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Appendices

Appendix I

Concept of the Balance of Payments Manual

- **Definition of the Balance of Payments**

Balance of Payments statistics are included in a broad set of economic statistics known as the national accounts. The System of National Accounts 1993 (1993 SNA) presents the conceptual framework for the national accounts, and the fifth edition (1993) of the Balance of Payments Manual (the BPM) presents the conceptual framework and the structure and classification of the balance of payments. The high level of concordance between the 1993 SNA and the BPM is extremely important.

As defined in the BPM, the balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and nonresidents, consist of those involving goods, services, and income; those involving financial claims on, and liabilities to, the rest of the world; and those (such as gifts) classified as transfers, which involve offsetting entries to balance-in an accounting sense one-sided transactions.

The balance of payments is concerned with transactions and thus deals with flows rather than with stocks. That is, the balance of payments deals with economic events that take place during a reference period and not with outstanding totals of economic assets and liabilities that exist at particular moments in time.

The initial focus is on transactions (between an economy and the rest of the world) in goods, services, and income. Under what circumstances does an international economic occurrence constitute a transaction in the BOP sense of the world? In the framework of the national accounts, transactions in goods, services, or income are the provision, by one party to another, of real resources of this kind. Thus defined, a transaction involves two parties or transactors. It is not always clear, however, that there are two parties. Real resources are often transferred internationally from one constituent unit to another within the same legal entity. (For example, real resources may be transferred between a branch and the head office of a multinational enterprise.) It is equally difficult to determine whether transactions take place when individuals migrate and transfer assets from their former to their new countries. How should real resources that accompany migrating individuals be regarded? Such movements of resources do not involve two parties although, in the process, the wealth of some economies is diminished (countries of migration) and the wealth of other economies is increased (countries of migration). When individuals

migrate, the economic impact of the shifts in real resources is similar to that of flows of resources between two parties. It is therefore possible to regard this shifts as transactions in a restricted sense. The determination of what constitutes a transaction must not be made strictly on the basis of logic but through adoption of generally agreed-upon conventions. For the sake of convenience, the term transaction is often used broadly in the BPM to refer to any sort of flow or change that is, by convention, shown in the balance of payments.

The BPM definition of the balance of payments also includes transaction in an economy's external financial assets and liabilities. These transactions arise from (a) the creation or extinction of an external financial asset or liability or (b) from a change in the ownership of an existing external financial asset and liability. Transaction that involve external financial assets and two resident parties and transaction that involve external financial liabilities and two nonresident parties are, theoretically, included in the balance of payments. Often, these transactions are transparent in the BOP presentation. However, some BOP presentations explicitly reflect these transactions if (for transactions in external financial assets) the two residents are in different sectors of the economy or if (for transactions involving external financial liabilities) the two nonresidents are residents of different countries.

- **Definition of Residents**

The residents of an economy comprise the following types of economic units;

households and individuals who make up a household

enterprises (which are corporations and Quasi-corporations such as branch offices of nonresident direct investors)

nonprofit institutions

the government of the economy

To be a resident of an economy, an economic unit must have a center of economic interest in that economy. A unit has a center of economic interest within a country when there exists some location (dwelling, place of production, or other premises within the economic territory of the country) no, in, or from which the unit engages and intends to continue engaging (either indefinitely or over a finite but lengthy period of time) in economic activities and transactions on a significant scale.

- **Classifying Balance of Payments Transactions**

The standard components are grouped under two major heading: the current account and the capital and financial account. The current account is further subdivided into three broad categories : goods and services (which is subdivided into the two items), income, and current transfers. The capital and financial account includes, in the capital account, capital transfers and transactions in an economy's non-produced, nonfinancial assets (such as patents and copyrights) and, in the financial account, transactions in an economy's external financial assets and liabilities.

Goods, Services, and Income

The standard components covering goods, services, and income are designed to reflect the provision or acquisition of real resources by the reporting economy to or from the rest of the world. Flows recorded as credits measure that portion of the reporting economy's domestic product provided to other economies (exports of goods and services) as well as the reporting economy's factors of production (compensation of employees and investment income) used in the productive process in the rest of the world. Flows recorded as debits measure acquisition of the rest of the world's domestic product (imports of goods and services in the reporting economy's balance of payments) and the reporting economy's use of nonresident factors of production. According to the BPM, transactions in goods, services, and income should be presented on a gross basis; that is, debit entries are shown separately from credit entries.

Effective compilation of data on goods, services, and income for the balance of payments requires classification as well as definition. While it is usually important to know the total value of an economy's exports, any meaningful analysis of year-to-year changes in the export total will require disaggregation. Total goods, services, and income represent an aggregate of many different elements responding to widely varying economic influences, and analysis of the separate movements of the major elements is obviously necessary. However, the balance of payments would become most unwieldy if every commodity traded, every service performed, and every type of income receivable were listed as separate components. Goods, services, and income must therefore be classified—that is, grouped into categories containing items that behave similarly in response to a particular stimulus. Conversely, it may sometimes be necessary to combine elements that are not entirely similar in order to limit the number of standard components and to prevent the creation of a large and unwieldy BOP statement. For this reason, flows of goods, services, and income that behave with only a certain degree of similarity may be classified in the same standard component or subgroup. Furthermore, classification on the basis of economic criteria must

often be modified for statistical convenience. Transactions typically recorded together in source data may have to be classified in the same standard component.

The goods and services and income components cover three types of transactions : (1) changes in ownership- which can be legal or imputed-of goods, (2) performance of services, and (3) accrual of income. In spite of the clear theoretical distinction between commodities and services, it is sometimes difficult in practice to make the classification.

Current Transfers

The BOP current account includes current transfers as well as transactions in real resources. Transfers are offsetting entries to the provision, without a quid pro quo, of real or financial resources. Transfers are classified as current or capital. Current transfers offset the provision of real or financial resources that are immediately consumed or those that are consumed shortly after the transfer is made. For example, a cash grant from a nonresident is used to buy wheat for immediate consumption. The grant is a current transfer as the provision of cash and the consumption of wheat are closely related.

The relationship between current transfers and consumption is the basis for including current transfer in the current account. Current transfers, along with transactions in real resources, have a direct and immediate impact on an economy's opportunities for consumption in any specific period.

Credit entries recorded under current transfers reflect offsetting entries to the compiling economy's receipt, without a quid pro quo, of real or financial resources. Debit entries are offsets to the compiling economy's provision, without a quid pro quo, of real or financial resources. As with transactions in goods and services and in income, gross credit and debit entries are separately shown for current transfers in the standard components of the balance of payments.

Capital Account

The capital account, which is a subdivision of the capital and financial account, includes an economy's transactions with nonresidents in non-produced, nonfinancial assets (such as patents, copyrights, and licenses) and in capital transfers. These transactions are separated from transactions recorded in the current account because capital account transactions are not directly related to the processes of production and consumption. The capital account of the balance of payments is synonymous with the capital account

of the SNA. Gross credit and gross debit entries should be shown separately for capital account transactions.

There is an important distinction between (1) non-produced, nonfinancial assets and (2) services produced from these assets. These services, which are generically called royalties and licensing fees, are recorded (along with all other transactions in services involving residents and nonresidents) in the services component of the current account.

Offsets to transactions in capital transfers can be recorded in the current account or in the capital or financial components of the capital and financial account. A transfer is classified as capital if the transfer involves the provision of a capital asset or if the transfer involves the provision of a financial asset and that financial asset is linked to the acquisition or disposal of a capital asset. A capital asset is any nonfinancial asset that can produce a stream of services over time.

Financial account

Transactions in the compiling economy's financial assets and liabilities are recorded in the financial account, which is a subdivision of the capital and financial account. The financial account shows how an economy's BOP transactions are financed. If an economy's savings exceed its investment, the surplus must be reflected in net financial outflow or net financial investment in the rest of the world. This financial outflow finances, in turn, the acquisition of nonfinancial resources by other economies. If an economy's saving are less than investment, the economy will be a net importer of nonfinancial assets from the rest of the world. These net imports must be financed by a net financial inflow from the rest of the world.

Financial account transactions are classified by (1) functional type of investment (direct investment, portfolio investment, other investment, and reserve assets); (2) assets and liabilities or, in the case of direct investment, direction of investment; (3) type of instrument (for example, equity, debt securities, and loans); and, in some cases, by (4) domestic sector and (5) Original contractual maturity. The similarity of this classification to the one used for the investment income component of the current account permits consistency of analysis between these closely related BOP components.

Users of BOP statistics are generally interested in net, rather than gross, financial account transactions. For this reason, it is recommended in the BPM that-for the most part-financial account items be shown as net credit (financial inflow) or net debit (financial outflow) entries.

International Investment Position

The classification scheme presented in the BPM for the IIP statement, which shows an economy's stock of external financial assets and liabilities at a particular point in time, is similar to the classification scheme used for the financial account and the investment income portion of the current account. This similarity of classification reflects the close relationship between the IIP statement and these two components of the balance of payments.

It is suggested in the BPM that the IIP statement be presented in the form of a reconciliation between positions existing at two points in time. Changes occurring over time in an economy's international investment position can be the result of (1) transactions that are recorded in the financial account of the balance of payments or (2) other changes, such as changes in prices of assets and liabilities or changes in the exchange rate of the unit of account vis-a-vis the currency in which the assets and liabilities are denominated. Unilateral actions (such as the monetization of gold and debt write-offs) that create or destroy financial assets are another cause of non-transaction changes in stocks of financial assets and liabilities.

Balance of Payments : Standard Components

	Credit	Debit
1. Current Account		
A. Goods and services		
a. Goods		
1. General merchandise		
2. Goods for processing		
3. Repairs on goods		
4. Goods procured in ports by carriers		
5. Nonmonetary gold		
5.1 Held as a store of value		
5.2 Other		
b. Services		
1. Transportation		
1.1 Sea transport		
1.1.1 Passenger		
1.1.2 Freight		
1.1.3 Other		
1.2 Air transport		
1.2.1 Passenger		
1.2.2 Freight		
1.2.3 Other		
1.3 Other transport		
1.3.1 passenger		
1.3.2 Freight		
1.3.3 Other		
2. Travel		
2.1 Business		
2.2 Personal		
3. Communications services		
4. Construction services		
5. Insurance services		
6. Financial services		
7. Computer and information services		
8. Royalties and license fees		
9. Other business services		
9.1 Merchanting and other trade-related services		
9.2 Operational leasing services		
9.3 Miscellaneous business, professional, and technical services		
10. Personal, cultural, and recreational, services		
10.1 Audiovisual and related services		
10.2 Other personal, cultural, and recreational services		
11. Government services, n.i.e.		

Balance of Payments : Standard Components

	Credit	Debit
B. Income		
1. Compensation of employees		
2. Investment income		
2.1 Direct investment		
2.1.1 Income on equity		
2.1.1.1 Dividends and distributed branch profits		
2.1.1.2 Reinvested earnings and undistributed branch profits		
2.1.2 Income on debt (interest)		
2.2 Portfolio investment		
2.2.1 Income on equity (dividends)		
2.2.2 Income on debt (interest)		
2.2.2.1 Bonds and notes		
2.2.2.2 Money market instruments and financial derivatives		
2.3 Other investment		
C. Current transfers		
1. General government		
2. Other sectors		
2.1 Workers' remittances		
2.2 Other transfers		
2. Capital and Financial Account		
A. Capital account		
1. Capital transfers		
1.1 General government		
1.1.1 Debt forgiveness		
1.1.2 Other		
1.2 Other sectors		
1.2.1 Migrants' transfers		
1.2.2 Debt forgiveness		
1.2.3 Other		
2. Acquisition/disposal of non-produced, nonfinancial assets		
B. Financial account		
1. Direct investment		
1.1 Abroad		
1.1.1 Equity capital		
1.1.1.1 Claims on affiliated enterprises		
1.1.1.2 Liabilities to affiliated enterprises		
1.1.2 Reinvested earnings		
1.1.3 Other capital		
1.1.3.1 Claims on affiliated enterprises		
1.1.3.2 Liabilities to affiliated enterprises		

Balance of Payments : Standard Components

	Credit	Debit
1.2 In reporting economy		
1.2.1 Equity capital		
1.2.1.1 Claims on direct investors		
1.2.1.2 Liabilities to direct investors		
1.2.2 Reinvested earnings		
1.2.3 Other capital		
1.2.3.1 Claims on direct investors		
1.2.3.2 Liabilities to direct investors		
2. Portfolio Investment		
2.1 Assets		
2.1.1 Equity securities		
2.1.1.1 Monetary authorities		
2.1.1.2 General government		
2.1.1.3 Banks		
2.1.1.4 Othe sectors		
2.1.2 Debt securities		
2.1.2.1 Bonds and notes		
2.1.2.1.1 Monetary authorities		
2.1.2.1.2 General government		
2.1.2.1.3 Banks		
2.1.2.1.4 Other sectors		
2.1.2.2 Money market instruments		
2.1.2.2.1 Monetary authorities		
2.1.2.2.2 General government		
2.1.2.2.3 Banks		
2.1.2.2.4 Other sectors		
2.1.2.3 Financial derivatives		
2.1.2.3.1 Monetary authorities		
2.1.2.3.2 General government		
2.1.2.3.3 Banks		
2.1.2.3.4 Other sectors		
2.2 Liabilities		
2.2.1 Equity securities		
2.2.1.1 Banks		
2.2.1.2 Other sectors		
2.2.2 Debt securities		
2.2.2.1 Bonds and notes		
2.2.2.1.1 Monetary authorities		
2.2.2.1.2 General government		
2.2.2.1.3 Banks		
2.2.2.1.4 Other sectors		
2.2.2.2 Money market instruments		
2.2.2.2.1 Monetary authorities		

Balance of Payments : Standard Components

Credit Debit

- 2.2.2.2.2 General government
- 2.2.2.2.3 Banks
- 2.2.2.2.4 Other sectors
- 2.2.2.3 Financial derivatives
 - 2.2.2.3.1 Banks
 - 2.2.2.3.2 Other sectors
- 3. Other investment
 - 3.1 Assets
 - 3.1.1 Trade credits
 - 3.1.1.1 General government
 - 3.1.1.1.1 Long-term
 - 3.1.1.1.2 Short-term
 - 3.1.1.2 Other sectors
 - 3.1.1.2.1 Long-term
 - 3.1.1.2.2 Short-term
 - 3.1.2 Loans
 - 3.1.2.1 Monetary authorities
 - 3.1.2.1.1 Long-term
 - 3.1.2.1.2 Short-term
 - 3.1.2.2 General government
 - 3.1.2.2.1 Long-term
 - 3.1.2.2.2 Short-term
 - 3.1.2.3 Banks
 - 3.1.2.3.1 Long-term
 - 3.1.2.3.2 Short-term
 - 3.1.2.4 Other sectors
 - 3.1.2.4.1 Long-term
 - 3.1.2.4.2 Short-term
 - 3.1.3 Currency and deposits
 - 3.1.3.1 Monetary authorities
 - 3.1.3.2 General government
 - 3.1.3.3 Banks
 - 3.1.3.4 Other sectors
 - 3.1.4 Other assets
 - 3.1.4.1 Monetary authorities
 - 3.1.4.1.1 Long-term
 - 3.1.4.1.2 Short-term
 - 3.1.4.2 General government
 - 3.1.4.2.1 Long-term
 - 3.1.4.2.2 Short-term
 - 3.1.4.3 Banks
 - 3.1.4.3.1 Long-term
 - 3.1.4.3.2 Short-term

Balance of Payments : Standard Components

	Credit	Debit
3.1.4.4 Other sectors		
3.1.4.4.1 Long-term		
3.1.4.4.2 Short-term		
3.2 Liabilities		
3.2.1 Trade credits		
3.2.1.1 General government		
3.2.1.1.1 Long-term		
3.2.1.1.2 Short-term		
3.2.1.2 Other sectors		
3.2.1.2.1 Long-term		
3.2.1.2.2 Short-term		
3.2.2 Loans		
3.2.2.1 Monetary authorities		
3.2.2.1.1 Use of Fund credit and loans from the Fund		
3.2.2.1.2 Other long-term		
3.2.2.1.3 Short-term		
3.2.2.2 General government		
3.2.2.2.1 Long-term		
3.2.2.2.2 Short-term		
3.2.2.3 Banks		
3.2.2.3.1 Long-term		
3.2.2.3.2 Short-term		
3.2.2.4 Other sectors		
3.2.2.4.1 Long-term		
3.2.2.4.2 Short-term		
3.2.3 Currency and deposits		
3.2.3.1 Monetary authorities		
3.2.3.2 Banks		
3.2.4 Other liabilities		
3.2.4.1 Monetary authorities		
3.2.4.1.1 Long-term		
3.2.4.1.2 Short-term		
3.2.4.2 General government		
3.2.4.2.1 Long-term		
3.2.4.2.2 Short-term		
3.2.4.3 Banks		
3.2.4.3.1 Long-term		
3.2.4.3.2 Short-term		
3.2.4.4 Other sectors		
3.2.4.4.1 Long-term		
3.2.4.4.2 Short-term		

Balance of Payments : Standard Components

Credit Debit

- 4. Reserve assets
 - 4.1 Monetary gold
 - 4.2 Special drawing rights
 - 4.3 Reserve position in the Fund
 - 4.4 Foreign exchange
 - 4.4.1 Currency and deposits
 - 4.4.1.1 With monetary authorities
 - 4.4.1.2 With banks
 - 4.4.2 Securities
 - 4.4.2.1 Equities
 - 4.4.2.2 Bonds and notes
 - 4.4.2.3 Money market instrument and financial derivatives
 - 4.5 Other claims

Appendix II

Example of Recording Insurance Transactions in the Balance of Payments

Insurance services cover the provision of various types of insurance to nonresidents by resident insurance enterprises and vice versa. This item covers many types of insurance, including insurance on freight, accident insurance, marine insurance, fire insurance, reinsurance, life insurance, and commercially provided pension and annuity services. To classify insurance services correctly in the balance of payments, a distinction should be made between nonlife (casualty) insurance and life insurance, which includes commercially provided pension and annuity services.

Nonlife Insurance

Conceptually, the “normal” service charge that an insurer takes into account in setting premiums during a specific period may not be the same as the net premiums (premiums minus claims) payable during that period. Losses may be greater or lesser than those expected in the longer run; claims may not yet be payable on losses that have already occurred; and premiums may have been paid in advance on risks to which the insurer has not yet been exposed. Therefore, in principle, net premiums may reflect not only a service charge but also capital gains/ losses and pre- or postpayments. Furthermore, insurers will invest their unearned premiums (premiums paid in advance of period in which any claims that may result from these premiums are incurred), and income earned from these investments will also be taken into account by the insurer in determining the “normal” service charge. Because of the practical difficulties in sorting out these various elements, net premiums are customarily considered-for BOP purposes- the measure of insurance services from the point of view of the insurer. This method is therefore recommended in the BPM for determining exports of all types of insurance services and imports of reinsurance services.

However, if each individual insurance transaction (or a subset of an insurance enterprise’s transactions) is considered, net premiums become a very poor proxy of the measure of insurance services. When a premium of 10,000 units is paid on a policy, the service charge represents only a fraction of this amount. The remainder represents money transferred to the insurance enterprise to pay future claims in respect of this or other policies. Likewise, a claims of 50,000 units does not represent a “negative service” provided by the insurance enterprise. The claim simply reflects a transfer of funds from the insurance enterprise to the claimant. For these reasons, the BPM recommendation is that, for imports of insurance services, the service provided should be calculated--in the case of insurance on goods--by applying to the gross premiums paid to nonresident insurers the ratio of insurance services to gross premiums for exports of insurance services or--in

the case of other direct insurance--by applying to gross premiums paid to nonresident insurers the ratio of estimated service charges to total premiums for resident insurers. Other flows of money between the resident insured and the nonresident insurer--that is, premiums payable minus the estimated service charge and claims receivable--are regarded as transfers.

The following example illustrates the recording of insurance services in the balance of payments. An insurance company resident in Algornia insures residents of Coonawarra, Cromania, Dromesia, and Essendonia against the risk of damage from hurricanes. Premiums of 4,000 units are received from each country. During the accounting period, a claim of 10,000 units is made as a result of storm damage suffered in Coonawarra. In accordance with recommendations in the BPM, the insurance services provided by the insurer are equal to the premiums received minus any claims paid. Thus, the following BOP entries would be made for Algornia:

	Credit	Debit
Insurance services	6,000	
Current transfers	10,000	10,000
Reserve assets (or other appropriate financial account item)		6,000

The transfer items represent, for debits, claims payable and, for credits, premiums receivable minus the insurance service charge. While these entries are net across all transactions, such will not be the case at the regional level.

On the basis of information contained in above paragraph, the insurance service charge per unit of premium for this type of insurance may be calculated as 6,000 units (net premiums) divided by 16,000 units (gross premiums), or 0.375. Therefore, the insurance service received by Coonawarra, Cromania, Dromesia, and Essendonia is 0.375 times the premium paid (4,000 units), or 1,500 units each. This result makes sense, as each country received exactly the same insurance coverage from Algornia.

BOP entries for Coonawarra, Cromania, Dromesia, and Essendonia may now be constructed. Entries for Cromania, Dromesia, and Essendonia are identical.

	Credit	Debit
Insurance services		1,500
Current transfers*		2,500*
Reserve assets (or other appropriate financial account item)	4,000	

*The transfer debit entries represent premiums paid minus the service charge.

For Coonawarra, the following BOP entries are required:

	Credit	Debit
Insurance services		1,500
Current transfers*	10,000	2,500*
Reserve assets (or other appropriate financial account item)		6,000

*The transfer debit entry is equal to premiums paid minus the service charge. The transfer credit entry is equal to Coonawarra's claims receivable.

As the statistician has the necessary information, it is possible to allocate, for domestic transactions and exports of insurance services, insurance service charges to classes of policyholders in proportion to premiums paid. However, it is difficult to do the same for imports of insurance services as the importers are generally not in a position to determine the proportion of service charges attributable to them. (Therefore, the BPM recommendation is to use ratios derived from the domestic insurance industry.) For imports of insurance services, other proxies must be used to estimate insurance service charges. If this procedure is not feasible (for example, if the type of insurance services under consideration are not exported or if there is no domestic insurance industry for a particular type of insurance), the long-term relationship between premiums paid to nonresidents and claims received from nonresidents could be used to determine approximate service charges. Alternatively, BOP compilers in the exporting country could be contacted for information regarding service charges.

Before the discussion of nonlife insurance services is concluded, it may be useful to consider measures to be taken if claims exceed premiums for exported insurance services or for imports of reinsurance services. Use of the difference between premiums and claims would result in a "negative" service charge, which is a concept that make no economic sense. Therefore, it is recommended that the compiler use the "normal" service charge per unit of premium, which is calculated by using the long-term relationship between premiums and claims, to determine the service charge for the period under consideration. This recalculated insurance service charge would then be used in the calculation of items for insurance services and related transfers.

According to the SNA, on which the BPM treatment of insurance is based, the elements of the insurance industry are:

$$\begin{array}{ccccccccc} \text{Gross} & & \text{Net income} & & & & \text{Charge in} & & & & \\ \text{premiums} & + & \text{from} & = & \text{Claims} & + & \text{actuarial} & + & \text{Service} & & \\ \text{earned} & & \text{investments} & & \text{due} & & \text{reserves} & & \text{charge} & & \end{array}$$

Each of these items should exclude capital gain and losses.

Gross premiums earned cover risk incurred during an accounting period and may be payable during current or previous periods. Net income refers to income from investment of reserves. Claims refer to claims that become due for payment during an accounting period. Actuarial reserves cover reserves against outstanding risks and reserves for with-profits insurance (such as life insurance, prepayments of premiums, and reserves against unsettled claims). The service charge, which implicitly covers administrative costs, is output by the insurance industry and is included as part of production in the national accounts.

While the above equation holds true (in the absence of any capital gains or losses) for providers of insurance services, it does not hold true for acquirers of the services. For the acquirer (or policyholder), the service charge payable should be calculated by applying the ratio of total service charges to total premiums to the premium payable by the policyholder. For each nonlife insurance policy, the difference between premiums payable (plus, when measured, policyholder shares of net income from investments) and the estimated service charge (net premiums) is considered a current transfer, as are all claims due on the policy. For life insurance policies, net premiums and claims reflect transactions to be recorded in the financial account as other investment--other assets/liabilities.

The BPM adopts a simplified treatment and assumes that, for international insurance transactions, changes in actuarial reserves and net income from investments may be ignored. In practice, life insurance transactions between residents and nonresidents are usually negligible and income on actuarial reserves associated with reinsurance flows is also likely to be negligible.

Therefore, the previous equation may be rewritten as:

$$\begin{array}{rcccl} \text{Gross} & & & & \\ \text{premiums} & = & \text{Claims} & + & \text{Service} \\ \text{earned} & & \text{due} & & \text{charge} \end{array}$$

When a resident acquires insurance services from a nonresident, the compiler will probably be unable to approach the nonresident insurer to establish the ratio, which is necessary to calculate BOP transactions, of service charges to total premiums. Accordingly, the BPM recommends that an appropriate ratio from the domestic insurance industry be used. If this ratio cannot be obtained easily --for example, if there is no domestic industry--the compiler should estimate the ratio by using the long-term (five years or more) relationship between premiums earned by nonresidents and claims due from nonresidents. Alternatively, if the majority of services are provided by insurers in one or a few countries, the BOP compiler could

contact his or her counterparts in these countries to establish an appropriate ratio. Data on premiums earned and claims due may not be readily available, and the compiler may use premiums paid and claims paid as proxies. These substitutions may be satisfactory in many instances, but cash-based data should be adjusted to an accrual basis if cash-based data prove to be unsatisfactory proxies.

The following example illustrates the treatment of insurance in the BOP. Insurance enterprises in the economy receive, in respect of casualty insurance, premiums of 100 from nonresidents and pay 85 in claims. Residents pay nonresident insurance enterprises premiums of 60 and receive 20 in claims. The net foreign exchange earnings by resident insurance enterprises are 15 (premiums minus claims); the net foreign exchange payments to nonresident insurance enterprises abroad are 40. The following transactions should be recorded in the BOP:

	Credit	Debit
Services		
Insurance services	15*	9**
Transfers		
Net premiums	85	51
Claims	20	85
Foreign exchange	40	15

*As the reference is to services provided, premiums received (100) less claims paid (85) is a good proxy for this item.

**The service ratio (15 percent) for the domestic industry is applied to premiums paid to nonresident insurers (60) to calculate this item.

In a second example, residents pay nonresident insurers 40 in premiums and receive 70 in claims in respect of casualty insurance. There is no equivalent domestic industry. For this reason, it is necessary to calculate the service ratio by using the long-term relationship between claims received and premiums paid. During the past 10 years, claims have averaged 80 percent of premiums--a fact that implies a service ratio of 20 percent. The following transactions should be recorded in the BOP:

	Credit	Debit
Services		
Insurance services	8*
Transfers		
Net premiums	32
Claims	70
Foreign exchange	30

*The long-term service ratio (20 percent) is applied to premiums paid to nonresident insurers (40) to calculate this item.

Exporters of insurance services may encounter situations in which claims due exceed premiums earned-- typically because of catastrophic events or natural disasters. In these instances, it is inappropriate to measure exports of insurance services by subtracting claims from premiums as no "negative services" have been provided. Instead, the service should be calculated by applying to current period premiums the long-term, average service charge ratio.

Appendix III**List of Data****Table 1 : Income (1990)**

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3)
1. Kamol Sukosol	0	9,375	1,502	0.00	0.00	624.17
2. Guardian (Thai)	49	7,000	13,031	3,430.00	6,385.19	53.72
3. Bangkok	29.87	164,000	331,492	48,986.80	99,016.66	49.47
4. Menam Warehouse	0	800	3,015	0.00	0.00	26.53
5. Commercial	40	20,000	51,453	8,000.00	20,581.20	38.87
6. Khoom Khao	4.41	0	9,712	0.00	428.30	0.00
7. Charan Insurance	1	5,000	11,485	50.00	114.85	43.54
8. China (Thai)	48.67	2,700	4,002	1,314.09	1,947.77	67.47
9. Dhipaya Insurance	0	8,000	9,926	0.00	0.00	80.60
10. Deves	0	6,400	30,281	0.00	0.00	21.14
11. Thai Insurance	26.65	12,000	12,382	3,198.00	3,299.80	96.91
12. Thai Prasit	7.06	0	-20,930	0.00	-1,477.66	0.00
13. Thai Commercial	0.16	2,400	7,641	3.84	12.23	31.41
14. Thai United	2.65	0	3,291	0.00	87.21	0.00
15. Thai Metropole	0.04	0	-10,380	0.00	-4.15	0.00
16. Ocean	0	0	87,470	0.00	0.00	0.00
17. Thai Sreshtakich	0	1,580	9,050	0.00	0.00	17.46
18. Narai International	0	0	-35,322	0.00	0.00	0.00
19. New Zealand (Thai)	49	13,750	15,285	6,737.50	7,489.65	89.96
20. Nam Seng	0.78	0	699	0.00	5.45	0.00
21. Nan Fah	0.15	1,000	1,167	1.50	1.75	85.69
22. Navakij	22.23	4,790	29,635	1,064.82	6,587.86	16.16
23. Bangkok Union	2.15	24,000	19,763	516.00	424.90	121.44
24. The Safety	44.11	12,600	38,223	5,557.86	16,860.17	32.96
25. Sri Muang	28.02	8,250	54,244	2,311.65	15,199.17	15.21
26. International	0.39	2,000	12,226	7.80	47.68	16.36
27. Pacific	0.74	0	11,081	0.00	82.00	0.00
28. Vendome Insurance	25	0	-3,357	0.00	-839.25	0.00
29. Bangkok Thonburi	10.85	889	2,507	96.46	272.01	35.46
30. First Insurance	0	0	-5,014	0.00	0.00	0.00
31. Pipat	0	0	-12,101	0.00	0.00	0.00
32. Paiboon	0.11	6,000	16,391	6.60	18.03	36.61
33. Universal	99.76	30,000	34,586	29,928.00	34,502.99	86.74
34. Phatra	14.77	45,000	132,608	6,646.50	19,586.20	33.93

Table 1 (continued)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
35. Muang Thai Life	24.95	8,250	18,648	2,058.38	4,652.68	44.24
36. Takerng	0	0	7,956	0.00	0.00	0.00
37. E.T.B. Insurance	0	6,000	3,072	0.00	0.00	195.31
38. Rattanakosin	0.01	0	-3,406	0.00	-0.34	0.00
39. Liberty	0	0	22,762	0.00	0.00	0.00
40. Wilson	17.58	4,200	6,915	738.36	1,215.66	60.74
41. Viriyah	0	0	-115,843	0.00	0.00	0.00
42. Ayudhaya	15.88	80,000	241,069	12,704.00	38,281.76	33.19
43. Union Insurance	0	0	5,299	0.00	0.00	0.00
44. Union Prospers	0	1,200	2,284	0.00	0.00	52.54
45. Sahawattana	7.32	560	-459	40.99	-33.60	-122.00
46. Sahasin QBE	0	0	550	0.00	0.00	0.00
47. Samaggi	2	13,750	35,156	275.00	703.12	39.11
48. Sukhumvit	0	0	-28,708	0.00	0.00	0.00
49. Assets	0	0	9,314	0.00	0.00	0.00
50. Synmunkong	0.11	10,500	36,495	11.55	40.14	28.77
51. Sun Alliance	15	0	10,551	0.00	1,582.65	0.00
52. Development	0	0	-945	0.00	0.00	0.00
53. South East	0	0	23,263	0.00	0.00	0.00
54. Interlife	0	0	1,844	0.00	0.00	0.00
55. Erawan	0	0	-11,523	0.00	0.00	0.00
56. Asia International	0.17	0	4,826	0.00	8.20	0.00
57. Thailand Medical	0	0	-272	0.00	0.00	0.00
58. Blue Cross	15	0	6,493	0.00	973.95	0.00
59. Ambassador	0	0	-648	0.00	0.00	0.00
60. Thai Medical Care	10.28	0	-402	0.00	-41.33	0.00
61. Thai Health	0	0	2,476	0.00	0.00	0.00
62. Vanich Insurance	1	0	-1,487	0.00	-14.87	0.00
63. Taisho Marine	100	0	-5,245	0.00	-5,245.00	0.00
64. New India	100	0	253	0.00	253.00	0.00
65. New Hamshire	100	55,000	52,826	55,000.00	52,826.00	104.12
66. A.I.A.	100	0	15,960	0.00	15,960.00	0.00
67. Cigna Property	100	0	22,955	0.00	22,955.00	0.00
Total	1,116.87	566,994.00	1,229,073.00	188,685.69	364,747.04	46.13

Table 2 : Income (1991)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
1. Kamol Sukosol	11.11	0	3,651	0.00	405.63	0.00
2. Guardian (Thai)	1.85	9,000	28,155	166.50	520.87	31.97
3. Bangkok	9.14	230,000	543,337	21,022.00	49,661.00	42.33
4. Menam Warehouse	100	800	2,081	800.00	2,081.00	38.44
5. Commercial	1.14	24,000	62,839	273.60	716.36	38.19
6. Khoom Khao	0.97	11,250	32,435	109.13	314.62	34.68
7. Charan Insurance	1.89	28,958	35,233	547.31	665.90	82.19
8. China (Thai)	48.39	4,000	4,324	1,935.60	2,092.38	92.51
9. Dhipaya Insurance	0	8,000	15,369	0.00	0.00	52.05
10. Deves	0.38	15,000	58,103	57.00	220.79	25.82
11. Thai Insurance	0.97	12,000	12,428	116.40	120.55	96.56
12. Thai Prasit	8.7	0	-9,577	0.00	-833.20	0.00
13. Thai Commercial	1.5	4,000	12,262	60.00	183.93	32.62
14. Thai United	33.33	0	3,302	0.00	1,100.56	0.00
15. Thai Metropole	7.02	0	18,301	0.00	1,284.73	0.00
16. Ocean	0	0	92,419	0.00	0.00	0.00
17. Thai Sreshtakich	0.24	4,800	15,419	11.52	37.01	31.13
18. Narai International	0	0	2,342	0.00	0.00	0.00
19. New Zealand (Thai)	8.33	5,625	3,782	468.56	315.04	148.73
20. Nam Seng	30.39	0	4,479	0.00	1,361.17	0.00
21. Chubb Insurance	14.29	800	1,783	114.32	254.79	44.87
22. Navakij	3.73	12,000	36,072	447.60	1,345.49	33.27
23. Bangkok Union	16.4	24,000	42,401	3,936.00	6,953.76	56.60
24. The Safety	5.21	29,400	46,370	1,531.74	2,415.88	63.40
25. Sri Muang	11.11	10,930	75,485	1,214.32	8,386.38	14.48
26. International	8.33	3,780	20,093	314.87	1,673.75	18.81
27. Pacific	6.48	11,000	43,534	712.80	2,821.00	25.27
28. Vendome Insurance	12.5	0	-9,841	0.00	-1,230.13	0.00
29. Bangkok Thonburi	8.33	1,139	2,877	94.88	239.65	39.59
30. First Insurance	0	0	12,393	0.00	0.00	0.00
31. Pipat	0	0	13,303	0.00	0.00	0.00
32. Paiboon	6.25	8,000	17,082	500.00	1,067.63	46.83
33. Universal	60	30,000	48,087	18,000.00	28,852.20	62.39
34. Phatra	3.41	102,500	172,142	3,495.25	5,870.04	59.54

Table 2 (continued)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
35. Muang Thai Life	1.92	9,000	41,698	172.80	800.60	21.58
36. Takemg	0	3,750	11,290	0.00	0.00	33.22
37. E.T.B. Insurance	0	8,000	14,774	0.00	0.00	54.15
38. Rattanakosin	0	0	-46,339	0.00	0.00	0.00
39. Liberty	0	0	-73,087	0.00	0.00	0.00
40. Wilson	8.7	4,200	8,942	365.40	777.95	46.97
41. Viriyah	0	0	-1,858	0.00	0.00	0.00
42. Ayudhaya	14.77	200,000	508,734	29,540.00	75,140.01	39.31
43. Union Insurance	0	0	6,588	0.00	0.00	0.00
44. Union Prospers	4.55	1,500	2,582	68.25	117.48	58.09
45. Sahawattana	34.69	1,046	254	362.86	88.11	411.81
46. Sahasin QBE	5.66	0	-84	0.00	-4.75	0.00
47. Samaggi	1.34	28,750	78,548	385.25	1,052.54	36.60
48. Sukhumvit	0	0	242	0.00	0.00	0.00
49. Assets	0.3	6,000	10,182	18.00	30.55	58.93
50. Synmunkong	11.11	21,000	86,942	2,333.10	9,659.26	24.15
51. Sun Alliance	12.5	12,000	15,116	1,500.00	1,889.50	79.39
52. Development	0	0	3,009	0.00	0.00	0.00
53. South East	0	0	40,369	0.00	0.00	0.00
54. Interlife	0	0	20,801	0.00	0.00	0.00
55. Erawan	0	0	199	0.00	0.00	0.00
56. Asia International	1.89	600	8,449	11.34	159.69	7.10
57. Thailand Medical	0	0	-532	0.00	0.00	0.00
58. Blue Cross	13.33	0	8,969	0.00	1,195.57	0.00
59. Ambassador	0	0	-529	0.00	0.00	0.00
60. Thai Medical Care	11.76	0	304	0.00	35.75	0.00
61. Thai Health	0	0	3,857	0.00	0.00	0.00
62. Vanich Insurance	7.41	0	-1,183	0.00	-87.66	0.00
63. Mitsui Marine	100	0	62,882	0.00	62,882.00	0.00
64. New India	100	0	-1,788	0.00	-1,788.00	0.00
65. New Hamshire	100	50,000	87,017	50,000.00	87,017.00	57.46
66. A.I.A.	100	0	23,500	0.00	23,500.00	0.00
67. Cigna Property	100	0	-9,233	0.00	-9,233.00	0.00
Total	1,051.32	936,828.00	2,373,080.00	140,686.40	372,131.39	39.48

Table 3 : Income (1992)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
1. Kamol Sukosol	15	0	10,666	0.00	1,599.90	0.00
2. Guardian (Thai)	49	10,000	36,386	4,900.00	17,829.14	27.48
3. Bangkok	29.86	280,000	537,091	83,608.00	160,375.37	52.13
4. Menam Warehouse	0	800	3,332	0.00	0.00	24.01
5. Commercial	49	8,000	77,558	3,920.00	38,003.42	10.31
6. Khoom Khao	3.55	18,000	21,733	639.00	771.52	82.82
7. Charan Insurance	4.06	22,500	72,084	913.50	2,926.61	31.21
8. China (Thai)	48.67	0	3,939	0.00	1,917.11	0.00
9. Dhipaya Insurance	0	8,000	21,496	0.00	0.00	37.22
10. Deves	2.21	40,000	84,840	884.00	1,874.96	47.15
11. Thai Insurance	0.24	14,000	21,388	33.60	51.33	65.46
12. Thai Prasit	7.05	0	11,846	0.00	835.14	0.00
13. Thai Commercial	0.15	6,250	13,250	9.38	19.88	47.17
14. Thai United	2.65	0	4,669	0.00	123.73	0.00
15. Thai Metropole	0.03	8,614	-25,875	2.58	-7.76	-33.29
16. Ocean	0	60,000	89,247	0.00	0.00	67.23
17. Thai Sreshtakich	0	9,600	14,644	0.00	0.00	65.56
18. Narai International	0	0	4,782	0.00	0.00	0.00
19. New Zealand (Thai)	49	5,625	18,158	2,756.25	8,897.42	30.98
20. Nam Seng	0	18,750	25,983	0.00	0.00	72.16
21. Chubb Insurance	0.15	2,814	-18,465	4.22	-27.70	-15.24
22. Navakij	20.87	16,000	38,412	3,339.20	8,016.58	41.65
23. Bangkok Union	1.79	24,000	27,038	429.60	483.98	88.76
24. The Safety	48.85	57,081	90,442	27,884.07	44,180.92	63.11
25. Sri Muang	28.03	0	72,463	0.00	20,311.38	0.00
26. International	0.39	5,250	23,384	20.48	91.20	22.45
27. Pacific	1.12	21,090	31,845	236.21	356.66	66.23
28. Vendome Insurance	27.84	0	-20,874	0.00	-5,811.32	0.00
29. Bangkok Thonburi	10.85	1,340	5,261	145.39	570.82	25.47
30. First Insurance	0	0	113	0.00	0.00	0.00
31. Pipat	0	0	-7,620	0.00	0.00	0.00
32. Paiboon	0.12	8,000	23,658	9.60	28.39	33.82
33. Universal	99.84	35,000	51,813	34,944.00	51,730.10	67.55
34. Phatra	14.8	145,000	214,586	21,460.00	31,758.73	67.57

Table 3 (continued)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
35. Muang Thai Life	24.95	9,000	42,712	2,245.50	10,656.64	21.07
36. Takerng	0	5,625	17,045	0.00	0.00	33.00
37. E.T.B. Insurance	0	8,000	63,232	0.00	0.00	12.65
38. Rattanakosin	2.74	0	-162,132	0.00	-4,442.42	0.00
39. Liberty	0	0	37,533	0.00	0.00	0.00
40. Wilson	16.83	5,400	24,252	908.82	4,081.61	22.27
41. Viriyah	0	0	-146,121	0.00	0.00	0.00
42. Ayudhaya	14.43	250,000	436,258	36,075.00	62,952.03	57.31
43. Union Insurance	0	0	12,436	0.00	0.00	0.00
44. Union Prospers	2	1,500	4,495	30.00	89.90	33.37
45. Sahawattana	7.32	1,441	379	105.48	27.74	380.21
46. Sahasin QBE	15	0	224	0.00	33.60	0.00
47. Samaggi	0.37	45,000	117,737	166.50	435.63	38.22
48. Sukhumvit	0	0	-12,220	0.00	0.00	0.00
49. Assets	0.02	6,500	16,554	1.30	3.31	39.27
50. Synmunkong	0.14	37,500	-18,403	52.50	-25.76	-203.77
51. Sun Alliance	25	7,200	8,148	1,800.00	2,037.00	88.37
52. Development	0	0	5,240	0.00	0.00	0.00
53. South East	0	0	30,826	0.00	0.00	0.00
54. Interlife	0.01	9,000	32,059	0.90	3.21	28.07
55. Erawan	0	0	326	0.00	0.00	0.00
56. Asia International	0.17	0	5,929	0.00	10.08	0.00
57. Thailand Medical	0	0	-308	0.00	0.00	0.00
58. Blue Cross	15	0	13,849	0.00	2,077.35	0.00
59. Ambassador	0	0	78	0.00	0.00	0.00
60. Thai Medical Care	10.28	0	-615	0.00	-63.22	0.00
61. Thai Health	0	0	4,930	0.00	0.00	0.00
62. Vanich Insurance	1	0	-329	0.00	-3.29	0.00
63. Mitsui Marine	100	0	35,031	0.00	35,031.00	0.00
64. New India	100	0	-2,783	0.00	-2,783.00	0.00
65. New Hamshire	100	0	81,609	0.00	81,609.00	0.00
66. A.I.A.	100	0	63,354	0.00	63,354.00	0.00
67. Cigna Property	100	0	-14,308	0.00	-14,308.00	0.00
Total	1,150.38	1,211,880.00	2,276,290.00	227,525.07	627,683.92	53.24

Table 4 : Income (1993)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
1. Kamol Sukosol	15	0	26,051	0.00	3,907.65	0.00
2. Guardian (Thai)	49	45,000	47,916	22,050.00	23,478.84	93.91
3. Bangkok	29.86	318,715	565,465	95,168.30	168,847.85	56.36
4. Menam Warehouse	0	1,000	4,225	0.00	0.00	23.67
5. Commercial	49	16,000	79,201	7,840.00	38,808.49	20.20
6. Khoom Khao	3.36	18,900	42,159	635.04	1,416.54	44.83
7. Charan Insurance	10.2	60,000	61,487	6,120.00	6,271.67	97.58
8. China (Thai)	48.67	0	3,848	0.00	1,872.82	0.00
9. Dhipaya Insurance	0	8,000	30,382	0.00	0.00	26.33
10. Deves	5.46	44,000	106,461	2,402.40	5,812.77	41.33
11. Thai Insurance	3.35	0	32,769	0.00	1,097.76	0.00
12. Thai Prasit	7.05	0	-60,341	0.00	-4,254.04	0.00
13. Thai Commercial	0.11	6,500	15,738	7.15	17.31	41.30
14. Thai United	2.65	0	5,403	0.00	143.18	0.00
15. Thai Metropole	0.03	9,000	37,460	2.70	11.24	24.03
16. Ocean	0	40,000	115,710	0.00	0.00	34.57
17. Thai Sreshtakich	1.29	10,800	-11,219	139.32	-144.73	-96.27
18. Narai International	0	0	1,194	0.00	0.00	0.00
19. New Zealand (Thai)	49	9,375	16,593	4,593.75	8,130.57	56.50
20. Nam Seng	0	26,250	29,847	0.00	0.00	87.95
21. Chubb Insurance	24.89	0	-29,769	0.00	-7,409.50	0.00
22. Navakij	21.51	16,000	62,181	3,441.60	13,375.13	25.73
23. Bangkok Union	1.66	24,000	36,827	398.40	611.33	65.17
24. The Safety	10.67	64,216	136,849	6,851.85	14,601.79	46.92
25. Sri Muang	28.03	11,155	107,385	3,126.75	30,100.02	10.39
26. International	0.39	7,350	26,351	28.67	102.77	27.89
27. Pacific	8.72	25,200	113,136	2,197.44	9,865.46	22.27
28. Vendome Insurance	23.83	0	2,075	0.00	494.47	0.00
29. Bangkok Thonburi	10.85	1,746	6,334	189.44	687.24	27.57
30. Insurance One	2.85	0	19,771	0.00	563.47	0.00
31. Pipat	0	0	-87,103	0.00	0.00	0.00
32. Paiboon	0.12	9,000	15,048	10.80	18.06	59.81
33. Universal	99.96	35,000	54,079	34,986.00	54,057.37	64.72
34. Phatra	12.45	130,000	237,932	16,185.00	29,622.53	54.64

Table 4 (continued)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
35. Muang Thai Life	24.95	9,750	61,833	2,432.63	15,427.33	15.77
36. Commercial Insurance	0	9,375	21,893	0.00	0.00	42.82
37. E.T.B. Insurance	0	8,000	98,873	0.00	0.00	8.09
38. Rattanakosin	0.39	0	651	0.00	2.54	0.00
39. Liberty	0	0	-81,762	0.00	0.00	0.00
40. Wilson	18.03	7,200	10,896	1,298.16	1,964.55	66.08
41. Viriyah	0	0	-488,730	0.00	0.00	0.00
42. Ayudhaya	21.09	250,000	466,162	52,725.00	98,313.57	53.63
43. Union Insurance	0	0	8,973	0.00	0.00	0.00
44. Union Prospers	1.33	1,900	6,369	25.27	84.71	29.83
45. Sahawattana	6.74	1,141	3,767	76.90	253.90	30.29
46. Sahasin QBE	15	0	6,193	0.00	928.95	0.00
47. Samaggi	2.68	60,000	154,984	1,608.00	4,153.57	38.71
48. Vajirathanasin	0	0	-18,803	0.00	0.00	0.00
49. Assets	0.02	11,000	23,683	2.20	4.74	46.45
50. Synmunkong	14.76	45,000	43,637	6,642.00	6,440.82	103.12
51. Sun Alliance	25	3,000	3,561	750.00	890.25	84.25
52. Development	0	0	8,416	0.00	0.00	0.00
53. South East	0	7,500	-6,862	0.00	0.00	-109.30
54. Indara Insurance	0	20,000	36,771	0.00	0.00	54.39
55. Erawan	0	0	-28,502	0.00	0.00	0.00
56. Asia International	0.17	0	2,769	0.00	4.71	0.00
57. Thailand Medical	0	0	-21,237	0.00	0.00	0.00
58. Blue Cross	15	14,400	21,739	2,160.00	3,260.85	66.24
59. Ambassador	0	0	-483	0.00	0.00	0.00
60. Thai Medical Care	10.28	0	900	0.00	92.52	0.00
61. Thai Health	0	0	2,993	0.00	0.00	0.00
62. Vanich Insurance	1	0	-464	0.00	-4.64	0.00
63. Mitsui Marine	100	0	93,814	0.00	93,814.00	0.00
64. New India	100	0	-11,860	0.00	-11,860.00	0.00
65. New Hampshire	100	80,000	115,377	80,000.00	115,377.00	69.34
66. A.I.A.	100	60,000	118,635	60,000.00	118,635.00	50.58
67. Cigna Property	100	0	39,426	0.00	39,426.00	0.00
Total	1,176.40	1,525,473.00	2,545,057.00	414,094.76	889,318.42	59.94

Table 5 : Income (1994)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
1. Kamol Sukosol	15	4,914	26,952	737.10	4,042.80	18.23
2. Guardian (Thai)	49	33,000	62,212	16,170.00	30,483.88	53.04
3. Bangkok	29.99	358,843	679,473	107,617.02	203,773.95	52.81
4. Menam Warehouse	0	1,500	3,243	0.00	0.00	46.25
5. Commercial	49	48,000	99,621	23,520.00	48,814.29	48.18
6. Khoom Khao	3.35	19,800	-23,674	663.30	-793.08	-83.64
7. Charan Insurance	7.98	48,000	95,167	3,830.40	7,594.33	50.44
8. China (Thai)	48.67	0	4,601	0.00	2,239.31	0.00
9. Dhipaya Insurance	0	12,500	57,794	0.00	0.00	21.63
10. Deves	4.04	54,000	131,152	2,181.60	5,298.54	41.17
11. Thai Insurance	3.33	16,000	35,072	532.80	1,167.90	45.62
12. Thai Prasit	2.82	0	30,952	0.00	872.85	0.00
13. Thai Commercial	0.09	8,400	30,898	7.56	27.81	27.19
14. Thai United	2.65	0	12,126	0.00	321.34	0.00
15. Thai Metropole	0.03	22,500	133,764	6.75	40.13	16.82
16. Ocean	0	25,000	104,694	0.00	0.00	23.88
17. Thai Sreshtakich	0.02	13,500	46,672	2.70	9.33	28.93
18. Narai International	16.67	0	31,599	0.00	5,267.55	0.00
19. New Zealand (Thai)	49	7,625	19,222	3,736.25	9,418.78	39.67
20. Nam Seng	0.44	70,000	115,894	308.00	509.93	60.40
21. Chubb Insurance	24.89	0	12,229	0.00	3,043.80	0.00
22. Navakij	20.15	40,000	94,161	8,060.00	18,973.44	42.48
23. Bangkok Union	1.66	24,000	39,676	398.40	658.62	60.49
24. The Safety	13.98	78,487	180,287	10,972.48	25,204.12	43.53
25. Sri Muang	25	11,155	107,922	2,788.75	26,980.50	10.34
26. International	0.39	9,450	37,163	36.86	144.94	25.43
27. Pacific	11.25	48,000	102,989	5,400.00	11,586.26	46.61
28. Vendome Insurance	23.84	0	20,781	0.00	4,954.19	0.00
29. Bangkok Thonburi	10.85	1,895	6,590	205.61	715.02	28.76
30. Insurance One	2.85	0	12,939	0.00	368.76	0.00
31. Pipat	0	0	33,985	0.00	0.00	0.00
32. Paiboon	0.05	9,200	40,722	4.60	20.36	22.59
33. Universal	99.96	40,000	66,136	39,984.00	66,109.55	60.48
34. Phatra	14.16	151,000	303,377	21,381.60	42,958.18	49.77

Table 5 (continued)

Unit : 1,000 Baht

Companies	(1) Foreign Shareholders (%)	(2) Dividend to Shareholders	(3) Net Profit (Loss)	(1) * (2)	(1) * (3)	(2) / (3) (%)
35. Muang Thai Life	24.95	12,750	55,321	3,181.13	13,802.59	23.05
36. Commercial Insurance	0	18,750	27,689	0.00	0.00	67.72
37. E.T.B. Insurance	0	10,000	107,865	0.00	0.00	9.27
38. Rattanakosin	0.38	0	91,568	0.00	347.96	0.00
39. Liberty	0	0	-68,989	0.00	0.00	0.00
40. Wilson	18.03	7,200	13,463	1,298.16	2,427.38	53.48
41. Viriyah	0	0	160,089	0.00	0.00	0.00
42. Ayudhaya	18.45	300,000	505,753	55,350.00	93,311.43	59.32
43. Union Insurance	0	0	8,237	0.00	0.00	0.00
44. Union Prospers	1.33	3,000	8,769	39.90	116.63	34.21
45. Sahawattana	7.94	1,141	8,200	90.60	651.08	13.91
46. Sahasin QBE	20.83	0	9,791	0.00	2,039.47	0.00
47. Samaggi	6.38	78,750	181,733	5,024.25	11,594.57	43.33
48. Vajirathanasin	0	0	10,056	0.00	0.00	0.00
49. Assets	0.02	15,000	23,577	3.00	4.72	63.62
50. Synmunkong	15.76	60,000	71,699	9,456.00	11,299.76	83.68
51. Sun Alliance	25	7,200	21,232	1,800.00	5,308.00	33.91
52. Development	0	0	3,509	0.00	0.00	0.00
53. South East	0	0	97,035	0.00	0.00	0.00
54. Indara Insurance	0	22,500	35,977	0.00	0.00	62.54
55. Erawan	0	0	3,972	0.00	0.00	0.00
56. Asia International	0.17	0	8,198	0.00	13.94	0.00
57. Thailand Medical	0	0	-8,966	0.00	0.00	0.00
58. Blue Cross	25	10,000	24,489	2,500.00	6,122.25	40.83
59. Ambassador	0	0	204	0.00	0.00	0.00
60. Thai Medical Care	10.28	0	-5,458	0.00	-561.08	0.00
61. Thai Health	0	0	5,016	0.00	0.00	0.00
62. Vanich Insurance	0	0	2,346	0.00	0.00	0.00
63. Mitsui Marine	100	0	128,321	0.00	128,321.00	0.00
64. New India	100	0	-15,053	0.00	-15,053.00	0.00
65. New Hamshire	100	80,000	94,529	80,000.00	94,529.00	84.63
66. A.I.A.	100	0	151,915	0.00	151,915.00	0.00
67. Cigna Property	100	0	26,041	0.00	26,041.00	0.00
Total	1,205.63	1,783,060.00	4,544,519.00	407,288.80	1,053,039.05	39.24

Table 6 : Income (1990)

Unit : 1,000 Baht

Companies Life Insurance	(1) Foreign Shareholders (%)	(2) Net Profit (Loss)	(1)*(2)
1. Bangkok	0	783	0.00
2. Thai Life	0	17,678	0.00
3. Thai Prasit	7.05	23,612	1,664.65
4. Siam Commercial Life	9.59	75	7.19
5. Thai Sethakit	18.17	24,734	4,494.17
6. Ocean	0	13,938	0.00
7. Ayudhaya	24.92	121,043	30,163.92
8. Muang Thai	24.95	23,823	5,943.84
9. Siam Life Insurance	0	-27,469	0.00
10. South East	0	34,011	0.00
11. Interlife	24.99	-10,683	-2,669.68
12. A.I.A.	100	1,121,926	1,121,926.00
Total	209.67	1,343,471	1,161,530.08

Table 7 : Income (1991)

Unit : 1,000 Baht

Companies Life Insurance	(1) Foreign Shareholders (%)	(2) Net Profit (Loss)	(1)*(2)
1. Bangkok	0	903	0.00
2. Thai Life	0	19,619	0.00
3. Thai Prasit	8.7	13,942	1,212.95
4. Siam Commercial Life	3.95	954	37.68
5. Thai Sethakit	5.05	51,033	2,577.17
6. Ocean	0	110,245	0.00
7. Ayudhaya	8.7	113,812	9,901.64
8. Muang Thai	1.92	13,435	257.95
9. Siam Life Insurance	0	-12,783	0.00
10. South East	0	-8,320	0.00
11. Interlife	0.09	22,774	20.50
12. A.I.A.	100	1,224,666	1,224,666.00
Total	128.41	1,550,280	1,238,673.90

Table 8 : Income (1992)

Unit : 1,000 Baht

Companies Life Insurance	(1) Foreign Shareholders (%)	(2) Net Profit (Loss)	(1)*(2)
1. Bangkok	0	-46,230	0.00
2. Thai Life	0	26,408	0.00
3. Thai Prasit	7.05	4,131	291.24
4. Siam Commercial Life	8.59	2,564	220.25
5. Thai Sethakit	23.55	39,868	9,388.91
6. Ocean	0	192,757	0.00
7. Ayudhaya	25	63,206	15,801.50
8. Muang Thai	24.95	35,600	8,882.20
9. Siam Life Insurance	17.14	-12,869	-2,205.75
10. South East	0	3,839	0.00
11. Interlife	25	-205	-51.25
12. A.I.A.	100	1,528,544	1,528,544.00
Total	231.28	1,837,613	1,560,871.10

Table 9 : Income (1993)

Unit : 1,000 Baht

Companies Life Insurance	(1) Foreign Shareholders (%)	(2) Net Profit (Loss)	(1)*(2)
1. Bangkok	0	-57,206	0.00
2. Thai Life	0	45,196	0.00
3. Thai Prasit	7.05	4,663	328.74
4. Siam Commercial Life	8.96	7,756	694.94
5. Thai Sethakit	22.79	26,984	6,149.65
6. Ocean	0	118,522	0.00
7. Ayudhaya	24.92	68,907	17,171.62
8. Muang Thai	24.95	100,190	24,997.41
9. Siam Life Insurance	17.14	-25,556	-4,380.30
10. South East	0	11,646	0.00
11. Interlife	25	22,161	5,540.25
12. A.I.A.	100	2,095,693	2,095,693.00
Total	230.81	2,418,956	2,146,195.31

Table 10 : Income (1994)

Unit : 1,000 Baht

Companies Life Insurance	(1) Foreign Shareholders (%)	(2) Net Profit (Loss)	(1)*(2)
1. Bangkok	0	-17,218	0.00
2. Thai Life	0	77,343	0.00
3. Thai Prasit	2.82	4,362	123.01
4. Siam Commercial Life	12	74,899	8,987.88
5. Thai Sethakit	24.95	44,585	11,123.96
6. Ocean	0	84,824	0.00
7. Ayudhaya	24.83	77,716	19,296.88
8. Muang Thai	24.95	266,030	66,374.49
9. Siam Life Insurance	17.14	15,986	2,740.00
10. South East	0	25,495	0.00
11. Interlife	25	27,847	6,961.75
12. A.I.A.	100	3,124,729	3,124,729.00
Total	231.69	3,806,598	3,240,336.96

Author's Profile

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