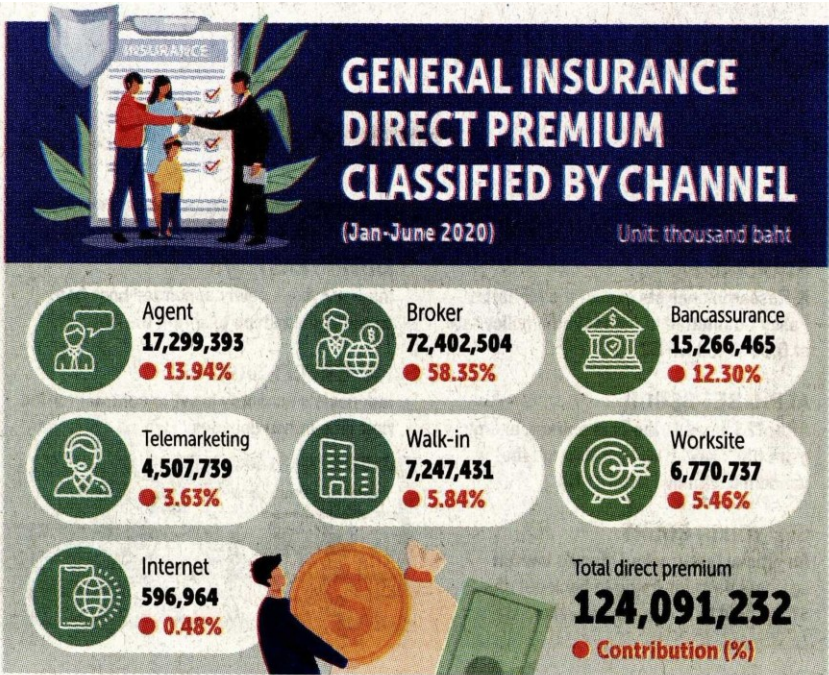


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# Sansiri makes foray into insurance with Hugs brokerage



Source: Office of Insurance Commission

BANGKOK POST GRAPHICS

DARANA CHUDASRI

SET-listed developer Sansiri Plc has invested 25 million baht in a new venture, Hugs Insurance Broker Co, via wholly owned subsidiary Sansiri China Co to diversify into new business segments.

Hugs Insurance Broker was incorporated Monday with initial capital worth 100 million baht with a par value of 100 baht per share. The largest stake is held by Sansiri China Co at 25%.

The other major shareholders are Tienbhan Bunsongsikul and Brookton Capital Ltd, holding 20% each. Seamico Securities Plc and Finansia Plc hold 7.5% each, while Wealthy Holding holds 7%.

Sansiri chief executive Apichart Chutrakul said the investment takes the company into new business segments to support its core business.

The funding came from internal cash flow.

Therdsak Thaveethiritham, an

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**The investment takes the company into new business segments to support its core business.**

**APICHART CHUTRAKUL**  
Chief executive, Sansiri

analyst at Asia Plus Securities, said the investment is part of business diversification for continuing growth.

“Sansiri’s total revenue used to reach 40 billion baht per year in past years, and seems to have reached a saturation point,” Mr Therdsak said. “We can see

Sansiri has to diversify into other related businesses such as hotels and startups to contribute additional revenue.”

Other real estate companies such as Land & Houses Plc have also diversified with investment in financial companies, while SC Asset Corporation Plc has expanded into offices, hotels and foreign investments.

Mr Therdsak said the initial investment in insurance brokerage is too small to affect the giant brokers at this time.

“My guess is that Sansiri may seek a niche segment to serve,” he said.

The insurance market still has room to grow because of the low insurance penetration rate.

“Covid-19 and new practices are opening a new window of opportunity for brokers to grab retail segments, compared with the past when most brokers looked for wholesale segments with higher margins than those in the retail segment,” said Anon Vangvasu,

president of the Thai General Insurance Commission.

Online brokers entered the market about five years ago with companies such as Silkspan, Roojai.com, Rabbit and GoBear, as well as TQM — the SET-listed member that drew public interest for its Covid-19 insurance and market cap size.

“Online brokers are growing faster than face-to-face brokers and other online insurance products,” Mr Anon said.

He said total direct premiums of general insurance (non-life) exceed 200 billion baht a year and remain attractive as contracts are renewed yearly.

New players can gain market share by replacing existing customers (who want to change brokers or insurances) or create new segments.

“The newcomers can create advantages by bringing technology to help manage costs and provide better services,” Mr Anon said.