

THAILAND

NATIONAL REPORT



13th E A A C
BALI, INDONESIA

Thai Economy Overview (2003-2005)

Thai economy in 2003 grew by 6.9% compared to 5.2% in 2002. Factors attributed to the growth included increased demand and supply in private sector, low interest rate, public spending (in real estate and automobile segments), implementation of government's grass-root economic stimulating projects, e.g. farmers' debt moratorium, village fund and various "Uar-Arthorn" projects such as low-cost housing and insurance plans as well as the success in solving the non-performing loan problem.

A substantial expansion of 18.6% of exports volume in 2003 against that of only 4.6% in 2002 was also an important factor that drove the growth in overall economy (Figures from the Office of the National Economic and Social Development Board). Expansion of export sector was a result of a joint effort between the government and the private sector to seek new export markets especially in Asia, such as China while exports to existing major markets such as the U.S., Japan and Europe continued to grow as a result of stronger economy in those markets.

Other factors included government stability helped increase confidence of foreign investors and domestic consumers. Decrease in unemployment was also a positive factor. However, the year 2003 also saw a few negative notes such as rising oil price, terrorism, the outbreak of SARS disease in Asian countries, etc.

In the fourth quarter of 2004, the Thai economy grew by 5.1%, slower than the average expansion rate of 6.4% in the first three quarters. The slowdown was due to oil price rise, the drought, higher interest rate and a decrease in inventories. For the year 2004, economic growth was 6.1%.

Higher pressure on prices – reflected in 3.1 and 2.7 % inflation rates in the fourth quarter and for the year 2004, respectively. Major increases in consumer prices were from the rising food price and transportation cost. However, other indicators show that the economic stability remained resilient both in the domestic and external aspects.

In 2005, the Thai economy is expected to grow in the range of 5.5-6.5%. The potential growth is constrained by the world economic slow down, the high average price of crude oil, the gradual reduction of the diesel price subsidy, continued violence in southern provinces and the prolong bird flu epidemic. However, the Tsunami and drought impact were less severe than previously expected. In addition, there are additional stimulus measures such as increase in public investment budget and acceleration of mega-infrastructure projects.

Table 1: Thailand Economic Indicators

Year	2001	2002	2003	2004	2005 proj.
Population (in Millions)	62.3	62.8	63.1	63.4	63.7
(Billions of Baht)					
· GDP (at current prices)	5,134	5,452	5,930	6,576	7,199
· GDP (at constant price 1988)	3,074	3,238	3,460	3,669	-
· Balance of Payment	58	181	2	230	-
· Bank Deposit	5,009	5,132	5,358	5,551	-
· Bank Loans	4,448	4,780	4,954	5,326	-
(Percentages)					
· GDP growth rate(at constant prices)	1.9	5.2	6.9	6.1	5.5-6.5
· Inflation	1.6	0.7	1.8	2.7	3.0-3.2
· Unemployment	3.2	2.2	2.02	1.98	-
· Interest rate (12 month fixed deposit at banks)	2.75-3.0	2	1.08	1.0-1.5	1.0-2.5
· Investment (at constant prices)	-	-	11.9	14.4	15.6
· Consumption (at constant prices)	-	-	5.8	5.4	5.7
Exchange rate (Baht/US\$), as of December 31	44.5	43	41.5	40.3	-
(Billions of US\$)					
· Export value of goods	-	-	78.1	96.1	110.3
· Import value of goods	-	-	74.3	94.4	113.4
· Trade balance	-	-	3.8	1.7	-3.2
· Current account	-	-	8	7.3	1.9

Source: The Bank of Thailand (BoT), The Office of the National Economic and Social Development Board (NESDB)

Population Data from Ministry of Interior

Projection: The Office of the National Economic and Social Development Board (As of March 7, 2005)

Thai Life Insurance Business Overview (2003-2005)

2003 was another golden year of Thai insurance industry. The gross income of first year premium increased by 21% against that of 16% in the year 2002. Overall economic and business factors are main driving force of the growth.

New business expansion in the year 2004 was down by 7%, somewhat sluggish as a result of the slowdown in the sales of high-saving products. Other negative factors included the changing behavior of consumers who began to be less interested in high-saving products as more and more new saving options are available. Investment, especially in stock market, also picked up. The overall growth in terms of total gross premium was 13.95%.

1. Economic Factors

Low interest rate 1% for fixed deposit (as of December 2003) continued to be a supportive factor for life insurance business in 2003 in addition to continuing expansion of the overall Thai economy and stability of the Government that has driven public confidence in the national economy. As a result, life insurance, especially the high-saving products, is still an attractive saving option for many consumers. However, following a period of sluggishness in investment, the Department of Insurance responded to the request of the industry by agreeing to lower the guarantee rate from between 4-6% to 2-6%. In consequence to this, as many insurers adjusted their guaranteed rate to be in line with investment situation, premium rate in general has increased.

In 2004, as the interest rate began to move up following the raise in US interest rate and improvement in investment climate, consumers were turning away from high-saving products in favor of high-protection insurance policies. However, the sales of high-saving products such as single premium still increased as demand in a high-end market where buyers still want high return for their saving in parallel to life insurance benefits was still high. And as investment climate improved, many life insurance companies have lowered the premium of some of their products which were in high demand such as endowment and whole life.

2. Factors Inside the Industry

Factors driving insurance business to grow included burgeoning competition. In order to remain competitive in the market, life insurance companies have to ensure availability of new products, new generation of marketing personnel and the use of new technology. They also need to prepare themselves for liberalization of the market in the near future. The government's supportive role through public awareness campaigns and business development support schemes also help the business to flourish. The launch of low cost "Uar Arthorn PA Plan" also added to

the expansion of PA market. The government's policy allowing investment in overseas markets helped improving investment performance of life insurers.

Chart No. 1: Investment Assets and Income of Life Insurance Business from 1994 to 2004

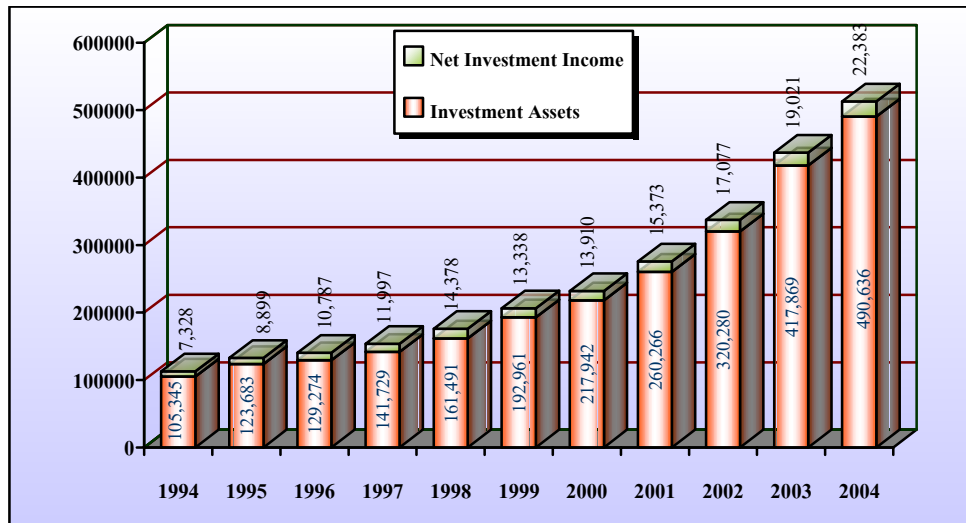
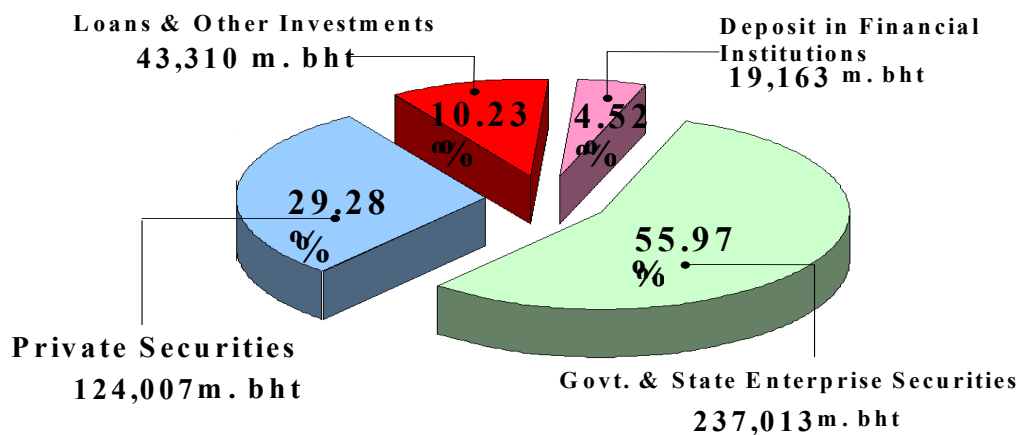


Chart No. 2: Ratio of Investment by Life Insurance Business in 2003



Source: DOI

Also, toward the end of 2003, the Department of Insurance and the Thai Life Assurance Association also worked together to find ways to increase tax deduction ceiling for policy holders from the current Baht 50,000 to Baht 300,000, now being enjoyed by investors in the retirement mutual fund: RMF and the long term equity fund: LTF. The move is in supportive to the government's policy to stimulate domestic long-term saving in which life insurance is among the options. The increase will attract more people to engage in long-term saving through the purchase of life insurance policies, thus, driving the business to grow further.

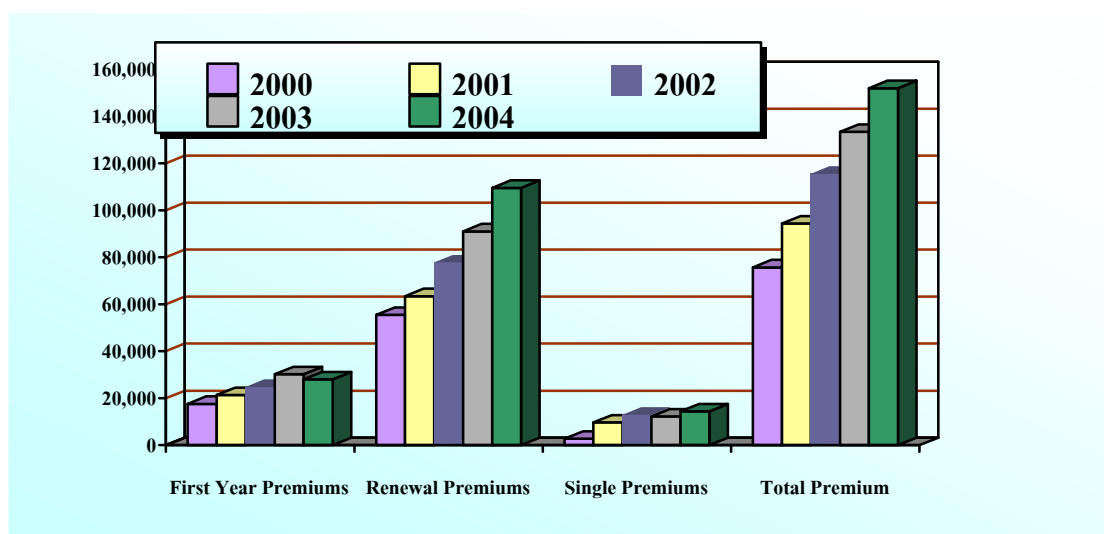
3. Business Performance in 2004

3.1 Gross Premium

In 2004, the gross premium income was 151,951 million baht an increase of 13.95% over the previous year. Of this total, 14,422 million Baht was from the single premium product whose total sales increased by 18.41%. Renewal premium was 109,506 million Baht up from 91,019 million baht an increase of 20.31% with a persistency of 89%. First Year premium was 28,023 million baht declining from previous year by 7.07%.

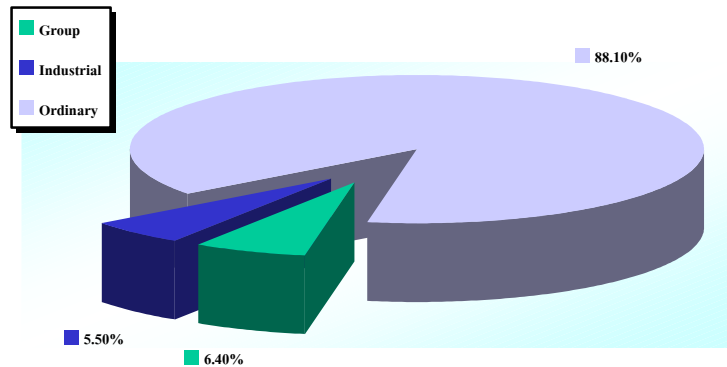
The most popular product was still the ordinary life insurance whose market share is 88.1% while group and industrial insurance was second at 6.4% and third at 5.5% respectively.

Chart No. 3: Gross Premium Income by Type of Insurance from 2000 to 2004



Source: DOI

Chart No. 4: Market Share of Insurance Products in 2004



Source: DOI

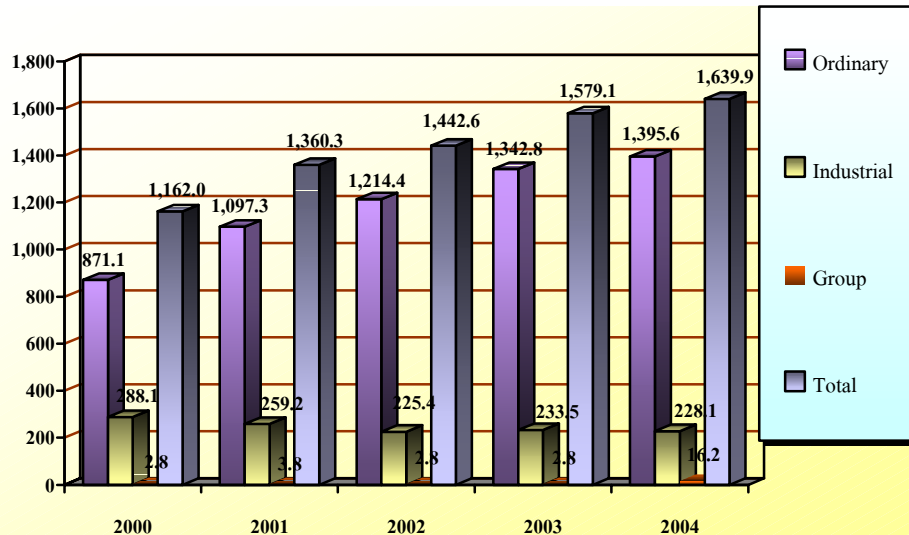
3.2 New Policies

Total number of new policies in 2004 was 1,639,952 or an increase of 3.85% compared with that in 2003. The total sum-insured was 575,351 million Baht. Followings are incomes by type of insurance product:

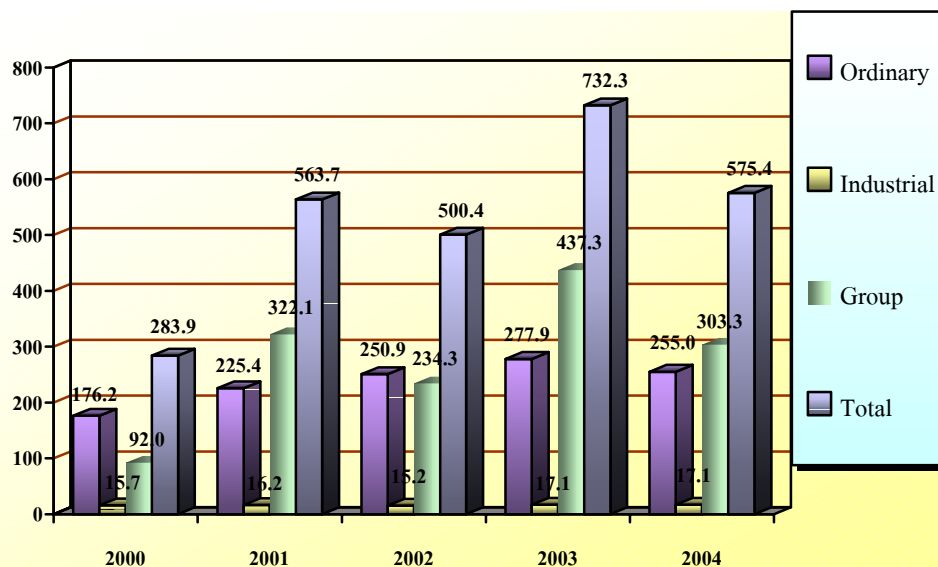
- Total number of new ordinary life policies was 1,395,625 or an increase of 3.93% over the previous year. The total sum-insured was 254,972 million Baht.
- Total number of new industrial policies was 228,083 or a decrease of 2.34% and the total sum-insured was 17,114 million Baht.
- Total number of new group policies was 16,244 or an increase of 475% over that in 2003 while the total sum-insured was 303,265 million baht.

**Chart No. 5: Number of New Policies and Total Sum-Insured
from 2000 to 2004**

No. of Policies New Business (.000)



Sum Insured (Billion Baht)



Source: DOI

4. Changes in Thai Insurance Market in 2003-04

4.1 Changes Occurred in 2003

4.1.1 Products and Services

Like in the previous year, 2003 still saw products with high-saving and short premium payment period remained the most popular choice among consumers as interest rate was kept at a low level while single premium product was still in high demand.

However, most life insurers also began to launch new high protection products along with high saving ones in order to prepare for the looming changes in the market due to an improvement in investment performance, especially the short-term investment in stock market. As consumers have more saving options, the sales of high-saving insurance product began to slow down and the market saw resurgence of high-protection products such as whole life insurance which offers long protection period and low premium rate. Personal accident policies that provide protection against death and disability from accident and serious illness were also available in a high-protection and low-premium package.

In the area of service, all life insurance companies still strive to improve the quality of their customer service either through company-based staff or agents because they all understood that good service is a very important factor that affects the decision of customers. Modern call centers have been established by these companies which notebooks or pocket PC has become common working tool for their sales staff.

4.1.2 Marketing Channels

- **Agents**

Distribution of product through agents was still the most important sales channel of life insurance companies. All of them still focused their effort in improving the quality of agents, especially the recruitment of new generation of agents nationwide. The number of agents who received the license in 2003 was 438,237 or an increase of 20% compared with the year 2002.

In an effort to upgrade their agents to become financial advisers, companies also encourage their agents to attend various training courses on financial and stock market or to take unit-linked license exam offered by the Thailand Security Institute (TSI). This license

is required for the sales of unit-linked and universal life insurance products.

- **Other channels**

Sales of insurance products through other channels such as banks (bancassurance) or credit card providers continued to increase and became more prevalent. As partnered banks realized the importance of bancassurance and incorporate the sales of insurance products as part of a process to assess the performance of branch office, bancassurance business continued to expand. The most popular product offered through this channel has been the single premium policy.

Sales of insurance products through credit card issuer or direct mail also surged as the size of credit card customer base expanded. The most popular product available through this channel has been the personal accident insurance and credit shield. Insurance products have been offered also through the Internet.

4.2 Changes Occurred in 2004

4.2.1 Products

In the year 2004, improvement in investment climate as a result of government economic stimulation effort and the upward trend of interest rate had opened up more saving options for the public and caused them to be less interested in saving through life insurance products compared to 2003. The insurers responded to the situation by offering protection-intensive products, particularly the whole life policy which provides long-term protection at a low premium rate as well as other benefits such as health care, acute disease coverage, daily health expenses and accident protections which are offered through riders to the main contract.

However, the sales of high-saving products still thrived in the upper segment of the market where demand for high saving return and life protection in such products as the single premium remained high.

The government's supported "Uar-Arthorn Personal Accident" insurance also instigated an increase in this segment of the market in terms of policies and premium income. Total PA policies sold in 2004 was 1,186,721 or an increase of 4.89% from that of 1,131,368 in 2003.

4.2.2 Services

Life insurance companies continued to focus their efforts in improving the quality of services. Their customers service centers have been modernized as a one stop service where customers can complete all transaction in one visit. The use of computer technology by sales agents is also a part of this effort.

4.2.3 Market channels

- **Agents**

In 2004, all life insurance companies still tried to recruit new sales personnel from all fields of professions, especially the new and younger generation of sales agents. Various campaigns had been launched all over the countries in order to improve public awareness in insurance, especially in terms of career path for young people.

Professional training courses, including ones related to the application of modern technology had also been provided for their existing sales agents by life insurance companies on a regular basis.

And although the marketing of new products such as unit-linked and universal life insurance policies have not yet actually begun, many insurers have already prepared their staff for the launch of such products.

- **Bancassurance**

The year 2004 saw bancassurance business grew in leap and bound, especially that of life insurers with joint venture partnership with commercial banks. Their joint efforts include the formulation of operation and marketing policies and strategies, staff training, product designs that are simple and easy to sell and the expansion of branch operation that covers as many areas as possible.

- **Other channels**

Besides agency channel, life insurance companies also relentlessly strived to develop new distribution channels such as direct mail, telemarketing, worksite marketing and various media.

5. Business Trend in 2005

5.1 Imminent Changes in the Industry in 2005

5.1.1 Products

- **High-protection product**

The trend for 2005 is that more high-protection insurance products will be offered to the market as the overall investment climate is picking up and interest rate is moving upward. The Office of National Economic and Social Development Board (NESDB) projected the interest rate for 12 month fixed deposit at 1-2.5% in 2005. As a result, the public will have more investment options.

In 2005, the customer will continue to prefer whole-life products that provide life-long protection at low amount of premium. At the same time, protection-intensive endowment policy in which death benefit increases as the insured gets older or one in which offers more life protection than the sum-insured.

Life insurance companies also focus their effort to develop rider products whose features are diversified and distinguished from those of their competitors. Some offer policies that specially cover such acute disease as cancer or out patient expenses as well as PA riders that provide more daily hospital expense coverage.

- **Single Premium Product**

Despite improvement in investment climate and an upward trend of interest rate, it is expected that investment-bundled and high-yield products such as the single premium policy will remain popular among affluent customers because it provides high return and low risk, compared with other type of investment.

- **Unit-Linked, Universal Life, Participating Policy**

Products that will be introduced to the market in 2005 include the unit-linked, universal life and participating policy. The Department of Insurance has, in the past few years, released measures and policies to support the actual launch of these products while life insurance companies have been developing their staff and operational system including the underwriting, investment and customer service departments to be ready for the product.

5.1.2 Market Channels

- **Agents**

In 2005, it is expected that life insurance companies will continue to focus their efforts on improving the quality of their marketing staff and agents by organizing training courses in all regions of the country. Public relations and other activities will also be launched to encourage people from all fields of professions, including those in the grass-root areas and younger generation to take career in life insurance.

Life insurers also allocated a lot of resources for developing and upgrading their agents to become financial advisors in preparation for the introduction of unit-linked and universal life products in this market.

- **Other market channels**

It is expected that the selling of insurance products through banks or Bancassurance will slow down as the demand begins to change to high-protection products.

5.2 Government-Supported Business Development

- **Increase of tax deduction ceiling from Bht 50,000 to Bht 500,000**

The Department of Insurance and the Thai Life Assurance Association have proposed the government, through the Department of Revenue to increase the ceiling of tax deduction for life insurance policy holders from the current Baht 50,000 to Baht 300,000, an amount being enjoyed by investors in Retirement Mutual Fund (RMF) and Long Term Equity Fund (LTF). This new incentive, if approved, will further stimulate the expansion of life insurance business and encourage public saving through life insurance.

- **VAT Imposed on Certain Group of Agents**

In response to a request of the DOI and TLAA to abolish the value added tax imposed on life insurance agents whose income is more than 1.2 million Baht per year, the Department of Revenue has widen the ceiling of taxable income from 1.2 million to 1.8 million Baht.

- **Risk-Based Capital Plan**

The Department of Insurance has policies to upgrade its existing regulatory rules and procedures to international standard in preparation for the soon-to-be-implemented trade liberalization. One of them is the policy to strengthen financial foundation of life insurance companies through the implementation of “Risk-Based Capital”, a process widely used in developed countries. A team of experts in this area is being formed to conduct the feasibility of applying the concept to Thai environment.

- **Corporate Good Governance**

The Department of Insurance has set up a committee to improve good governance in insurance business. Initially, the DoI will try to ensure the transparency in investment process of life insurance companies through the following measures:

- 1) Each life insurance company must hire independent auditor, endorsed by the DoI in pursuance to the Notification of the Insurance Commissioner on Internal Control Evaluation and Accounting System.
- 2) The DoI requires that the auditor must audit investment operation in addition to main accounting system. The DoI has issued an amendment to the criteria, methods and conditions for auditing life insurance company’s investment operation since October 6, 2003 to be used as guidelines by the auditors.
- 3) Life insurance companies must submit the auditing report to the DoI within June 30.

- **New Life Insurance Act**

The ministerial cabinet has approved the draft of a new life insurance act, proposed by the Department of Insurance and the Thai Life Assurance Association. The amendment was made to be in line with changes in business environment. Followings are key amendments in the draft:

- 1) Foreign equity holding in life insurance company will be increased from 25% to 49%.
- 2) Insurance companies can transfer business operation or purchase stocks from companies engaging in life or non-life insurance business.
- 3) Each life insurance company must maintain its capital fund at Baht 500 and non-life company at Baht 300. The existing law requires each company to maintain capital fund at not less than 2% of insurance reserve or not less than Baht 50 million.

- 4) Establish the policy holder protection fund to be used as a cushion in case of crises such as bankruptcy, termination of business operation and revocation of business license.
- 5) Insurance company may issue or price certain type of policies without an approval from the Department of Insurance.
- 6) The Department of Insurance has the authority to audit sales literature used by insurance agents and shall regard these documents as parts of the policy.
- 7) Life insurance company must take a joint responsibility for the sales presentation of its agents.

- **Business Development Policies of the Department of Insurance**

Followings are 5 major areas of supports given by the Department of Insurance as part of an effort to develop the industry:

- 1) **Financial Stability and Liquidity**

- Support business merger
- Increase capital fund
- Allow new investment channels

- 2) **Benefit Payment**

Encourage companies to provide training for their staff so that they are able to efficiently and promptly process benefit payment requests. The goal is to provide fairness to the customers and to reduce complaint cases.

- 3) **Professional Ethics**

The Department of Insurance encourages life insurance companies to ensure professional ethics of their agents and names of unethical agents have been publicized through the DoI's

- 4) **Good Governance**

- 5) **Preparation for Liberalization**

- **School Children Education Program**

In order to create awareness in insurance among the new generation of youth, the Thai government has the policy to promote the teaching and learning of insurance subject in all levels of schooling, starting from elementary through college. Discussion has also been made on a plan to establish an insurance school in the future. The private sector also

participated in many forms of activities such as talk show contest among school children.

- **Low-Cost Personal Accident Insurance for School Children**

After the launch of the Uar-Arthorn PA insurance for the public, the low cost PA insurance for school children was another project that the Thai government supported.

- **The DoI's Initial Conditions and Criteria for Universal Life**

The Department of Insurance issued the Insurance Commissioner Notification on Universal Life Insurance in 2004. Followings are key provisions in that notification:

- 1) Life insurance company that wants to offer universal life product must have at least Baht 100 million of surplus capital fund, appraised at the latest accounting year.
- 2) The value of investment asset appraised at the end of the latest accounting year must not be less than 100% of insurance reserve.
- 3) Each life insurance company that wants to offer the product must have the following systems set up:
 - Customer's reception, consulting and understanding evaluation system.
 - Conflict of interest preventive system
 - Asset maintenance and internal control system
 - Agency supervisory and control system
- 4) Gross premium income of all universal life products, including the top-ups portion of each year must not be more than 30% of direct gross premium income of the company during the same period.
- 5) Universal life insurance agents must pass basic training course on universal life insurance, endorsed by the Insurance Commissioner of the FK test offered by the TSI or other courses approved by the Insurance Commissioner.

- **E-Licensing**

In order to improve the quality of service in issuing license for insurance agents and brokers, the Department of Insurance has been offering the "E-Licensing" system through its Web site at www.doi.go.th. Apart from license renewal service, agents and brokers can the facilities through this on-line one stop service center, the same as they did when they visited the service center on the 3rd floor of the DoI.

Thai Non-Life Insurance Business Overview (2004)

In 2004 the Non-Life insurance industry showed positive growth rates in all classes of insurance. The total direct premium income was recorded at 79,218 million Baht represented an increase of 11.3% over the previous year. Marine insurance showed highest growth rate of 19.6% followed by Voluntary Motor insurance at 13.2%, Miscellaneous Accident insurance at 8.0%, Compulsory Motor at 7.1% and Fire insurance at 5.5% respectively.

The total loss for 2004 was booked at 42,514 million Baht represented an increase of 24%. The Fire insurance losses had the highest increase of 95% followed by Miscellaneous Accident insurance at 33.2%, Voluntary Motor insurance at 20.9%, Compulsory Motor at 2.6%.

On December 26, 2004, Tsunami disaster struck in the 6 southern tourist provinces along the Andaman coast of Thailand. It has wrecked the worst nightmare and disaster on the lives and property and casualty in Thailand. It was reported so far by the government agency that there were 5374 dead, 8457 injuries and 3132 missing. The loss of properties were also estimated about 32,000 million Baht.

For the Non-Life insurance industry, it was estimated that the total insured losses by Tsunami would be in the region of 10,000 to 15,000 million Baht. 88% of the insured losses would be covered by the Industrial All Risk Policy including the Business Interruption insurance, 6% would be covered by the Motor Insurance Policy, 4% by the Fire Policy and 2% by the Personal Accident Insurance Policy. Such Tsunami losses were accounted as 15.5% of the total premium income of the Non-Life insurance industry for the year 2004.

With regard to the loss ratio on earned premium, it was recorded that for 2004 the loss ratio was registered at 56.5% compared with 50.2% of the previous year. The loss ratio for the first 11 months of 2004 was 48.2% compared to 47.1% over the same period the previous year.

It could be concluded that for 2004, the Non-Life insurance industry showed satisfactory results which would have had almost the same loss ratio as the previous year except for the effect of the Tsunami. The December 26, 2004 Tsunami losses have roughly resulted in the loss ratio increasing from 50.2% to 56.5%.

1. Fire Insurance

In 2004, direct premium income of Fire insurance was booked at 7,369 million Baht an increase of 5.5%. The loss ratio was 44.5% compared to 20.6% of the previous year. For the 11 months ended November 2004, the loss ratio recorded was 21.3% in line with previous year. Tsunami losses have led to deterioration in loss ratio of Fire insurance.

2. Marine Insurance

The Marine insurance had a premium income of 3,739 million Baht in 2004 with the favorable loss ratio at 20.1% compared to 26.6% of the previous year. The Tsunami losses did not affect the Marine insurance significantly.

3. Motor Insurance

This class of business had highest portion of premium income which was about 59.5% of total premium income of the Non-Life Insurance industry. For 2004, the total premium income was recorded at 47,108 million Baht representing an increase of 13.2% . The total number of vehicles insured also showed an increase of 13.5%. The loss ratio was booked at 63.7% compared with 64% from the previous year. 630 million Baht losses from the Tsunami disaster was estimated, which was approximately equivalent to 1.5% of the total Motor insurance premium income. The Tsunami did not greatly affect the loss ratio under this class of business.

3.1 Compulsory Motor Insurance

The premium income under this class in 2004 was recorded at 9,223 million Baht, representing an increase of 7.1%. The loss ratio was marked at 45.6% decreased from the loss ratio of 50.7% from the previous year. The Tsunami losses did not affect this class of insurance.

3.2 Voluntary Motor Insurance

For 2004, the number of policies under this class had increased from 2.8 million policies to 3.4 million policies, or represented an increase of 22.2%. The premium income was booked at 37,885 million Baht, an increase of 14.8%. The loss ratio was 68.3% compared with 67.5% of the year before.

4. Miscellaneous Accident Insurance

For 2004, the premium income of the Miscellaneous Accident insurance was recorded at 21,002 million Baht, represented an increase of 8.0% from the same period of the previous year. The loss ratio was marked at 51.2% compared to 39.8% of the previous year. The loss ratio for 11 months of 2004 recorded a loss ratio of 28.8%. The Tsunami losses had been estimated at 8,800 million Baht which would jack up the loss ratio under the class of business very significantly.

5. New Motor Tariff

The Department of Insurance and the General Insurance Association had commissioned NMG Financial Services Consulting to review and revise the existing tariff to be more practical, realistic and fair to both the insured and the insurer. The job is completed and the new tariff goes into effect July 1, 2005.

6. Bail Bond Insurance and Motor Insurance

The Department of Insurance, the General Insurance Association worked closely with the office of Judiciary, the office of Attorney General and the Office of the Royal Thai Police worked closely to introduce and promote “The Usage of Bail Letter of Guaranty for Bail Bond Insurance and Motor Insurance for member companies and government agencies throughout the country”.

7. Response to Tsunami Disaster

In response to occurrence of Tsunami disaster that caused great devastation to 6 southern provinces along the Andaman coast of Thailand on December 26, 2004, the Non-Life and Life insurance industry had extended immediate help to provide relief to those affected in a number of ways:

- 1) Companies cooperated to promptly process and settle claim benefits to the insured or the beneficiaries on a special case basis.
- 2) Companies with branch offices in the 6 affected provinces increased number of personnel to ensure sufficient service to their clients.
- 3) Companies also provided assistance to clients of other insurance companies as well.
- 4) The General Insurance Association (GIA) and the Thai Life Assurance Association (TLAA) sent personnel to provide consultation and to coordinate work with insurance companies personnel and government agencies.
- 5) GIA and TLAA and individual insurance companies and personnel donated money to assist those affected.

8. The Establishment of Insurance Premium Rating Bureau

At the national workshop chaired by the Prime Minister Thaksin Shinawatr on March 12, 2004 and attended by representatives from government and private sectors met to formulate national strategies for insurance business. The meeting has agreed to establish the Insurance Premium Rating Bureau to act as a central body that sets standard premium rates for the industry. It was agreed that the business would be responsible for establishing such agency. The General Insurance Association proposed the following structure of the new agency and this was approved by the Department of Insurance:

- 8.1 The agency is responsible for collecting all insurance-related vital statistical information. The agency will analyze and recommend premium rates which are realistic and fair to both consumers and insurance companies.
- 8.2 The agency will be operated by the business sector.
- 8.3 The agency will be administered and supervised by a board whose member are representatives of general insurance companies, government agencies and experts. The board shall have the power to appoint committees to review and recommend premium rates if deemed necessary.
- 8.4 The agency's role will reinforce the principle of self-regulation by private sector and is in compliance with the policies of the government.

At present, the Executive Board of this agency has been established and comprises of representatives from the General Insurance Association, the Department of Insurance, the Consumer Protection Board, insurance actuarial experts, IT experts and the Secretary-General of the Insurance Premium Rating Bureau, totaling 13 members. The main task of the Insurance Premium Rating Board is to seek and approve standardized premium rate and recommend it to the industry. The Secretary General of this office has recently been appointed. Recruitment of staff and operational preparation is on-going. Office has started operation on April 1, 2005.

9. The 22nd East Asian Insurance Congress

The General Insurance Association and the Thai Life Assurance Association had hosted the 22nd East Asian Congress from November 20-25, 2004 in Bangkok. 1,200 delegates were registered in this conference, of which 971 were foreigners and 229 were Thais.

The EAIC Conference was a great success.

สถิติผลการรับประกันภัย ปี 2544-2547

(Gross Direct Premium, Growth, Earned Premium and Loss Ratio 2001-2004)

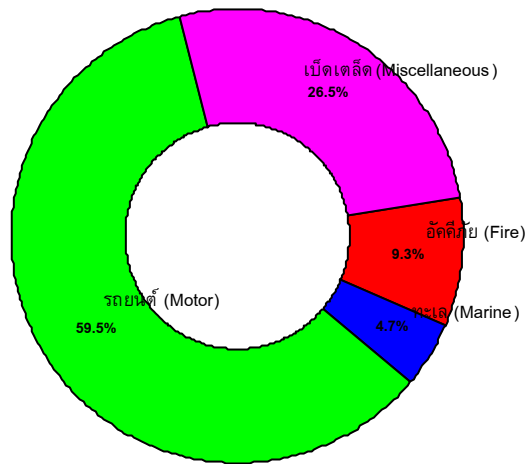
ลำดับที่ No.	ประเภทการรับประกันภัย Classes of Business		2544 (2001)	2545 (2002)	2546 (2003)	2547 (2004)
1	อัคคีภัย (Fire)	เบี้ยรับโดยตรง (GDP)	7,799	8,453	6,982	7,369
		อัตราเพิ่ม (ลด) (G)	(1.3%)	8.4%	(17.4%)	5.5%
		เบี้ยฯ ถือเป็นรายได้ (EP)	7,851	8,116	7,967	7,176
		อัตราความเสียหาย (L/R)	32.1%	27.5%	20.6%	44.5%
2	ทะเล (Marine)	เบี้ยรับโดยตรง (GDP)	2,499	2,672	3,127	3,739
		อัตราเพิ่ม (ลด) (G)	4.0%	6.9%	17.0%	19.6%
		เบี้ยฯ ถือเป็นรายได้ (EP)	2,452	2,615	3,433	3,550
		อัตราความเสียหาย (L/R)	41.3%	28.2%	26.6%	20.1%
3	รถยนต์ (Motor)	เบี้ยรับโดยตรง (GDP)	31,979	34,702	41,601	47,108
		อัตราเพิ่ม (ลด) (G)	7.4%	8.5%	19.9%	13.2%
		เบี้ยฯ ถือเป็นรายได้ (EP)	30,872	33,265	37,455	44,352
		อัตราความเสียหาย (L/R)	63.8%	64.1%	64.0%	63.7%
	3.1 ภาคบังคับ (Compulsory)	เบี้ยรับโดยตรง (GDP)	7,657	7,161	8,611	9,223
		อัตราเพิ่ม (ลด) (G)	6.3%	(6.5%)	20.3%	7.1%
		เบี้ยฯ ถือเป็นรายได้ (EP)	7,428	7,345	7,809	8,915
		อัตราความเสียหาย (L/R)	44.3%	51.7%	50.7%	45.6%
	3.2 สมัครใจ (Voluntary)	เบี้ยรับโดยตรง (GDP)	24,322	27,541	32,990	37,855
		อัตราเพิ่ม (ลด) (G)	7.8%	13.2%	19.8%	14.8%
		เบี้ยฯ ถือเป็นรายได้ (EP)	23,443	25,919	29,646	35,437
		อัตราความเสียหาย (L/R)	70.0%	67.6%	67.5%	68.3%
4	เบ็ดเตล็ด (Miscellaneous)	เบี้ยรับโดยตรง (GDP)	12,721	16,800	19,449	21,002
		อัตราเพิ่ม (ลด) (G)	47.4%	32.1%	15.8%	8.0%
		เบี้ยฯ ถือเป็นรายได้ (EP)	10,675	14,757	19,500	20,225
		อัตราความเสียหาย (L/R)	75.7%	42.3%	39.8%	51.2%
5	รวมทั้งสิ้น (Total)	เบี้ยรับโดยตรง (GDP)	54,998	62,627	71,159	79,218
		อัตราเพิ่ม (ลด) (G)	12.9%	13.9%	13.6%	5.8%
		เบี้ยฯ ถือเป็นรายได้ (EP)	51,849	58,752	68,355	75,303
		อัตราความเสียหาย (L/R)	60.4%	52.0%	50.2%	56.5%
6	เบาะ (Non Motor)	เบี้ยรับโดยตรง (GDP)	23,019	27,925	29,558	32,110
		อัตราเพิ่ม (ลด) (G)	21.6%	21.3%	11.3%	8.6%
		เบี้ยฯ ถือเป็นรายได้ (EP)	20,978	25,487	30,900	30,951
		อัตราความเสียหาย (L/R)	55.4%	36.2%	33.4%	46.0%

หมายเหตุ :

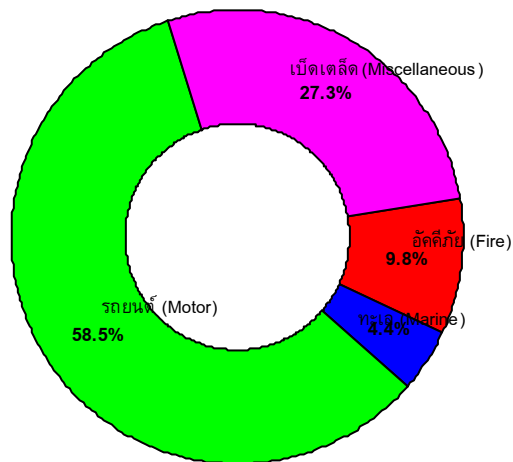
- แหล่งที่มา : จากกรมการประกันภัย (Source : Department of Insurance)
- เบี้ยรับโดยตรง (GDP) = เบี้ยประกันภัยรับโดยตรง (Gross Direct Premium)
- อัตราเพิ่ม (ลด) (G) = อัตราเบี้ยประกันภัยที่เพิ่ม (ลด) จากปีก่อน (Growth Rate)
- เบี้ยฯ ถือเป็นรายได้ (EP) = เบี้ยประกันภัยที่ถือเป็นรายได้ (Gross Earned Premium)
- อัตราความเสียหาย (L/R) = ความเสียหายที่เกิดขึ้นต่อเบี้ยประกันภัยที่ถือเป็นรายได้ (Loss Ratio = Loss Incurred / Earned Premium)
- p = ตัวเลขขั้นต้น (Preliminary) คือ รายงานก่อนการปรับปรุง

สัดส่วนเบี้ยประกันภัยรับโดยตรง
(% of Premium Mix)

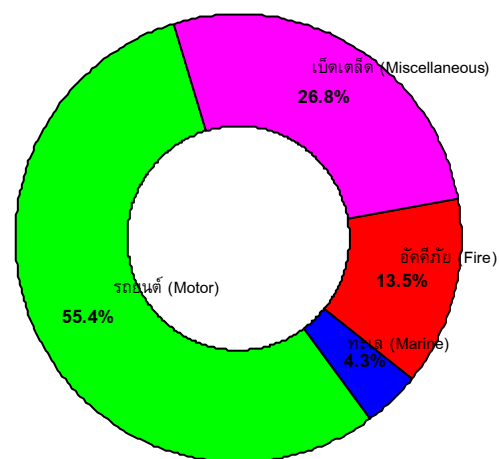
ปี 2547 (2004)



ปี 2546 (2003)



ปี 2545 (2002)



1. เบี้ยประกันภัยรับโดยตรง (Gross Direct Premium)

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ เบี้ยตรง (GDP)	เบี้ย (Non Motor)	ทะเล (Marine)	อัคคีภัย (Fire)	เบ็ดเตล็ด (Miscellaneous)	รถยนต์ (Motor)	รวม (Total)
2544 (2001)	23,019	2,499	7,799	12,721	31,979	54,998
2545 (2002)	27,925	2,672	8,453	16,800	34,702	62,627
2546 (2003)	29,558	3,127	6,982	19,449	41,601	71,159
2547 (2004)	32,110	3,739	7,369	21,002	47,108	79,218

2. อัตราเพิ่ม (ลด) ของเบี้ยประกันภัยรับโดยตรง (Growth Rate of Direct Premium)

ปี (Year) \ อัตราเพิ่ม (ลด) % (Growth)	เบี้ย (Non Motor)	อัคคีภัย (Fire)	ทะเล (Marine)	รถยนต์ (Motor)	เบ็ดเตล็ด (Miscellaneous)	รวม (Total)
2544 (2001)	21.6%	(1.3%)	4.0%	7.4%	47.4%	12.9%
2545 (2002)	21.3%	8.4%	6.9%	8.5%	32.1%	13.9%
2546 (2003)	5.8%	(17.4%)	17.0%	19.9%	15.8%	13.6%
2547 (2004)	8.6%	5.5%	19.6%	13.2%	8.0%	11.3%

3. สัดส่วนเบี้ยรับประกันภัย (% of Premium Mix)

ปี (Year) \ รายการ (Items)	อัคคีภัย (Fire)	ทะเล (Marine)	รถยนต์ (Motor)	เบ็ดเตล็ด (Miscellaneous)	รวม (Total)	เบี้ย (Non Motor)
2544 (2001)	14.2%	4.5%	58.1%	23.1%	100.0%	41.9%
2545 (2002)	13.5%	4.3%	55.4%	26.8%	100.0%	44.6%
2546 (2003)	9.8%	4.4%	58.5%	27.3%	100.0%	41.5%
2547 (2004)	9.3%	4.7%	59.5%	26.5%	100.0%	40.5%

4. จำนวนค่าสินไหมทดแทนที่เกิดขึ้นจากการรับประกันภัยโดยตรง (Gross Loss Incurred)

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ ค่าสินไหม (GLI)	อัคคีภัย (Fire)	ทะเล (Marine)	รถยนต์ (Motor)	เบ็ดเตล็ด (Miscellaneous)	รวม (Total)	เบี้ย (Non Motor)
2544 (2001)	2,521	1,012	19,697	8,084	31,314	11,617
2545 (2002)	2,233	738	21,331	6,247	30,549	9,219
2546 (2003)	1,638	914	23,980	7,770	34,302	10,322
2547 (2004)	3,191	712	28,261	10,350	42,514	14,253

5. เบี้ยประกันภัยที่ถือเป็นรายได้ (Earned Premium)

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ เบี้ยที่ถือเป็นรายได้ (EP)	เบี้ย (Non Motor)	ทะเล (Marine)	อัคคีภัย (Fire)	เบ็ดเตล็ด (Miscellaneous)	รถยนต์ (Motor)	รวม (Total)
2544 (2001)	20,978	2,452	7,851	10,675	30,872	51,849
2545 (2002)	25,487	2,615	8,116	14,757	33,265	58,752
2546 (2003)	30,900	3,433	7,967	19,500	37,455	68,355
2547 (2004)	30,951	3,550	7,176	20,225	44,352	75,303

6. อัตราความเสียหายของเบี้ยประกันภัยที่ถือเป็นรายได้ (Gross Loss Ratio on Earned Premium)

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ อัตราความเสียหาย (Gross Loss Ratio)	อัคคีภัย (Fire)	ทะเล (Marine)	รถยนต์ (Motor)	เบ็ดเตล็ด (Miscellaneous)	รวม (Total)	เบี้ย (Non Motor)
2544 (2001)	32.1%	41.3%	63.8%	75.7%	60.4%	55.4%
2545 (2002)	27.5%	28.2%	64.1%	42.3%	52.0%	36.2%
2546 (2003)	20.6%	26.6%	64.0%	39.8%	50.2%	33.4%
2547 (2004)	44.5%	20.1%	63.7%	51.2%	56.5%	46.0%

7. อัตราส่วนการรับเสี่ยงภัยเองของเบี้ยประกันภัยรับโดยตรง (% of Retention)

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ รายการ (Items)	อัคคีภัย (Fire)	ทะเล (Marine)	รถยนต์ (Motor)	เบ็ดเตล็ด (Miscellaneous)	รวม (Total)	เบี้ย (Non Motor)
2544 (2001)	61.8%	46.2%	92.7%	25.5%	70.7%	40.0%
2545 (2002)	60.4%	55.0%	92.6%	25.9%	68.7%	39.1%
2546 (2003)	67.5%	57.1%	90.0%	28.4%	69.2%	41.1%
2547 (2004) Jan-Nov	68.9%	56.1%	91.4%	34.7%	72.4%	45.0%

8. ฐานะการเงินของธุรกิจประกันวินาศภัย (ราคาประเมิน)

(Financial Highlights of Non-Life Insurance (Admitted))

หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ รายการ (Items)	สินทรัพย์รวม (Total. Assets)	สินทรัพย์ลงทุน (Investment Assets)	หนี้สิน (Liabilities)	เงินกองทุน (Capital Funds)
2544 (2001)	89,258	54,803	52,046	37,712
2545 (2002)	97,317	61,160	58,410	38,907
2546 (2003)	112,825	75,318	64,181	48,644
2547 (2004)	136,177	77,776	80,305	58,872

9. รายได้จากการลงทุนสุทธิและอัตราผลตอบแทนจากการลงทุน

(Net Investment Profit and Investment Yield)

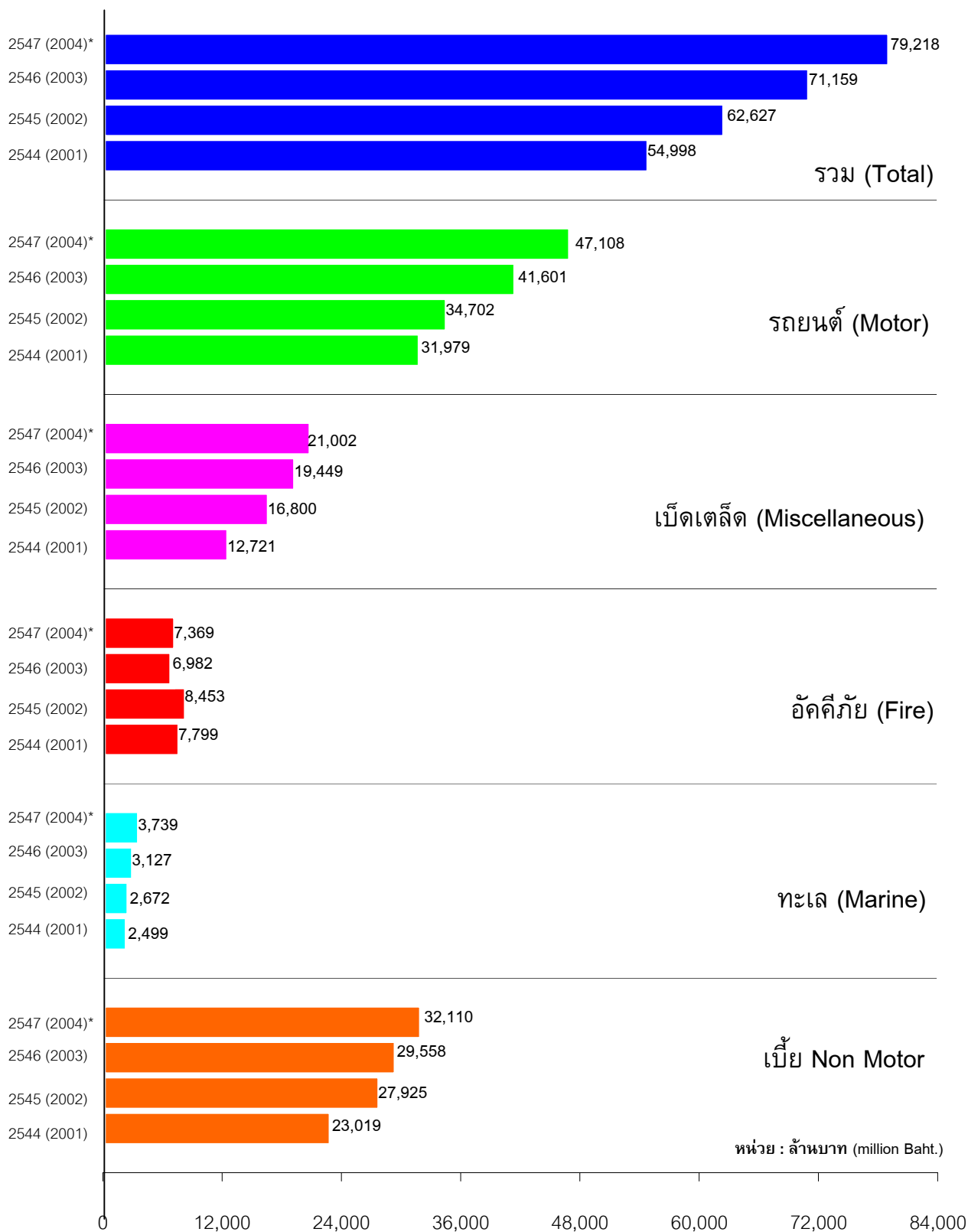
หน่วย : ล้านบาท (Million Bht.)

ปี (Year) \ รายการ (Items)	รายได้จากการลงทุนสุทธิ (Net Investment Profit)	อัตราผลตอบแทนจากการลงทุน (Investment Yield)
2544 (2001)	2,340	4.3%
2545 (2002)	2,407	3.9%
2546 (2003)	2,840	3.8%
2547 (2004)	2,509	3.2%

เบี้ยประกันภัยรับโดยตรง (Direct Premium)

Graph 1

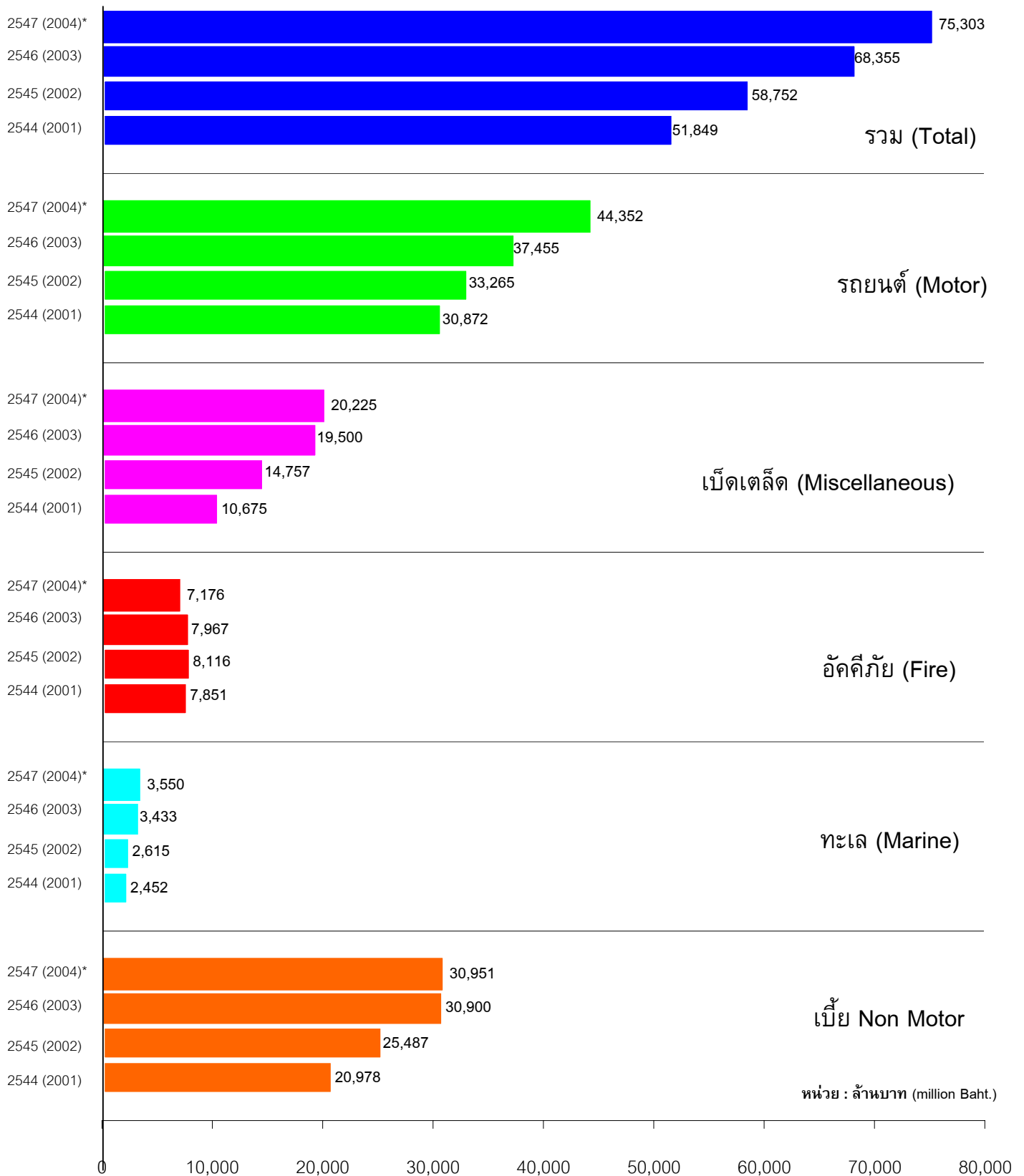
ปี 2544 - 2547* (2001 - 2004*)



* = unadjusted

เบี้ยประกันภัยที่ถือเป็นรายได้ (Earned Premium)
ปี 2544 - 2547* (2001 - 2004*)

Graph 2

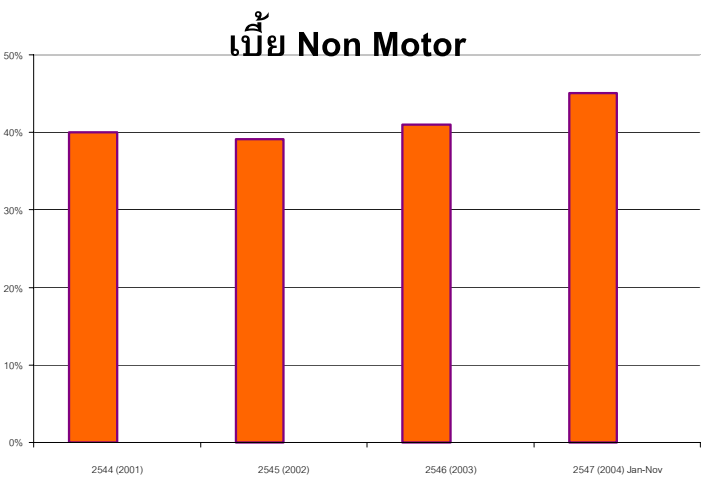
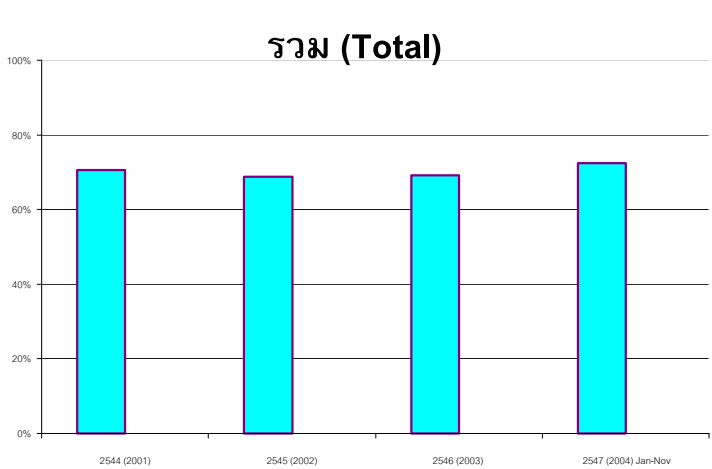
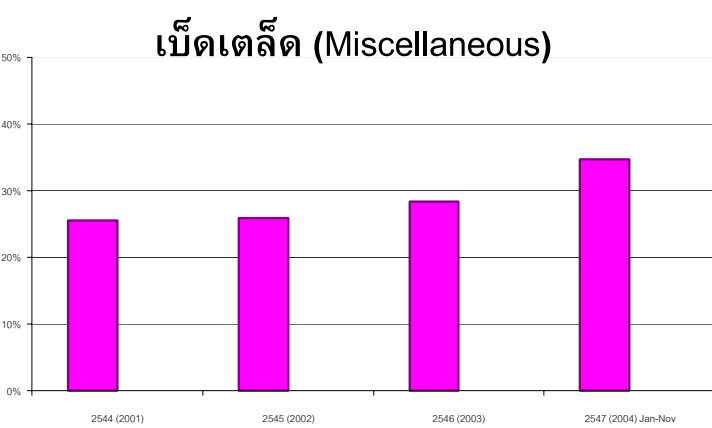
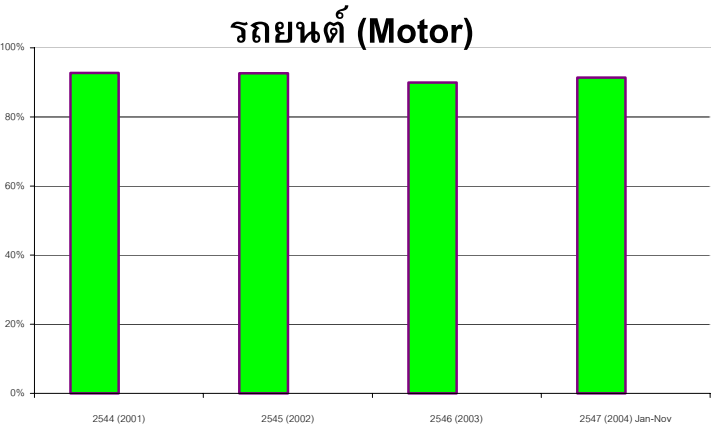
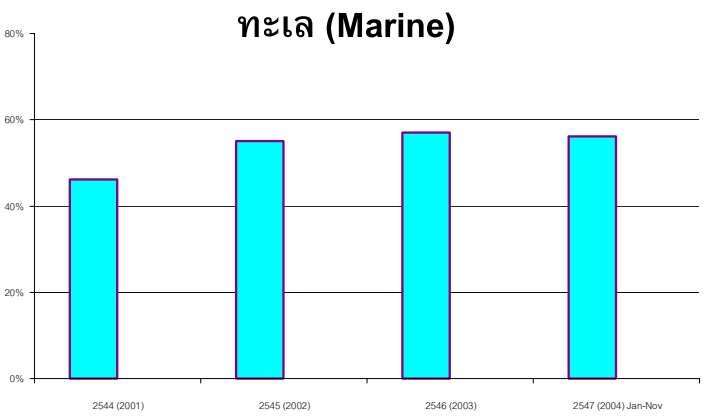
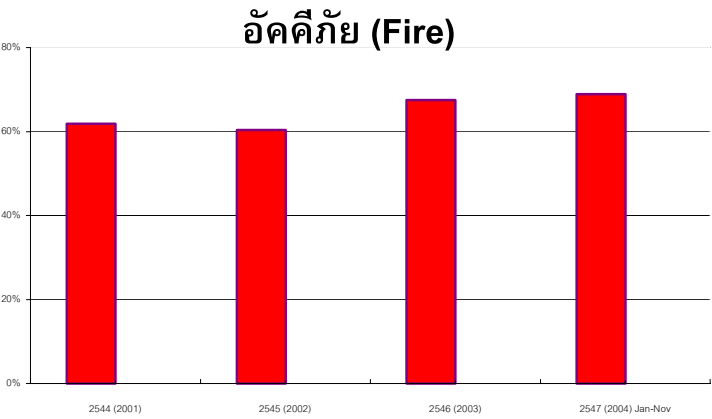


หน่วย : ล้านบาท (million Baht.)

* = unadjusted

อัตราการเสี่ยงภัยเองของเบี้ยประกันภัยรับโดยตรง
(% of Retention Premium)

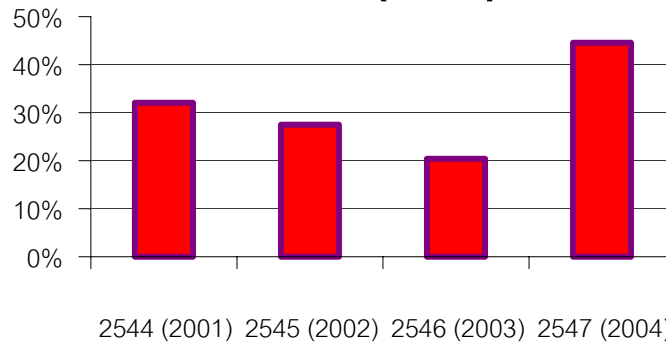
Graph 3



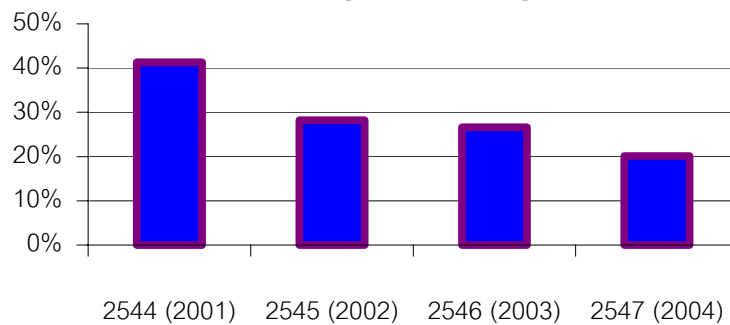
อัตราความเสียหายของเบี้ยประกันภัยที่ถือเป็นรายได้
(Gross Loss Ratio on Earned Premium)

Graph 4

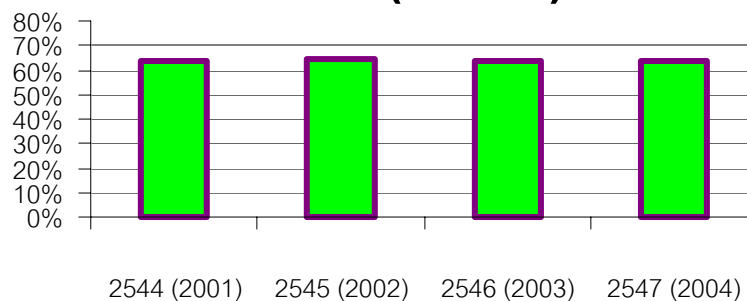
อัคคีภัย (Fire)



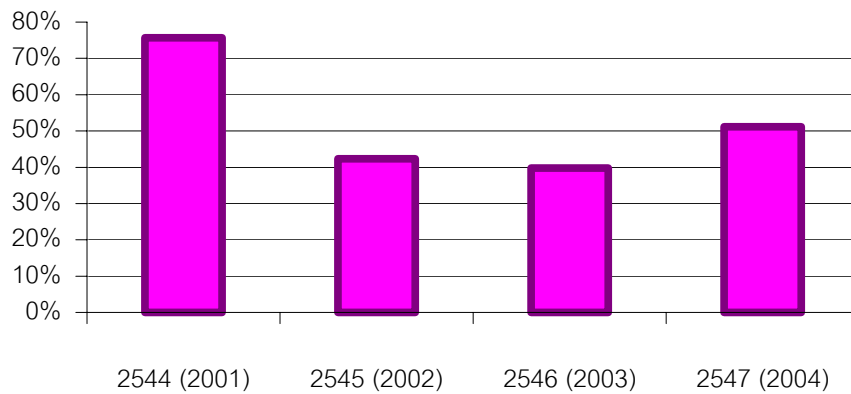
ทะเล (Marine)



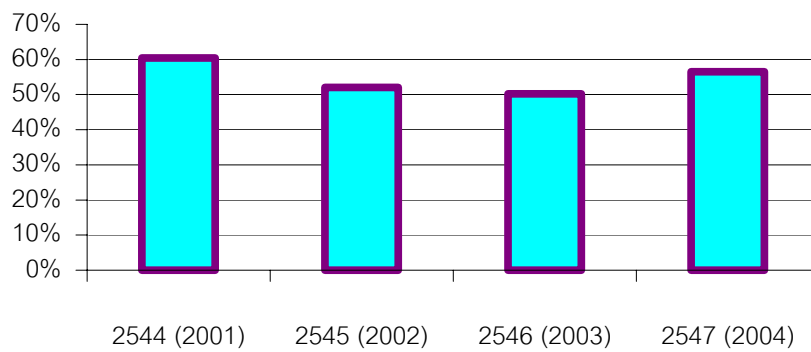
รถยนต์ (Motor)



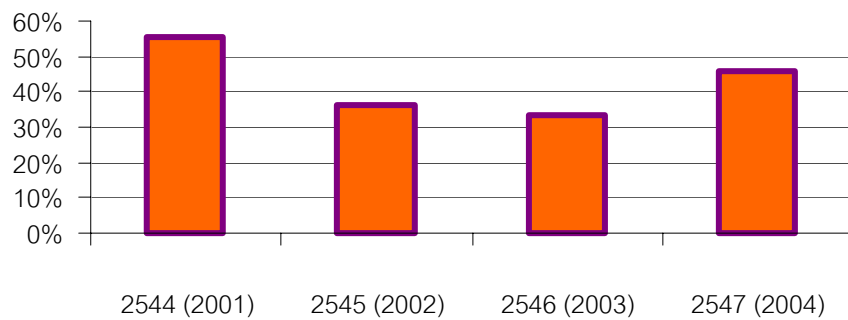
เบ็ดเตล็ด (Miscellaneous)



รวม (Total)



เบ็ดเตล็ด Non Motor

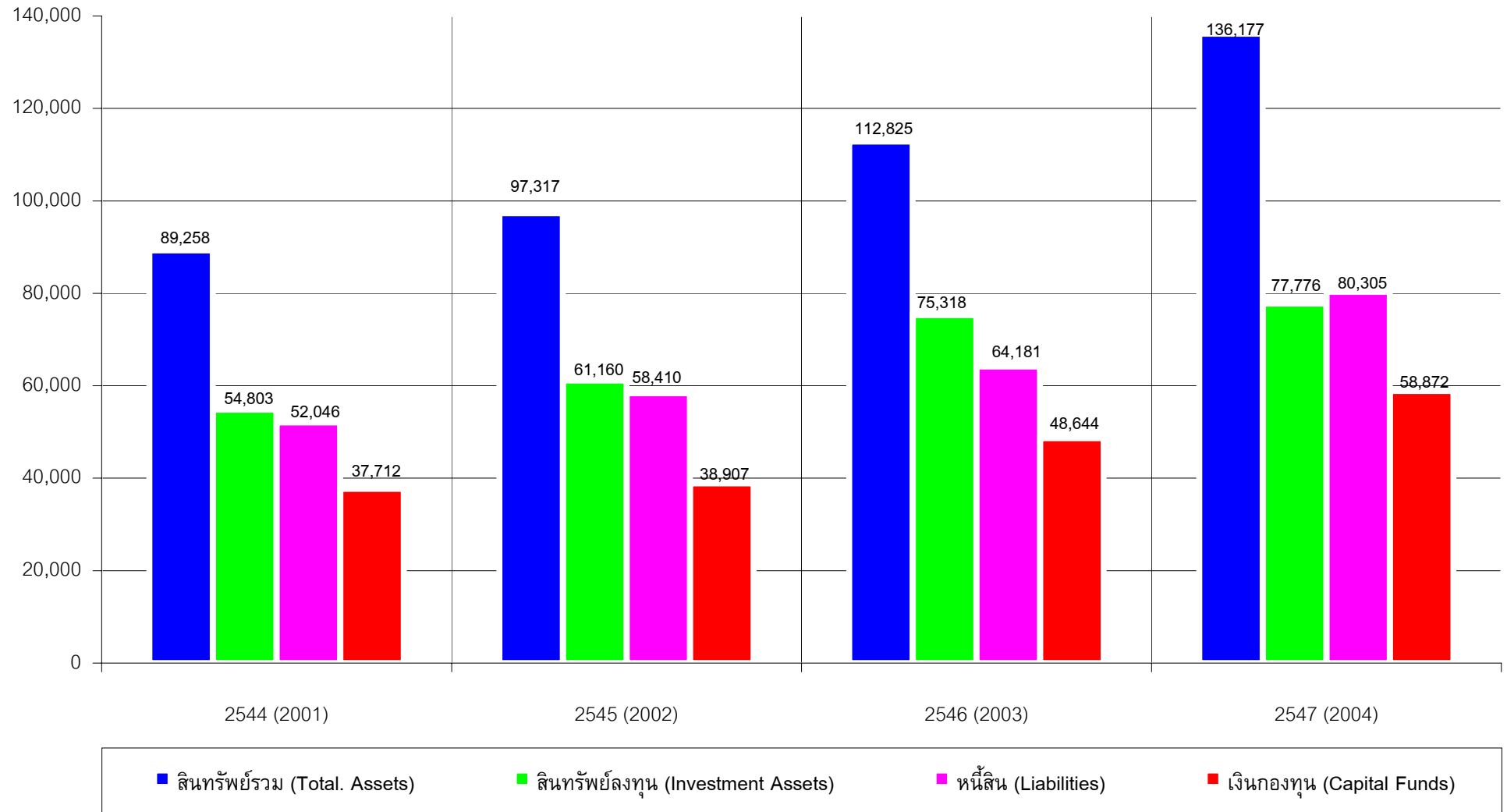


Graph 5

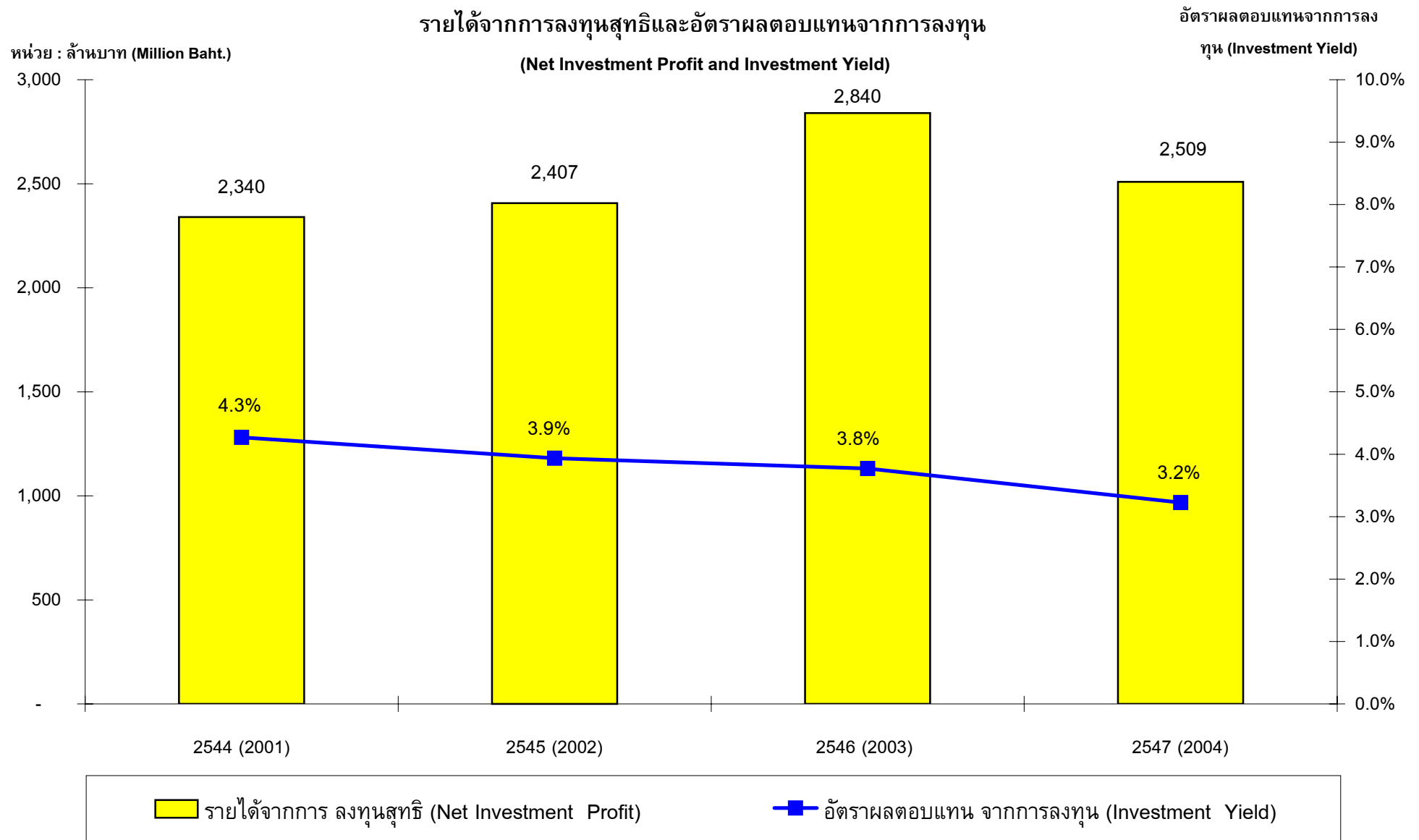
ฐานะการเงินของธุรกิจประกันวินาศภัย(ราคาประเมิน)

หน่วย : ล้านบาท (Million Baht.)

(Financial Highlights of Non-Life Insurance (Admitted))



Graph 6



Number of Insurance Companies as of 31 December 2004

Type of Business	Thai Companies	Branch of Foreign Company	Total
Life	23	1	24
Non Life	66	5	71
Health	5		5
Life Reinsurance	1		1
Non Life Resinsurance	1		1
Total	96	6	102

Source: Department of Insurance

Insurance and Actuarial Associations

Actuarial Organization	Society of Actuaries of Thailand www.thaiactuary.org
Life Insurance Organization	The Thai Life Assurance Association www.tlaa.org
General Insurance Organization	The General Insurance Association www.thaigia.com
Premium Rating Organization	Thai Premium Rating Bureau www.iprbthai.org

Demographic Facts**Source: CIA Factbook**

Population:	65,444,371
Age structure:	<i>0-14 years: 23.9% (male 7,988,529/female 7,633,405)</i> <i>15-64 years: 68.6% (male 22,195,625/female 22,731,767)</i> <i>65 years and over: 7.5% (male 2,251,112/female 2,643,933) (2005 est.)</i>
Median age:	<i>total: 30.88 years</i> <i>male: 30.11 years female: 31.66 years (2005 est.)</i>
Population growth rate:	0.87% (2005 est.)
Birth rate:	15.7 births/1,000 population (2005 est.)
Death rate:	7.02 deaths/1,000 population (2005 est.)
Net migration rate:	0 migrant(s)/1,000 population (2005 est.)
Sex ratio:	<i>at birth: 1.05 male(s)/female</i> <i>under 15 years: 1.05 male(s)/female</i> <i>15-64 years: 0.98 male(s)/female</i> <i>65 years and over: 0.85 male(s)/female</i> <i>total population: 0.98 male(s)/female (2005 est.)</i>
Infant mortality rate:	<i>total: 20.48 deaths/1,000 live births</i> <i>male: 21.83 deaths/1,000 live births</i> <i>female: 19.06 deaths/1,000 live births (2005 est.)</i>
Life expectancy at birth:	<i>total population: 71.57 years</i> <i>male: 69.39 years female: 73.88 years (2005 est.)</i>
Total fertility rate:	1.88 children born/woman (2005 est.)
HIV/AIDS-adult prevalence rate:	1.5% (2003 est.)
HIV/AIDS - people living with HIV/AIDS:	570,000 (2003 est.)
HIV/AIDS - deaths:	58,000 (2003 est.)
Literacy (age 15 and up can read and write) :	<i>total population: 92.6% male: 94.9% female: 90.5% (2002)</i>