

Thailand in focus

What's new in non-life

AUGUST 2024 EDITION

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We are pleased to share our half-yearly newsletter focused on the non-life insurance market in Thailand. This edition covers developments from 1 January 2024 to 30 June 2024.

We trust you find this edition informative. As always, we look forward to receiving your feedback, questions or comments.



Pang Chye
*Principal and
Consulting Actuary*



Ken Lim
Senior Consultant



Tananya Santipinyolert
Actuarial Associate



Bussaba Chauyruk
Actuarial Analyst

Earlier editions of Thailand in focus can be downloaded using the links below:

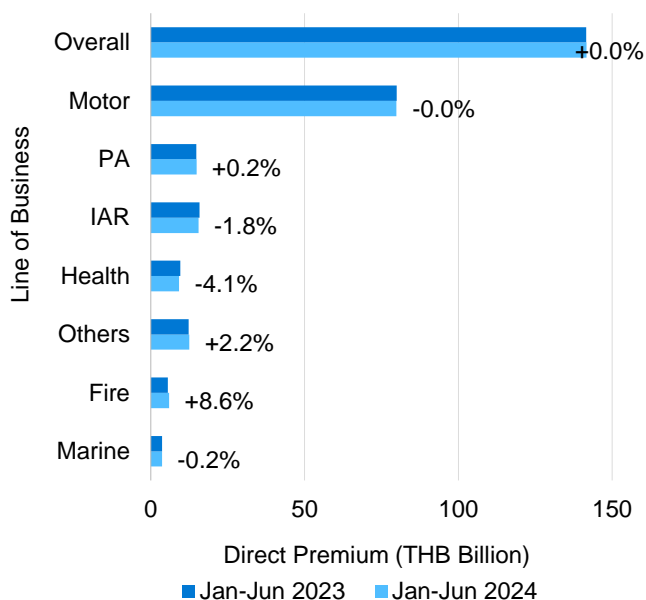
[March 2024 Edition](#)

[August 2023 Edition](#)

Market performance

INDUSTRY GROWTH AT JUNE 2024

Direct Premiums (THB billion) and Growth (%)



Note: PA = Personal Accident, IAR = Industrial All Risks.

* Miscellaneous sublines.

Source: The Insurance Premium Rating Bureau (IPRB).

- From January to June 2024, overall direct premiums have been flat on a year-on-year basis. Motor premiums were also flat. There was a rise in Personal Accident (PA), Others and Fire. However, Industrial All Risks (IARs), Health and Marine reduced marginally.
- The lack of growth in direct premiums is notable given that Thailand's gross domestic product (GDP) growth for 2024 is projected to be around 2.5% to 3%. Typically, direct premiums tend to outpace real GDP growth in countries like Thailand where non-life insurance penetration is low.
- The stagnation in Motor premiums is largely attributed to the decline in new car sales in 2024, which is a result of challenging economic conditions. This is coupled with a soft market characterised by high competition.
- The overall combined ratio for the market was 93% for 2023, marking a significant improvement of 35 percentage points from the previous financial year. This improvement is largely attributed to the absence of COVID-19 related policies and the associated claims in 2023.

INDUSTRY PERFORMANCE AT 2023 YE

FINANCIALS (IN THB BILLIONS)	2022	2023	% CHANGE
DIRECT PREMIUM	258.8	255.4	-1.3%
NET EARNED PREMIUM	179.5	175.1	-2.5%
COMMISSION INCOME	20.9	20.1	-3.9%
SUBSIDY INCOME	1.7	1.6	-8.2%
TOTAL INCOME	202.1	196.7	-2.7%
NET LOSS INCURRED	166.1	100.8	-39.3%
NET COMMISSION AND BROKERAGE	36.2	35.6	-1.4%
UNDERWRITING AND OPERATING EXPENSE	50.2	48.0	-4.4%
TOTAL OUTGO	252.4	184.5	-26.9%
UNDERWRITING PROFIT	-50.3	12.2	-124.3%
RATIOS (%)			
NET LOSS RATIO	92.5%	57.6%	-34.9%
EXPENSE RATIO (INCLUDING COMMISSION)	35.5%	35.4%	-0.1%
EXPENSE RATIO	27.0%	26.5%	-0.5%
NET COMMISSION RATIO	8.5%	8.9%	0.4%
NET COMBINED RATIO	128.0%	93.0%	-35.0%

Source: The Insurance Premium Rating Bureau (IPRB).

Market news

NEW PRODUCTS

- Bangkok Insurance (BKI) has teamed up with TQM Insurance Broker, to develop a new insurance protecting against illnesses caused by particle matter (PM) 2.5 pollution. This insurance provides lump sum payment for inpatient treatment, hospital cash and medical fees for outpatient treatment with starting premium of THB 1,400 per year. The covered diseases include respiratory tract infections, pulmonary emphysema, heart disease, lung cancer and more.
- Krungthai Panich Insurance (KPI) has partnered with the Concert Application, an event management and ticket-selling platform, to introduce "Ticket Shield," an insurance product designed to protect customers who purchase concert tickets via the Concert's website or application. This insurance covers various unexpected events, such as quarantine requirements, flight delays and natural disasters, enabling customers to claim reimbursement for the ticket price if they are unable to attend the event.
- Allianz Ayutthaya General Insurance (AAGI) and Bangkok Dusit Medical Services (BDMS), a private hospital operator, have jointly launched a new health insurance product called "Exclusive Care @BDMS." This product aims to target the working-class market and offers two coverage options including THB 1.5 million and THB 5 million per year.

- CHUBB Samaggi Insurance has teamed up with TQM Insurance Broker to create short-term Type 1 and Type 2+ motor insurance specifically for customers who drive infrequently. This insurance is available for a one-month term, with premiums starting at THB 650 per month. Eligible vehicles must be no older than 12 years for Type 1 policies and 25 years for Type 2+ policies.
- KPI has partnered with QBE Automotive Protection to develop a new extended warranty for parts related to the electrical systems of cars. This warranty covers electrical system components that fail due to normal usage, extending beyond the protection offered by car manufacturers, which is typically three years for Japanese producers and five years for European producers. The insurance targets used car auto loan customers through financial institutions.

COVID-19

- Effective 4 July 2024, the Ministry of Finance has revoked the license of Syn Mun Kong Insurance (SMK) to operate general insurance business. This decision follows the cancellation of SMK's rehabilitation plan by the Central Bankruptcy Court, citing liabilities exceeding assets, illiquidity of assets to pay claims and a capital adequacy ratio (CAR) below the regulatory minimum requirement. The General Insurance Fund (GIF) has been appointed as the liquidator for SMK.
- Since 2021, SMK is the fifth company to be closed down due to claims from COVID-19 lump sum policies called "Jer Jai Jop".

ELECTRIC VEHICLES (EVS)

- Following the launch of new EV insurance policy by the Office of Insurance Commission (OIC), as stated in our [previous newsletter](#), Thanachart Insurance (TNI) introduced its first full EV insurance complying with the OIC guidelines, called "EV Insurance Type 1 Single Rate Judtem." It offers comprehensive coverage equivalent to Type 1, emergency charger coverage, wall charger coverage and battery replacement without deducting any depreciation if car age is less than five years old.
- To enhance its customer ecosystem, TNI has partnered with Phithan Green, an importer and distributor of EV wall chargers, and ABB, an electrification and automation technology firm. This collaboration aims to offer a special discount of THB 5,000 on the wall charger price and extend coverage by an additional two years beyond the original two-year period for TNI's EV insurance customers.
- TQM, an insurance broker, has partnered with over 10 insurers to offer new battery EV (BEV) insurance through its online and offline channels. There are two types of products offered, including EV Type 1 and EV Type 3. Additionally, TQM offers three special perks to its customers: a complimentary THB 500 car-charging voucher, assistance to relocate the vehicle in case of

breakdown or battery depletion and free access to courtesy car during repairs.

- In May 2024, the OIC directed 23 insurers that provide EV coverage to submit their risk management plans by June 2024. These plans must include details on the risk management strategies employed, the impact of risks on the companies' capital and the risk threshold at which the insurers would cease offering EV coverage.
- Effective 1 July 2024, Tokio Marine Safety Insurance announced that it will temporarily cease insuring new EV cars under the existing premium for all brands, including new, renewal and transferred policies. This decision is due to the volatility of EV car prices, which impacts the sum insured. The announcement is part of a broader plan to revise the company's premium policy.

DISTRIBUTION CHANNELS

- Dhipaya Insurance has partnered with PTTOR, an oil and retail company, to expand its distribution channel. This partnership allows customers to conveniently purchase insurance by scanning a QR code posted on the information boards displayed at PTT petrol stations.
- Sunday Insurance has partnered with Lotus Money Plus, a financial services platform, to offer EV insurance at Lotus Money Plus counters located in Lotus supermarkets nationwide.
- Fin Insurance Broker has signed a memorandum of understanding (MoU) with Thailand Islamic Co-operative Network to develop Takaful products.
- Jaymart Insurance has collaborated with Thailand Post to introduce a microinsurance product providing accident coverage at all Thailand Post branches. This product offers a maximum sum insured of THB 100,000 with a premium of THB 220 per year.
- Roojai Insurance is in partnership with Me Insurance Broker to sell Roojai's Motor insurance products through the Big C hypermarket.
- Sompoo Insurance has partnered with Srikrung Broker to launch a Motor insurance plan named "Srikrung Motor Plus." The plan offers several coverage options including Types 1 (comprehensive), 2, 2+, 3 and 3+.

OTHER INSURER INITIATIVES

- Bangkok Insurance (BKI) has introduced a new function in its Line Official account, allowing the policyholders to easily file claims for vehicles damaged by floods. If the vehicle is unable to continue driving, the insurer will promptly dispatch a tow truck service to assist.
- Dhipaya Insurance has partnered with TAGTHAi, a collaborative platform between the Thai government and private sectors offering tourism services, to provide Takaful accident coverage to tourists who purchase any type of TAGTHAi Pass. TAGTHAi passholders do not have to pay extra costs for the coverage, which includes THB 50,000 for death or disability and up to THB 10,000 per incident for medical expenses.

- AXA Insurance has partnered with Visa to offer Visa cardholders complimentary international travel insurance for up to 10 days. This insurance includes accident coverage of up to THB 2 million and covers medical expenses for both outpatient and inpatient treatments.
- After venturing to Line Official to connect with customers and allowing 24/7 policy purchases and renewals, TNI expanded its services by developing a presence on Facebook Messenger in February 2024. This new platform includes features for claim reporting and other customer support functions.
- TQR, a reinsurance broker, and TQM Alpha, a holding company behind TQR, are in collaboration to develop carbon credit insurance, EV insurance, cyber insurance and directors and officers (D&O) insurance.
- In response to various occasions, several insurers have launched campaigns as part of their marketing efforts:
 - For Valentine's Day, Dhipaya Insurance offered free insurance covering accidents and coma stages of critical illnesses to 72 LGBTQ+ couples.
 - To celebrate the Thai New Year (Songkran festival), Falcon Insurance provided free accident insurance with coverage of up to THB 100,000 for individuals who registered within a specific time period.
 - Similarly, TNI offered complimentary accident and fire insurance for 30 days to customers who registered via the Line application. The coverage provided was up to THB 100,000 for accident insurance and THB 30,000 for fire insurance.
 - For Labour Day, BKI partnered with TQM to offer free accident insurance with a maximum coverage of up to THB 100,000 for all salaried employees and labourers who registered. This complimentary insurance was promoted alongside BKI and TQM's tailored insurance products for salaried individuals.
- In May 2024, Road Accident Victim Protection (RVP), an insurance company established under the Motor Protection Act to manage compulsory Motor insurance, partnered with 35 clinics across nine provinces. This collaboration enables individuals with minor injuries from car accidents to receive outpatient (OPD) treatment at these partner clinics without requiring prepayment.

KEY APPOINTMENTS

- Effective 1 May 2024, OIC has appointed Arpakorn Panlert, Chayanin Kerdpholngam and Mayurin Sutthirattanapan as Deputy Secretary-General for Oversight, Deputy Secretary-General for Promotion and Development and Special Expert, respectively.
- Effective 1 May 2024, Lockton Thailand has promoted Suradee Malaiaison to the position of CEO and appointed Julio Camanag as Deputy CEO.
- In May 2024, Roojai Insurance announced the appointment of Korakrit Khumruangrit as the Chairman of the Board of Directors.
- Muang Thai Insurance (MTI) has appointed Puntrika Baingern and Wasit Lamsam as new Managing Directors, effective 1 July 2024.
- AXA International has appointed Guillaume Mirabaud as a new CEO of AXA Thailand General Insurance, effective 1 June 2024.
- On 24 June 2024, Chubb Samaggi Insurance appointed Scott Carow as Chief Operations Officer (COO) of the individual and small insurance products segment.

REGULATORY UPDATES AND INITIATIVES

- In February 2024, the OIC announced an ongoing plan to revise the regulations related to reporting of mass casualty incidents or major claims of insurers. The planned revisions include:
 - Updating the definition of a major claim from THB 5 million to THB 10 million.
 - Improving reporting procedures for major accidents by requiring insurers to provide the names and contact details of their coordinators for faster communication.
 - Changing reporting methods from email to electronic systems as specified by the OIC.
 - Clarifying the requirements for reporting claims settlement progress to include specific details about the damage and the status of compensation, as well as whether the insurer cannot meet deadlines, including reasons.
- The OIC announced a new regulation effective 30 January 2024 that streamlines the process for life and non-life insurance companies to reduce their capital. This regulation allows companies to reduce capital without prior approval from the OIC board in two cases:
 - Reducing capital by removing unissued registered shares.
 - Offsetting accumulated losses by lowering share value or the number of shares, as long as shareholders' equity remains unchanged and complies with accounting standards.
- In April 2024, the OIC updated its ongoing collaboration with insurers to prepare for the transition to International Financial Reporting Standard (IFRS) 17. This preparation includes OIC's system upgrade, a plan for insurers to submit parallel run results by August 2024 and a plan to review the parallel reporting process by November 2024.
- In April 2024, the OIC collaborated with 4 insurance associations to develop a database for grading agents and brokers based on their history of insurance fraud. This system categorises agents and brokers into four levels, indicating the degree of caution insurers should exercise. Insurers can use this database to assess the trustworthiness of agents or brokers.

- In June 2024, the OIC introduced a new online platform for issuing agent and broker licenses digitally.
- The OIC has launched the OIC Gateway project, featuring the "MyPolicy" tool for policyholders to access insurance details and locate OIC offices. In the second phase, three new features were added:
 - Insurance coverage summary: Easy summaries of policy benefits.
 - Tax benefit verification: Information on tax deductions and product recommendations.
 - Claims history verification: Access to up to two years of voluntary Motor claims.

The platform offers secure, real-time access to insurance information via the Line Official Account "OIC Connect," with easy registration available.



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CONTACT

Pang Chye
pang.chye@milliman.com

Ken Lim
ken.lim@milliman.com