) as from 1st January, 2018 and to submit Underwriting Year Reports of 2013 to 2017 within 15th January, 2018

- Remark: By OIC Board Order #12/2560 on 28th November, 2017

As of today, TGIA do not receive any information from OIC
TGIA Board’s Resolution on 7th August, 2018 asking for the collaboration of its members to submit monthly premium reports directly to TGIA under TGIA-I-BS Format.

The information will exclude customer personal data; i.e. Name and Contact Address, Beneficiary...
Insurance Bureau System (IBS)
<table>
<thead>
<tr>
<th>Submission of Information/Reports</th>
<th>Starting</th>
<th>Ending</th>
<th>Benefits to TGIA Members</th>
<th>Reporting System</th>
</tr>
</thead>
</table>
| Under current information structure | 1992     | 31<sup>st</sup> December, 2018 | • TGIA Motor Services  
• Reference Loss Costs and Loss Ratio of Motor Insurance  
• Motor underwriting and claims reports  
• Motor renewal information | TGIA Members will receive the current information until 31<sup>st</sup> December, 2018 |
<p>| Under sales and distribution channels structure | 2012     | 31&lt;sup&gt;st&lt;/sup&gt; December, 2018 | Monthly Market Ranking Reports |</p>
<table>
<thead>
<tr>
<th>Submission of Information/Reports</th>
<th>Starting</th>
<th>Ending</th>
<th>Reporting System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under current information structure</td>
<td>1992</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; December, 2018</td>
<td><strong>TGI A Members will no longer receive any updated market information from OIC</strong></td>
</tr>
<tr>
<td>Under sales and distribution channels structure</td>
<td>2012</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; December, 2018</td>
<td><strong>As from 1&lt;sup&gt;st&lt;/sup&gt; January, 2019, OIC-IBS will no longer send any information to TGI A!!</strong></td>
</tr>
<tr>
<td>Submission of Information/Reports</td>
<td>Starting</td>
<td>Ending</td>
<td>Benefits to TGIA Members</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------</td>
<td>--------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>
| Under current information structure and TGIA-IBS Format | 1st September, 2018 | .................. | • TGIA Motor Services  
• Reference Loss Costs and Loss Ratio of Motor Insurance  
• Motor underwriting and claims reports  
• Motor renewal information  
• Monthly Market Ranking Reports  
• All Non-Motor Reports and Services | TGI A Members will continue to receive updated market information as usual... |

With TGIA Members collaboration to submit monthly premium/loss reports directly to TGIA
Thailand Non-Life Insurance: Claims Payments

Source: Office of Insurance Commission
Figures: In Million Baht
* Average Loss Ratio excluding 2011 Thailand Mega Flood

*Exchange Rate @ 1US$ = 32 Baht
Non-Life Insurance Key Performance Indicators

Exchange rate in 2017 US$ 1: Baht 34

Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Premium Growth (%)</td>
<td>1.1%</td>
<td>1.9%</td>
<td>3.1%</td>
<td>1.3%</td>
<td>5.5-6.0%</td>
</tr>
<tr>
<td>Real GDP Growth (%)</td>
<td>0.9%</td>
<td>2.9%</td>
<td>3.3%</td>
<td>3.9%</td>
<td>4.2-4.7%</td>
</tr>
<tr>
<td>Inflation Rate (%)</td>
<td>1.9%</td>
<td>-0.9%</td>
<td>0.2%</td>
<td>0.7%</td>
<td>0.9-1.4%</td>
</tr>
<tr>
<td>Insurance Penetration (%) (Premium/ GDP)</td>
<td>1.55%</td>
<td>1.52%</td>
<td>1.48%</td>
<td>1.41%</td>
<td>1.40-1.41%</td>
</tr>
<tr>
<td>Insurance Density (Baht) (Premium per Capita)</td>
<td>3,065</td>
<td>3,112</td>
<td>3,198</td>
<td>3,220</td>
<td>3,397-3,413</td>
</tr>
<tr>
<td>GDP per Capita (Baht)</td>
<td>197,062</td>
<td>203,356</td>
<td>215,455</td>
<td>228,412</td>
<td>242,167</td>
</tr>
</tbody>
</table>

Unit: Million Baht (6,040) 205,368
Unit: US$ million 209,244 (6,154)
215,728 (6,345)
218,434 (6,425)
230,450 - 231,540 (6,778-6810)

Source: Office of Insurance Commission compiled by IPRB

Revised Q2/2018
Impact in 2018-2019

**Market Movements**

- GDP Growth 4.2 – 4.7%
- Government Investment 8.6%
- Local Consumption 3.0%
- Export Growth 8.9%
- Import Growth 12.7%
- New Cars Sales +3.4%
- New Housing Loans Growth 2.8%
- Government Crop Insurance Schemes
- Growth in Tourism

**Market Concerns**

- Price War!!!
- Inflation and Interest Rate Trend
- Minimum Labor Costs
- Political Uncertainty
- Impact from IFRS 9 and IFRS 17
- IBS
- Market Collaboration
- M&A
- Market Consolidation
“Key Challenges”.... on the future of Thai Insurance Market........ !!!

- Harder-to-please customers
  - Customer complaints
  - Customer retention

- Extreme Environmental Conditions and Catastrophes
  - Flood
  - Tsunami
  - Windstorm
  - Earthquake

- De-Tariffication and De-Commission... Thinner Margins
  - Imminent market liberalization... in 2020!!!
  - Diversity of distribution channels... higher demand for acquisition costs

- Demographic Changes
  - Aging population and aged society
  - Increasing urbanization

- Insurance Frauds

- Market Consolidation through M&A
“Key Challenges” .... on the future of Thai Insurance Market ........ !!!

- Human Capital Resources
  - Shortage of talented staff
  - Recruit...Retrain...Reward...Retain...
  - Refine mindset and reskill technical expertise
  - Talent movement across ASEAN Insurance markets

- Regulatory Intervention and Scrutiny
  - Insurers are required to comply with higher number of regulations
  - Stringent rules in doing business: ERM, ORSA, IFRS 9 & IFRS 17
  - More disclosure and transparency

- Financial and Economic Conditions
  - Uncertainty in macroeconomic environment
  - Global and regional financial impacts
  - Local market aggressive competition
  - Political uncertainty

- Technological Advancements
  - Digital Insurance
  - Smart Phone Applications
  - Big Data
  - InsurTech
Thank You Very Much

ขอบคุณครับ