

CONDITIONS FOR THE GROWTH OF INSURANCE IN DEVELOPING COUNTRIES

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Sales of automobiles in Thailand have surged enormously this year, as the 1997 recession begins to loosen its grip. Auto insurers are of course delighted with the new business which this brings. They have had lots of thinking time since 1997, time to improve their competence in handling this notoriously difficult account which is tempting for its cash flow but frightening for the effect which severe competition has on the ability to charge adequate premiums. The insuring public has also become more sophisticated, and many now look beyond price, to the quality of service.

It is interesting, therefore, to examine some findings of a 1997 survey of auto insurance consumers in Thailand, as these are of relevance to Thai insurers who are preparing themselves to face the even greater competition which liberalization of their industry will bring.

The main features of the survey will be described, followed by presentation of the findings. These will then be discussed, with an exploration of the implications which they have and what could be done.

The survey was conducted in 1997 by undergraduates in the Risk Management Faculty of Assumption University. 1,3750 motor policyholders, chosen at random, completed a questionnaire (each question being followed by a tick-box which allowed for a 5-point scale answer). The themes investigated were:

1. understanding of auto insurance contracts
2. services by insurance companies
3. claims practices of insurance companies
4. services by insurance agents

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