



BKI sticks with growth target

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Bangkok Insurance (BKI), the country's third-largest non-life insurer, is maintaining its premium growth target this year in the 6-7% range, despite premiums expanding by a mere 2.1% in the first half and intense competition lying ahead.

Insurance firms will face more challenges in the second half amid new regulations favourable to policyholders and tougher pricing competition, said chief executive Panus Thiravanitkul.

In a bid to achieve its premium target, the company will focus on new product development, quality service and digitalisation, Mr Panus said, adding that the company will also concentrate on profitability rather than pricing.

In the first half, the company's total premiums amounted to 7.91 billion baht, rising 2.1% year-on-year. The goal is to raise total premiums to 12.7 billion baht this year.

Weak demand in life protection products has been seen in the industry. The Thai General Insurance Association has revised down the industry's insurance premium growth rate to 2% this year from an earlier projection of 4-5%.

At the end of May, the industry's total premiums were 90.1 billion baht, up 4.3% from the end of last year.

The company has also launched new products with high growth potential and lower competition, such as business interruption insurance, trade credit insurance, and director and officer insurance.

It plans to expand the market base for motor insurance, which represents the company's largest portion at 59% of total premiums, into provincial areas because of lower pricing competition.

The company aims to open three new outlets upcountry to serve the business expansion, up from the existing 34 nationwide.

"Despite the country's new car sales growing 11.5% year-on-year for the first half, our motor insurance premium fell by 7% compared with market growth of 4%," Mr Panus said. "We slowed down the business expansion because of the heated price war."

BKI's net profit for the first half edged down 0.3% year-on-year to 1.29 billion baht.

BKI has set up an innovation division tasked with developing a digital platform in line with changing consumer lifestyles.