

**INSURANCE**

BKI eyeing non-motor margins

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SET-listed Bangkok Insurance Plc (BKI) has set an ambitious target of raising the ratio of its non-motor retail customers to 25% of policyholders in the next five years in a bid to capture higher-margin business.

Non-motor products, covering personal accident, health and fire insurance, show better margins and have high potential to grow, while low-yield motor insurance is likely to fluctuate, chief executive Chai Sophonpanich said yesterday.

Non-motor insurance now accounts for 7% of its policies.

The country's third-largest non-life insurer this year expects premiums of 18.2 billion baht, with 56% generated by non-motor insurance and the rest by car policies.

"Pricing is not our business strategy amid fierce competition and slim margins, so we plan to focus on non-motor insurance products," Mr Chai said.

Individual customers account for 65% of the company's premiums, with corporate customers comprising the rest.

BKI hopes to increase premiums contributed by individuals to

75% of premiums over the next five years in line with its goal to boost non-motor retail customers.

Executive vice-president Apisit Anantarat said the insurer had focused on mass-market segmentation to expand personal accident insurance through partnerships.

It offers such insurance for migrant workers in collaboration with the Immigration Bureau and has a deal with Thai Airways International for the national flag carrier's passengers.

For motor insurance, the company concentrates on policy renewals rather than new business. It also targets the high-end market due to better margins.

BKI eyes retail motor premiums of 8 billion baht this year, up by 14.3% from last year.

The oil price slump is expected to encourage car owners, especially those who bought vehicles under the first-time car buyer scheme, to use their cars more often and boost demand for policy renewals.

BKI shares closed yesterday on the SET at 369 baht, unchanged, in light trade worth 443,000 baht.

**Chai: Sees high potential**



BKI to delve into more non-motor products

SUCHEERA PINIJPARAKARN
THE NATION

BANGKOK INSURANCE (BKI), the country's third-largest non-life insurer by premium income, is attempting to boost the proportion of non-motor-insurance premiums in the individual-client segment to 25 per cent over the next five years, from around 7-8 per cent now, to improve margins.

Chairman and chief executive officer Chai Sophonpanich said recently that the company wanted to increase its focus on personal-accident, health and mortgage-related insurance products such as fire insurance, as these currently contributed only 7-8 per cent of its premium income.

BKI targets total premium income of Bt18.2 billion this year, up by 10-12 per cent from 2014. Chai said individual motor insurance contributed 41-42 per cent to BKI's income but the pricing war in this category resulted in low margins. Therefore, the company should diversify its portfolio into other segments with higher margins.

Bancassurance through Bangkok Bank branches will be BKI's main channel to handle this diversification in the near future. For overall sales, brokerages and telemarketing are the main channels.

BKI executive vice president Apisit Anantanarat, who in charge of individual insurance, said growth in personal accident and health insurance in Thailand was regarded as having matured, because many insurers have focused on these policies.

The company has asked the Immigration Bureau for permission to offer personal acci-

dent insurance for Myanmar migrants at border provinces. The premiums would be low but the numbers of migrants are high enough to make this feasible. BKI is also dealing with Thai International Airways on offering personal accident insurance to its passengers.

Even though the company is attempting to diversify its portfolio, motor insurance will remain an important segment. It targets car-insurance premiums this year of Bt8 billion, up by 14 per cent from 2014.

"BKI does not have a policy of using pricing as a strategy to attract customers," he said. "We will concentrate on policy renewals and the upper market segment."

Apisit said the current low fuel prices were encouraging people who purchased vehicles under the previous elected government's first-car scheme to resume using those vehicles.