

OLIS 50th Anniversary Life Insurance Symposium

History and current situation of life insurance in Thailand



Mr. Picha Siriyodhin
Executive Director of TLAA

October 25, 2017

JA Kyosai Bidg. Conference Hall, Tokyo



Current Situation of Life Insurance in Thailand

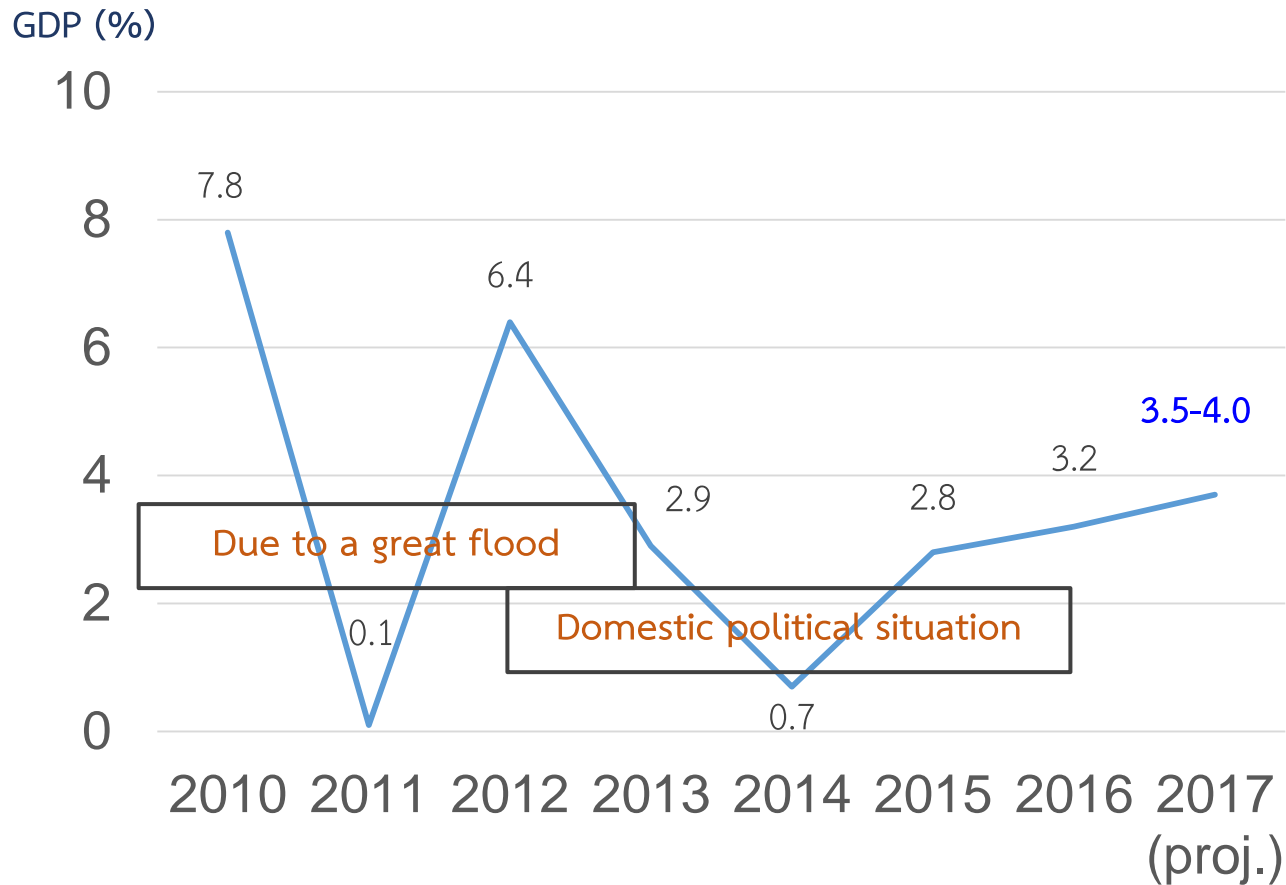


Number of Life Insurance Companies

| Company | Domestic-Owned Life Insurers | Foreign Branch | Total |
|---------------|---------------------------------|-------------------|-----------|
| Life Insurers | 21 | 1 | 22 |
| Reinsurer | 1 | - | 1 |
| Total | 22 | 1 | 23 |

Source : Office of Insurance Commission (OIC)

Growth of Thai Economy 2011-2016 and Projection 2017

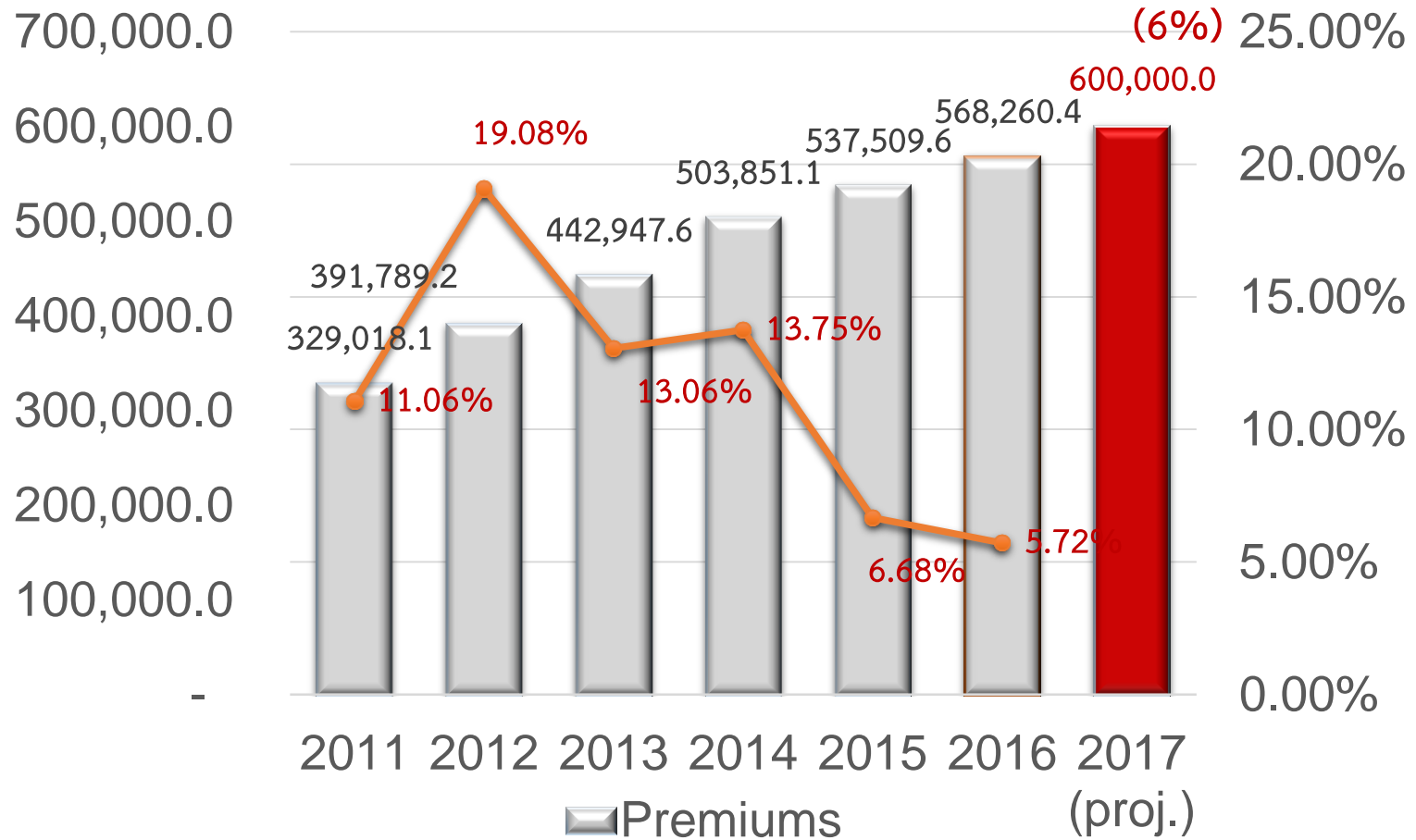


Source : Office of National Economic and Social Development Board



Growth of Direct Premium 2011-2016 and Projection 2017

Unit : Million Baht

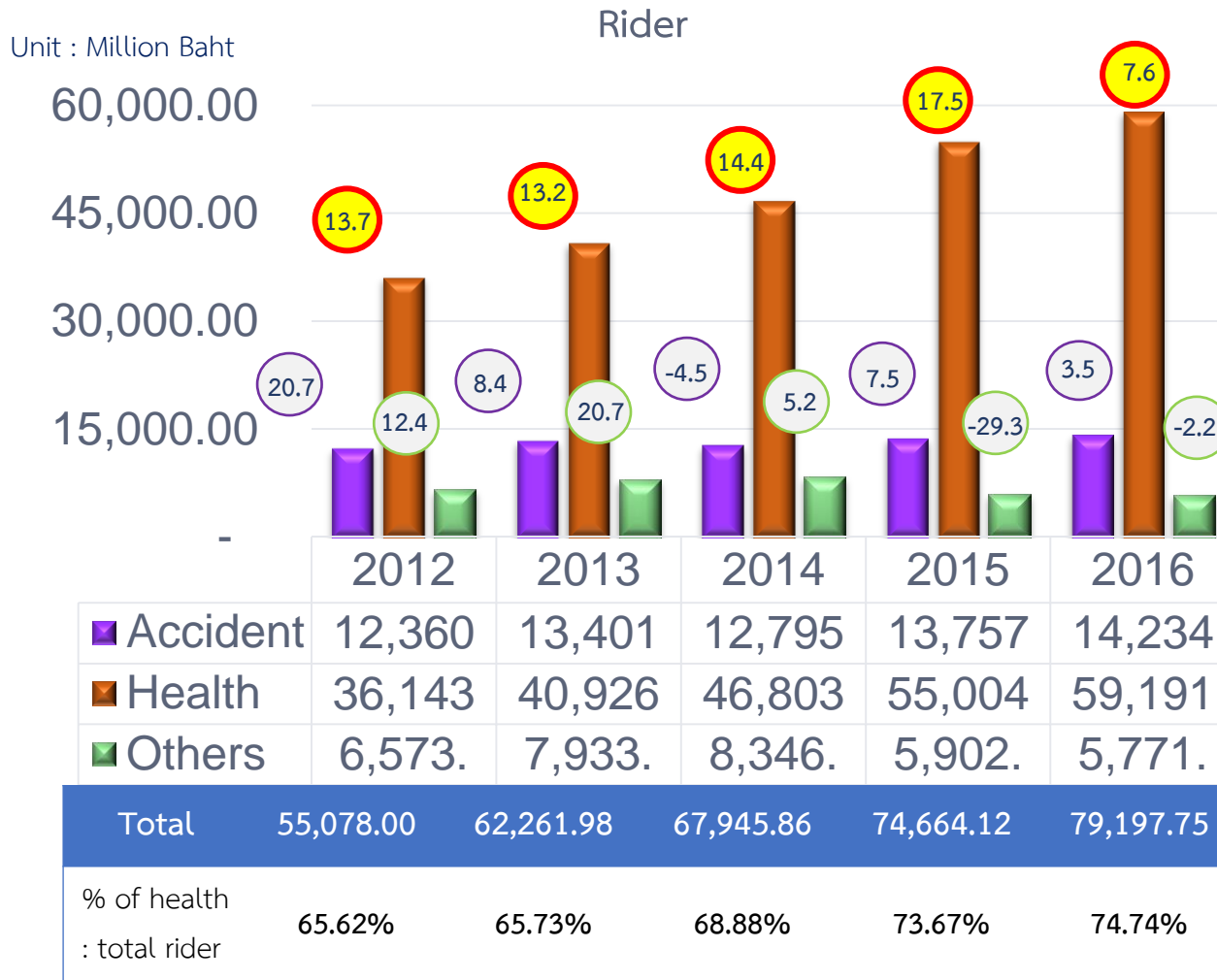


Source : TLAA Por Chor 1-2 Report

* Exchange Rate as of 30 December 2016 = 35.820 Baht/USD



Growth Rate of Riders in 2012-2016

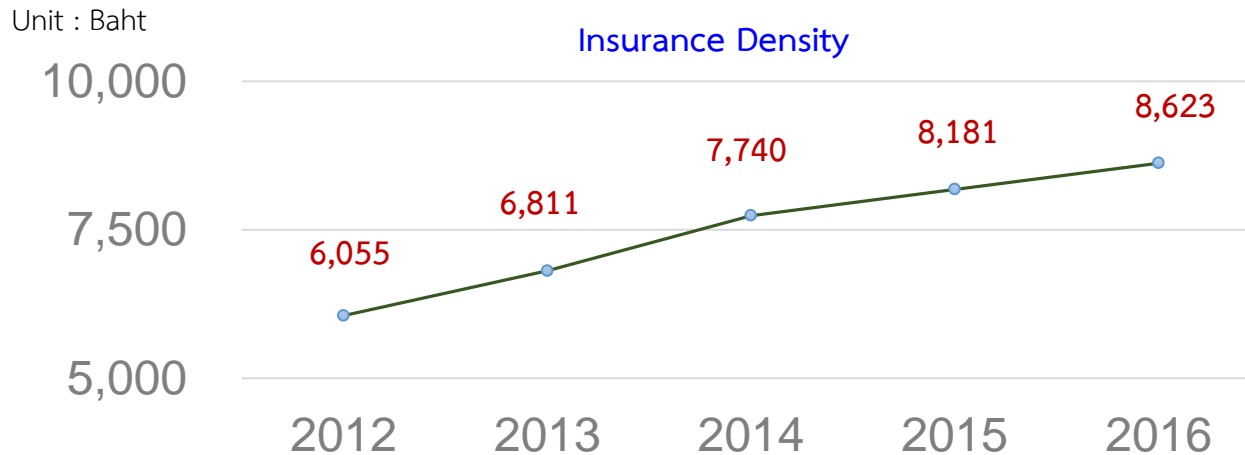
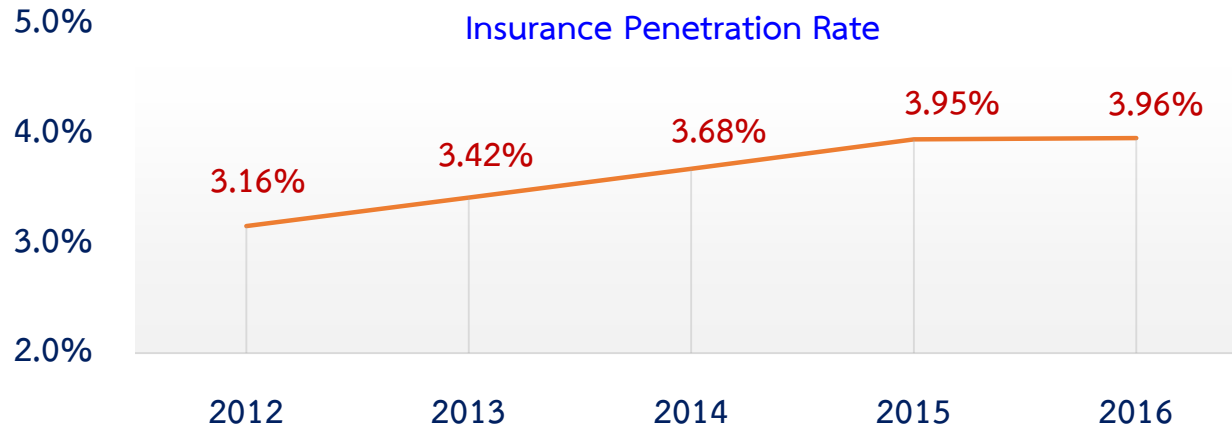


Source : Office of Insurance Commission (OIC)

* Exchange Rate as of 30 December 2016 ≈ 35.820 Baht/USD



Insurance Penetration Rate (%) & Insurance Density 2012-2016

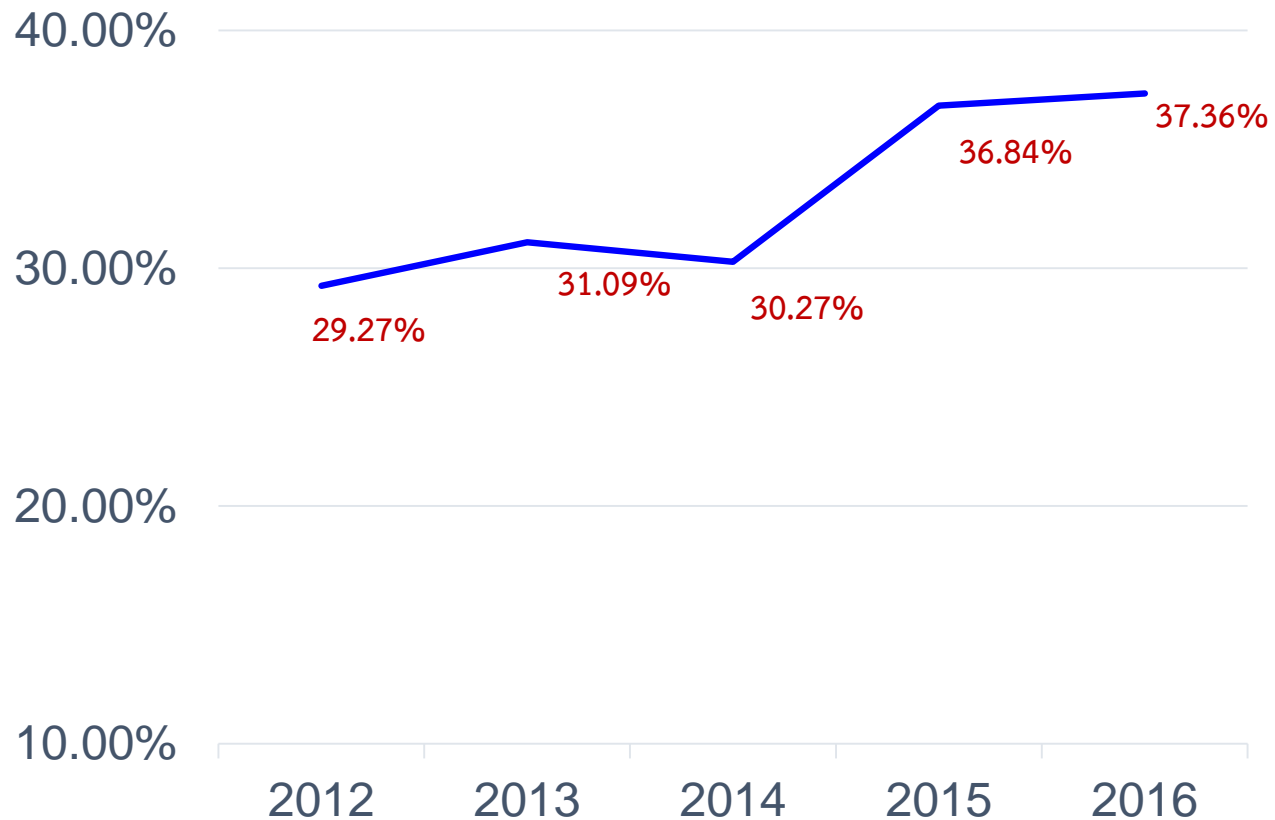


Source : TLAA Por Chor 1-2 Report and Office of National Economic and Social Development Board

* Exchange Rate as of 30 December 2016 ≈ 35.820 Baht/USD



Number of Policies per Population (%) 2012-2016



Source : TLAA Por Chor 1-2 Report and Thai Population Report, Ministry of Interior



Life Insurance

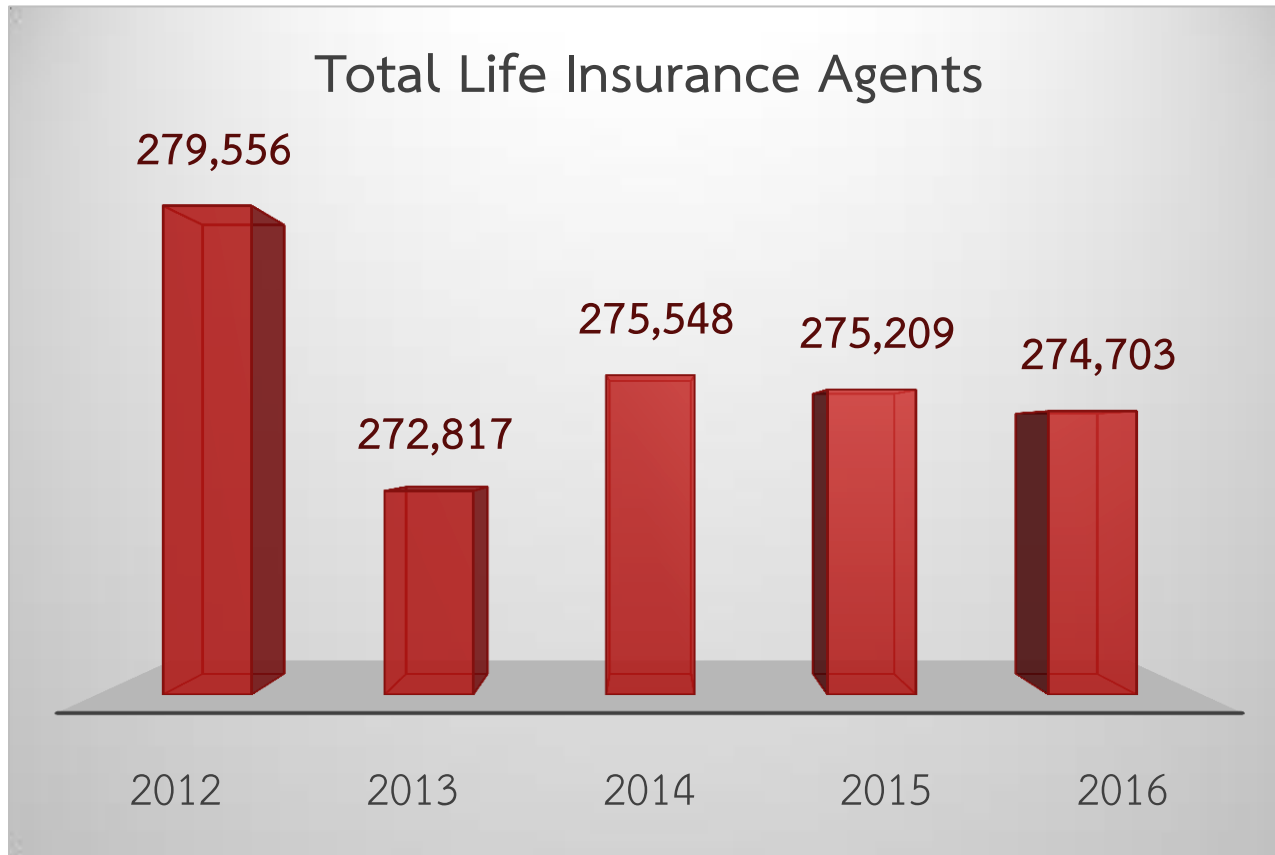
Agents and

Distribution

Channels



Life Insurance Agents



Source : OIC Life Insurance Agents Report

Premium Income by Distribution Channels

premium 2012-2016 and Quarter2/2017

Unit : Million Baht

| Channels | 2012 | | | 2013 | | | 2014 | | |
|------------------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|
| | premiums | %Share | %Growth | premiums | %Share | %Growth | premiums | %Share | %Growth |
| Agency | 224,671.0 | 57.3 | 11.9 | 241,870.9 | 54.6 | 7.7 | 260,014.3 | 51.6 | 7.5 |
| Bancassurance | 143,667.7 | 36.7 | 34.2 | 172,322.5 | 38.9 | 20.0 | 210,895.3 | 41.9 | 22.4 |
| Direct Marketing | 12,128.6 | 3.1 | 9.4 | 14,016.3 | 3.2 | 15.6 | 15,242.3 | 3.0 | 8.8 |
| Others | 11,583.7 | 3.0 | 14.9 | 14,663.9 | 3.3 | 26.6 | 17,697.8 | 3.5 | 20.7 |
| Total | 392,051.1 | 100.0 | 19.2 | 442,873.7 | 100.0 | 13.0 | 503,849.7 | 100.0 | 13.8 |

| Channels | 2015 | | | 2016 | | | Q2/2017 | | |
|------------------|-----------|--------|---------|-----------|--------|---------|-----------|--------|---------|
| | premiums | %Share | %Growth | premiums | %Share | %Growth | premiums | %Share | %Growth |
| Agency | 274,763.1 | 51.1 | 5.7 | 287,214.1 | 50.5 | 4.53 | 136,220.8 | 45.8 | 4.4 |
| Bancassurance | 228,581.8 | 42.5 | 8.4 | 247,494.5 | 43.6 | 8.27 | 142,503.2 | 47.9 | 9.3 |
| Direct Marketing | 15,663.3 | 2.9 | 2.8 | 14,900.5 | 2.6 | 4.87 | 7,837.8 | 2.6 | 4.8 |
| Others | 18,500.9 | 3.4 | 4.5 | 18,649.6 | 3.3 | 0.80 | 11,064.1 | 3.7 | 8.2 |
| Total | 537,509.2 | 100.0 | 6.7 | 568,258.8 | 100.0 | 5.72 | 297,625.9 | 100.0 | 6.8 |

Source : TLAA Premium Income by Distribution Channel Report

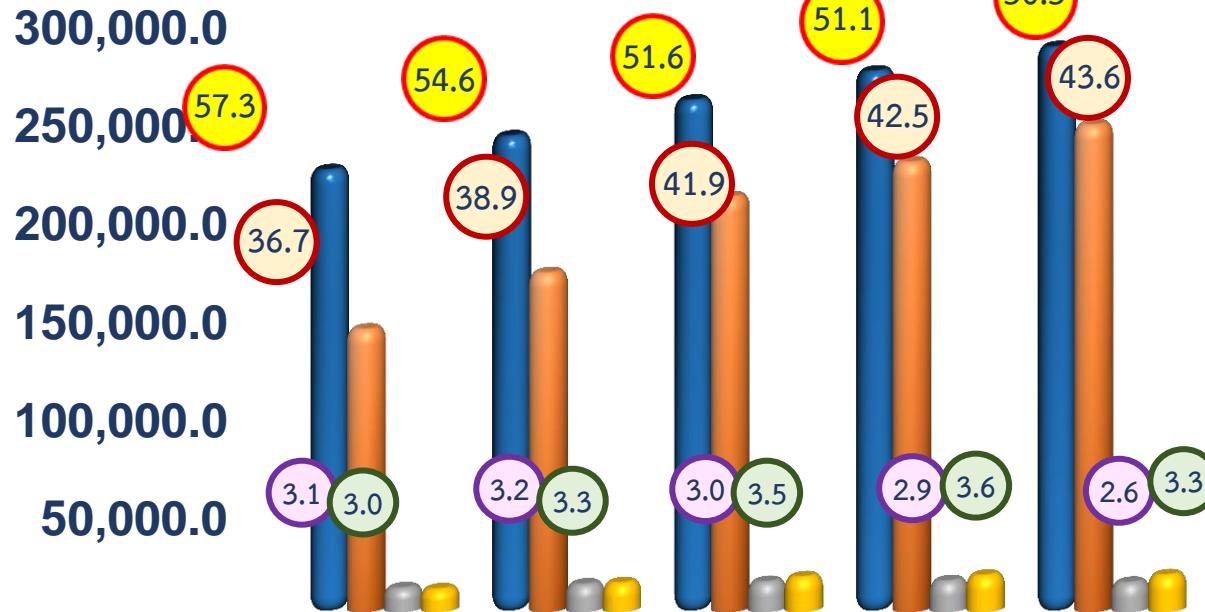
* Exchange Rate as of 30 December 2016 ≈ 35.820 Baht/USD



Market Shared by Distribution Channels

2012-2016

Unit : Million Baht



| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------|---------|---------|---------|---------|---------|
| ■ Agency | 224,671 | 241,870 | 260,014 | 274,763 | 287,214 |
| ■ Bancassurance | 143,667 | 172,322 | 210,895 | 228,581 | 247,494 |
| ■ Direct Marketing | 12,128. | 14,016. | 15,242. | 15,663. | 14,867. |
| ■ Others | 11,583. | 14,663. | 17,697. | 18,500. | 18,682. |

Note : Direct Marketing = Tele + Direct mail

Others = broker internet walk-in etc.

Source : TLAAs Premium Income by Distribution Channel Report

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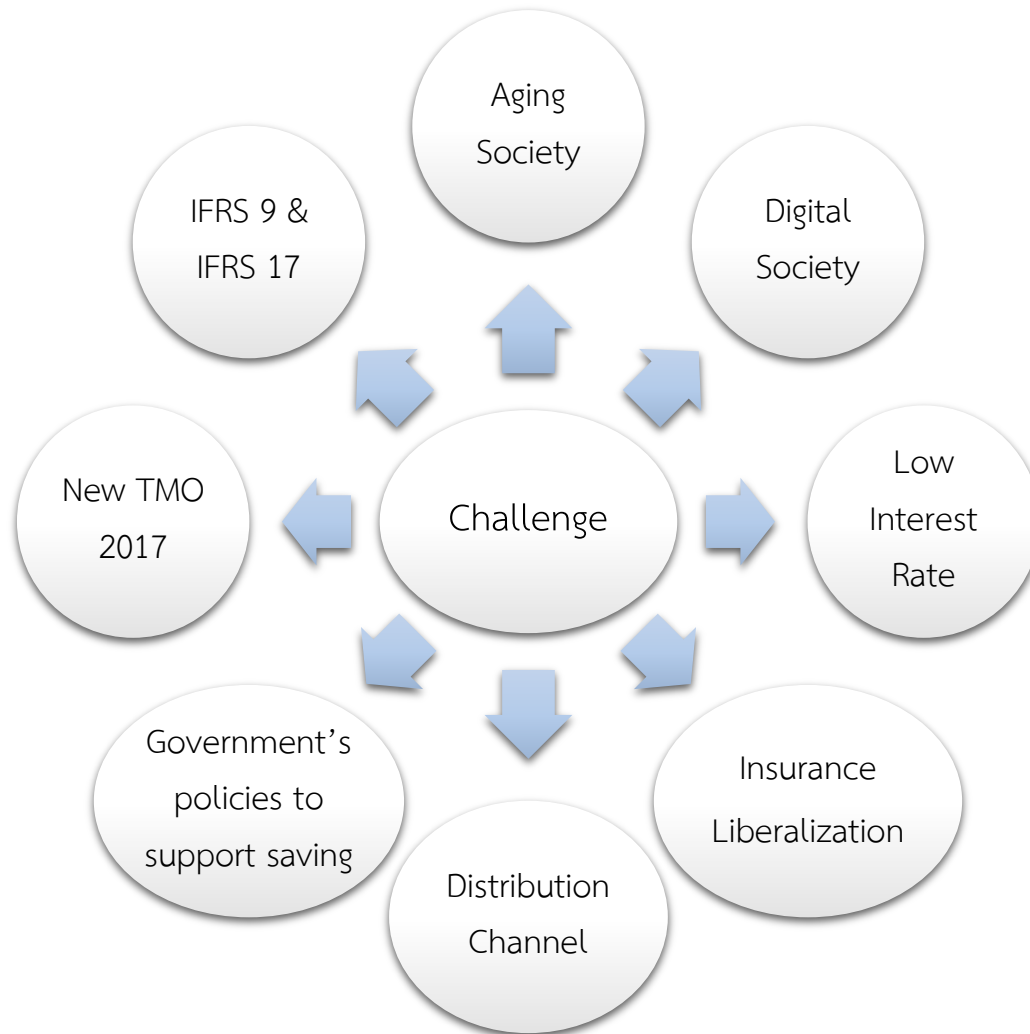


Challenges of Life

Insurance Business



Challenges for Life Insurance Industry in future



Plans to Be Implemented by TLAA in 2016-2017

1. To support the country's economic development policies by developing digital life insurance business.
2. To develop life insurance business to support changes in economic, social and environment.
3. To promote insurance literacy.
4. To support and promote business competition and development under the context of liberalization.
5. To improve service standard of TLAA.



สมาคมประกันชีวิตไทย

THE THAI LIFE ASSURANCE ASSOCIATION

36/1 Soi Saphanku, Rama4th Rd.,
Thungmahamek Sathorn Bangkok 10120

Tel : +66 2679 8080 Fax : +66 2679 8082

Website : www.tlaa.org Email : tlaa@tlaa.org