Thai Flood Modelling in Action

Opening Remark

Kheedhej Anansiriprapha
Executive Director - TGIA

5th November, 2018
Formation of Thai General Insurance Association

The integration of 3 prominent Associations in 1967
50 Year
1967-2016

Thai General Insurance Association

สสภ.กษ. สมาพกประสงค์ประกันภัยไทย
Members of Thai General Insurance Association (TGIA)
### Numbers of Insurance Companies in Thailand
(As of 31st October, 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>49</td>
<td>5</td>
<td>54</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>59</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

- Local Incorporated Direct Companies: 53
- Foreign Branches: 5
- Professional Reinsurer: 1
- Total: 59
### Numbers of Insurance Companies in Thailand
(As of 31<sup>st</sup> October, 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>
</tr>
<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 insurance licenses to operate all classes of business
+1 is Thai Reinsurance (Public) Co., Ltd.
Objective: To build up continued growth and sustainable insurance business

1. Building public awareness and understanding of financial risk management via non-life insurance and promoting non-life insurance as the 5th factor for the Thais
2. Fostering public confidence and trust in utilizing insurance as a proper risk management tool for their financial protection

General Public

1. Uplifting and enhancing the role of Thai Non-Life insurance business as a professional risk manager for the government sector
2. Coordinating, negotiating and expanding cooperation with government agencies and other related organizations

Government Agencies

1. Expanding cooperation, improving coordination and strengthening a good relationship with the regulator
2. Promoting self-regulation among the insurance industry

Regulator

1. Expanding cooperation, improving coordination and strengthening a good relationship with the regulator
2. Promoting self-regulation among the insurance industry

Member Companies

1. Building stability, developing the quality and standards of ethical conduct
2. Promoting and developing human capital as well as developing researches to support and respond to changes in the insurance business and lifestyle in Thailand 4.0 era
3. Supporting member companies in preparation for the full financial service liberalization
4. Promoting coordination, unity and exchange of opinions amongst member companies

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

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

Remarks: 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

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>
</thead>
<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>
</tr>
<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>53.37%</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>
</tr>
<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>
<td>58.34%</td>
<td>6.13%</td>
<td>23.51%</td>
<td>-8.36%</td>
<td>41.98%</td>
</tr>
<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>

2011 Thailand Mega Flood
### Thailand Key Economic Indicator

#### Direct premium (Million Baht)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>62,627</td>
<td>71,160</td>
<td>79,289</td>
<td>88,454</td>
<td>95,287</td>
<td>100,888</td>
<td>106,239</td>
<td>110,028</td>
<td>125,075</td>
<td>138,387</td>
<td>179,596</td>
<td>203,120</td>
<td>205,368</td>
<td>209,244</td>
<td>215,728</td>
<td>218,434</td>
<td>227,171</td>
</tr>
</tbody>
</table>

#### Direct premium Growth rate (%)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>13.6</td>
<td>13.6</td>
<td>11.4</td>
<td>11.6</td>
<td>7.7</td>
<td>5.9</td>
<td>5.3</td>
<td>3.6</td>
<td>13.7</td>
<td>10.6</td>
<td>29.8</td>
<td>13.1</td>
<td>1.1</td>
<td>1.9</td>
<td>3.1</td>
<td>1.3</td>
<td>4.0</td>
</tr>
</tbody>
</table>

#### GDP (%)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6.1</td>
<td>7.2</td>
<td>6.3</td>
<td>4.2</td>
<td>5.0</td>
<td>5.4</td>
<td>1.7</td>
<td>(0.7)</td>
<td>7.5</td>
<td>0.8</td>
<td>7.2</td>
<td>2.7</td>
<td>0.9</td>
<td>2.9</td>
<td>3.3</td>
<td>3.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>

### Events

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

**Coup Detat**

- **2006**

**First Car Buyers Government Scheme**

- **2005**

**Avian Influenza & Oil Price Increase**

- **2004**

**Hamburger Crisis (Subprime)**

- **2003**

**Thailand Mega Flood**

- **2002**

**Slow Down of Private Expenditure & Increased Private Debts**

- **2018f**
### 1997-1998

**Direct Life Insurance Premium Growth Rate (%)**
- 1997: 5.5%
- 1998: -4.2%

**Direct Non-Life Insurance Growth Rate (%)**
- 1997: -5.8%

**GDP Growth Rate (%)**
- 1997: -2.8%

### 1999-2000

**Direct Life Insurance Premium Growth Rate (%)**
- 1999: 11.0%
- 2000: 20.9%

**Direct Non-Life Insurance Growth Rate (%)**
- 1999: -9.5%

**GDP Growth Rate (%)**
- 1999: 4.6%

### 2001-2002

**Direct Life Insurance Premium Growth Rate (%)**
- 2001: 24.7%
- 2002: 22.4%

**Direct Non-Life Insurance Growth Rate (%)**
- 2001: 6.2%

**GDP Growth Rate (%)**
- 2001: 4.5%

### 2003-2004

**Direct Life Insurance Premium Growth Rate (%)**
- 2003: 15.4%
- 2004: 13.5%

**Direct Non-Life Insurance Growth Rate (%)**
- 2003: 13.6%

**GDP Growth Rate (%)**
- 2003: 6.1%

### 2005-2006

**Direct Life Insurance Premium Growth Rate (%)**
- 2005: 10.3%
- 2006: 4.1%

**Direct Non-Life Insurance Growth Rate (%)**
- 2005: 11.4%

**GDP Growth Rate (%)**
- 2005: 6.3%

### 2007-2008

**Direct Life Insurance Premium Growth Rate (%)**
- 2007: 16.3%
- 2008: 9.7%

**Direct Non-Life Insurance Growth Rate (%)**
- 2007: 12.8%

**GDP Growth Rate (%)**
- 2007: 4.2%

### 2009-2010

**Direct Life Insurance Premium Growth Rate (%)**
- 2009: 16.7%
- 2010: 14.5%

**Direct Non-Life Insurance Growth Rate (%)**
- 2009: 5.5%

**GDP Growth Rate (%)**
- 2009: 5.0%

### 2011-2012

**Direct Life Insurance Premium Growth Rate (%)**
- 2011: 11.1%
- 2012: 18.7%

**Direct Non-Life Insurance Growth Rate (%)**
- 2011: 13.6%

**GDP Growth Rate (%)**
- 2011: 6.8%

### 2013-2014

**Direct Life Insurance Premium Growth Rate (%)**
- 2013: 13.2%
- 2014: 13.0%

**Direct Non-Life Insurance Growth Rate (%)**
- 2013: 6.5%

**GDP Growth Rate (%)**
- 2013: 3.5%

### 2015-2016

**Direct Life Insurance Premium Growth Rate (%)**
- 2015: 6.8%
- 2016: 6.5%

**Direct Non-Life Insurance Growth Rate (%)**
- 2015: 1.1%

**GDP Growth Rate (%)**
- 2015: 2.9%

#### Remark:
CAGR = Compound Annual Growth Rate

**Source:** Office of Insurance Commission
Thai Non-Life Insurance Portfolio Mix by Classes of Business: 2017

- Motor Compulsory: 50%
- Motor Voluntary: 11%
- Marine: 7%
- Fire: 5%
- Other Miscellaneous: 7%
- Health: 4%
- PA: 13%
- IARs: 3%

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

Source: Office of Insurance Commission

Unit: In Million Baht

**1987**
- Motor: 2,705
- Marine: 586
- Fire: 2,800
- Health: 39
- Other Miscellaneous: 1,386

**Portfolio Mix in 1987**
- Motor Voluntary: 37.25%
- Motor Compulsory: 35.99%
- Marine: 7.80%
- Fire: 3.99%
- Health: 0.51%
- Other Miscellaneous: 18.45%

**2017**
- Motor: 16,259
- Marine: 9,850
- Fire: 24,293
- IARs: 16,259
- PA: 5,336
- Health: 28,204
- Other Miscellaneous: 15,958
- Health: 3.82%
- IARs: 12.91%
- PA: 11.12%
- Motor Voluntary: 50.43%
- Motor Compulsory: 2.45%

**Portfolio Mix in 2017**
- Motor Voluntary: 50.43%
- Motor Compulsory: 7.31%
- Marine: 7.44%
- Fire: 4.51%
- Other Miscellaneous: 18.45%
- Health: 3.99%
- IARs: 11.12%
- PA: 12.91%

**30 Years Later...**
- Direct Premiums: Baht 7.5 Billion and Portfolio Mix in 1987
- Direct Premiums: Baht 218.4 Billion and Portfolio Mix in 2017
Non-Life Insurance Distribution Channel: 2017

Unit: Million Baht

Direct Premium by Quarter from 2004-2017

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

**Top 12 Companies***

- **VIRIYAH INSURANCE** (16.5%)
- **DHIPAYA INSURANCE** (8.9%)
- **BANGKOK INSURANCE** (7.0%)
- **MUANG THAI INSURANCE** (5.5%)
- **SOUTHEAST INSURANCE** (4.7%)
- **CHUBB SAMAGGI INSURANCE** (4.4%)
- **THE SAFETY INSURANCE** (4.1%)
- **SYNMUNKONG INSURANCE** (4.1%)
- **LMG INSURANCE** (2.8%)
- **MITSUI SUMITOMO INSURANCE** (2.5%)
- **THANACHART INSURANCE** (3.4%)
- **TOKIO MARINE INSURANCE** (3.6%)

*Market Size > Baht 5 Billion

**Top 10 Companies***

- **VIRIYAH INSURANCE** (16.5%)
- **DHIPAYA INSURANCE** (8.9%)
- **BANGKOK INSURANCE** (7.0%)
- **MUANG THAI INSURANCE** (5.5%)
- **SOUTHEAST INSURANCE** (4.7%)
- **CHUBB SAMAGGI INSURANCE** (4.4%)
- **THE SAFETY INSURANCE** (4.1%)
- **SYNMUNKONG INSURANCE** (4.1%)
- **LMG INSURANCE** (2.8%)
- **MITSUI SUMITOMO INSURANCE** (2.5%)

**Total Market Average Size: Baht 3.7 Billion

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/55058

Phoenix rebrands after partnership with JP Mart
https://www.matichon.co.th/news-monitor/news_902732
# 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>Avg. 5 Yrs.</strong></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
## 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>830</td>
<td>664</td>
<td></td>
<td>2,069</td>
</tr>
<tr>
<td>2013</td>
<td>1,513</td>
<td>1,099</td>
<td></td>
<td>2,595</td>
</tr>
<tr>
<td>2014</td>
<td>2,309</td>
<td>2,409</td>
<td></td>
<td>10,316</td>
</tr>
<tr>
<td>2015</td>
<td>2,605</td>
<td>1,146</td>
<td></td>
<td>2,747</td>
</tr>
<tr>
<td>2016</td>
<td>2,704</td>
<td>1,188</td>
<td></td>
<td>5,195</td>
</tr>
<tr>
<td>2017</td>
<td>3,424</td>
<td>960</td>
<td></td>
<td>2,970</td>
</tr>
</tbody>
</table>

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

**Below Bachelor’s Degree**
- **Man:** 2,440 staff (50%)
- **Woman:** 2,421 staff (50%)

**Bachelor’s Degree**
- **Man:** 9,761 staff (41%)
- **Woman:** 14,313 staff (59%)

**Higher than Bachelor’s Degree**
- **Man:** 1,114 staff (41%)
- **Woman:** 1,610 staff (59%)

**Total**
- **Women:** 18,344
- **Men:** 13,315
- **Total:** 31,659

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

Marketing 5,084
- 32%
- 16%

Underwriter 4,572
- 20%
- 14%

Investment 110
- 39%

Finance & Accounting 3,294
- 10%

Claims Officers 8,971
- 27%

Customer Services 1,923
- 35%
- 6%

Actuary 157
- 41%

Others 7,548
- 40%

Total 31,659
- 42%

Source: Office of Insurance Commission

Women – 18,344
Men – 13,315
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
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
<table>
<thead>
<tr>
<th>Continents</th>
<th>Non-Life Premium</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>
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<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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</tr>
<tr>
<td>Thailand</td>
<td>7,710</td>
<td>0.3%</td>
<td>35</td>
<td>1.7%</td>
<td>111.7</td>
<td>455</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</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>
</tr>
<tr>
<td>World</td>
<td>2,234,424</td>
<td>100.0%</td>
<td>NA</td>
<td>2.8%</td>
<td>301.4</td>
<td>79,752</td>
</tr>
</tbody>
</table>

Source: Swiss Re, Sigma No.3/2018

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.
Top 10 insurance Market Share 2017

Global Insurance
- Top 10, 3,662,243, 74.87%
- Other, 1,205,389, 24.64%
- Thailand, 24,062, 0.49%

Life Insurance
- Top 10, 2,000,556, 75.29%
- Other, 640,362, 24.10%
- Thailand, 16,352, 0.62%

Non-Life Insurance
- Top 10, 1,734,198, 77.61%
- Other, 492,516, 22.04%
- Thailand, 7,710, 0.35%

Source: Swiss Re, Sigma No.3/2018
### World natural catastrophe losses, 2017

<table>
<thead>
<tr>
<th></th>
<th>The figures of the year 2017</th>
<th>The figures of the year 2016 (Losses in original values)</th>
<th>Average of the last 10 years 2007-2016 (Losses adjusted to inflation based on local CPI)</th>
<th>Average of the last 30 years 1987-2016 (Losses adjusted to inflation based on local CPI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of events</td>
<td>710</td>
<td>780</td>
<td>605</td>
<td>490</td>
</tr>
<tr>
<td>Overall losses in US$ m</td>
<td>330,000</td>
<td>184,000</td>
<td>170,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Insured losses in US$ m</td>
<td>135,000</td>
<td>50,700</td>
<td>49,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Fatalities</td>
<td>10,000</td>
<td>9,650</td>
<td>60,000</td>
<td>53,000</td>
</tr>
</tbody>
</table>

**Total Overall Losses Baht 10.89 Trillion**

**Penetration Ratio @ 40%**

Source: Munich Re
**Thai Rice Insurance Top Up Scheme 2017**

**Plantation Areas**
- 58,111,333 Rais
- 22,953,976 Acres

**Insured Areas**
- 26,117,394 Rais
- 10,316,370 Acres

**Claims Areas**
- 1,661,464 Rais
- 656,891 Acres

Remark:
1 Rai = 0.395369 Acre
1 US Dollar = 30 Thai Baht

Data as at 1st November, 2018
Impact in 2018-2019

**Market Movements**

- GDP Growth 4.2 – 4.7%
- Export Growth 8.9%
- Import Growth 12.7%
- Government Investment 8.6%
- Local Consumption 3.0%
- 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
- M&A
- Market Collaboration
- Market Consolidation
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
“Key Challenges” .... on the future of Thai Insurance Market ....... !!!

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

- 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

- Extreme Environmental Conditions and Catastrophes
  - Flood
  - Tsunami
  - Windstorm
  - Earthquake
Thank You Very Much

ขอบคุณครับ