



A Study of Worksite Marketing Strategy for Insurance Products

by

Mr. Suksa Kongsithidej

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

November 2003

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ABSTRACT

Worksite Marketing is a highly effective technique for selling insurance products in many countries. The successful implementation of Worksite Marketing requires the creation of a professional and highly motivated sales force and the integration of sufficient enrolment opportunities to ensure workloads are optimized. Sales activity must in turn be supported by a dedicated infrastructure of management, recruitment, training and development.

In this project, the reader will find the information of how worksite marketing strategy can be operated, beginning at the first stage of market segmentation, customers approach, sales technique, sales closing, profit and loss analysis etc. The first part of the project is about the literature review, which will be the theory for the project study. The second part is concerned about the worksite marketing strategy development. In this part, readers will obtain the method of how to develop this strategy and apply to their business.

The next one is the operation and sales supporting development, which concern of how to improve the efficiency of operation and support for example; training, administration. After both departments have been developed, the next one is the profit and loss analysis must be done to estimate breakeven year and profit or loss possibility.

According to the profit and loss table, after follow the plan and development, will meet the breakeven point within year 3 with the gross premium income of more than 50 million baht. The return on investment is about 85% after 3 years

The success of Worksite Marketing Strategy depends on the creation of a people-driven sales culture, where individuals are supported and motivated to achieve their best.

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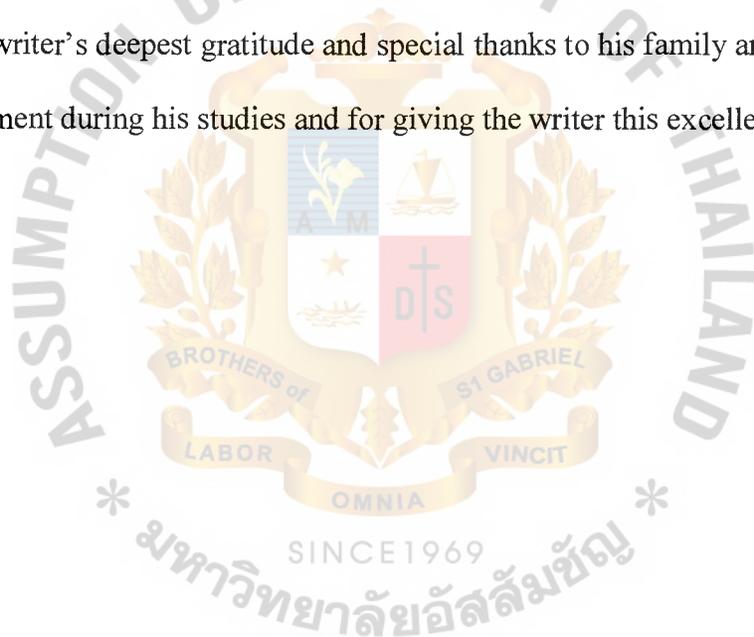


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I. INTRODUCTION

Worksite Marketing is a distribution method used to offer voluntary insurance products (employee benefits) to employees at their place of work with sponsorship and backing of their employer (traditionally on payroll deduction basis).

When employees decide to purchase a product, they pay 100% of the discounted premium cost through regular payroll deduction. The contact for the insurance is direct with the participant rather than with the employer.

In most countries, increasing realization that the ability of the state to provide universal coverage for health, unemployment, pensions, and dependent support is coming under increasing threat. This threat is the reality that they are not enough future monetary resources available to meet the needs of growing and aging population. The aware of the cutbacks in social benefits programs and that the private sector has been increasing the availability of employee benefits to cover the shortfalls.

In order to be more cost effective, many traditional insurers have steadily targeted the upper 15% - 20% of population where larger policy sizes can sustain the commissions and cover acquisition costs. This move has left large portions of many populations largely ignored. As a result, these groups are, for the most part underinsured and often carry no insurance other than that which might be supplied at the worksite. As realization grows by these underinsured populations that are only limited social benefit programs and employer supplied coverage available, the worksite will be the favored place for buying additional insurance coverage. This give insurer who identify the worksite as a distribution method tremendous opportunities to expand their business offering to all size of employer group, employer paid or sponsored insurance coverage as a part of their employee benefits plan. This sponsored plans are set up on a group

basis, usually guaranteed issue, thus lowering premium cost. The coverage are offered as a part of the benefits package, but at the employee's own expense.

Selling insurance at the worksite meets the needs of all parties, the insurer, the employer, and the employees. For the insurer a large number of people can be sold in one location in a cost effective distribution method within inexpensive ongoing administrative cost. For employer it is a way of attracting, retaining and motivating employees by providing benefits opportunities without increasing employer's benefit cost. For the employee, it is a way of buying needed insurance at one location, sponsored by the employer, at lower premium costs and with no or few underwriting requirements.

1.1 Background of the Project

This project is the study of the Worksite Marketing Strategy especially for insurance products. The study begins with the literature review, which are used in the strategic development from many sources. The second part is the development process, which based on the existing statistic, process, etc. The analysis of gathered statistic leads the better improvement for the whole marketing process. Develop standard marketing procedure eg customers segmentation, product pricing, customers approach, sale force. The next part concern in operation & marketing support system development. The details show the development steps for operation support system for example call center, data enter staff, policy issuing, etc. The next part is the evaluation of the development strategy by using profit and loss analysis table. The calculation shows details of break even point, estimate expense & revenue etc.

The final part of the project relates to the author's recommendation about worksite marketing strategy in Thailand, for example, direction of new strategy.

1.2 Objectives of the Project

The objectives of the project on A Study of Worksite Marketing Strategy are as follows:

- (1) To study the feasibility of worksite marketing strategy for insurance business.
- (2) To study the advantages & disadvantages of the worksite marketing management.
- (3) Analyze the system's structure of worksite marketing strategy.
- (4) To develop better marketing process for worksite marketing strategy.

1.3 Scope of the Project

The study and analyze worksite marketing strategy for insurance products, and also its operations.



II. LITERATURE REVIEW

2.1 Overview

At the present time, insurance business has an aggressive competition. Considering the insurance premium receipts within the year 2003 compared to the last few years. Due to many government regulations, better people perception about insurance, for example; compulsory insurance for vehicle, endowment insurance which can deduct the annual tax paid etc. These reasons are most effective for the insurance company to take much target share from the increasing of customer base.

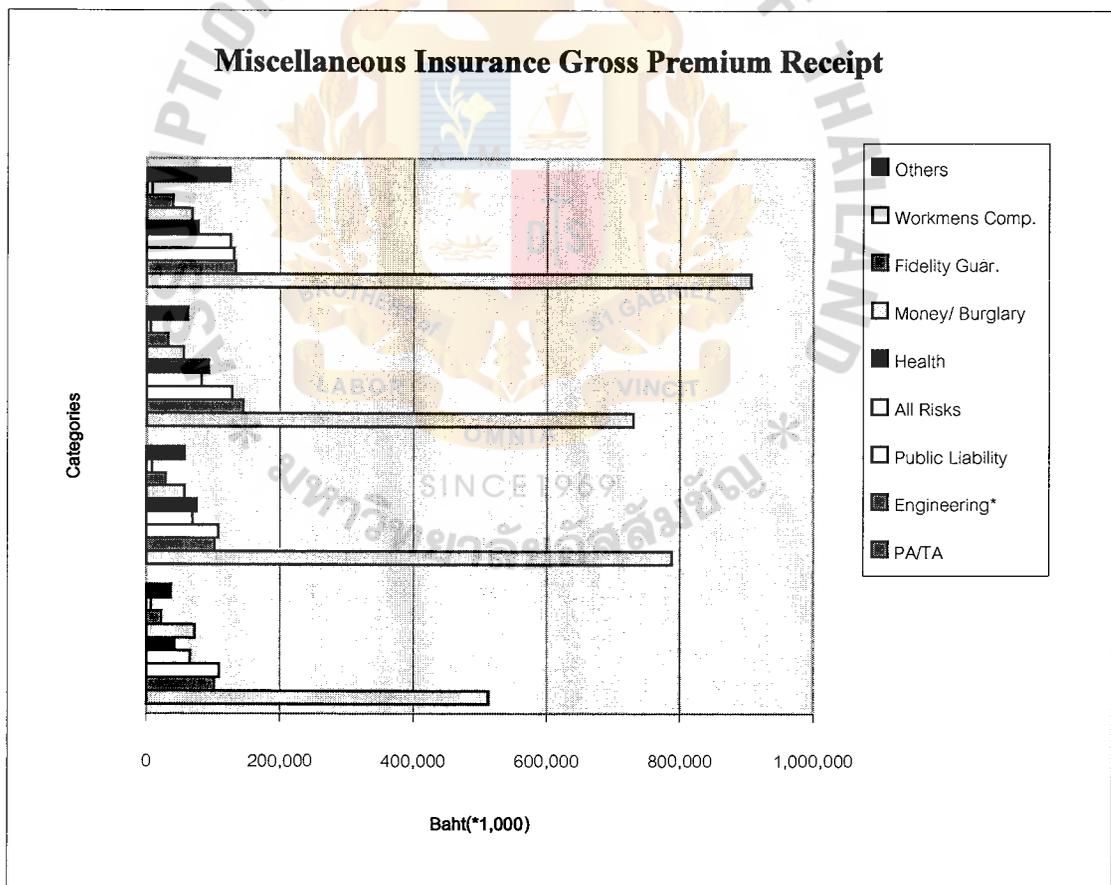


Figure 2.1. Miscellaneous Insurance Gross Premium Receipt during The Year' 00 – 03 (Thai-Re Insurance 2003).

From the Figure 2.1., observe that the gross premium of the miscellaneous insurance has increased every year. From the bottom bar, shows the gross premium for the year 2000 which has total premium of 972,209,000 baht, increase to 1,294,786,000 and 1,332,496,000 million baht in the year 2001 and 2003 respectively.

The figure shows the increasing rate of every categories of the miscellaneous insurance. Especially for the Personal Accident and Traveling Accident Insurance (PA/TA) has the most growth rate compare to the others, since people have more concern about their financial position after they die.

The personal accident insurance provides the coverage for the insured, compensates full amount of sum insured in case of death by accident. It also provides the medical expenses, other costs that may be occurred in consequence of the accident.

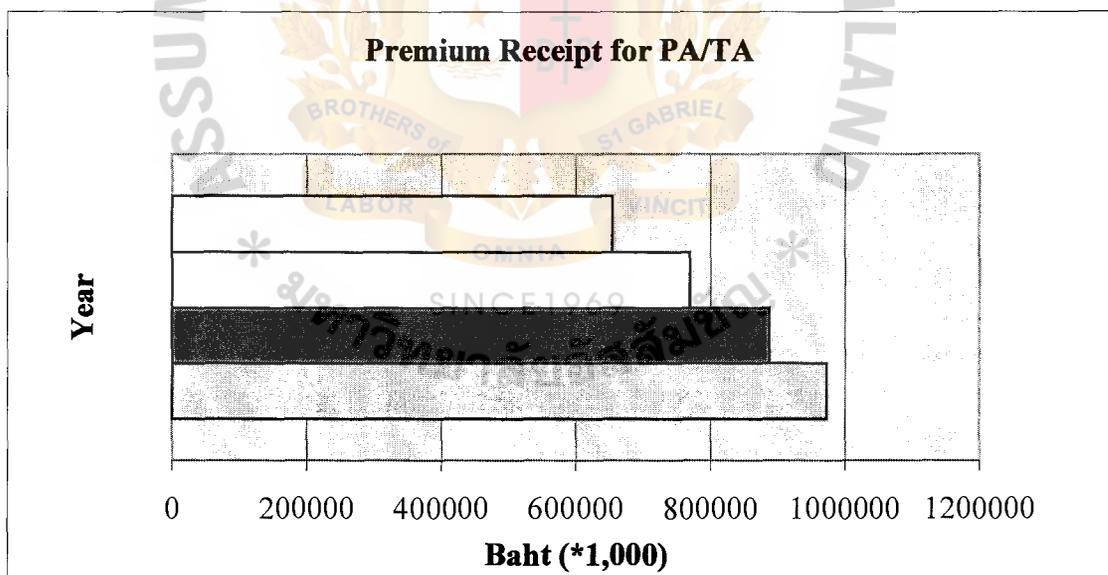


Figure 2.2. Personal Accident and Traveling Accident Insurance
Gross Premium Receipt during the Year 2000 – 2003,
(Thai-Re Insurance 2003).

From the Figure 2.2., The bar chart shows the growth rate of the PA/TA insurance gross premium receipt. Observing that the bottom bar has gross premium receipt about a 1,000,000 baht in the year 2003 which is more differ from the year 2000 (the top bar).

Others insurance products which has grown in gross premium are Motor insurance (both compulsory & voluntary), and Fire insurance. These two insurance products are concerned with people's daily life. The government's regulation state that everyone who own vehicle must buy the compulsory insurance at lease 1 policy. Nowadays, millions of cars are owned by Thai people, the gross premium receipt for the compulsory insurance are valuable for the insurance company.

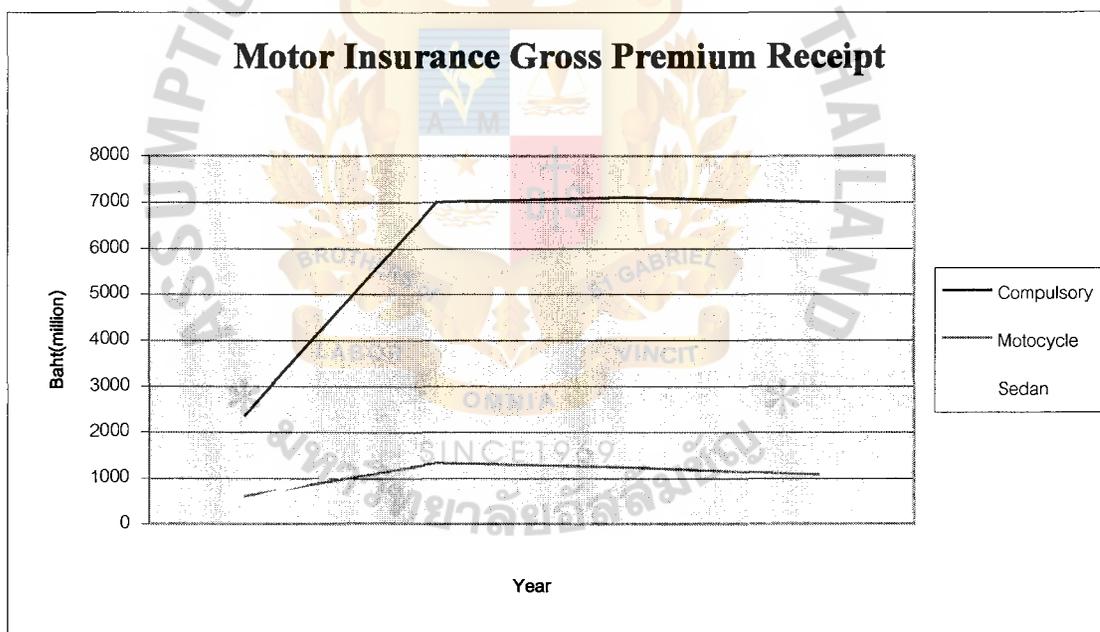


Figure 2.3. Motor Insurance Gross Premium Receipt Year 2000 - 2003

(Thai-Re Insurance, 2003).

From the Figure 2.3., observing that the most generated gross premium receipt for the insurance business is the compulsory insurance. The estimated gross premium

receipt from the compulsory source is about 2,379 million baht in the year 2000 and 7,019 million baht in the year 2003, growth rate is almost 34 % during past 4 years.

In the part of the insurance for sedan, the gross premium receipt is 529 1,639 1,691 1,675 million baht in the year of 2000 – 2003 consecutively. In the year 2003, the gross premium receipt for sedan insurance is quite less than the previous year because that amount is calculated on the beginning of the year 2003 until June of 2003. The actual gross premium receipt for the motor insurance should be around

For the Motorcycle insurance, the gross premium receipt is 616 1,327 1,238 1,071 million baht in the year of 2000 – 2003 consecutively. The gross premium for the motorcycle insurance is more than the sedan insurance because Thai people own motorcycles more than the sedan types.

The last insurance product which concerns directly to the people is Fire insurance. This type of fire insurance provide the compensation for the insured if their property (house, property inside premise) was damaged or loss caused by fire. People can buy fire insurance directly through the insurance company. In some cases, people are forced to buy fire insurance if their take a loan from bank, financial institution. Because those person who provide the loan is afraid of losing their money if the customers loss their property.

From the Figure 2.4., the fire insurance gross premium receipt in the year 2000 – 2003 is 1,374 1,381 1,091 1,796 (million) baht consecutively. Same as the motor insurance, the total gross premium receipt for fire insurance was record since the beginning of the year 2000 until June 2003. So the amount of actual gross premium receipt at the end of the year 2003 should be much more than value shown in the figure.

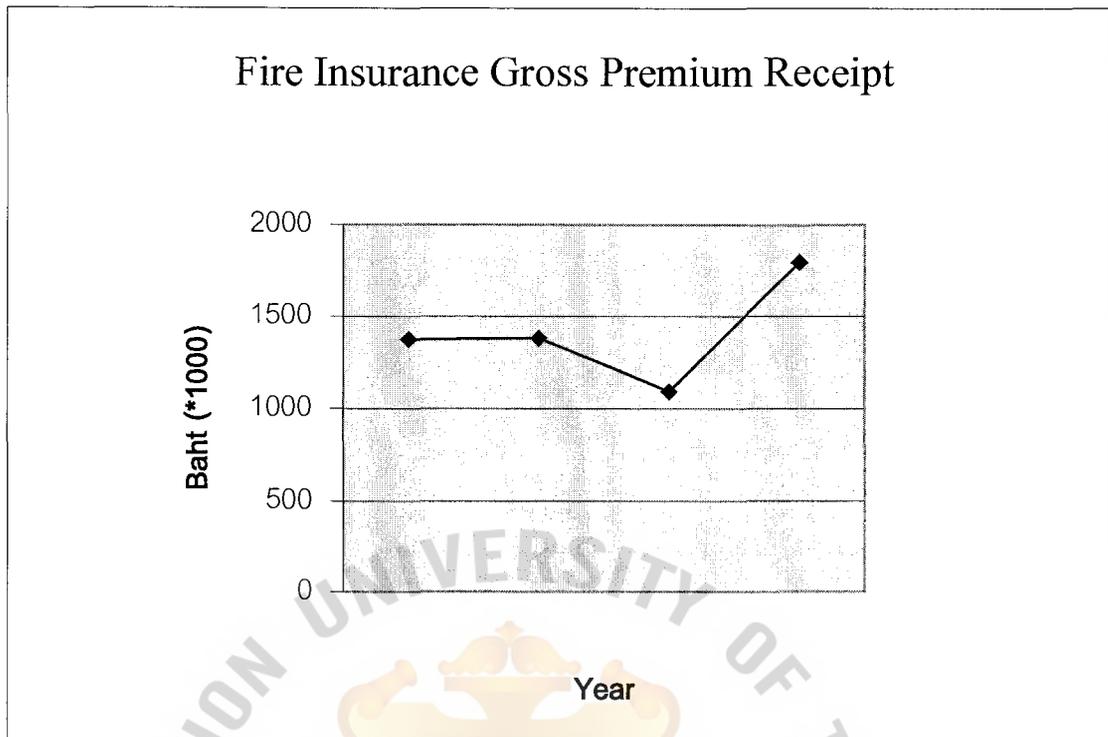


Figure 2.4. Fire Insurance Gross Premium Receipt Year 2000 – 2003,
(Thai-Re Insurance, 2003).

The insurance products mentioned above are the major insurance products that exist in Thailand insurance industries. The insurance of both domestic and international companies apply all marketing distribution channels to increase their market share.

Before applying all marketing distribution channels; to reach a target market, the insurance company applies three kinds of marketing channels which are Communication channels, Distribution channels, and Service Channels.

(1) Communication Channels

This is the method used to deliver and receive messages from target buyers, and include newspaper, magazine, radio, television, mail, telephone, billboards, posters, and Internet. Beyond these, communications are conveyed by facial expressions and clothing, and other media. Insurance

company are increasingly adding dialogue channels (e-mail and toll-free numbers) to counter balance the more normal monologue channels (such as ads).

(2) Distribution Channels

Insurance company use the distribution channels to display, sell, or deliver the physical product or service(s) to the buyer. They include distributors, wholesalers, retailers, and agents.

(3) Service Channels

This method is used to carry out transactions with potential buyers. Service channels include warehouses, transportation companies, banks and that facilitate transactions. Insurance company clearly face a design problem in choosing the best mix of communication, distribution, and service channels for their offerings.

To get effective in selling insurance products, insurance company applies many methods of distribution channels. Each channel is suitable for the specific target group. The most vary distribution channels used by the insurance company are as below

(1) Direct Marketing

Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen. These channels include direct mail, catalogs, telemarketing.

Face-to-face selling is the original and oldest form of direct marketing. This type of marketing, will be for the life assurance, which required more personal contact and reliable than other insurance products.

The direct mail is involved sending an offer, announcement, or other item to a person. Using highly selective mailing lists, insurance company

send out millions of mail pieces each year. They have to calculate the loss and profit analysis before sending. The most familiar direct mail can be found from the credit cards attached.

(2) Intermediary marketing

The most generated income distribution channels for insurance company is come from this type of distribution. Two main methods of this distribution channels are brokers and agents.

Brokers are the group of insurance agents who are registered as the company. They actually represent customers side. Insurance company pay their commissions as the administration cost of managing customers for them. Brokers have the rights to select and negotiate for the best coverage for their customers.

Agents are represented the insurance company's side. They get commissions as the brokers get. But agents have no rights to select the insurance company, they have to registered to be the insurance company's staff.

2.2 Worksite Marketing Strategy

As a concept, worksite marketing is not a new one. The fundamental business proposition has been accepted for several decades, and has been implemented in various formats, targeting different customer segments.

The prevalence of worksite marketing would appear to be a function of a multitude of factors including market sophistication, regulation and business culture.

Worksite distribution has had success in developed and developing economies, although the North American market is by some margin the most established, with publicly listed companies that operate exclusively as niche players in this area. The

United Kingdom and Australia will be interesting worksite markets of the future as providers of financial products harness technology and specialized sales processes.

Worksite marketing is a logical extension of trends in employee benefits practices where employees are given an increasing degree of choice in respect of the design of their financial affairs. Asia would appear to have significant potential for worksite marketing as employers have resisted the introduction of expensive benefits programs for staff, yet need to position themselves favorably as growth in new management positions consistently outpaces the supply of Asians to fill these positions. As the Asian economic recovery continues, this talent shortage is likely to become more acute.

Success in worksite marketing is gained through a thorough understanding of the key issues involved. Questions such as these require due consideration:

- (a) What are the employer and employee sales processes?
- (b) How should a financial services company interface with intermediaries in this area?
- (c) What is the administrative and technological requirement?
- (d) What is the requirement for a strong brand?
- (e) What is the size of the potential market?
- (f) How will the profitability equation balance?

2.3 Advantages of Worksite Marketing Strategy

(1) Agent's Perspective

The payroll deduction is the method of premium collecting from customer by their employer, which we make it represent the product from worksite marketing strategy. This method can be a profitable and rewarding

career itself and also can be an additional profit center to supplement your other marketing. It can be a door opener to other insurance sales to a business and to the employee of that business because it provides face-to-face insurance counsel for many people whom can not be seen individually at their home in a cost-effective manner.

Because in the payroll deduction method, we don't have to collect premium at the time of sale, thus making a positive buying decision more likely. Once the deduction starts, the amount is usually not missed, thus improving persistency, which will be convenient to the insured who may forget to pay the premium every month. The payroll deduction allows agents to market to people where they work, while they work, which means primarily daytime selling which makes them selling in clusters, maximizing their time and savings the expense of seeing people individually. It helps agents to pre-qualify their prospect's need by choosing products that expand upon group benefit, or fill a void in the fringe benefit program.

(2) Employer's Perspective

With no additional cost, employer can expand the fringe benefit program available to the employees. The additional fringe benefit shows concern for the employees welfare, enhances the employer's image, create long term goodwill and increase morale.

Employer will be "Off the hook" by giving employees a chance to make protection arrangement on their own ahead of time, rather than expect the employer to bail them out after the fact. It can also provide resources for repayment of employer loans to employee. Payroll deduction insurance can reduce turnover and improve productivity by creating a feeling of financial

security for the employees. With this kind of additional fringe benefit, it can help attract better employees by offering a greater variety of fringe benefits from which to choose, thereby increasing the chances of having the coverage of interest to the employee.

According to research conducted by LIMRA, employers are looking for

- (a) Guaranteed or simplified underwriting
 - (b) Effectiveness in paying claims
 - (c) Ease of administrative
 - (d) Efficiency and accuracy of the billing system
 - (e) The insurer's service reputation and ability
 - (f) The insurer's stability and financial rating
- (3) Broker's Perspective

The payroll deduction insurance allows the employer to expand the fringe benefit program available to the employees at no additional cost, thus making the overall package more attractive to employee. It can supplement existing fringe benefit programs at no additional cost to the employer.

- (4) Employee's Perspective

The payroll deduction insurance gives the employees the benefit of individual, on the job insurance counseling. With less money deducted from the bank account, list billing normally saves the employee money compared top the premium if he is billed at home. The premium is automatically deducted from the paycheck, freeing the employee from having to write checks, pay postage or worry about missed premium statement. The coverage is portable, giving the employee the option of continuing the coverage in case of transfer or termination. In the part that related to the

employer, employee can be sure that they have an opportunity to own an insurance program that has been pre-screened by their employer.

According to research conducted by LIMRA, employees are looking for

- (a) Convenience
- (b) Lower cost
- (c) No one rejected the coverage
- (d) More complete coverage
- (e) Better claim service

2.4 Worksite Marketing Products

Research has found that those providers with a multiple product strategy have been the ones to achieve greatest success in their worksite marketing initiatives.

In the US, the most commonly offered voluntary products offered are life insurance and disability cover, while UK worksite marketing initiatives will be launched from a platform of stakeholder pensions, with the intention of cross selling. In Australia, superannuation relationships have been leveraged for cross-selling purposes. In none of the markets is worksite distribution activity limited to insurance products. Banking products feature significantly as part of an integrated package.

In general terms, employees expect some cost advantage in buying products through the workplace rather than an alternative channel. Simplicity in product design and the payment mechanism has proved to be a minimum requirement both from the employer and employee perspective. Furthermore, the prevailing regulatory environment influences the nature of products offered in the workplace.

For personal accident insurance coverage in Thailand, we have many coverage and vary range of sum insured for customer, those are Accidental Death & Disability

(AD&D), Permanent Total Disability (PTD), Murder & Assault (MA), Motorcycle (MC), Accident Medical Reimbursement (AMR), Hospital Income Period (HIP), Weekly Income (EI), Cancer, etc.

(1) Accidental Disability (AD&D)

This type of coverage, insured may get full compensation from sum insured if the injury caused death (caused from accident only). The amount of reimbursement will be paid in percentage from sum insured in case of injury caused insured disability. The reimbursement amount is based on the important of loss or injuries, for example, insured will be paid 10% of sum insured if he loss one ring-finger.

(2) Permanent Total Disability (PTD)

Insured will get compensation if he is permanent total disability. PTD means that insured injured from the accident and caused him loss of ability to do routine activities as before, we can say that PTD means that insured loss his 2 big and important parts of the body at the same time.

(3) Murder and Assaults (MA)

Provided with the compensation for the insured who die caused by murder or assault, full amount of reimbursement will be paid to the insured. The most important factor for considering this type of death is "Police Report".

(4) Motorcycle (MC)

Provided coverage for those who injured or die caused by motorcycle. Some insurance company provide coverage for MC with only 50% of sum insured, or maybe not covered in the package due to high risk occurred.

(5) Accidental Medical Reimbursement (AMR)

Insured can reimburse the medical expense which occur from the accident. The coverage is vary from each other. Some company provide only expense from in-patient, room cost limitation etc.

(6) Hospital Income Payment, Weekly Income (HIP, WI).

In this type of coverage, insured will get additional compensation during stay in the hospital as an in-patient, HIP. The compensation will be paid on daily basis, the highest amount of reimbursement will not exceed 30% of insured's salary. For the Weekly Income, insured will be paid in the weekly basis.

2.5 Marketing Creation

To consider the potential of Worksite Marketing Strategy, we have to know that in the prospect area, there are enough medium to large employer groups to offer a broad base of penetration or not. The social benefits in each area must be considered also.

Another assessment is the worker, we have to know that they are in emerging or established middle class, and they and their families are enjoying a life style that they would want to protect or enhance.

Anyway, the elements of a successful Worksite Marketing Program are based on these 4 factors

- (a) Products & Service must be affordable and understandable to the employee, manageable administrative and profitable to the provider.
- (b) Program must be hassle-free to the employer – no unnecessary enrolling, billing or servicing responsibilities. Active employer endorsement is necessary.
- (c) Enrollment process must be effective and performed by well-trained people.

- (d) After sales administration must be smooth, rapid policy issue, responsive policy, owner service, fast & fair claims processing and efficient billing capabilities.

2.6 Products Issue

The personal accident is a perfect product for worksite marketing. It is simple in design and in the benefit covered. They are flexible and can be tailored to the particular needs of a marketplace or employer group. The real key to the successful acceptance of these products in the workplace is price and benefits offered. What is being looked for is high sums assured or high value with low premium.

(1) Products Pricing

The most effective means for designing a product or products for promotion through the workplace is to start with price. As noted before, the premium must be low enough to be affordable to an average worker.

(2) Benefits and Options

The first rule of product design for worksite marketing is to keep the product simple and easy to understand. It is important to show high values in benefits and coverage but they must be easily understood. Even when we offer to tailor make a product for a prospective client company do not add great many options. The first reason is the rule of keeping the product simple. The second is to be able to add an additional option to the plan at the time of re-enrollment to enhance the plan for the existing participants and stimulate interest for new enrollees.

(3) Products Underwriting

For ease of marketing and literature design generic rates and coverage are most desirable. Work with underwriting to see if generic rates can be

developed based upon employee types. Even with pre-determined generic rates it will be necessary to have underwriting review each of the business proposals before presentation to the clients.

(4) Administrative Fees

In pricing the product, possible administrative fees to the client company needs to be addressed either as a separate issue or as a part of the commission percentage. In order to successfully sell a plan to a neutral or reluctant client we can offer to pay an administrative fee for processing the payroll deduction.

(5) Portability

This is a necessary part of any product design. There must be a vehicle for the employee to convert their insurance coverage to a personal policy if they leave the employment of the client company. This feature should be highlighted in the marketing literature but should carry the note that levels of coverage could be reduced and premium costs increased if coverage is desired to be continue after leaving their employer's employment. This could be viewed as a negative by the client company, but it should be pointed out that the employee should have the opportunity to continue to seek financial security, and offering this option would have no effect on possible future termination of employment.

2.7 The Worksite Marketing Approach

The sequence of events:

- (1) An initial client meeting is generated with the aim of :
 - (a) Creating a new account, or

- (b) Relaunching a product within an existing account, or
- (c) Introducing a new product into an existing account

(2) At the initial client meeting, the Benefits Consultant delivers a presentation promoting Worksite Marketing and one-to-one enrolment process. Usually, the client will need to consult with key decision-makers before giving approval. In this case a second meeting is arranged.

(3) At the second meeting, once approval to use the Worksite Marketing sales process has been given, the Benefits Consultant agrees a strategy for selling at the employer's location. The strategy covers full details of how the enrolment interviews will work, including staff numbers and location, shift patterns, dates, timing, company-specific practices and marketing material to be used.

- (a) The Benefits Consultant completes a briefing form detailing the process agreed with the employer. This is then passed to the Operation Manager.
- (b) The B2B, Business to Business, administrator prepares the necessary infrastructure and resources for the new account.
- (c) Informs service center and premium booking departments
- (d) Liases with the B2C, Business to Customer, administrator
- (e) Requests production of marketing materials and literature as required for agreed dates and volumes.
- (f) The B2C administrator schedules BENEFITS Advisers, in liaison with Area Managers, to perform the enrolment interviews.
- (g) The Area Managers attends an opening meeting with the employer to introduce the Benefits Advisers and establish the on-site enrolment procedures.
- (h) The enrolment interviews are held.

- (i) Benefits Advisers complete their documentation, submitting policy details to the processing department, and work records to the B2C administrator. The processing department will send the policy documents direct to the employee's home, along with a feedback questionnaire. Upon receipt of the policy documentation, new policyholders are entitled to a cooling off period during which they can check that the policy meets their requirements.
- (j) The Benefits Consultant attends a follow-up meeting with the employer to review the process, and agree future product launch or relaunches.

2.8 Administration

In considering using Worksite Marketing as a part overall sales strategy, one must look long and hard at the administrative requirements. The number one rule in the use of this distribution channel is “do not mess with somebody's paycheck”

- (1) System requirement

An administrative system is necessary to handle receipt and entering of applications, take care of any outstanding requirements, and issue policies in a fast, efficient manner. The business is high volume, low premium so any administrative system must be able to cope with the volume and types of transactions involved.

- (2) Customer Service Requirement

Once Worksite Marketing has been successfully introduced and the book of business is growing, then a separate customer service area to handle client questions and service problems should be established. Incorporated in this unit must be an administrative system capable of providing the info the customer service representative will need to effectively and efficiently

perform their duties. The system must be able to track multiple policies by client and have the ability to display quickly the info on a computer screen.

2.9 Worksite Marketing Market Potential

Over the years, various organizations conducted extensive researches on Worksite marketing in U.S. The following are some of the key findings.

- (a) In 1996, 140,842 employers made voluntary products available to their employees, an increase of 41% from 1992 (LIMRA).
- (b) In 1996 more than 3.2 million individuals were covered by voluntary products, an increase of 35% since 1992 when 2.4 million individuals had coverage (LIMRA).
- (c) Between 1992 and 1996, individual voluntary health product sales generate USD 1 billion of new premium, an increase of 29% (LIMRA).
- (d) Individuals prefer obtaining their insurance coverage through their place of employment rather than through an insurance agent or broker by more than a 2: 1 margin (LIMRA 1999).
- (e) Companies involved in Worksite marketing feel that blue and gray-collar markets will offer the greatest potentials (LIMRA 1999).
- (f) Nearly 66% of 1,160 employees surveyed say voluntary benefits are good idea, citing value and convenience as the primary reason.

2.10 Worksite Marketing Challenges

While many companies are attracted by what they feel is a market with great potential, entering this marketing brings some challenging requirements

- (a) Design an effective marketing.
- (b) Develop innovative products.
- (c) Decide on appropriate distribution channels.

- (d) Establish effective sales and enrollment methods.
- (e) Deliver efficient, high-quality service and administration.
- (f) Incorporate good profitability fundamental, including risk standards.
- (g) Design suitable technology for the market.



III. WORKSITE MARKETING STRATEGY DEVELOPMENT

Developing the marketing strategy must be involved in every phase of the department. Especially in Worksite Marketing Strategy, this strategy concerned in every part of the department, begin at the salespersons that have to be at the customer site, package explanation, closing sale etc. Marketing team who create the insurance package, budget control, and customer segmentation & targeting, etc. Administrative & operation support who key in insured information, queries answered, etc.

The strategy development can be segment into main categories as below;

3.1 Market

To get good results in developing the marketing strategy, the marketing department should know some demographic statistics eg population income, type of industry, etc so that can analyze those quantitative data to be factors to create a new insurance package & coverage.

Some of the demographic information is shown below:

Table 3.1. Number of Population by Labor Force Status for Whole Kingdom

: 1999 – 2000 (in Thousand), National Statistical Office 1999-2000.

Labor Force Status	1999				2000			
	Round 1	Round 2	Round 3	Round 4	Round 1	Round 2	Round 3	Round 4
	(Feb)	(May)	(Aug)	(Nov)	(Feb)	(May)	(Aug)	(Nov)
Total	61,551.20	61,704.10	61,856.70	62,002.90	62,192.10	62,336.1	62,481.40	62,609.10
Total Labor Force	32,810.20	32,970.80	33,210.20	32,652.10	32,994.30	33,266.00	33,973.00	33,342.40

Table 3.1. Number of Population by Labor Force Status for Whole Kingdom

: 1999 – 2000 (in Thousand), National Statistical Office 1999-2000

(Continued).

Labor Force Status	1999				2000			
	Round 1 (Feb)	Round 2 (May)	Round 3 (Aug)	Round 4 (Nov)	Round 1 (Feb)	Round 2 (May)	Round 3 (Aug)	Round 4 (Nov)
1. Current Labor Force	31,740.30	31,590.70	33,072.90	32,468.20	31,838.50	31,807.20	33,813.70	33,144.60
1.1 Employed	30,024.50	29,832.20	32,087.10	31,397.80	30,420.50	30,444.50	33,001.00	31,920.60
1.1.1 At Work	27,675.60	27,357.20	31,209.70	29,786.70	28,089.00	27,967.40	32,197.50	29,871.10
1.1.2 With Job but not work	2,348.90	2,475.00	877.40	1,611.10	2,331.40	2,477.10	803.50	2,049.40
1.2 Unemployed	1,715.70	1,758.50	985.70	1,070.30	1,418.00	1,362.60	812.60	1,223.90
1.2.1 Looking for work	475.80	498.00	326.00	258.20	355.30	359.60	283.70	276.30
1.2.2 Available/ not looking for work	1,239.80	1,260.40	659.70	812.00	1,062.70	1,003.00	528.80	947.60
2 Seasonally inactive labor force	1,069.80	1,380.00	137.20	183.90	1,155.80	1,458.80	159.30	197.80
Not in labor force > 13 years	14,923.80	14,882.80	14,763.70	15,435.40	15,468.10	15,276.30	14,739.10	15,519.80
1 household work	4,217.10	4,111.80	3,723.70	3,732.90	4,343.50	4,319.40	3,485.10	3,622.60
2 Studies	6,260.20	5,927.90	6,176.60	5,107.50	6,383.10	6,046.10	6,228.40	5,998.60

Table 3.1. Number of Population by Labor Force Status for Whole Kingdom
: 1999 – 2000 (in Thousand), National Statistical Office 1999-2000
(Continued).

Labor Force Status	1999				2000			
	Round 1 (Feb)	Round 2 (May)	Round 3 (Aug)	Round 4 (Nov)	Round 1 (Feb)	Round 2 (May)	Round 3 (Aug)	Round 4 (Nov)
3 Too young/old or incapable	3,694.00	3,910.30	3,799.00	3,905.60	3,820.20	3,938.80	3,854.00	4,013.40
4 Other	752.30	932.60	1,064.20	1,689.20	921.10	971.80	1,171.40	1,885.00
Person under 13 years	13,817.10	13,850.40	13,882.70	13,915.30	13,729.60	13,793.80	13,769.20	13,746.90
Unemployed rate	5.2	5.3	3	3.3	4.3	4.1	2.4	3.7

The Table 3.1. shows the quantity of the labor surveyed during the year 1999 to 2000. The estimate labor force at that time was about 33 million people. This amount of labor force includes all occupations, both agricultural and non-agricultural. The labor force who are in other classification are also put in this amount eg, people who available but not looking for a work, unemployed etc.

To get accuracy in market analyzing is to cluster the prospects into small groups to simplify the information gathered The target group of the worksite marketing strategy is to mainly focus on the labor force work in the industrial business, the following table will show the related information for market analysis.

Table 3.2. Number of Employed Persons by Industry for Whole Kingdom: 1999-2000
(in Thousand), National Statistical Office.

Industry	1999				2000			
	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)
Total	30,024.50	29,832.20	32,087.10	31,397.80	30,420.50	30,444.50	33,001.00	31,920.60
Agriculture, forestry, hunting and fishing	12,552.90	12,984.20	15,563.50	14,888.50	12,095.40	12,859.30	16,095.60	14,949.20
Mining and quarrying	74.3	68.2	51.9	62.7	56.8	52.6	39	30.7
Manufacturing	4,858.20	4,654.30	4,394.60	4,537.90	5,239.10	5,087.90	4,784.90	4,907.30
Construction, repair and demolition	1,560.20	1,474.90	1,285.60	1,286.50	1,822.60	1,605.00	1,280.20	1,318.20
Electricity, gas, water and sanitary services	167.1	149.8	158	153.5	181.1	163.2	172.6	146.7
Commerce	4,818.80	4,794.90	4,736.10	4,787.10	5,039.90	4,881.40	4,801.60	4,921.70
Transport, and Communicate	1,086.60	1,011.20	989.2	946.9	1,019.10	959.3	951.4	947.7
Services	4,888.70	4,673.50	4,892.40	4,719.40	4,959.30	4,822.90	4,865.00	4,687.10
Activities not adequately described	17.4	20.9	15.3	14.8	6.9	12.7	10.2	11.6

From Table 3.2., In the year 2000, the survey of the employed persons by industry for whole kingdom shows the amount of labor force classified by type of occupation. In first two categories, Agriculture, Forestry, fishing and mining and quarrying is not

concerned with our target market since these kinds of labor force has low average income per month.

The quantity of target market after reducing first 2 categories are about 16 million people. The reason for reducing first two categories from the table is, in those categories, people are difficult to reach , contact and the risk of working in these occupation is quite high. The more details of each occupation will be shown in the next table.

Table 3.3. Number of Employed Persons by Occupation for the Whole Kingdom :1999 - 2000 (in Thousand).

Occupation	1999				2000			
	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)
Total	30,024.50	29,832.20	32,087.10	31,397.80	30,420.50	30,444.50	33,001.00	31,920.60
Professional, technical and related workers	2,029.40	1,882.80	2,015.10	1,937.20	2,021.50	1,945.40	2,113.50	2,044.70
Administrative, executive and managerial workers	984.9	975.1	914.4	950.8	946.6	991.4	921.1	915.2
Clerical workers	1,058.00	1,128.90	1,213.30	1,145.90	1,182.00	1,177.60	1,145.70	1,122.80
Sales workers	4,406.60	4,343.30	4,284.10	4,370.70	4,544.00	4,451.00	4,274.40	4,492.50

Table 3.3. Number of Employed Persons by Occupation for the Whole Kingdom
:1999 - 2000 (in Thousand), (Continued).

Occupation	1999				2000			
	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)
Farmers, fishermen, hunters	12,586.90	13,037.00	15,620.10	14,942.40	12,159.10	12,897.90	16,177.60	14,998.20
Works in transport and communication	1,320.60	1,263.50	1,232.00	1,229.70	1,216.20	1,258.40	1,163.90	1,182.90
Craftmen, production process workers	6,001.80	5,670.10	5,232.50	5,273.10	6,661.50	6,139.80	5,517.60	5,666.20
Service, sports and recreation workers	1,624.80	1,520.90	1,565.40	1,541.80	1,686.10	1,566.30	1,681.00	1,493.30
Workers not classifiable by occupation	11.3	10.2	9.9	5.8	3	16.2	5.8	4.4

In Table 3.3. the information about labor force in each occupation can be used to analyze that which group of the labor force should be focused first. In this case, the occupation which has large amount of labor force is in the agricultural business. As the theory above, there're reasons for not selecting this agriculture business as the market potential. So the next suitable group falls to production process workers.

Since this group has large number of employees, the worksite marketing strategy can spread through them widely and more rapidly when compared to other group. One time of meeting, seminar, presentation, can reach through mass customer.

Table 3.4. Number of Employed Persons by Work Status for Whole Kingdom : 1999-2000 (In thousands), National Statistical Office 1999-2000.

Work Status	1999				2000			
	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)	Round 1(Feb)	Round 2(May)	Round 3(Aug)	Round 4(Nov)
Total	30,024.50	29,832.20	32,087.10	31,397.80	30,420.50	30,444.50	33,001.00	31,920.60
Employers	944	895.5	933.6	923.5	962.2	1,067.00	1,101.00	864.6
Government employees	2,636.50	2,563.40	2,758.80	2,567.10	2,788.70	2,676.70	2,719.30	2,613.80
Private employees	10,218.80	9,418.00	9,517.50	9,762.30	11,039.50	9,940.40	10,350.60	10,247.40
Own-account workers	10,091.40	9,850.60	10,175.80	9,752.90	9,737.00	9,953.30	9,941.00	10,104.30
Unpaid family workers	6,133.70	7,104.50	8,701.10	8,391.80	5,893.00	6,806.90	8,888.90	8,090.30

Table 3.4., shows the amount of employed person classified by status which are employers, government employees, private employees, etc. The comparative amount of those employed person can be used to know the market potential for the marketing team,

for example, in private sector employees, there's almost 10.5 million people in this group. If the marketing team approach 100,000 people or 1% of total quantity, they will get total premium receive premium about 22 million baht in the first year, (the details will be shown in the next chapter).

From the table above, we can see that large amount of working people existing in the country. Those are all potential customers, but we have to segment them carefully because each group has their own risk of working.

Apart from risk in work place, another important factor for considering & insurance package creation is income.

Some people have a low salary each month, the premium cost is the factor influence them to buy insurance protection. The salary of working people is shown in the table below

Table 3.5. Average Wages of Employed Persons by Industry for Whole Kingdom :
2000 (In baht), National Statistical Office 1999-2000.

Period	Minining	Manufacturing	Construction	Electricity	Commerce	Transport	Service
1	6,281	5,516	4,567	12,538	8,471	10,632	8,241
2	6,332	5,846	4,872	13,675	8,265	11,465	8,472
3	5,626	6,052	5,175	12,889	8,429	11,348	8,755

From the table 3.5., we can observe that average salary is fall between the range of 5,000 to 13,000 bht per month. After we get these information, the next step is to classify them into worker classification: blue, gray, white collar.

To classify the class of the worker, the type of work, salary, are the consideration factor.

Table 3.6. Underwriting Rules Table.

Class of Target Group	Age			Group Discount (%)				
	Employee & Spouse	Children	Parents	5 - 50	51 - 100	101 - 200	201 - 500	501 & up
<i>Private Sector</i>								
Class 1	X < 65	1 - 23	X < 72	10	15	20	25	30
Class 2	X < 65	1 - 23	X < 72	10	15	20	25	30
Class 3-2A	X < 60	1 - 23	X < 72	10	15	20	25	25
Class 3-2B	X < 60	1 - 23	X < 72	10	15	20	25	25
<i>Government Sector</i>								
Class A	X < 65	1 - 23	X < 72	10	15	20	25	30
Class B	X < 65	1 - 23	X < 72	10	15	20	25	30

From the Table 3.6., the key factor in classified class of target group is the salary. The class 1 group, is the occupation about finance and banking business, which average salary is about 25,000 baht per month. The class 2 group is the business about education, hotel & restaurant, retail & wholesale trade, which has the average salary per month about 15,000 baht. For the class 3 group, this group is in the manufacturing business, construction, private household. In this group, the average salary is not more than 7,000 in the Government sector.

The reason for separate 2 groups, private & government sector, each other is that the risk in working place is different. Government employee work in the air-conditioned room or sit on at their table for whole day, but the other have to work outside.

The second group of target is the government sector, which separate into two class, class A & class B. Class A government employee is defined for the government

employee who work in the high profited organization. Class B is defined for the government employee who work in the low profit organization or the rural area.

3.2 Distribution

The voluntary benefits marketplace is segmented into a number of different categories. Insurance companies and sales people are approaching different target markets, and in a number of different ways. Not every market and approach mechanism is appropriate for every company. Having the right products for the right market and the right distribution system is critical to the success of your company and your distributors.

The first stage is to determine which markets are best for us. The best target is the group of people who need additional insurance coverage, can afford, that's why we have to analyze the data we gathered.

When we approach to the customer site, we have to know about customer's basic details eg, income, overtime rate, their basic fringe benefit, average age, etc. The facility location has to be the consideration factor also, we can know that how many officer and staff must be join the enrollment.

After getting basic information, the next step is to analyze those information into the effective usage.

3.3 Products Selection for The Market

Many companies have entered the voluntary benefits market only to pull out after a few short years. Others, while experiencing moderate success, have not approached the expectations they had when they entered the market. While there may be a number of reasons for this, carriers entering this market with products that are inappropriate for them, or incorrectly priced, is among them.

From the worker's salary statistics, we can set up the voluntary benefits insurance package for those workers with the suitable coverage and premium. We classified

prospective customers into 2 main sectors which are private & government sector. In both sectors, class of workers has been separated by their annual average income, for ease of package setting up.

In the first section, private sector, the workers in class 1 has an average income of more than 25,000 baht. This group of worker is classified in the high income and they also have good fringe benefits provided by their company. This group of worker has high education level, so they have lots of question about the insurance package we provide. The insurance perception for this group is also the factor for considering. Because of they have their own fringe benefits, high education, etc the insurance package should be focus on the medical expense for the family. The point of selling through this group of worker is their family. The fringe benefits that the company provides for are only for the worker himself, not extend to the people in the family.

The coverage for the family is the selling point to other worker group, but in the class1 of the private sector, we have to focus more on the coverage than other groups.

The class2 of private sector, this class has the average income of 10,000 – 15,000 baht. In this group, the workers are in the business of hotel & restaurant, education, retail & wholesale trade, and also the new graduate student. Because their income is quite low, the product we provide should be focused on suitable coverage with the premium, maybe only ADD, PTD, and AMR, which can serve their needs.

The last class of the worker is classified into the lowest average annual income. These groups of worker are most in the manufacturing industry, construction, etc. Because of their income and low education level, they mostly do not understand about the insurance package. The needs of these groups are mainly focused on the death claims, because they worry about their family member. So the most suitable package for these groups of worker should be mainly focus on the compensation on their death both

accident and other death with the lower premium, because the average income is only 7,000 baht per month. In the government sector, we classified this sector into 2 class. The class A is the class, which has high average income because they work in the high profile departments. This group has good fringe benefits and also expands the coverage for the family members also. So the selling point of the insurance package for this group must be focused mainly on the convenience of medical reimbursement, medical expense payment, etc, focus on them and their family member's comfort. The class B of the government sector is the class, which has lower average income than class A because of the department they work with eg, local division. This group has fringe benefit quite same as the class A, but the coverage is lower than those in class A. So the selling point to this group should be high coverage with lower premium cost.

Table 3.7. Worksite Marketing Packages by Target Group.

Class of Target Group	Type of Industry	Number of Employees	Level of Monthly Income (Bht)	Product/ Package		
<i>Private Sector</i>						
Class 1	Finance and Banking	2,842,000	More than	ADD/PTD/MA/MC	HIP	Cancer
	Real Estate		25,000	ADD/PTD/MA/MC/ME		
	Business Services			ADD/PTD/MA/MC/ME/WI		
				ADD/PTD/MA/MC/ME/Care Card		
Class 2	Education	9,024,000	10,000	ADD/PTD/MA/MC	HIP	Cancer
	Hotel and Restaurant		-	ADD/PTD/MA/MC/ME		
			15,000	ADD/PTD/MA/MC/ME/WI		
	Retail and Wholesale Trade			ADD/PTD/MA/MC/ME/Care Card		
Class 3	Manufacturing	6,733,000	4,500	ADD/PTD/MA/MC	HIP	Cancer
	Construction		-	ADD/PTD/MA/MC/ME		
	Private Households		7,000	ADD/PTD/MA/MC/ME/WI		
				ADD/PTD/MA/MC/ME/Care Card		
<i>Government Sector</i>						
Class A	High Income Unit	N/A	N/A	ADD/PTD/MA/MC	HIP	Cancer
				ADD/PTD/MA/MC/ME		
				ADD/PTD/MA/MC/ME/WI		
Class B	Low Income Unit	N/A	N/A	ADD/PTD/MA/MC	HIP	Cancer
				ADD/PTD/MA/MC/ME		
				ADD/PTD/MA/MC/ME/WI		
				ADD/PTD/MA/MC/ME/Care Card		

3.4 Worksite Marketing Product Design, Underwriting and Pricing Consideration

Firstly, we have to find out what makes the products different. Many ways to make the insurance package differentiate from the competitors. Some effective method is to extend coverage for their family members by using same underwriting rules, expand insurable age for the parents, etc. These might caused increasing in premium but it worth for affording it. The packages may be vary by each groups satisfaction.

From the Table 3.6., Worksite Marketing Packages by Target Group, we can see that for the employees and spouse, we extend the insurable age to be 65 instead of 60 in former insurance policy, except for the class3 in private sector. Because of this group of worker has high risk, the insurable rate is limited to 60 years of age.

For the children, the insurable age will begin immediately when their age is 1 until 23 years old. Also employees' parents, the insurable age is extended to 72 instead of 65 years of age. The group discount for the large group of customer is also being considering for the premium calculation.

The sum insured is the attractive point to the prospect customers. As shown in table below, vary amount of sum insured different by each class & sector. In the private sector, the sum insured for AD&D, PTD is ranged between 100,000 – 3,000,000 baht because in this group, employee has less risk compared to the other group, they only work in the office, air-conditioned room. They can afford for the premium of their coverage.

Compared to the private sector class 3, in this group, workers are mainly in the manufacturing industries, more risk they have to face each day than other groups. The sum insured for these groups are limited to be only 100,000 – 1,000,000 baht because in this coverage, the premium still be affordable by them.

Table 3.8. Sum Insured by Class of Employees.

Class of Target Group	Sum Insured			
	AD&D	PTD	MA/MC	AMR
<i>Private Sector</i>				
Class 1	100,000 - 3,000,000	100,000 - 3,000,000	100,000 - 1,000,000	10,000 - 200,000
Class 2	100,000 - 1,500,000	100,000 - 3,000,000	100,000 - 1,000,000	10,000 - 100,000
Class 3-2A	100,000 - 1,000,000	100,000 - 2,000,000	100,000 - 1,000,000	10,000 - 100,000
Class 3-2B	100,000 - 500,000	100,000 - 1,000,000	100,000 - 1,000,000	10,000 - 50,000
<i>Government Sector</i>				
Class A	100,000 - 2,000,000	100,000 - 2,000,000	100,000 - 1,000,000	10,000 - 100,000
Class B	100,000 - 500,000	100,000 - 1,000,000	100,000 - 500,000	10,000 - 50,000
Class of Target Group	Sum Insured			
	HIP	WI	Cancer	Care Card
<i>Private Sector</i>				
Class 1*	500 - 5,000	500 - 5,000	100,000 - 1,000,000	10,000 - 200,000
Class 2	500 - 4,000	500 - 4,000	100,000 - 500,000	10,000 - 100,000
Class 3-2A	500 - 2,000	500 - 3,000	0	0
Class 3-2B	500 - 1,000	500 - 3,000	0	0
<i>Government Sector</i>				
Class A	500 - 4,000	500 - 4,000	100,000 - 500,000	10,000 - 100,000
Class B	500 - 2,000	500 - 3,000	100,000 - 500,000	10,000 - 50,000

After setting up the sum insured range for each worker class already, the package pricing technique will be next approach. Firstly, classified the group of worker in to 4 main categories White collar, Grey collar, Blue collar (with low & medium risk), Blue collar (with high risk). Each of them classified by average income and the risk in workplace and also routine life.

For white collar, private sector class 1 people in this group have high average income but low risk at both the work place and in routine life. They work in air-conditioned offices, drive cars, live in houses, etc. The coverage for this group is high enough to serve their needs. As the table shows below.

Table 3.9. Worksite Marketing Table Rate Class 1 for Employee Class 1
(White Collar) Sum Insured 100,000 – 700,000 (AD&D, AMR, PD).

Coverage	Sum Insured						
	100,000	200,000	300,000	400,000	500,000	600,000	700,000
AD&D							
Rate	130	260	390	520	650	790	918
Monthly	10	20	30	40	50	60	70
AMR (ME) 10%							
Rate	250	360	470	580	690	800	910
Monthly	21	20	30	40	50	60	70
PD							
Rate	33	66	99	132	165	198	231
Monthly	3	6	8	11	14	17	19

Table 3.10. Worksite Marketing Table Rate Class 1 for Employee Class 1

(White Collar) Sum Insured 800,000 – 1,100,000 (AD&D, AMR, PD).

Coverage							
AD&D	800,000	900,000	1,000,000	800,000	900,000	1,000,000	1,100,000
Rate	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Monthly	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AMR (ME) 10%	80,000	90,000	100,000	80,000	90,000	100,000	110,000
Rate	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Monthly	XX	XX	XX	XX	XX	XX	XX
PD	800,000	900,000	1,000,000	800,000	900,000	1,000,000	1,100,000
Rate	XXX	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx
Monthly	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx

Table 3.11. Worksite Marketing Table Rate Class 1 for Employee Class 1 (WI, HIP).

WI	500	1,000	1,500	2,000	2,500	3,000	3,500
Rate	116	231	347	462	578	693	809
Monthly	10	19	29	39	48	58	
HIP	500	1,000	1,500	2,000	2,500	3,000	3,500
Rate	560	1,120	1,680	2,240	2,800	3,360	3,920
Monthly	47	93	140	187	233	280	327

Table 3.12. Worksite Marketing Table Rate Class 1 for Employee Class 1 (WI, HIP).

WI	4,000	4,500	5,000	4,000	4,500	5,000
Rate	924	1,040	1,155	924	1,040	1,155
Monthly						
HIP	4,000	4,500	5,000	4,000	4,500	5,000
Rate	4,480	5,040	5,600	4,480	5,040	5,600
Monthly	373	420	467	373	420	467

From the table 3.12., every sum insured premium has been calculated already. The underwriting method for premium is under the standard of the Department of Insurance, Thailand. In the part of AD&D the coverage begin at 100,000 baht with premium of 11 baht per month, the maximum coverage is 1,000,000 baht with the monthly premium of 110 baht. The number 0.12% + MC10% means that the premium rate for the AD&D is 0.12% of sum insured, MC10% means rate of the motorcycle risk.

In insurance package design, we have to consider needs of worker for each business, as I mentioned before, after we can conclude the whole coverage which includes in the package, premium calculation is the next process.

For example, for the ABC bank employee with the average income of 20,000 baht per month, we have to analyze this group of customers' need which might be

- (a) AD&D 500,000 baht – 1,000,000 baht with the premium range between 55 baht – 110 baht per month.
- (b) AMR 50,000 baht – 100,000 baht with the premium range between 58 baht – 104 baht per month.

- (c) WI 2,000 baht – 3,000 baht with the premium range between 39 baht – 58 baht per month.

In this case, we have 2 products the package provide to the employee, the first one is the minimum coverage with the premium cost of 147 baht per month. The insured will get 500,000 baht in case of death of accident, 50,000 baht for medical expense, and weekly income 2,000 baht per week. Another product which has the maximum coverage with 272 baht per month with the 1,000,000 baht compensatio for death caused by accident, 100,000 baht for medical expense, and 3,000 baht each week for WI.

From the coverage above we have many selling points to attract customers, the first one might be showing the customer that with the 1% of their salary, but can buy almost 300% of their monthly salary.

The rest 3 tables are the sum insured and premium rate for the rest worker group, Grey collar, Blue collar (with low & medium risk), Blue collar (with high risk). The method of calculation should be the same, but the most important thing is the analysis of customers' needs & requirement. See Appendix B.

IV. OPERATIONS & MARKETING SUPPORT SYSTEM DEVELOPMENT

4.1 Operations and Marketing Support Process

In the operation and marketing support process response for the process after marketing and sales department achieve its process which is sales closing. Their responsibilities begin as soon as sales representative (enroller) collect the applications from the customers. The first operation is to identify the customers account number (in case of it is the direct debit) with the customers human resource department. The next one is to enter customers data in the computer system eg, customers name, address, name of insured, sum insured, etc. After that, insurance certificate must be issued to the customers. Any endorsement or any changes must be done in this process.

Customers questions must be replied by this department, and also complaints must be collected and resolved.

4.2 Management Complaints Process

A complaint arises when any person or organization expresses written or verbal dissatisfaction with any of our products, services, procedures or staff. Any complaint will be handled using the procedure described below. The Operation Manager is the coordinator for complaints processing and the monitoring of effective resolution

(1) Complaints handling procedure

On receipt of the complaint (whether written or verbal) Benefits representative will :

(k) In the case of verbal complaints, attempt to resolve the complaint immediately. If not possible, empathise with the concerns of the

complainant but remain non-committal and confirm that investigation will need to follow.

- (l) Notify the Operations Manager immediately and obtain a complaint reference number.
 - (m) Produce a file note of the complaint, detailing conversation with the complainant, and enclose any correspondence.
 - (n) Send file note or correspondence to the Operations Manager immediately when the complaint being made.
- (2) On receipt of the file note or correspondence the Operations Manager will:
- (a) Forward the complaint to the relevant line manager or Head of Department.
 - (b) Review and update the complaints file.
- (3) The line manager or Head of Department will :
- (a) Respond to the complaints within 20 business days of receipt of the original complaint or (if this is not possible) notify the customer in writing with an explanation for the likely delay. All correspondence is copied to the Operations Manager.
 - (b) Respond to all further correspondence within 20 business days of receipt until the complaint is resolved and ensure the customer is advised accordingly if a longer period is required.

4.3 Training

This is further developed by on-the-job coaching from an experienced manager and a range of opportunities for continuous personal development. All training emphasizes the practical implementation acknowledge, and is designed and led by experienced sales professionals.

(1) Objectives

To improve sales performance to agreed level to support the business targets.

(2) Supported by

- (a) Rapidly identifying and meeting training needs
- (b) Realizing full potential of all staff
- (c) guidelines.

(3) Structure

The training cycle combines established best practice, compliance requirements and the knowledge of experienced professionals with underlying principles of :

- (a) Explanation – understanding the background
- (b) Demonstration – observing good technique
- (c) Limitation – practicing, with support
- (d) Coaching – improving performance on-the-job
- (e) Consolidation - repeating the cycle as necessary.

Initial training is focused around a five-day induction course, which all new sales staff must attend. During the course, sales staff undertakes the Product Licensing tests to demonstrate their competence in face-to-face selling. When competency has been demonstrated, Benefits Advisers join the field sales force and begin enrolling customers. Once in the field, on-the-job coaching from the individual's manager supports continual development of selling skills.

V. PROFIT AND LOSS ANALYSIS

Before any campaign or promotion launched, the profit and loss analysis must be implemented to check whether the marketing cost can achieve marketing target or not. The pre-set profit and loss table must be completed before launching. The profit and loss analysis table consists of two parts; Data Entry table and Profit and Loss Analysis Table which can be found in appendix B.

5.1 Profit and Loss analysis, Data Entry Table

The pre-set profit and loss table contains two part; first part concern about the information of the promotion, marketing eg, marketing cost, salary, enroller compensation, etc, the second part is the analyzed result in table form. All marketing can know the breakeven period of the promotion created.

Table 5.1. Profit and Loss Analysis, Assumptions.

Assumptions:	
Potential Audience	100,000
Seen rate	35%
Number of Customers Seen:	35,000
Conversion rate	40%
Campaign period (month/s)	12
Requirements for enrollers:	
Seen per day per enroller	10
No. of enrollers	14.583
Whole no. of enrollers	15
Seen per day per campaign	146
Sales Managers	3

In the first part, Assumption, Profit and Loss Data, marketing team must fill in the cost used in the campaign. The first cost, which must be AARP, Average Annual Receipt Premium, this amount will be calculated from the estimated annual premium

received from each customer. This amount will come from the package setting for each company, suppose that in company ABC, the worker's average monthly salary is between 7,000 – 10,000 baht, so the package should provide sum insured at 500,000 baht and other coverage, with the premium of 170 baht per month, so the amount 2,040 must be fill in AARP.

Next, Potential Audience, the number of audience, customer which expect to meet at the customers site. This number is concern with other 3 numbers; Seen Rate, Number of Customer Seen, Conversion Rate. These 3 numbers are the amount which the sales team must be achieve to reach the marketing goals.

Seen Rate, is the actual amount of customers which sales team can present the package. This is the estimate amount observe from the past experience of previous enrollment, normally, the Seen Rate percentage will be in the range of 35 % - 40 % of total prospect audience.

When seen rate is determined, the next amount is conversion rate. The conversion rate is the actual applications should be collected after presentation. Suppose that each enroller can present to the group of 10 audiences, 4 applications should be collected. This amount is based on the experience of selling also. Normally, the conversion rate is estimated in range between 30% - 40%.

In the part of Requirement for Enrollers, this part is the details which the system calculate to show each requirements eg number of enroller used at each customers site, number of seen rate per day.

Table 5.2, the cost of marketing and other expense must be fill in to calculate the cost which may occur to the campaign. The first one is the cost per policy, which can be separated into 3 costs, which are brochures, promos, certificate. Each cost is the estimate percentage of total average annual premium receipt.

Table 5.2. Profit and Loss Analysis, Marketing Cost.

Marketing Cost		
	Cost per pol	
Brochures	0.140%	2
Promos	1.40%	24
Certificate	0.104%	2
Per Policy		28
Per campaign		2,827,680
Enrollers basic salary		1,620,000
Sales Managers		1,141,500
Total Marketing Cost		5,589,180

The last cost in the marketing cost part is the salary of the sales team for the period of promotion. Total marketing cost will be used to calculate in the profit and loss analysis table.

The next one is Table 5.3., this column is the part for the enroller's compensation calculation. Marketing team must fill in the salary, compensation, number seen per day to get the cost of salary each month used to calculate the profit and loss analysis in the next table.

Table 5.3. Profit and Loss Analysis, Per Enroller's Compensation.

Per Enroller's Compensation			
No. of enrolers	15		
Basic	9,000		
Working days			
Monthly	20.00		
Annual	240		
	Daily	Monthly	Annual
Activity			
Seen/day	10	200	2,400
Converted	4	80	960
Compensation			
Basic	450	9,000	108,000
Incentive	138	2,752	33,024
Total Comp	588	11,752	141,024

5.2 Profit and Loss Analysis Table

After the marketing cost has been filled, the result of the profit and loss will be shown in the profit and loss analysis table. The pre-set table will calculate all data and interpret as the profit and loss analysis table in appendix B.

Refer to the appendix B., there're separated into 4 parts; campaign's detail, general operating expense, cumulative, and policy deduction in percentage.

Table 5.4., concludes the details on the campaign setting. The details show the potential audiences which the enrollers must meet, marketing costs, total average receipts premiums, annual average receipts premium, conversion rate.

Table 5.4. Campaign's Detail.

Product:	WSM
Potential Audience:	100,000
Currency:	Baht
Marketing Costs:	5,589,180
TARP:	24,080,000
T/MC:	4.31
Number of Customers Seen:	35,000
Cost Per Unit:	159.69
Conversion Rate:	40.00%
Number of Policies Issue:	14,000
AARP:	1,720.00

Table 5.5. Premium Deduction.

Policy Year	In Force @ e.o.y.	Premium Income	Mktg Costs	<-----GOE----->			Sponsor Commissions	Incurred Losses
				Per Policy	Percent Premiums	Total GOE		
0	14,000		5,589,180					
1	11,200	21,783,808		0	3,267,571	3,267,571	4,465,681	8,713,523
2	10,080	18,364,273		0	2,754,641	2,754,641	3,305,569	7,345,709
3	9,576	16,936,600		0	2,540,490	2,540,490	3,048,588	6,774,640
4	9,097	16,089,770		0	2,413,466	2,413,466	2,896,159	6,435,908
5	8,642	15,285,282		0	2,292,792	2,292,792	2,751,351	6,114,113
6	8,210	14,521,018		0	2,178,153	2,178,153	2,613,783	5,808,407
7	7,800	13,794,967		0	2,069,245	2,069,245	2,483,094	5,517,987
8	7,410	13,105,219		0	1,965,783	1,965,783	2,358,939	5,242,087
9	7,039	12,449,958		0	1,867,494	1,867,494	2,240,992	4,979,983
10	6,687	11,827,460		0	1,774,119	1,774,119	2,128,943	4,730,984
Totals		154,158,355	5,589,180	0	23,123,753	23,123,753	28,293,099	61,663,342

In this table, the conclusion of the expense eg. Marketing cost, incurred loss, etc will be shown. The first row is the policy year, the worksite marketing policy is the insurance policy which not expires unless the insured inform. The second row, Policy in force at End of The Year, show the estimate number of policy which might be exist when the policy year is reach to 10 year. The total number of policy will be reduce in percentage each year. The amount of deduction is based on the past experience, the average percentage is about 20%.in the first year.

The third column is the total premium income each year since year 1 to year 10. The premium income is reduced each year because there's lapse of policy each year. The next column is the marketing cost. The marketing cost is occurred only in the first year, because the policy will continue its coverage until the cancellation made from insured.

Some expense occurred during the policy years, those expense can be calculate in a percentage eg, sponsor commission which is the incentive paid to the agents, brokers, enrollers; Incurred losses must be calculate in the table also. After the premium income each year has been deducted with the expense, the profit & loss of each year will be shown.

Lapse Ratio is the estimated terminate in policy coverage, should be realistic and where possible based on previous campaign result for a similar product. GOE (General Operating Expenses) again this percentage should be realistic and based actual GOE costs. Sponsor Commission will be the actual Commission to be paid to the Sponsor. Loss Ratio should be realistic for the product and where possible based on actual Loss Ratios of similar product. Table 5.6 General Operating Expense.

Table 5.6. General Operating Expense.

		GOE	Agent/	Incurred
Policy	Lapse	Percent	Enroller	Loss
Year	Rate	Premiums	Comm	Ratios
1	20.00%	15.00%	20.5%	40.00%
2	10.00%	15.00%	18.0%	40.00%
3	5.00%	15.00%	18.0%	40.00%
4	5.00%	15.00%	18.0%	40.00%
5	5.00%	15.00%	18.0%	40.00%
6	5.00%	15.00%	18.0%	40.00%
7	5.00%	15.00%	18.0%	40.00%
8	5.00%	15.00%	18.0%	40.00%
9	5.00%	15.00%	18.0%	40.00%
10	5.00%	15.00%	18.0%	40.00%

Table 5.7. ROI, GAAP Profit table.

	Annual	Cumulative				
Policy	Profit	Profit	ROI	Loss	Exp	Comb.
Year	(Loss)	(Loss)		Ratio	Ratio	Ratio
0	(5,589,180)	(5,589,180)				
1	14,050,556	8,461,376	151.4%	20.5%	40.7%	61.2%
2	12,304,063	20,765,439	220.2%	19.4%	28.9%	48.3%
3	11,347,522	32,112,962	235.1%	19.0%	24.8%	43.7%
4	10,780,146	42,893,108	239.0%	18.7%	22.6%	41.4%
5	10,241,139	53,134,247	240.0%	18.6%	21.3%	39.9%
6	9,729,082	62,863,329	240.3%	18.5%	20.4%	39.0%
7	9,242,628	72,105,956	240.3%	18.5%	19.8%	38.3%
8	8,780,496	80,886,453	240.4%	18.4%	19.3%	37.7%
9	8,341,472	89,227,925	240.4%	18.4%	18.9%	37.3%
10	7,924,398	97,152,323	240.4%	18.4%	18.6%	37.0%
Totals	97,152,323					

In this table, the calculation shows the breakeven year of the campaign, ROI, etc. If the value which is calculated is not reach departments standard, the campaign must not be launched. For example, suppose that in ROI, Return-On-Investment, the departments standard is equal or greater 20% by year 5.

All of above tables are the method of profit and loss analysis. Before any campaign will be launched, the cost and expected target customer must be filled in the table.



VI. MARKETING PLAN

Due to the aggressive in insurance business competition in Thailand, the worksite marketing strategy will takes an important role in premium generated for the insurance company. The effective marketing plan will create the chance of getting more market shares in the insurance business. Marketing plan should begin with the setting up of organization's objective, strategies, marketing analysis, and end up with management through the whole process.

To make the marketing plan more effective, the simulations circumstance will be set as objective.

6.1 Business Objectives

The objectives setting begin with two categories

- (1) Financial Objectives
 - (a) Produce net premium of baht 20 million baht at first year of implement.
 - (b) Produce annual cumulative premium receive at year 5 more than 15 million baht.
- (2) Marketing Objectives
 - (a) Achieve gross premium receipt of baht 80,000,000 in 5 years.
 - (b) Achieve customers conversion rate at 40%.
 - (c) Stabilize lapse rate to be not more than 5 % each year.
 - (d) Reducing claim made by customers.

6.2 Marketing Analysis

As mentioned before that the worksite marketing strategy requires both satisfied insurance products and selling skills of enrollers. The marketing strategy for the worksite marketing applied from the marketing mix.

Before applying marketing mix to the marketing strategy, the first step is to analyze the potential market and classified that who is our target market. The marketing team should segment market clearly, scope them by using criteria mentioned before. Effective segment customer can be effectively in reducing lapse rate and reimbursement.

From the past experience, we have found that the lapse rate occurs to the policy because we launched the policy which is not suitable for customer class. For example, offering package with premium cost 300 baht a month for class 3 employee, this class of employee has low income a month, 300 baht is quite high for them. So, in the next policy month or year, the lapse rate is quite high because they can not afford the premium cost.

In the part of reduction in reimbursement, this is not means that insurance company try to deny the claim but to limit the coverage which is suitable for each class of employee. For example; the class 3 B employee buy insurance package with provide 1,000,000 baht for death benefits (AD&D), with the premium rate only 500 baht a month. When the death occurs, there's no way to transform 500 baht premium cost into company's profits, because the company's income is paid for the 1,000,000 baht reimbursement.

Good segmentation brings clear customer class, easier to create insurance package to satisfy same group of customers, when customers satisfy the insurance products, lapse rate and reimbursement each year will be reduced.

6.3 Marketing Strategy (Marketing Mix)

After development the target market, the next steps is to applied the marketing mix which are Products, Price, Place, and Promotion, to the strategy.

- (1) Products development strategy
 - (a) Taylor - Made products

The marketing team should create the insurance package to meet the existing customers requirements. According to the table 3.7 Worksite Marketing Package by Target Group, marketing team should create the insurance package based on the table after marketing is analyzed. For example; government employees have good fringe benefits, they have medical expense from their department, death benefits from the government, but one thing which they do not have is the weekly income (WI), hospital income payment (HIP). Marketing teams can add these benefits to the insurance package with low additional premiums.

(b) New Products Creation

The new product or coverage should be created to serve new target market and to differentiate the company itself from competitors. To create new products, the premium cost must be approved by the underwriting department before launching. For example; new coverage provide the ambulance fee, repatriation , etc.

If the company's business reach through the maturity stage in selling personal accident products, the marketing team may launched other insurance package to the existing customers eg, fire insurance, automobile insurance, etc, by using the same worksite marketing strategy to cope with the marketing circumstances.

(c) Expanding coverage to the insured's family member e.g. parents, spouse, children by adding little additional premium cost.

(2) Price Setting (Price)

(a) Affordable Premium

The price setting up is based on the “Worksite Marketing Table Rate”, which is already designed for each class of employee already. The cost of premium is changed due to the customers’ requirement. Usually the basic premium rate is in the range between 100 – more than 1,000 baht a month, which based on the requirements in each factory.

The rate of premium effect to the customers’ decision making, we can attract the customers by using the rate of premium compare to the coverage they receive, For example, with the premium cost of 200 per month, the coverage for 500,000 baht for AD&D. With this premium , the class 3 employee may confuse in their decision making. We can attract them by comparing the premium to the coverage they receive, which may be only 1% of the coverage.

(b) Premium Collection

The premium collection method is divided into 2 types; payroll deduction and direct debit.

For the payroll deduction, customers human resource department will collect premium for us. In this case, we can reduce some premium for their operation and administrative cost in premium collection. The advantage of this method is that, the rate of rejection in case of not enough salary for collecting will be terminated.

The direct debit method, premium will be collected from insured’s bank account at the end of each month. The human resource department will not be concerned with the premium collection. The disadvantage of this method is the percentage of rejection is quite high

compare to the payroll deduction method, because, some employees withdraw all salary at one time, they forget about the premium which they have to pay each month.

(3) Place

The worksite marketing strategy itself already defines the placing strategy. Placing strategy is to make the products available, conveniently to the customers. The process of business to business (B2B) must be ensured in confirm of notice, billboard, public relation to the employee before business to customer (B2C) team will approaches to the factory.

When B2C reaches the customers' site, first thing to do is observe the location, to check that, where is the path between production to the canteen, how many places employees have lunch, etc. When the employees have a lunch break, brochure must be spread through every employee enter the canteen. After employees spend some time for having lunch, the enroller should meet customers face to face and try to close sales as much as possible.

(4) Promotion

(a) Gift

Provide attractive gifts, brochures, leaflets, and posters to stimulate at the selling points. Those are include in the marketing cost already. For the gift, we may give t-shirts or pens for employees, just to attract them at the first time of enrollment. The leaflets and posters must be posted at the customers site before the appointment date around 1 or 2 weeks to ensure that, employee know about us and can prepare for the questions.

(b) Special Activities

Do special activities with the employees such as lucky draw for the applicants. This is the method to group employees together. In the case of the canteen enrollment, employees have their lunch every single part of the factory, lucky draw can group them at one point which makes the enrolment easier.

(c) Incentive

Provide some financial benefits or gifts to staffs who carry out payroll deduction for us. Because the payroll deduction method is our first choice of premium collection. Those staff who can support the payroll deduction will get some special presents from us.

(d) Free Coverage

For the payroll deduction, again, offering first month free coverage for those customers who choose payroll deduction as their premium collection method. Customers will get the first month free coverage without any condition.

6.4 Action Plan

Regarding to the objectives set above, the premium receipt at first year must be 20,000,000 baht. The estimated premium cost per application will be about 150 baht. So the estimated policy to reach the first objective is about 14,000 policy per year, average 1,200 applications per month, 146 seen per day by 15 enrollers.

In this plan, sales and marketing staffs are separate to be enroller 8 person, 3 marketing (team leader), and 1 ,marketing manager. Total annual salary for marketing manager and team leader is about 1,200,000 baht and 900,000 baht for enrollers. All marketing cost will be shown in the financial analysis part.

After annual estimated policy issued per year was set, the next step is to approach customers. By using 3 types of distribution channels; direct marketing, agents, brokers. The marketing plan should be established for each broker to create effective marketing with them. When the potential customers have been predicted, the next step is to presentation to each factory, information notice, enrollment, re-enrollment consecutively.

6.5 Financial Analysis

In this part, profit and loss analysis will be applied to find the profit, breakeven of the campaign. As the objectives setting, the first year of net receive premium is 20,000,000 baht. After determine past experience about average premium per policy is around 1,720 baht so, the total policy should be issued to achieve the objective should be 14,000 policy per year.

Table 6.1. Assumption table for 2004 budget.

Assumptions:	
Potential Audience	100,000
Seen rate	35%
Number of Customers Seen:	35,000
Conversion rate	40%
Campaign period (month/s)	12
Requirements for enrollers:	
Seen per day per enroller	10
No. of enrollers	14.583
Whole no. of enrollers	15
Seen per day per campaign	146
Sales Managers	3

From the Table 6.1, to achieve the target of 24 million, from the information mentioned above, the potential audience should be 100,000 persons to get the actual seen rate of 35%, 35,000 person. From this seen rate the conversion rate of the actual

seen rate is 40% which are 14,000 target customers. As the conclusion the seen rate per day for 15 enrollers should be 146 persons.

Table 6.2. Cost Estimated Table.

Marketing Cost			Per Enroller's Compensation			
	Cost per pol		No. of enrolers	15		
Brochures	0.140%	2	Basic	9,000		
Promos	1.40%	24	Working days			
Certificate	0.104%	2	Monthly	20.00		
			Annual	240		
Per Policy		28		Daily	Monthly	Annual
Per campaign		2,827,680	Activity			
Enrollers basic salary		1,620,000	Seen/day	10	200	2,400
Sales Managers		1,141,500	Converted	4	80	960
Total Marketing Cost		5,589,180	Compensation			
			Basic	450	9,000	108,000
			Incentive	138	2,752	33,024
			Total Comp	588	11,752	141,024

From the Table 6.2., cost estimated are shown. Total marketing cost will be around 5 million baht per year, this amount comes from the brochures cost, certificate cost salary.

The next table, Table 6.3., shows the estimated premium received after the plan is totally implemented. The "In Force" column shows number of policy issued in the first year, for the year 2 until year 10 the number shows the policy after deduct lapse rate which estimate to 20%, 10%, and 5% in year 1, 2, 3 consecutively. In the "Premium Income" column, shows the premium receive each year. The premium received will reduce by each year in consequence of the deduction lapse in policy. The "Marketing Cost" column, shows the marketing cost for whole plan. Observing that the marketing cost will be occurred in only the first year of implementation. Because the coverage will continue automatically unless insured notice the cancellation.

Table 6.3. Premium Receive Table.

Policy Year	In Force @ e.o.y.	Premium Income	Mktg Costs	Per Policy	Percent Premiums
0	14,000		5,589,180		
1	11,200	21,783,808		0	3,267,571
2	10,080	18,364,273		0	2,754,641
3	9,576	16,936,600		0	2,540,490
4	9,097	16,089,770		0	2,413,466
5	8,642	15,285,282		0	2,292,792
6	8,210	14,521,018		0	2,178,153
7	7,800	13,794,967		0	2,069,245
8	7,410	13,105,219		0	1,965,783
9	7,039	12,449,958		0	1,867,494
10	6,687	11,827,460		0	1,774,119
Totals		154,158,355	5,589,180	0	23,123,753

The Table 6.4., shows the General Operating Expense which is deducted from the premium receive. To get net annual profit, all expenses must be deducted. The first column, "Total GOE", shows the total expense for operating policy each years. The "Sponsor Commissions" column shows the commission paid to the agents, insurance brokerage. The next is "Incurred Loss" column, which shows the estimated claim amount each year based on past experience, which is 40% of gross premium each year.

To get net annual profit /(loss), first three will be summed together and reduced from the premium received that year. The annual premium received will be proceeded, and also accumulated as annual premium received.

Table 6.4. General Operating Expense Table.

			Annual	Cumulative
Total	Sponsor	Incurred	Profit	Profit
GOE	Commissions	Losses	(Loss)	(Loss)
			(5,589,180)	(5,589,180)
3,267,571	4,465,681	8,713,523	5,337,033	(252,147)
2,754,641	3,305,569	7,345,709	4,958,354	4,706,207
2,540,490	3,048,588	6,774,640	4,572,882	9,279,089
2,413,466	2,896,159	6,435,908	4,344,238	13,623,327
2,292,792	2,751,351	6,114,113	4,127,026	17,750,353
2,178,153	2,613,783	5,808,407	3,920,675	21,671,028
2,069,245	2,483,094	5,517,987	3,724,641	25,395,669
1,965,783	2,358,939	5,242,087	3,538,409	28,934,078
1,867,494	2,240,992	4,979,983	3,361,489	32,295,566
1,774,119	2,128,943	4,730,984	3,193,414	35,488,981
23,123,753	28,293,099	61,663,342	35,488,981	

From the table shown above, both financial and marketing objectives are achieved. But some conditions are, the amount enrollers must be 15 and they have to use all abilities in sales to achieve objectives.

VII. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

Thai people's lifestyles have changed according to the economic situation. Young people have to immigrate to Bangkok and nearby provinces to work in the factories. From the statistics of National Statistic Office, there is 10 million of population working in the factories. They are the biggest group of working population who needs insurance protection for any unexpected events.

Consequently, the insurance industry has developed new policies, distributions, marketing strategies and activities to expand the business. However they still could not deliver insurance protection to the employees in the factories efficiently.

Worksite Marketing is the high efficient selling method for the employees in the organizations. It is the distribution channel that could block the competitor from the existing customers. We could offer wide-range of products to the employees and their families in their workplace by getting the support from the employers.

In the part of insurance company, for those who want to seek for high premium receive with less amount of marketing cost, the worksite marketing can be one of their choice in generate premium receive. Refer to the National Statistic Office again, large amount of potential customers located around the country. Only 1% of the market can generate gross premium receive for the insurance company almost 90 million baht in 5 years with the operating cost only 5 million as shown in the table above.

For the employee side, those who immigrate, worry about their family in motherland. They worry about their family members life after they left home, worry about the financial status if they die before aged, etc. The worksite marketing can satisfy their needs of seeking financial security for themselves and also family members. The

Accidental Medical Reimbursement is the most attractive insurance coverage for them because nowadays, those employee are concerned more about their safety needs than before. One of supporting factors in expanding target through this customers group is the employer benefits provide to each employee. Some employers provide benefits to employees only to reach the regulations from the government, to save their cost of hiring. These factors take an important consideration in employee's decision making for our insurance package.

7.1 Recommendations

The effective of worksite marketing strategy need the cooperation from every related part of the company. Begin with the marketing team, Business to Business, they should analyze the market carefully, classified each group of employee to meet closets to the class of employee table as much as possible. If they miss in analyzing, the cost of error is quite high; for example; reimbursement cost.

(a) Business to Business (B2B)

The first presentation to the customers factory must provide the best satisfaction to the employer. If possible, try to convince them to use payroll deduction as the premium collection method. As mentioned above, the payroll deduction will make the collection of premium smoothly in operation, fewer lapse rates than the direct debit method.

For the type of enrolment, the marketing team should try their best in convincing employers to set up seminar or meeting for enrollment. The type of meeting can be set up in the topics of "Employee Benefits" which allow insurance companies to explain to employees about their existing benefits provided by their employers. At the end of the seminar, sales team can approach them. The best point of convincing employees to buy insurance

package is to focus on the expansion of coverage to their families members.
Both marketing and sales team should focus on this.

(b) Business to Customers (B2C)

This part will recommend about sales team or enrollers. All enrollers must be filled with knowledge about each insurance products. Mistakes might lead severe loss to the company; for example; some cases, customer is confusing whether the insurance package will provide coverage for specific circumstance or not. If the enrollers do not know about the coverage but they guess the answer, the loss of company's reputation will be occur if those guess answer is wrong. The pre-answer script must be prepared so that all enrollers can answer the same direction.

At the customers factory, enrollers should differentiate themselves from employees, by dressing, both to identify themselves at the crowd. The method of selling begin with the announcement from team leader to notice employees that they can ask questions or other details about the insurance package.

(c) Operation and Marketing Support

This is the part which is important to the worksite marketing system. Staff must key in customers data correctly, mistakes in data key-in will cause problems to the customers; for example; sum insured, insured person. Those mistake make loss to company's reputation as mentioned in business to consumer.

In the marketing support, staff must know the packages like B2B and B2C, because these staff have to answer the call-in customers who want more information about the packages.



APPENDIX A

PREMIUM RECEIPT AT THE END OF THE FIRST YEAR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Jan	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	2,160,000
Feb		180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,980,000
Mar			180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,800,000
Apr				180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,620,000
May					180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,440,000
Jun						180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,260,000
Jul							180,000	180,000	180,000	180,000	180,000	180,000	1,080,000
Aug								180,000	180,000	180,000	180,000	180,000	900,000
Sep									180,000	180,000	180,000	180,000	720,000
Oct										180,000	180,000	180,000	540,000
Nov											180,000	180,000	360,000
Dec												180,000	180,000
Total													14,040,000

PREMIUM RECEIPT AT THE END OF THE FIRST YEAR

Class of Target Group	Type of Industry	Number of Employees	Level of Monthly Income (Bht)	Product/ Package
Private Sector				
Class 1	Finance and Banking	2,842,000	More than 25,000	ADD/PTD/MA/MC
	Real Estate			ADD/PTD/MA/MC/ME
Class 2	Business Services			ADD/PTD/MA/MC/ME/WI
	Education	9,024,000	10,000 - 15,000	ADD/PTD/MA/MC/ME/Care Card
	Hotel and Restaurant			ADD/PTD/MA/MC
				ADD/PTD/MA/MC/ME
Class 3	Retail and Wholesale Trade			ADD/PTD/MA/MC/ME/WI
	Manufacturing	6,733,000	4,500 - 7,000	ADD/PTD/MA/MC/ME/Care Card
	Construction			ADD/PTD/MA/MC
	Private Households			ADD/PTD/MA/MC/ME
Government Sector				
Class A	High Income Unit	N/A	N/A	ADD/PTD/MA/MC
				ADD/PTD/MA/MC/ME
Class B				ADD/PTD/MA/MC/ME/WI
				ADD/PTD/MA/MC/ME/Care Card
	Low Income Unit	N/A	N/A	ADD/PTD/MA/MC
				ADD/PTD/MA/MC/ME
				ADD/PTD/MA/MC/ME/WI
				ADD/PTD/MA/MC/ME/Care Card

WORKSITE MARKETING PACKAGE BY TARGET GROUP

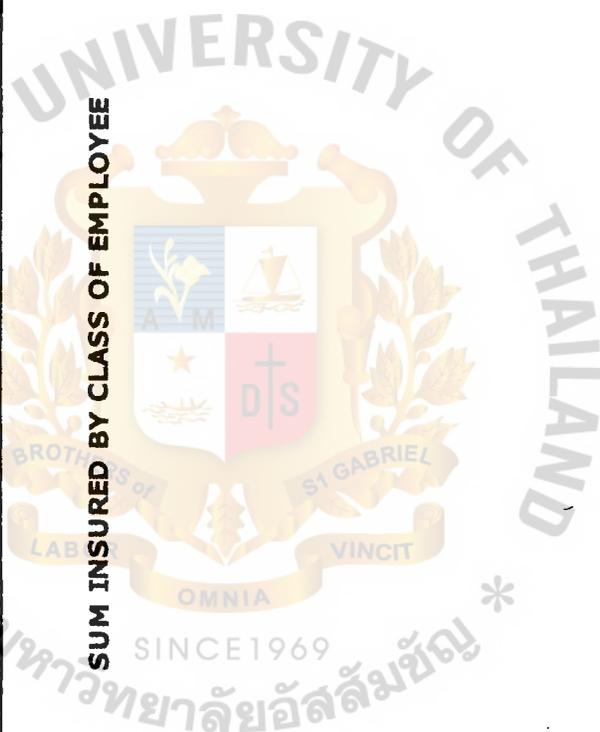
THAILAND



APPENDIX B

WORKSITE MARKETING TABLE

Class of Target Group	Sum Insured								Care Card
	AD&D	PTD	MA/MC	AMR	HIP	WI	Cancer		
<i>Private Sector</i>									
Class 1	100,000 - 3,000,000	100,000 - 3,000,000	100,000 - 1,000,000	10,000 - 200,000	500 - 5,000	500 - 5,000	1,000,000		10,000 - 200,000
Class 2	100,000 - 1,500,000	100,000 - 3,000,000	100,000 - 1,000,000	10,000 - 100,000	500 - 4,000	500 - 4,000	100,000 - 500,000		10,000 - 100,000
Class 3-2A	100,000 - 1,000,000	100,000 - 2,000,000	100,000 - 1,000,000	10,000 - 100,000	500 - 2,000	500 - 3,000	0		0
Class 3-2B	100,000 - 500,000	100,000 - 1,000,000	100,000 - 1,000,000	10,000 - 50,000	500 - 1,000	500 - 3,000	0		0
<i>Government Sector</i>									
Class A	100,000 - 2,000,000	100,000 - 2,000,000	100,000 - 1,000,000	10,000 - 100,000	500 - 4,000	500 - 4,000	100,000 - 500,000		10,000 - 100,000
Class B	100,000 - 500,000	100,000 - 1,000,000	100,000 - 500,000	10,000 - 50,000	500 - 2,000	500 - 3,000	100,000 - 500,000		10,000 - 50,000



SUM INSURED BY CLASS OF EMPLOYEE

Coverage		Sum Insured									
		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
AD&D	Rate	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
AMR (ME) 20%	Rate	10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PD	Rate	100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
WI	Rate	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	0	0
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
HIP	Rate	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	0	0
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Coverage		Sum Insured									
AD&D	Rate	1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	0	0	0	0	0
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PD	Rate	1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Coverage		Sum Insured									
PD	Rate	2,100,000	2,200,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000	3,000,000
	Monthly	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

WORKSITE MARKETING RATE FOR EMPLOYEE CLASS 2

Coverage		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
AD&D		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
Rate		xxx									
Monthly		xxx									
AMR (ME) 10%		10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000
Rate		xxx									
Monthly		xxx									
PD		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
Rate		xxx									
Monthly		xxx									
WI		500	1,000	1,500	2,000	2,500	3,000	0	0	0	0
Rate		xxx									
Monthly		xxx									
HIP		500	1,000	1,500	2,000	0	0	0	0	0	0
Rate 112%		xxx									
Monthly		xxx									
Coverage		1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000
Rate		545	594	644	693	743	792	842	891	941	990
Monthly		45	50	54	58	62	66	70	74	78	83

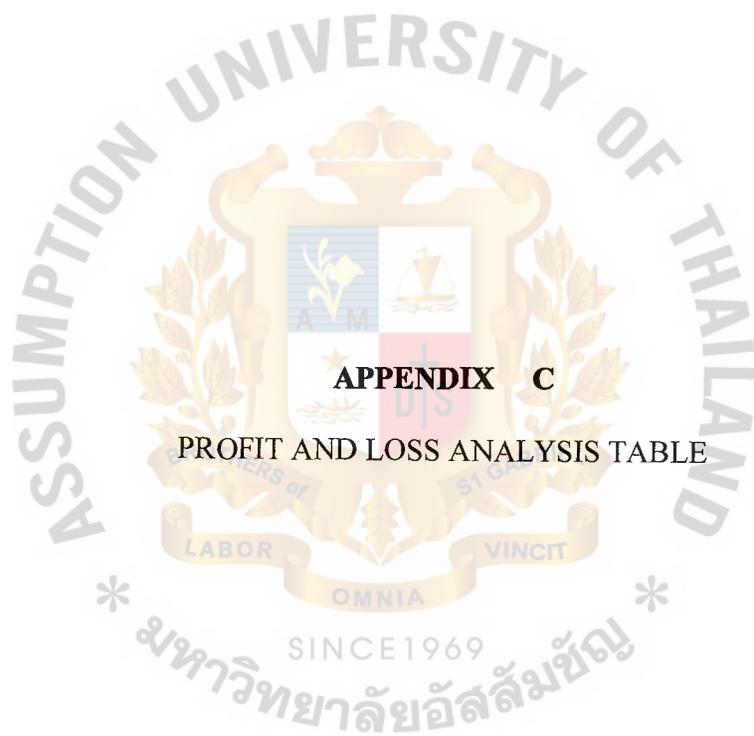
Coverage		1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000
PD		1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000
Rate		545	594	644	693	743	792	842	891	941	990
Monthly		45	50	54	58	62	66	70	74	78	83

WORKSITE MARKETING RATE FOR EMPLOYEE CLASS 3A

Coverage		Sum Insured									
		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
AD&D											
Rate		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Monthly		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
AMR (ME) 10%											
Rate		10,000	20,000	30,000	40,000	50,000	0	0	0	0	0
Monthly		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PD											
Rate		100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000
Monthly		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
WI											
Rate		500	1,000	1,500	2,000	2,500	3,000	0	0	0	0
Monthly		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
HIP											
Rate		500	1,000	0	0	0	0	0	0	0	0
Monthly		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

WORKSITE MARKETING RATE FOR EMPLOYEE CLASS 3B





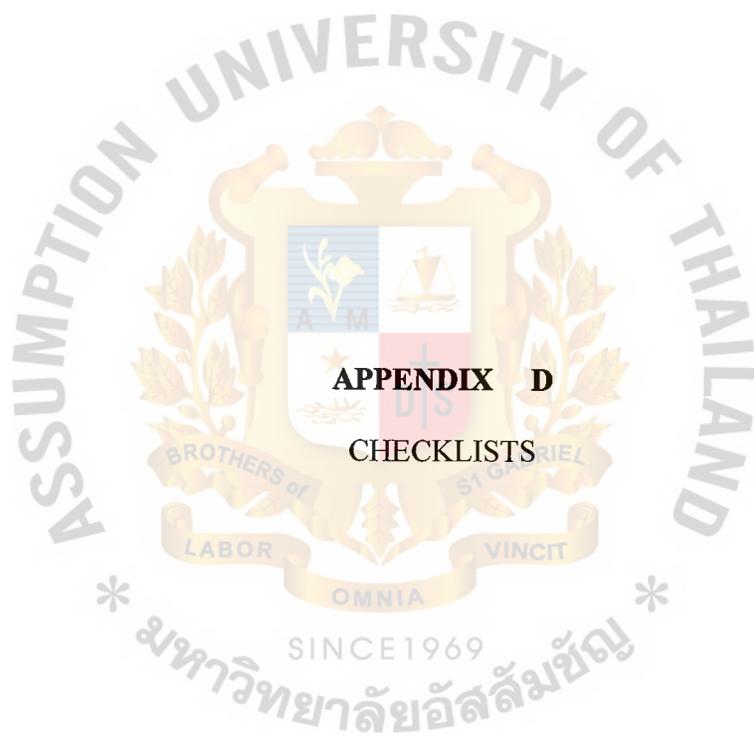
APPENDIX C

PROFIT AND LOSS ANALYSIS TABLE

Year 2004
Country Thailand
Intermediary Enroller
Product WSM
AARP: 1,720
Enroller incentive 2%

Assumptions:		Marketing Cost		Per Enroller's Compensation		
Potential Audience	100,000	Cost per policy		No. of enrollers	15	
Seen rate	35%	Brochures	0.140%	2	Basic	###
Number of Customers Seen:	35,000	Promos	1.40%	24	Working days	
Conversion rate	40%	Certificate	0.104%	2	Monthly	###
Campaign period (month/s)	12			Annual	240	
Requirements for enrollers:						
Seen per day per enroller	10	Per Policy	28		Daily	Monthly ly
No. of enrollers	14,583	Per campaign	2,827,680	Activity		
Whole no. of enrollers	15					
Seen per day per campaign	146	Enrollers basic salary	1,620,000	Seen/day	10	200 2,400
Sales Managers	3	Sales Managers	1,141,500	Converted	4	80 960
		Total Marketing Cost	5,589,180	Compensation		
				Basic	450	9,000 108,000
				Incentive	138	2,752 33,024
				Total Comp	588	11,752 141,024

Policy Year	Lapse Rate	GOE Agent/ Percent Premiums	Enroller Commission	Incurred Loss Ratios
1	20.00%	15.00%	20.50%	40.00%
2	10.00%	15.00%	18.00%	40.00%
3	5.00%	15.00%	18.00%	40.00%
4	5.00%	15.00%	18.00%	40.00%
5	5.00%	15.00%	18.00%	40.00%
6	5.00%	15.00%	18.00%	40.00%
7	5.00%	15.00%	18.00%	40.00%
8	5.00%	15.00%	18.00%	40.00%
9	5.00%	15.00%	18.00%	40.00%
10	5.00%	15.00%	18.00%	40.00%



APPENDIX D
CHECKLISTS

Account Rep's Checklist

Account Rep's Name : _____

Company Name : _____

Address : _____

Contact Name : _____ Telephone Number : _____

Position : _____

Number of Staff : _____ Location : _____

Industry : _____ Other Data : _____

- | | | |
|--|----------|--------|
| <input type="checkbox"/> First Approach | Method : | Date : |
| <input type="checkbox"/> Subsequent Approached | Method : | Date : |
| <input type="checkbox"/> Appointment | Method : | Date : |
| | First | Date : |
| | Second | Date : |
| | Third | Date : |
| <input type="checkbox"/> Business Proposal : _____ Delivery Time _____ | | |
| <input type="checkbox"/> Business Proposal reviewed with client : _____ Date _____ | | |
| <input type="checkbox"/> Client Decision : _____ | | |

Account Registration form

Agent's Detail

Agent Name _____

Agency _____

Date _____

Contact Numbers _____

Company Detail

Company Name _____

Contact Person _____

Position _____

Contact Number _____

Number of Staff Industry _____

Location / Address _____

Appointment / Interview _____

First Date _____

2nd Date _____

3rd Date _____

Business Proposal Presentation _____ Date _____

Business Proposal Reviewed with client _____ Date _____

ENROLLMENT CHECKLIST

Name of Business _____ Key Decision Maker _____

Address _____ Personnel Supervisor _____

City _____ State _____ Zip _____ Payroll Supervisor _____

Telephone _____ Other _____

Fax _____ Other _____

Payroll Information

Total No of Employees _____ Payroll Frequency _____ Deduction Freq _____

First Deduction Date _____ First Billing Date _____

Billing Order _____

Announcement Letters

Approved by _____ Date _____ Delivered to _____ Date _____

Scheduled List by Date _____ Confirmation Date _____ *

Department Head Orientation Meeting

Scheduled List by Date _____ Confirmation Date _____

Department Heads

Name	Department	Group Meeting Date
------	------------	--------------------

Individual Enrollment

WORKSITE MARKETING

COMPANY PROFILE FORM

Company : _____ Contact Person : _____

Tel : _____ Fax : _____ Date : _____

1. What is the business nature of your company ?	
2. How many employees do you have ?	
3. How many employees are Manual Workers / Sales / Clerical ?	
4. Do they need to travel outside the country for business ?	
5. How many locations does your company have ?	
6. Where are they located ?	
7. What are they existing employee's benefits of your company ?	
8. Does the benefit cover staff only ?	
9. Does the benefit cover accident during working hours only ?	
10. Was there any malor accident suffered by your staff in the last two years ?	

TELEPHONE CONTACT SHEET

Date _____

Name of Company _____

_____ ID _____

Contact Person : _____ Position : _____

Tel : _____ Fax : _____

First call _____ / _____ Y/N _____

Second call _____ / _____ Y/N _____

Third call _____ / _____ Y/N _____

Insurance Protection Plan : _____

Contact Attitude :

Objectives :

- Existing insurance coverage
- Satisfied with existing insurer
- No further needs
- Busy, no time to discuss
- Reject to have a meeting
- Call back if interested in it
- Others, please specify

Promise to do something _____

Suggestion for the next call _____

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