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Allianz Ayudhya Assurance recently announced a strong operational report for the first six months of the year, despite the economic downturn triggered by the COVID-19 pandemic, generating a 5% growth in health annualized new premiums (ANP). The performance was strengthened by the fact that the company was able to use all its sales channels (Agency, Bancassurance and Direct Marketing) while at the same time introducing “New Normal” approaches to improve sales performances, aiming to drive a 10% growth in health business, from the use of its multiple channel strategy, by the end of 2020.

Bryan Smith President & CEO of Allianz Ayudhya Assurance Public Company Limited said that “the first half of 2020 was a challenging time for all businesses, including insurance, due to the COVID-19 pandemic. However, Allianz Ayudhya’s performance is on track having generated a 5% growth in Health sales with Annual New Premiums (ANP) of 1.057 billion baht. Notably, the health sales from the agency channel grew 16.3% to 477 million baht. The company’s quick adoption of the “New Normal” approaches to enable non face-to-face sales by using Allianz Discovery, Allianz’s proprietary mobile sales support tool, to drive a faster and easier sales process, has helped the strong agency performance. In addition, the shift in consumer demand towards healthcare during the crisis, has greatly contributed to the company’s success as the company has been focused for many years on growing our market share in Health insurance with our clear channel, product and digital strategies. As a result, in spite of the crisis, the company’s total ANP grew at a stable 0.1% to 2.825 billion baht premium”

The COVID situation has driven Thai consumers to use more online services. Health premiums received through the digital channel grew 13.35% to 13 million baht. In addition, with the increasing economic pressure during the crisis, we have seen the number of clients requesting insurance loans through the “My Allianz” mobile application increase from 840 to 2,760 cases, in the last 4 months.

This is an increase of 330% compared to the same period last year, reflecting the ongoing slowdown of the economy.

Globally in Asia Pacific, Allianz's operating profits for the first half of the year were down 4.3% to €249 million (US$296 million) with total revenues up 12.7% to €3.6 billion (US$4.27 billion).

Life & health operating profit was down 9.1% to €191 million (US$227 million), with ANP decreasing 7.7% to €447 million (US$531 million). However, Property & Casualty (P&C) revenues rose 21.3% to €659 million (US$782 million), with operating profit up 16% to €58 million (US$69 million).

The P&C business saw a positive contribution from the majority of markets in the region, including particularly strong returns in China, Malaysia and Thailand. P&C operating profit was driven by higher profits in Malaysia, Sri Lanka and Thailand. Meanwhile the COR improved 0.5% to 97.3% compared with H1 2019, driven by improvements in both expense and loss ratios.

Solmaz Altin, regional chief executive, Allianz Asia Pacific, commented: "The implications of local lockdowns and ongoing economic uncertainty depressed spending and unsettled consumer behavior in the first half – this had a direct impact on the demand for goods and services."

Altin added: "In March, Allianz entered into a life insurance joint venture with AEON Financial Service (AFS) to develop and market life insurance solutions to local customers in Japan. [And] recently, Allianz successfully secured a composite license to expand its presence in Singapore to better serve the local retail and SME market."

He continued: "Prior to expanding into the life insurance arena, the business plans to first bring general insurance products to the market via various distribution channels including its bank partner, agents, financial advisers, brokers and partnerships."

Allianz Insurance Singapore is expected to be fully operational in the second half of the year.