BGH sees promising insurance prospects

POST REPORTERS
Bangkok Dusit Medical Services Plc (BGH), the country’s largest hospital group, is poised to jump on the health insurance bandwagon, foreseeing promising prospects on the back of its extensive hospital network and increasing demand for health coverage by Thais.

Board member Pongsak Viddayakorn said BGH will operate a wholly owned health insurance firm named Bangkok Health Insurance Co starting two or three years from now.

First, the company must accrue sufficient business experience in this area through its Bangkok Premier Life Insurance Broker Co, he said.

Dr Pongsak said the future Bangkok Health Insurance has already received an operating licence from the insurance commissioner.

Bangkok Premier Life Insurance Broker was established two years ago with registered and paid-up capital of 4 million baht to sell life insurance.

Dr Pongsak said the two insurance firms were set up due to the tremendous growth potential in this area, given the consistently rising costs of medical treatment and other services.

“Health-care costs are rising rapidly, at more than double the inflation rate each year,” said Dr Pongsak.

“More Thais are buying coverage to protect themselves against hefty medical expenses. And since we operate a number of hospitals nationwide that help us to control hospital costs, we foresee bright business prospects for health insurance.”

Bangkok Premier Life Insurance Broker yesterday teamed up with Muang Thai Life Assurance to offer tailored health coverage co-designed by the two firms.

Sara Lamsam, Muang Thai Life’s president and chief executive, said the partnership with BGH will help his company to add hospitals as a distribution channel.

BGH operates Bangkok, Samitivej, BNH, Phayathai and Paolol Memorial hospitals among others.

Dr Pongsak earlier said the company plans to expand its hospital network to at least 35 by 2015 from 29 now to prepare for stiff competition under the Asean Economic Community from 2015.

BGH shares closed yesterday on the SET at 100 baht, down 50 satang, in trade worth 53.6 million baht.