

Research Title : FINANCIAL STRENGTH ANALYSIS FOR LIFE INSURANCE INDUSTRY IN
THAILAND DURING 2002-2006

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Abstract

The objectives of this research were to analyse 24 insurance companies' operation by using their financial ratios and compare the financial stabilities and overall operation between public and private companies by statistical experimenting of average ratios using T-test.

The secondary data in terms of financial ratios of the year 2002-2006 reported in the annual report on the website of the Thai Life Assurance Association was used to study and compare 10 financial ratios.

The analysis results of the business operation of each company from 24 companies indicate that there are 5 companies or 20.83% which have the liquidity ratios above average, 12 companies or 50% which have the operation efficiency above average, 8 companies or 33.33% which have debt ratios below average and 13 companies or 54.17% which have profitability ratios above average.

The comparison of financial stabilities and the overall operation of the public and private companies by using hypothesis testing which said that the public companies have the stronger financial stabilities and better overall operation than the private companies. The study shows that the public companies have the stronger financial stabilities and better overall operation than private companies.