

# A significant evolution underway in Thai life insurance

*Samdarshi Sumit, Chief Retail Officer, Retail Business, Generali Life Assurance talks about the changing nature of the Thai life insurance market.*

**T**HERE IS AN EXCELLENT OPPORTUNITY for insurance businesses in Thailand thanks to a variety of market factors, according to Sumit.

Sumit points out that Thailand is one of the faster-growing economies in the region and that the

insurance penetration is still so low, that there is a tremendous upside. “The GDP forecast for this year and going forward looks stronger,” he says. “Of course when the economy is growing well, it has a very direct correlation with financial services.”

In addition to that, interest rates are quite low. “So that is opening up opportunities around building protection business for most players in the industry after a little pause for the industry in the last two years,” he adds.

For insurance firms that have been able to transform and focus more on protection, Thailand remains a great opportunity, Sumit opines.

Sumit points out how the nature of insurance products being sold in Thailand is evolving. Two years back, “insurance was being sold as a savings or a deposit substitution product proposition,” he says. “But if you see the fastest growing products in 2017, they would be products like unit-linked, whole life, credit life etc., where a lot of focus is on pure protection, and that is a strong proposition.”

Thought it requires a certain amount of consumer awareness, Sumit believes that there is increased focus from both the consumers and the industry on the protection business.

Among the firms, Sumit says that he finds that other than AIA, most foreign insurers are consolidating their positions. “The local insurers are very focused on shot-down deposit substitution products, and some of them are facing the heat of profitability around those products,” he says.

“And that is throwing open an opportunity for the foreign players with a longer and deeper multi-country experience. Generali is well positioned to benefit from that,” Sumit states. ■



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