

Thailand in focus

What's new in non-life

MARCH 2025 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 July 2024 to 31 December 2024.

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



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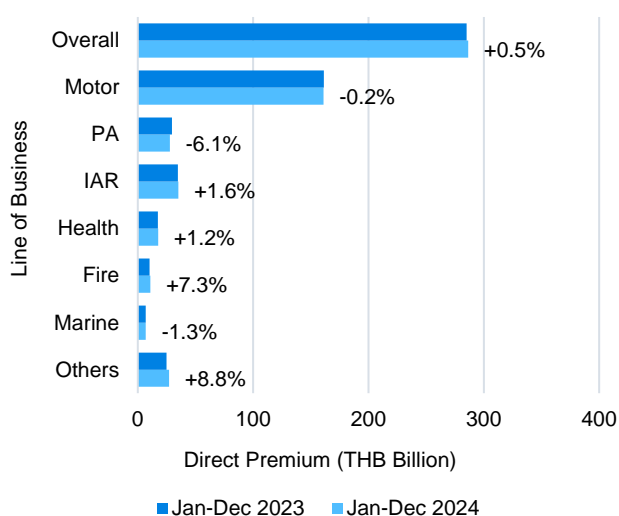
[March 2024 Edition](#)

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Market performance

INDUSTRY GROWTH AT DECEMBER 2024

Direct Premiums (THB billion) and Growth (%)



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

Source: The Insurance Premium Rating Bureau (IPRB).

- From January to December 2024, total direct premiums increased marginally compared to the same period last year. Premiums for Motor, Personal Accident (PA), and Marine insurance declined in 2024, whilst premiums for Industrial All Risks (IAR), Health, Fire, Travel, and Others increased.
- This stagnation is particularly notable given that Thailand's real gross domestic product (GDP) grew by 2.8% year-on-year in 2024. In markets with relatively low Non-life insurance penetration, direct premium growth typically outpaces real GDP growth.
- In 2024, the Motor insurance segment experienced a slight decline of 0.2%, primarily due to a drop in new car sales of around 26% amid challenging economic conditions. This was further exacerbated by intense competition and soft Motor premium rates.
- PA premiums continued to decline in 2024. Although the number of policies sold increased by 13% in 2024, the average premium per policy dropped by 20% in 2024.
- As of Q3 2024, the overall combined ratio for the market was 94%, reflecting a 3-percentage-point increase compared to the previous year. This rise is primarily attributed to an increase in the loss ratio.
- The combined ratio of 94% may not fully reflect the impact of flood losses in the northern and southern regions, which occurred between late Q3 and Q4. As a result, the full-year combined ratio is expected to be higher.

INDUSTRY PERFORMANCE AT 2024 Q3

FINANCIALS (IN THB BILLIONS)	2023 Q3	2024 Q3	% CHANGE
DIRECT PREMIUM	194.2	196.5	1.2%
NET EARNED PREMIUM	139.8	141.2	1.0%
COMMISSION INCOME	14.5	15.6	7.7%
SUBSIDY INCOME	1.4	0.7	-50.6%
TOTAL INCOME	155.6	157.5	1.2%
NET LOSS INCURRED	78.2	82.1	5.0%
NET COMMISSION AND BROKERAGE	27.6	27.9	1.1%
UNDERWRITING AND OPERATING EXPENSE	36.9	38.5	4.3%
TOTAL OUTGO	142.7	148.5	4.1%
UNDERWRITING PROFIT	13.0	9.0	-30.4%

RATIOS (%)	2023 Q3	2024 Q3	DIFFERENCE
NET LOSS RATIO	55.9%	58.1%	2.2%
EXPENSE RATIO (INCLUDING COMMISSION)	34.8%	35.5%	0.7%
EXPENSE RATIO	25.4%	26.8%	1.3%
NET COMMISSION RATIO	9.4%	8.7%	-0.7%
NET COMBINED RATIO	90.7%	93.6%	2.9%

Source: The Insurance Premium Rating Bureau (IPRB).

Market news

NEW PRODUCTS

- Roojai Insurance has launched affordable and comprehensive electric vehicle (EV) insurance plans to support Thailand's transition to EVs. The plans span from Type 1 to Type 3 coverages. Key benefits include battery protection, home charger coverage, top-tier repair services, and coverage for up to five named drivers.
- To celebrate the 27th anniversary of the Government Pension Fund (GPF) and the 72nd anniversary of Dhipaya Insurance, both organisations have collaborated to launch a new initiative. This initiative offers GPF members short-term personal accident insurance at special rates—THB 27 for THB 10,000 coverage and THB 72 for THB 72,000 coverage—with a 30-day coverage period from the date of policy purchase. The project will run until 31 August 2025.
- Krungthai Panich Insurance (KPI) has collaborated with AIS, a telecom company, to offer travel insurance coverage for AIS customers through the myAIS application and AIS website. The starting premium is THB 120 and maximum coverage of THB 5 million. Customers can choose from five plans, and the policy is embassy-approved for Schengen visa applications.

- Pet Animal Data and Innovation (PADI), a digital platform offering comprehensive pet care services, has partnered with Dhipaya Insurance and TQM, an insurance broker, to distribute pet insurance through the PADI platform.
- Bangkok Insurance (BKI) has partnered with DJI, a drone manufacturer, and Peak 3, an insurtech company, to offer agricultural drone insurance to support smart farming and sustainable agriculture in Thailand. The coverage includes accidental damage protection for selected DJI agricultural drone models.
- Thai Health Insurance introduced a premium health insurance product called "Excellency Healthy". This product offers three plans with sums insured of THB 3 million, THB 5 million, and THB 10 million. The product has no deductibles and is available to individuals aged 15 to 70 years, with renewal options up to the age of 85.
- TMSI introduced new roadside assistance services for customers with Motor Voluntary Type 1 and Type 2+ insurance policies, offering a range of benefits at no extra charge. These include towing service within 30 kilometres, 10 litres of petrol for regular vehicles, towing service to the nearest EV charging station for EVs, emergency key service and basic repairs at the accident site.
- The Road Accident Victims Protection Company Limited (RVP) and Dhipaya Insurance have partnered to implement the ASEAN Compulsory Motor Insurance (ACMI) system. The ACMI platform enables real-time issuance of policies and Blue Cards, recognised across ASEAN.
- As part of its anniversary celebrations, Indara Insurance offered new customers, who purchased voluntary motor insurance in July 2024, complimentary 30-day PA coverage with a sum insured of THB 100,000.

DISTRIBUTION CHANNELS

- Krungsri bank, a member of Mitsubishi UFJ Financial Group (MUFG), has partnered with MST Insurance Service, a Japanese insurance agency, to enhance insurance brokerage services of Japanese companies in Thailand.
- Muang Thai Broker, via its "gettgo" platform, has partnered with Big C to offer insurance products including but not limited to Motor, Travel, PA and Health through the Big C Plus application.
- Srisawad, an insurance broker, was approved by Office of Insurance Commission (OIC) to sell insurance products online in November 2024. In addition, the company has recently launched a new application called "Srisawad," which offers a comprehensive range of features such as loan status tracking, loan applications, motor insurance purchases, and more.
- SCB Protect, an insurance broker, plans to expand its face-to-face sales by increasing the number of sales representatives and enhancing their financial expertise through training programmes and obtaining relevant licenses. SCB Protect aims to have at least one salesperson in each district across Thailand and make this channel its primary source of growth in 2025 and beyond.
- AXA Insurance (AXA) launched a promotional discount to celebrate Mother's Day in Thailand for its cancer product, "SmartCare Cancer". Customers who purchase the policy during the promotional period receive a 10% premium discount on all plans and have the option to select a four-month interest-free premium instalment plan.
- Thanachart Insurance (TNI) has introduced a promotional campaign for its EV insurance product, "EV Insurance Type 1 Single Rate Judtem." This special offer includes 100% battery coverage without depreciation deductions for up to five years, a THB 1,000 Shell Recharge EV charging voucher and an interest-free premium instalment plan for up to 10 months. Under standard policies, the battery is depreciated at a rate of 10% per year.
- Thai Paiboon Insurance has partnered with TT Insurance Broker (TTIB) to offer a free helmet for customers purchasing Motor Voluntary Type 2+ insurance for motorcycles through TTIB's online channel.
- TMSI has partnered with Eazy Digital, a technology company, to launch a new sales management portal for agents and brokers called the "Sabai Dee Portal". The portal will feature a range of sales-related tools, including a sales dashboard, renewal notifications, policy management, quotations and customer management.
- Generali Thailand and the United Nations Development Programme (UNDP) have partnered to support the growth and sustainability of Micro, Small and Medium Enterprises (MSMEs) in Thailand. Their collaboration includes developing the MSME Social Protection Framework, a risk assessment tool designed to enhance business preparedness and risk awareness and provide risk management strategies.

OTHER INSURER INITIATIVES

- As mentioned in our previous newsletter, Tokio Marine Safety Insurance (TMSI) announced it would temporarily cease insuring new EVs under the existing premium rates for all brands, including new, renewal, and transferred policies, effective 1 July 2024, due to the volatility of EV prices. However, in early July 2024, TMSI clarified that it will still accept EV insurance, but the premium rate for each customer will vary. For new business or transferred business, TMSI will no longer use standard rates and will instead evaluate each case individually. For renewal business, the premium rate will be determined based on the customer's claims history.

- Multiple insurers and brokers launched promotional campaigns during the long New Year holidays. A few examples include:
 - MSIG partnered with TQM to offer a free 30-day coverage for Motor Voluntary Type 3 (Third-Party) insurance under a programme called "Drive Any Car". This coverage is attached to the driver rather than a specific vehicle, allowing registered participants to be insured regardless of the car they are driving.
 - SCB Protect offered free home or PA insurance to 50,000 customers of the SCBX group.
 - TNI partnered with Shell to provide free PA insurance with coverage of THB 200,000 for 30 days to Shell's customers, along with additional accidental medical expenses coverage of THB 5,000 per accident for Shell Recharge customers.
 - Dhipaya has partnered with FIT Auto, a vehicle service centre under the PTT group, to offer free PA coverage with a sum insured of THB 50,000, medical expenses of THB 2,000 per accident and THB 200 per day for 30 days to FIT Auto's customers.

KEY APPOINTMENTS

- In August 2024, Aditya V. Tibrewala was appointed as the Chief Executive Officer of Sampo Insurance Thailand. Previously, he served as the Chief Consumer Officer.
- In September 2024, Roojai Group appointed Nicolas Fauvarque as the Group Chief Financial Officer.
- Effective 1 January 2025, BKI has appointed three key executives: Chawan Sophonpanich as Chief Operating Officer, and Lasa Sophonpanich and Paveena Juchuan as Presidents.

GOVERNMENT SCHEMES

- In July 2024, the Bank for Agriculture and Agricultural Cooperatives (BAAC) launched a rice insurance scheme covering seven natural perils and pest-related risks. The scheme offers two tiers of coverage:
 - Tier 1 (Basic): Premiums range from THB 70 to 218 per rai, providing coverage of THB 1,190 for natural perils and THB 595 for pest-related risks per rai.
 - Tier 2 (Additional): Premiums range from THB 70 to 110 per rai, with coverage of THB 240 for natural perils and THB 120 for pest-related risks per rai.
- The Thai government subsidises premiums at THB 65–69 per rai, reducing the financial burden on farmers. Additionally, BAAC loan customers are fully covered under the scheme without any out-of-pocket costs, as BAAC covers the premium on their behalf. Note: 1 rai = 0.33 acres.
- Muangthai Insurance (MTI) and Dhipaya Insurance have been selected by the Ministry of Labor to provide foreign worker insurance for 2025.

MERGERS & ACQUISITIONS

- In December 2024, Roojai Group successfully acquired Direct Asia Thailand from Hiscox Group. As a result of this acquisition, the combined motor insurance customer base of both companies is expected to reach approximately 300,000 vehicles.
- In January 2025, Japan's ITOCHU Corporation reached an agreement to acquire a minority stake in Thaiivat Insurance Public Company Limited (TVI), a Thailand-based insurer.
- In early 2025, Chubb Limited announced its acquisition of Liberty Mutual's insurance business in Thailand and Vietnam to expand its presence in Southeast Asia.

Regulatory updates and initiatives

- Following the license revocation of Syn Mun Kong Insurance (SMK) on 4 July 2024, the Thai General Insurance Association (TGIA) has introduced two main initiatives to support SMK policyholders:
 - **Remaining coverage:** TGIA has partnered with nine insurance companies to offer new policies for SMK policyholders. These policyholders can use the premium refund credit, which they would have received from SMK, as a discount when purchasing the new policies. The existing SMK policy will be immediately terminated. The nine participating insurance companies will use the premium refund credit to seek reimbursement from the General Insurance Fund (GIF) on behalf of the policyholders.
 - **Claims payment:** TGIA has requested the cooperation of all insurance companies in handling claims under the following guidelines (1) if the SMK-insured vehicle is at-fault, a "knock for knock" agreement will apply, and the insurer of the not-at-fault party will seek reimbursement from the GIF through subrogation and (2) if the SMK-insured vehicle is the not-at-fault party, the insurer of the at-fault vehicle will use the "knock for knock" agreement to repair/compensate the SMK-insured vehicle/policyholder.
- Effective 4 July 2024, the OIC established a screening committee to oversee the suspension or revocation of actuary licenses to uphold professional standards and ethical conduct. Composed of OIC executives, industry representatives, and academics, the committee will investigate cases where actuaries fail to meet required standards, potentially impacting the adequacy of insurance reserves. This initiative seeks to enhance actuarial practices and support the sustainable growth of Thailand's insurance industry.

- The OIC is developing guidelines for financial reinsurance and finite reinsurance to enhance insurers' risk management and governance. The initiative aims to help insurers navigate these complex contracts under new regulations allowing such reinsurance for liquidity enhancement. The guidelines will cover risk transfer testing, roles of company boards and actuaries, and actuarial reporting.
- The OIC, along with five key associations of the insurance industry, has established the Insurance Center for Disaster Management and Cooperation (ICD) to enhance preparedness and response to ongoing flood risks. Two key support initiatives have been introduced:
 - Support for policyholders: easing premium payment conditions and facilitating quicker claims for property insurance
 - Relief for agents and brokers: extending the deadline for training and license renewal by 15 days after the flood situation stabilises, but no later than 31 December 2024.
- In November 2024, the OIC issued two registrar announcements defining what constitutes new business and additional liabilities for life and non-life insurers. These regulations aim to prevent financially unstable companies from expanding business or increasing risks whilst undergoing solvency position rectification. These insurers are prohibited from underwriting new business, renewing existing policies, and accepting inward reinsurance. However, the renewal of life insurance policy riders and guaranteed renewals is still permitted. Additionally, insurers are restricted from entering contracts that may have additional financial obligations, except those necessary for financial restructuring, such as hiring auditors or actuaries to assess the company's financial status and operations.
- The OIC has also strengthened its regulation for life and non-life insurers that are in a position that may cause financial harm. The updated regulations provide a more comprehensive scope to better oversee and regulate insurance companies. For instance, the definition of behaviors that may cause damage has been expanded to include not only the insurer itself but also its board of directors and individuals authorised to act on behalf of the company.
- In December 2024, the OIC officially launched a new website, "Insure Mall", designed to facilitate the sale and purchase of insurance products. The platform aims to support fair competition among insurance companies. Operated by the OIC, the website allows anyone to offer their insurance products without any fees.
- Due to rising health insurance premiums driven by medical inflation and increasing claim frequency, the OIC is collaborating with insurers to develop strategies for controlling medical expenses whilst ensuring access to coverage. Proposed measures include alternative insurance products, such as allowing minor illnesses to be treated with over-the-counter medication instead of hospital visits, to help slow premium increases. Life insurers have already implemented cost-control measures, including copayments, caps on surgical fees, and revised guidelines for minor illnesses in young children.

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