



1.2 Policy Business Objective and Strategies of the business

In 2020, the COVID-19 outbreak have significantly deteriorated developing Thailand economy and global recession. The government has continuously released epidemic control measures which are lock-down measures and social distancing. The long period of control measure significantly resulted to decrease in demand significantly and cause the impact to overall commercial and business activities. The tourism sector and the export sector face the impact of lock-down of international travelling and transportation and the appreciation of the baht. The unemployment rate also increase from the downsizing and lay-off policy of companies who are impacted from COVID-19 situation. The Bank of Thailand projected the declined in economic growth about 6.6 percent. There are several economic stimulus campaigns. The Bank of Thailand has issued measures to help the affected debtors which are the measures to reduce the debt repayment burden, granting soft loans to support the business, and change the interest rate to 0.5 percent which is lowest.

Spurred by positive market response to the government's policy on tax allowance for health insurance premiums and the public's greater health consciousness, the Company still focused its marketing policy on development of products and value-added services and creation of business partnership with all insurers to conduct business together. As its distribution channel, the Company transacted business directly with all 22 domestic life insurance companies in Thailand so as to develop and launch products through all types of media such as television, radio, on-line media, telemarketing, agents, and financial institutions. Successful products include Insurance Products for seniors and Accident & Health Insurance plans aimed at specific target markets. The Company's reinsurance contracts signed with insurance companies allow for an active role to be taken to jointly manage underwriting and monitor claims to strive for good underwriting results. The Company also supports the technical considerations that accompany the acceptance and payment of claims.

Life insurance business will likely continue to stable from the previous year based on the following factors:

1. The global trend of aging society and the health impact from the epidemic of COVID-19 will increase the opportunity of life insurance products that cover financial planning and health protection/medical expenses.
2. The volatility of investment yield which currently equal to 0.5 percent and trends to new low yield. Consumer tremendously seeks for higher yield like the past while life insurance companies are facing the challenge of mismatching of financial instruments and guarantee return of insurance product.

3. The disruption of technology leads to the change of selling and marketing approach to digital/online marketing which company will adapt to match with lifestyle in the digital era and provide quick and easy services through all distribution channels for life insurance.

In 2021, new wave of COVID-19 and tough competition in health insurance are still the challenge for insurance industry which is exposed to potential increase of loss. Moreover, the change of International Financial Report Standards (IFRS17) and the entrance into the digital world will induce reduction of competitiveness of each players, greater number of competitors to switch away from other businesses to the insurance industry, and a timely adjustment to modern technology.

In view of the challenges discussed above, the company seek for new business opportunities by explore more in product innovation, services fulfillment, new markets and new partners in order to build exponential growth and sustainable growth in the long term.

1. Company initiate/develop new products and services to response customer needs among digital environment and aging society which the product concepts include both financial planning and health protection/medical expenses and offering through new channels i.e. Online channel. Nevertheless, the company also support the underwriting and claim consultant along with portfolio management by monitoring loss ratio and premium adequacy.
2. Company aim to expand to new market to Southeast Asia which in 2016, Company has joint venture in TKI Life Insurance Company Limited, established in Lao PDR to perform all types of life insurance business and company could earn income in 2020. Company continues to seek opportunities in Vietnam and Cambodia which our implementation still in progress and we expect to create premium income from these markets in 2021.
3. Company explore potential strategic business partnerships to create life insurance business solutions as well as gain new idea and technical know-how for product development and service. At present, the company have initiative several deals with partnerships for example International reinsurance Company, International brokers and Start-up companies to total solution of new products, digital platform, and channel solutions. Those projects are continuing and expected the premium result in 2021.