



# BANGKOK INSURANCE IS THAILAND'S TRUSTED NON-LIFE INSURER

*The non-life insurance sector in Thailand is increasing steadily, and Bangkok Insurance is aiming to become the market leader*



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**A**side from its pristine beaches and booming tourism, Thailand has a lot to offer. The World Bank says that the Southeast Asian nation has made remarkable progress in the past four decades moving from a low-income country to an upper-income nation in less than a generation.

The GDP growth in the Q1 of 2018 is 4.8% and all year growth is projected to reach 4.1% (Bank of Thailand), substantially increase from 3.9% in previous year, mainly contributed by continued growth of export which is greatly benefit from recovery of world's economy and major trade partners of Thailand, especially USA. In addition, government spending in infrastructure projects is expected to grow significantly, which the disbursement is expected to worth 200,000 million baht this year (Standard Chartered). Meanwhile, Tourism sector has maintained a key growth engine of Thailand's economy this year, heavily benefits from recovery of world's economy and government stability. Rising confidence of investors and business sectors is also anticipated following the certainty of general election in early next year.

One of the leading reasons for this surge in economic performance was social welfare, which includes insurance. According to Oxford Business Group, low penetration rates, aging society and increasing rates of liberalization has propelled the Thai community's awareness for insurance.

However, Thailand's economy in 2018 is expected to be negatively affected by rising inflation, interest rate and oil

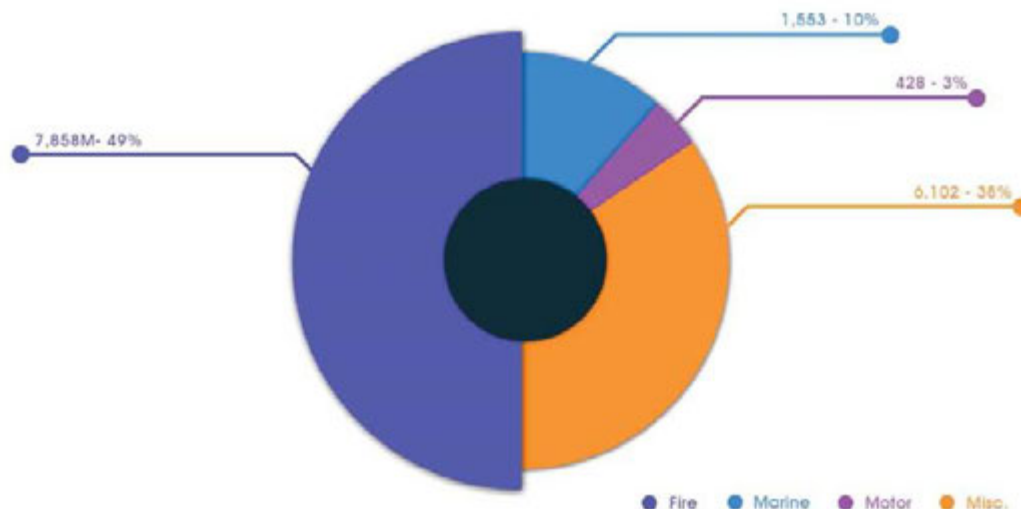
price as well as fluctuation in global economy. And this creates a compelling case for the insurance sector.

Between life and non-life insurance, latter has grown slightly faster in recent years with a CAGR of 12.8% compared to 11.3%. The penetration rate of non-life insurance premium to GDP in Thailand is considered high, which is 1.7% in 2016 (Swiss Re), compared to 1.85% of Asian countries and is ranked first in ASEAN. The average growth rate of non-life insurance market over the past 10 years is about 8.4%. The number of people employed in this sector were 31,659 by the end of 2017.

The obvious and immediate need for non-life insurance products has spurred great demand in Thailand. One of the leaders in this segment is Bangkok Insurance (BKl) – the third largest non-life insurer by Direct Written Premium for more than a decade with a portfolio that consists of motor insurance (38%), marine (3%) and miscellaneous (49%).

BKl is a listed company with a market share of 7.0% at the end of 2017. It was also ranked top five in most product lines; second in fire, fourth in marine, seventh in motor and second in miscellaneous by the end of 2017. In the end of 2017, the company held the paid-up capital of 1,064.7 mn THB and the total asset amounted to 60,102.8 mn THB.

Gross Premium Written by Products  
Mil. THB,%





Financial Snapshot					
Mil. THB	Q1 2018	Q1 2017	Full Year 2017	Full Year 2016	Full Year 2015
Gross Premium Written	4,272	4,209	15,941	16,031	15,867
Net Premium Written	2,960	2,838	10,959	11,096	11,169
Earned Premium	2,736	2,786	11,041	11,062	11,194
Net Underwriting Profit	387	287	1,396	1,536	1,512
Net Investment Income	371	347	1,366	1,285	1,234
Earnings Before Tax	758	634	2,762	2,822	2,746
Net Profit	659	550	2,403	2,426	2,342
Loss Ratio (Net)	48.6%	55.6%	51.6%	50.3%	50.6%
Commission Ratio (Net)	11.0%	8.6%	9.5%	10.3%	10.2%
Expense Ratio (Net)	23.5%	24.9%	26.6%	25.4%	25.8%
Combine Ratio (Net)	83.1%	89.1%	87.6%	86.0%	86.6%
Underwriting Profit Margin (Net)	14.1%	10.3%	12.6%	13.9%	13.5%

Growth : Market and BKI



With the aim of becoming the most preferred non-life insurer in Thailand, the company has been operating on diversified product ranges and customer-centric policies. Financial stability is also emphasized to maintain sustainability growth as well as customer's confidence. The company's overall strategic direction remains

unchanged for years; disciplined underwriting and growing on the basis of financial strength. Thus, unreasonably low-price competition and high risk-exposed accounts have been strictly avoided. As a result, BKI could generate the highest net profit among SET-Listed Insurers over the past several years.





Bangkok Insurance Public Company Limited - Bangkok, Thailand

## Giving Back to Society

Bangkok Insurance is determined to make contribution to Thai society. The Company has established policy to promote and support charitable activities in education, religion, arts and culture, community development, and public health. The company coordinates with governmental and private institutions to arrange social responsibility projects.

Some of its contributions are to His Majesty's royal charity, The Ananda Mahidol Foundation, The Chai Pattana Foundation, and the H.R.H. Princess Sirindhorn's royal charity project for graduates returning to rural areas to teach.

Moreover, Bangkok Insurance has been issuing scholarships to students in rural areas since 1994. Since 1997, the company has supported projects to promote reading by supplying primary and secondary educational institutions in rural areas.

Community development is a major aspect of BKI's CSR mandate, which includes provision of clean drinking water for students in rural areas and constructions of toilets for schools in rural areas. Since 1995, the Company has been engaging in projects to promote income from handicraft production in the villages in Mookdahan Province by training local villagers to weave baskets from plastic filament and assists in locating markets in which to sell handicrafts.

BKI is also invested in promoting public health, spearheading initiatives such as ventilator donations to Thai hospitals, development of the Heart Disease Building Project, the Mobile Medical Project, blood donation to the Thai Red Cross Society Project and supporting the Sirindhorn National Medical Rehabilitation Institute

## QUICK FACTS

Name : Bangkok Insurance Public Company Limited

Location : Thailand

HQ : Bangkok

Business : Non-Life Insurance

Product : Non-Life Insurance

Turnover (latest) : 15,941 million baht in 2017

Employee : 1,500

Branches/Global footprints : 34 branches and 25

BKI Care stations nationwide

5 affiliated companies

Asia Insurance (Cambodia) Plc.,

Bangkok Insurance (Lao) Ltd.,

PT. Asian International Investindo Ltd.,

Bangkok Life Assurance (Cambodia) PLC.

Asia Insurance International (Holding) Ltd.

President : Dr. Apisit Anantanarat