CEO Focus Group #6
“Demystifying IFRS 17 for General Insurers”

Opening Remark

Kheedhej Anansiriprapha
Executive Director - TGIA

14th November, 2018
Thai Non-Life Insurance Landscape
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 31st 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.
**TGIA Strategic Vision and Mission**

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

**General Public**
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

**Government Agencies**
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

**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**
อาคารสมาคมประกันวินาศภัย ปี 1974

อาคารสมาคมประกันวินาศภัยปัจจุบัน

สร้างเสร็จเมื่อปี 1975

สมาคมประกันวินาศภัย
223 ซอยร่วมฤดี ถนนวิทยุ แขวง
ลุมพินี เขตปทุมวัน กรุงเทพฯ
10330

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

www.tgia.org
อาคารสมาคมประกันวินาศภัยไทย (แห่งใหม่)

New TGIA Address

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

เดินทางโดยรถยนต์:
ลงทางด่วนสุขุมวิท 62 ระยะทางประมาณ 2 กิโลเมตร

เดินทางโดยรถไฟฟ้า BTS ลงสถานีปุณณวิถี ระยะทางประมาณ 350 เมตร
The New TGIA Building
The New TGIA Building Model
The New TGIA Building and RVP Building
Work in Progress
Work in Progress
Work in Progress
Growth in Thai Direct Life and Non-Life Insurance Premium: 1969 to 2017

- **Life Insurance**: CAGR +20.5% (1969 to 2017) 608,666 (US$ million 17,902)
- **Non-Life Insurance**: CAGR +13.7% (1969 to 2017) 218,434 (US$ million 6,425)

**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

Unit: Million Baht

- **Total**
  - (US$ million 6,425)
  - (US$ million 3,709)
  - (US$ million 2,268)
  - (US$ million 290)
  - (US$ million 158)

- **Motor**
  - (US$ million 203,078)
  - (US$ million 205,368)
  - (US$ million 209,244)
  - (US$ million 215,728)

- **Fire**
  - (US$ million 179,480)
  - (US$ million 140,219)

- **Marine**
  - (US$ million 118,441)
  - (US$ million 117,927)
  - (US$ million 120,305)
  - (US$ million 122,191)

- **Misc.**
  - (US$ million 77,110)
  - (US$ million 5,356)

2,671 3,127 3,740 3,790 3,869 3,826 4,196 4,325 4,617 5,193 5,302 5,304 5,344 5,355

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

Source: Office of Insurance Commission compiled by IPRB

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

### Line of Business

**Motor**
- 2002: 63.47%
- 2011: 54.53%
- 2017: 63.81%

**Fire**
- 2002: 22.49%
- 2011: 141.10%
- 2017: 14.15%

**Marine**
- 2002: 28.76%
- 2011: 165.76%
- 2017: 30.31%

**Miscellaneous**
- 2002: 53.99%
- 2011: 696.34%
- 2017: 55.83%

**Total**
- 2002: 56.58%
- 2011: 176.41%
- 2017: 55.83%

### Source
Office of Insurance Commission compiled by IPRB

Note: The chart highlights the significant impact of the 2011 Thailand Mega Flood on the net loss ratio for the Marine line of business.
Thailand Key Economic Indicator

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct premium (Million Baht)</th>
<th>Direct premium Growth rate (%)</th>
<th>GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>62,627</td>
<td>13.6</td>
<td>6.1</td>
</tr>
<tr>
<td>2003</td>
<td>71,160</td>
<td>13.6</td>
<td>7.2</td>
</tr>
<tr>
<td>2004</td>
<td>79,289</td>
<td>11.4</td>
<td>6.3</td>
</tr>
<tr>
<td>2005</td>
<td>88,454</td>
<td>11.6</td>
<td>4.2</td>
</tr>
<tr>
<td>2006</td>
<td>95,287</td>
<td>7.7</td>
<td>5.0</td>
</tr>
<tr>
<td>2007</td>
<td>100,888</td>
<td>5.9</td>
<td>5.4</td>
</tr>
<tr>
<td>2008</td>
<td>106,239</td>
<td>3.6</td>
<td>1.7</td>
</tr>
<tr>
<td>2009</td>
<td>110,028</td>
<td>13.7</td>
<td>(0.7)</td>
</tr>
<tr>
<td>2010</td>
<td>125,075</td>
<td>10.6</td>
<td>7.5</td>
</tr>
<tr>
<td>2011</td>
<td>138,387</td>
<td>29.8</td>
<td>0.8</td>
</tr>
<tr>
<td>2012</td>
<td>179,596</td>
<td>13.1</td>
<td>7.2</td>
</tr>
<tr>
<td>2013</td>
<td>203,120</td>
<td>1.1</td>
<td>2.7</td>
</tr>
<tr>
<td>2014</td>
<td>205,368</td>
<td>1.9</td>
<td>0.9</td>
</tr>
<tr>
<td>2015</td>
<td>209,244</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>2016</td>
<td>215,728</td>
<td>1.3</td>
<td>3.3</td>
</tr>
<tr>
<td>2017</td>
<td>218,434</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>2018f</td>
<td>227,171</td>
<td></td>
<td>4.5</td>
</tr>
</tbody>
</table>

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

Note: The data for 2018 is estimated (f) as of the last update.
Thai Non-Life Insurance Portfolio Mix
by Classes of Business : 2017

Motor Compulsory
Motor Voluntary
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%
- Health 0.51%
- Other Miscellaneous 18.45%

Direct Premiums: Baht 218.4 Billion and Portfolio Mix in 2017

- Motor Compulsory 50.43%
- Motor Voluntary 7.31%
- IARs 11.12%
- PA 12.91%
- Marine 2.45%
- Fire 4.51%
- Health 3.82%
- Other Miscellaneous 7.44%

30 Years Later...

Next 30 Years...
**Non-Life Insurance Distribution Channel: 2017**

Unit: Million Baht

- **Brokers** (57.85%)
  - 126,642
  - 179 (0.08%)

- **Agent** (14.47%)
  - 31,683

- **Worksite** (4.95%)
  - 10,836

- **Tele Marketing** (3.41%)
  - 7,476

- **Internet** (0.10%)
  - 212

- **Others** (0.03%)
  - 65

Direct Premium by Quarter from 2004-2017

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

**Top 10 Companies***

- VIRIYAH INSURANCE: 36,163 (16.5%)
- DHIPAYA INSURANCE: 19,508 (8.9%)
- BANGKOK INSURANCE: 15,367 (7.0%)
- MUANG THAI INSURANCE: 10,412 (5.5%)
- SOUTHEAST INSURANCE: 9,706 (4.7%)
- CHUBB SAMAGGI INSURANCE: 8,985 (4.4%)
- THE SAFETY INSURANCE: 8,915 (4.1%)
- SYNMUNKONG INSURANCE: 7,805 (4.1%)
- MITSUI SUMITOMO INSURANCE: 6,042 (2.8%)
- LMG INSURANCE: 5,418 (2.5%)

*Market Size >Baht 5 Billion

**Remaining 47 Average Size**: Baht 1.5 Billion

**Total Market Average Size**: Baht 3.7 Billion

Unit: Million Baht
Market Share Classified by Company Sizes: 2002-2017

Market share

<table>
<thead>
<tr>
<th>Year</th>
<th>Large size Companies: Direct Premium more than Baht 5,000 Million</th>
<th>Medium size Companies: Direct Premium between Baht 1,000 – 5,000 Million</th>
<th>Small size Companies: Direct Premium less than Baht 1,000 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>31%</td>
<td>36%</td>
<td>53%</td>
</tr>
<tr>
<td>2003</td>
<td>30%</td>
<td>39%</td>
<td>51%</td>
</tr>
<tr>
<td>2004</td>
<td>28%</td>
<td>53%</td>
<td>46%</td>
</tr>
<tr>
<td>2005</td>
<td>30%</td>
<td>51%</td>
<td>46%</td>
</tr>
<tr>
<td>2006</td>
<td>30%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>2007</td>
<td>29%</td>
<td>56%</td>
<td>52%</td>
</tr>
<tr>
<td>2008</td>
<td>29%</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>2009</td>
<td>36%</td>
<td>53%</td>
<td>45%</td>
</tr>
<tr>
<td>2010</td>
<td>37%</td>
<td>52%</td>
<td>46%</td>
</tr>
<tr>
<td>2011</td>
<td>36%</td>
<td>46%</td>
<td>57%</td>
</tr>
<tr>
<td>2012</td>
<td>57%</td>
<td>36%</td>
<td>46%</td>
</tr>
<tr>
<td>2013</td>
<td>61%</td>
<td>34%</td>
<td>46%</td>
</tr>
<tr>
<td>2014</td>
<td>63%</td>
<td>32%</td>
<td>46%</td>
</tr>
<tr>
<td>2015</td>
<td>65%</td>
<td>30%</td>
<td>46%</td>
</tr>
<tr>
<td>2016</td>
<td>66%</td>
<td>29%</td>
<td>46%</td>
</tr>
<tr>
<td>2017</td>
<td>68%</td>
<td>29%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Total Market Players: 2002-2017 = 59
Merger and Acquisition in Thailand

South East Group took over Thai Insurance Plc....
https://www.posttoday.com/finance/insurance/550743
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
http://marketeer.co.th/archives/125292

Phoenix rebrands after partnership with JP 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><strong>Average 5 Years</strong></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><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

- **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)

- **Fire**
- **Marine**
- **Motor**
- **Miscellaneous**

<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>6,450</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1,513</td>
<td>1,099</td>
<td>2,595</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2,309</td>
<td>1,079</td>
<td>2,409</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>2,605</td>
<td>1,146</td>
<td>2,747</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2,704</td>
<td>1,188</td>
<td>3,424</td>
<td>(342)</td>
</tr>
<tr>
<td>2017</td>
<td>2,248</td>
<td>960</td>
<td></td>
<td>2,970</td>
</tr>
</tbody>
</table>

**Source:** Office of Insurance Commission
ASEAN Non-Life Insurance: Incurred Loss Ratio in 2014 - 2016

Brunei: 36%, 35%, 51%
Cambodia: 30%, 29%, 31%
Indonesia: 43%, 44%
Malaysia: 57%, 57%, 55%
Philippines: 39%, 40%, 43%
Singapore: 48%, 50%, 52%
Thailand: 47%, 50%, 55%
Vietnam: 40%, 43%, 35%

Source: AIC 2017 ASEAN Insurance Statistical Report
ASEAN Non-Life Insurance: Underwriting Results in 2014 - 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>16</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Indonesia</td>
<td>745</td>
<td>770</td>
<td>898</td>
</tr>
<tr>
<td>Malaysia</td>
<td>346</td>
<td>341</td>
<td>356</td>
</tr>
<tr>
<td>Philippines</td>
<td>214</td>
<td>236</td>
<td>257</td>
</tr>
<tr>
<td>Singapore</td>
<td>332</td>
<td>227</td>
<td>128</td>
</tr>
<tr>
<td>Thailand</td>
<td>457</td>
<td>331</td>
<td>208</td>
</tr>
<tr>
<td>Vietnam</td>
<td>1,268</td>
<td>1,444</td>
<td>1,630</td>
</tr>
</tbody>
</table>

: in Million US$
Non-Life Insurance Staff in 2017

- **Below Bachelor’s Degree**: 4,861 staff
  - **Women**: 2,421 staff (50%)
  - **Men**: 2,440 staff (50%)

- **Bachelor’s Degree**: 24,074 staff
  - **Women**: 14,313 staff (59%)
  - **Men**: 9,761 staff (41%)

- **Higher than Bachelor’s Degree**: 2,724 staff
  - **Women**: 1,610 staff (59%)
  - **Men**: 1,114 staff (41%)

**Education Level**

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

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

- Marketing: 5,084 (32%)
  - Women: 1,641 (66%)
  - Men: 3,443 (34%)

- Underwriter: 4,572 (20%)
  - Women: 1,533 (34%)
  - Men: 3,039 (66%)

- Investment: 110 (39%)
  - Women: 67 (61%)
  - Men: 43 (39%)

- Finance & Accounting: 3,294 (11%)
  - Women: 1,421 (43%)
  - Men: 1,873 (57%)

- Claims Officers: 8,971 (27%)
  - Women: 4,100 (46%)
  - Men: 4,871 (54%)

- Customer Services: 1,923 (35%)
  - Women: 1,197 (62%)
  - Men: 726 (38%)

- Actuary: 157 (41%)
  - Women: 106 (68%)
  - Men: 51 (32%)

- Others: 7,548 (24%)
  - Women: 4,290 (57%)
  - Men: 3,258 (43%)

- Total: 31,659 (42%)
  - Women: 16,344 (52%)
  - Men: 15,315 (48%)

Source: Office of Insurance Commission
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

Large Companies: 17,137 staff
Medium Companies: 10,952 staff
Small Companies: 3,111 staff
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>
<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>
</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><strong>Thailand</strong></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>
</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><strong>EU</strong></td>
<td><strong>621,171</strong></td>
<td><strong>27.8%</strong></td>
<td><strong>NA</strong></td>
<td><strong>2.9%</strong></td>
<td><strong>754.8</strong></td>
<td><strong>21,087</strong></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><strong>World</strong></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>
</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
### Non-Life Insurance Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicators</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**

Unit: US$ million

**Exchange rate in 2017**: US$ 1: Baht 34

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

- 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

- InsuranceFrauds

- Market Consolidation through M&A

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

- **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/FinTech
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
The only constant in life is change

Heraclitus of Ephesus
Greek Philosopher
c.535 – c. 475 BCE
"CHANGE IS HARD AT FIRST, MESSY IN THE MIDDLE AND GORGEOUS AT THE END"

Robbie Sharma
"It is not the strongest of the species that survives; nor the most intelligent that survives. It is the one that is most adaptable to change."

CHARLES DARWIN
Thank You Very Much
ขอบคุณครับ