

Press Release

No. 219/2019
18 September 2019

Insurance Ratings Outlook 2020

TRIS Rating Co., Ltd. and S&P Global Ratings today co-hosted a seminar in Bangkok titled "Insurance Ratings Outlook 2020". Mr. Sakda Pongcharoenyong, President of TRIS Rating, together with senior analysts from S&P Global Ratings and honorary guests from the Office of Insurance Commission, the Thai General Insurance Association, and Thaivivat Insurance PCL, shared their perspectives on the 2020 outlook for the Thai and wider Asia-Pacific non-life insurance industry.

The half-day seminar, held at the St. Regis Hotel, started with the opening remarks from Mr. Chuchatr Pramoolpol, Deputy Secretary, General Supervision, at the Office of Insurance Commission. After that, Ms. Eunice Tan, Senior Director from S&P Global Ratings, and Mr. Kheedhej Anansiriprapha, Executive Director of the Thai General Insurance Association, presented their views on the 2020 outlook for insurers in Asia-Pacific and Thailand, respectively. Dr. Chayanin Kerdpholngarm, Assistant Secretary General, at the Office of Insurance Commission, also provided an update on the proposed risk-based capital framework Phase 2 (RBC 2), which is expected to be implemented by the end of 2019.

Ms. Tan commented: "Over the next few years, Asia-Pacific insurers will be kept busy with the rollout of various regulatory and accounting updates affecting the industry. While these updates will speed up the sector's knowledge of risk and capital management, there are operational challenges to overcome. In particular, senior executives within the region's insurance companies will need to review their business strategies to cope with these changes, amid potential economic headwinds and more volatile investment markets."

During the seminar, Ms. Narumol Charnchanavivat, Head of Financial Institutions at TRIS Rating announced the release of TRIS Rating's Insurance Rating Methodology, which is applicable to both life and non-life insurers. The rating framework used for rated insurers is largely consistent with TRIS Rating's rating framework for other types of entities, including corporates, banks and non-bank financial institutions. In addition to industry risk analysis, the insurance rating criteria also capture business risk and financial risk profiles of rated insurers. Specifically for non-life insurers, the focus is on the insurers' capital strength, liquidity risk and reserve adequacy. The assigned rating, Financial Strength Rating or FSR, indicates an insurer's capacity to pay its insurance claim and benefit obligations to policyholders. Details of the Insurance Rating Methodology are available on www.trisrating.com.

The seminar concluded with a panel discussion on the challenges facing the region's non-life insurance industry. Panel members included Mr. Jiraphant Asvatanakul, President of Thaivivat Insurance, Mr. Kheedhej Anansiriprapha, Executive Director of the Thai General Insurance Association, and analytical representatives from S&P Global Ratings.

Contact: Kornkamol Thavisin (Kip)
Tel: +6681 833 4242



TRIS Rating Co., Ltd./www.trisrating.com

Contact: santaya@trisrating.com, Tel: 0-2098-3000/Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand

© Copyright 2019, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution, or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at http://www.trisrating.com/en/rating_information/rating_criteria.html.