



THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

# ***Analyst Meeting***

*22 February 2022*

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# Agenda

About THREL and Business Overview

Financial Performance 4Q21 & YE21

COVID-19 : Challenges & Opportunities

Outlook and Strategic Plan

Q & A

# About THREL & Business Overview



## THREL at a glance

- THREL is only local life reinsurance company in Thailand
- THREL established in 2000 and listed in the SET since October 9, 2013
- Though all 21 domestic life insurance companies are customer of THREL



THREL has been listed as Thailand Sustainability Investment 2021.



A.M. Best  
Rating  
A-

CG Score



CAR  
340%

YE 2021  
(Unaudited)

CAR YE2020 = 429%

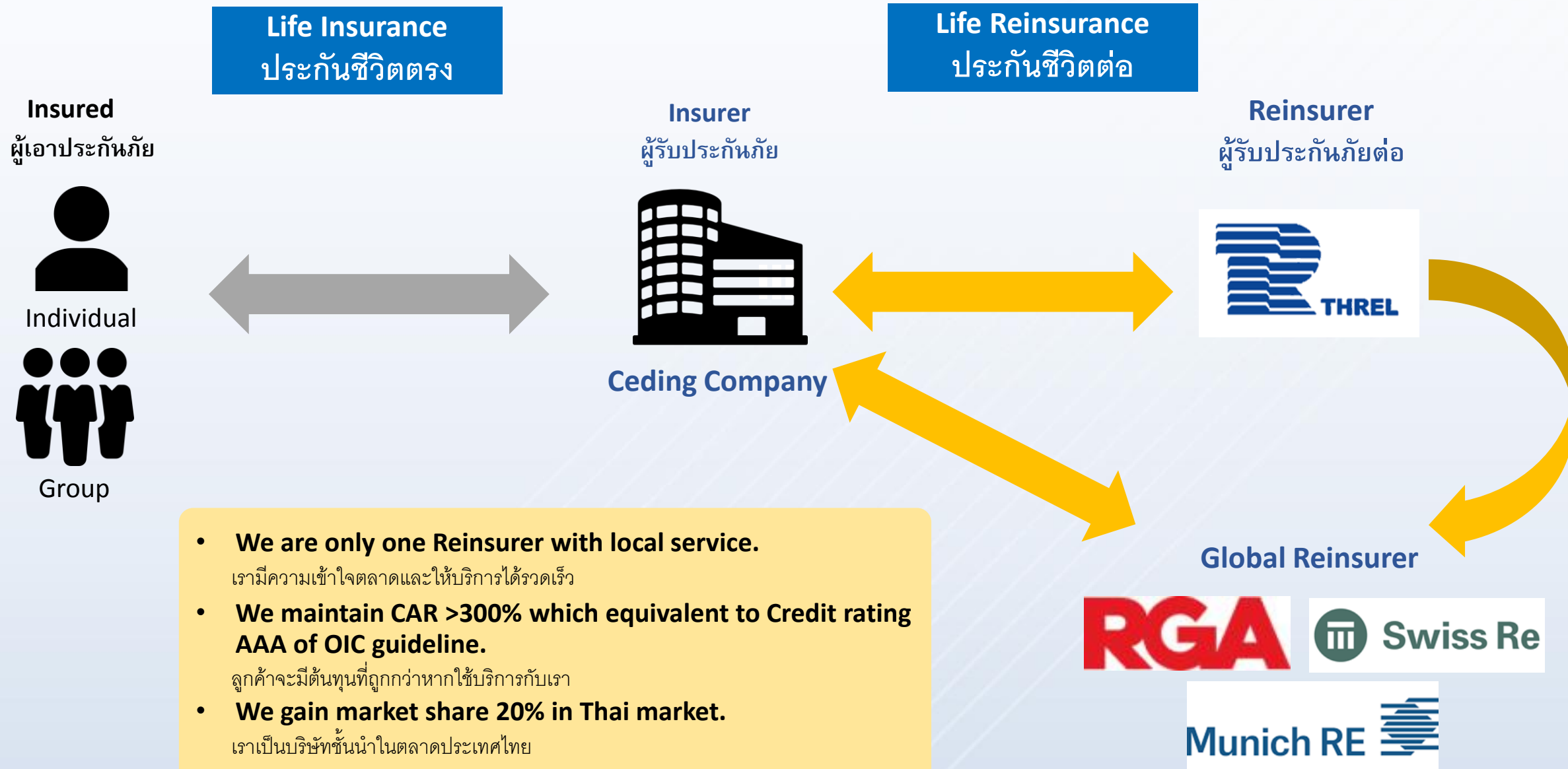
AGM Score  
100 full score



“excellent” level

THSI  
THAILAND  
SUSTAINABILITY  
INVESTMENT 2021

# THREL business model



- **We are only one Reinsurer with local service.**  
 เรามีความเข้าใจตลาดและให้บริการได้รวดเร็ว
- **We maintain CAR >300% which equivalent to Credit rating AAA of OIC guideline.**  
 ลูกค้ำจะมีต้นทุนที่ถูกกว่าหากใช้บริการกับเรา
- **We gain market share 20% in Thai market.**  
 เราเป็นบริษัทชั้นนำในตลาดประเทศไทย





We develop business with **non-conventional reinsurance strategy**. We analyze variety characteristics of ceding; company size, capital size, strengths and business direction to create an opportunity in increasing share of new business. It is the way that company has proactively served as an active reinsurer by participating in all activities with life insurance companies, ranging from new product development and launches to respond the market demand, set up marketing activities as well as explore new distribution channels.



# Characteristics of THREL

## OUR PRODUCTS



1. Ordinary Life



2. Group Insurance



3. Credit Life & Mortgage



4. Personal Accident



5. Health Rider

## OUR SERVICES



REINSURANCE  
SOLUTION



PRODUCT  
DEVELOPMENT



TECHNICAL  
TRAINING



MEDICAL  
/UNDERWRITING

## BUSINESS MODEL

Conventional

Insurers manage their own risk by ceding insurance

Non-Conventional

THREL being active reinsurer by provide product & marketing concept with insurers

INSURERS

ceding



- Market research
- Product development
- New distribution channels

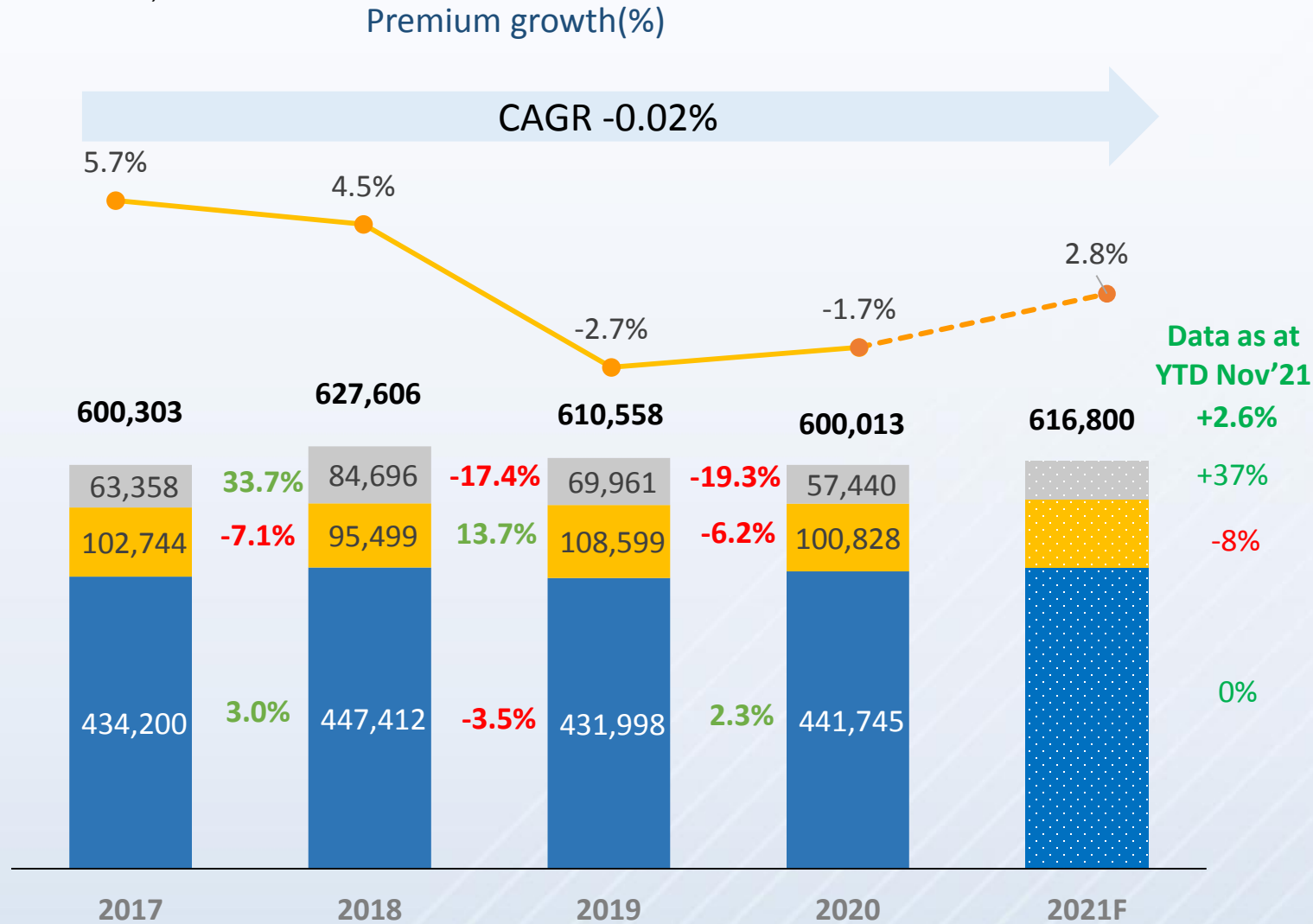
ceding

INSURERS



# Thailand Life insurance Market Premium

(Unit : Million Baht)



## 2021/F

- Decrease in sum insured of primary life insurance according to the purchasing power of consumers.
- Focus more on Life protection product instead of endowment product.
- Health & CI is more popular.

Source: Year 2017– 2019 : TLAA’s Annual Report  
 Year 2020 : OIC’s Statistic data by quarterly  
 Year 2021F : TLAA’s Forecast



Source: Thai Life Insurance Association and OIC

■ Single Premium ■ First Year Premium ■ Renewal Premium

# Reinsurance premium

(Unit : Mil Baht)

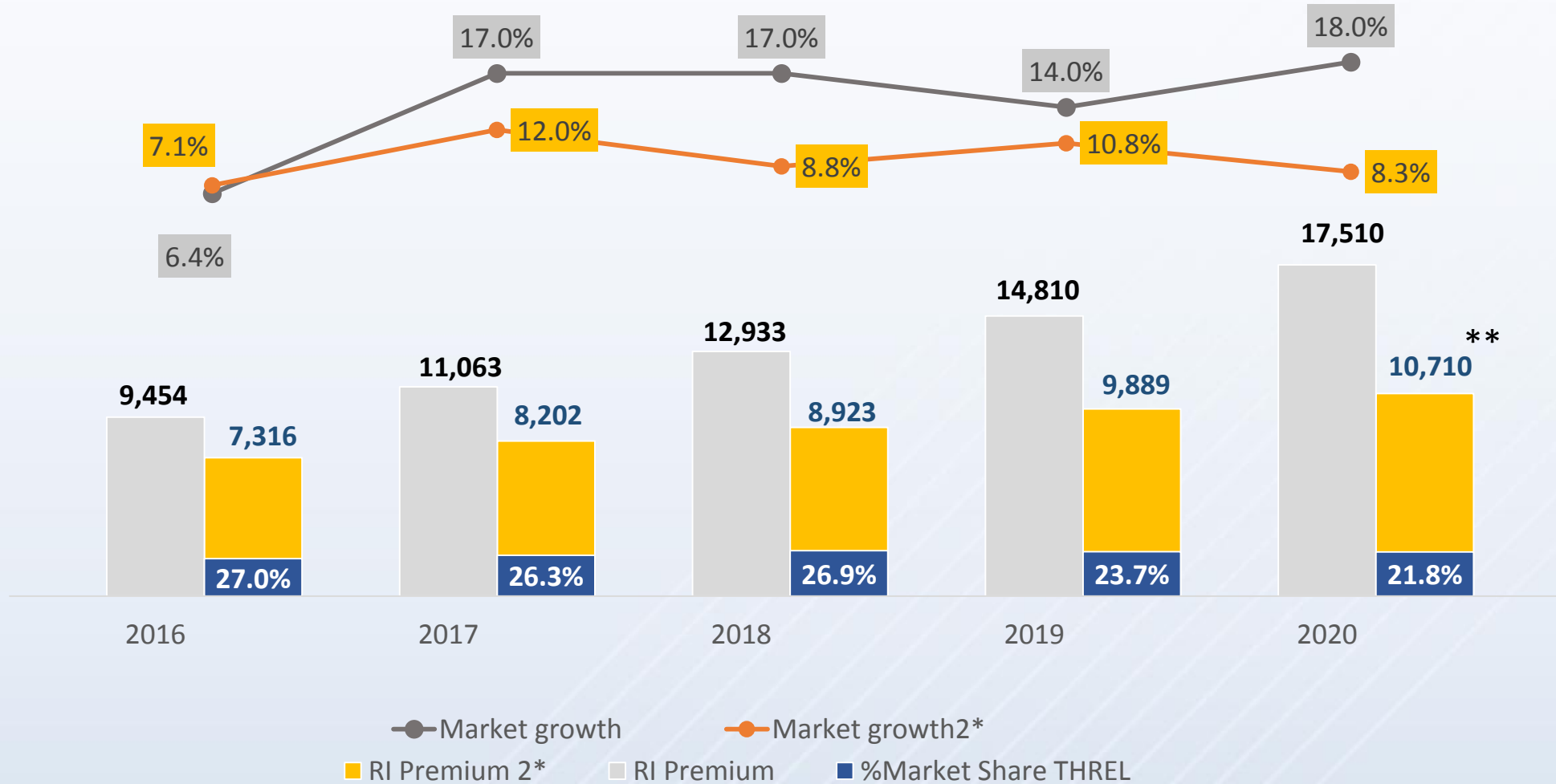
## RI Premium Growth



# Reinsurance premium vs. THREL’s market share

(Unit : Mil Baht)

## RI Premium Growth



Market share 2021 21.8%

- RI premium market exclude 75%AIA and 90%GEN would be approximately 10,710 MB \*\*
- Others players in Thailand RI market consist of 5 key players : SwissRe, RGA, MunichRe, HanoverRe, SCOR

**Remark**

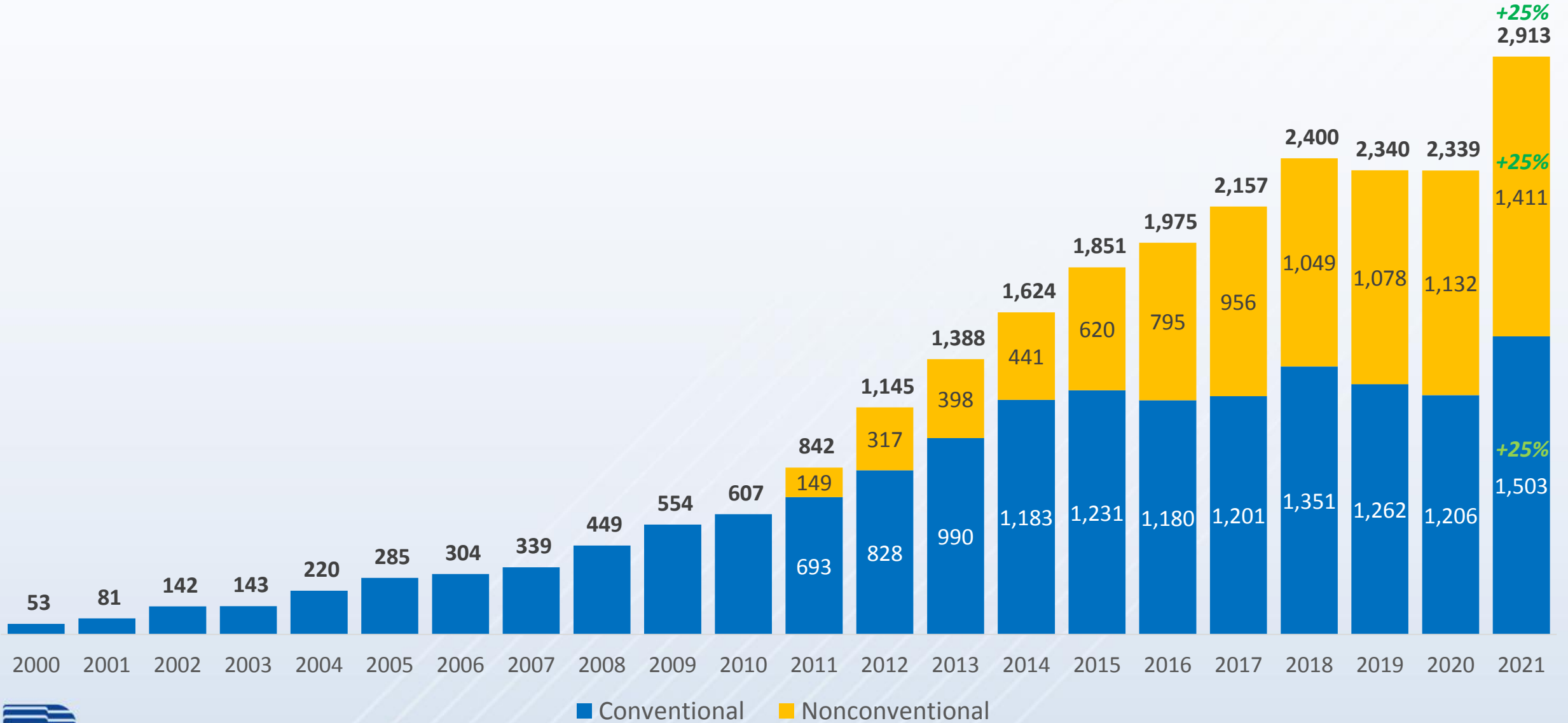
\* : Market Growth (2) = excl. ceding companies who ceded to their parent companies like AIA 75% and GEN 90%; market CAGR 2016 - 2020 shall be 10.0%. **Data as at 21/05/21**

\*\* : THREL estimated by Q1-Q3 Actual + Q4 forecast



# Premium Con vs Non-con 2000 - 2021

Confidential – For investor company visit Only



# 4Q 2021 and YE 2021 Financial Performance

# Financial Performance 4Q and 2021

Confidential – For investor company visit Only

Unit: Million Baht

	4Q20	4Q21	YoY	YE20	YE21	YoY
Gross Written Premiums	513	622	21%	2,339	2,913	25%
<b>Net Earned Premium</b>	<b>589</b>	<b>723</b>	<b>23%</b>	<b>2,301</b>	<b>2,725</b>	<b>18%</b>
Change in Long-term policy reserve	4	(6)	-262%	37	(6)	-116%
Net Claims	349	510	46%	1,460	1,913	31%
Net Commission	135	179	33%	568	626	10%
Total Expenses	32	37	14%	130	145	12%
<b>Earning on UWD</b>	<b>69</b>	<b>4</b>	<b>-95%</b>	<b>106</b>	<b>47</b>	<b>-55%</b>
Net investment income and other	(9)	11	224%	37	66	78%
<b>Profit before tax</b>	<b>60</b>	<b>14</b>	<b>-76%</b>	<b>143</b>	<b>113</b>	<b>-21%</b>
Income Tax Expenses	11	2	-86%	21	15	-31%
<b>Net Profit</b>	<b>49</b>	<b>13</b>	<b>-74%</b>	<b>121</b>	<b>98</b>	<b>-19%</b>
<b>EPS (Bt)</b>	<b>0.08</b>	<b>0.02</b>		<b>0.20</b>	<b>0.16</b>	
Loss Ratio	59.6%	69.9%		64.5%	70.0%	
Commission Ratio	23.1%	24.6%		25.1%	22.9%	
Expenses Ratio	6.4%	6.0%		5.6%	5.0%	
<b>Combined Ratio</b>	<b>89.1%</b>	<b>100.4%</b>		<b>95.2%</b>	<b>98.0%</b>	

## 4Q/2021

**Premium: growth +21% ,or +109 MB**

- Premium growth from
  - Short-term business +121 MB mainly from Group health due to new contracts.
  - Long-term business -12 MB mainly from credit life -6 mb due to economic slowdown and bank delay lending.

**Claim: +46%, or +161 MB**

- Group claim increased related to the premium growth, especially from Group health.
- Claim reserve for COVID approximately **70 MB**.
- Credit life claim increased from major loss.

**Investment and Other +224%, or +20 MB**

- Increase mainly due to less impairment 20 MB.

## YE/2021

**Premium: growth +25% ,or +574 MB**

- Premium growth from
  - Short-term business +645 MB
  - Long-term business -71 MB

**Claim: +31%, or +453 MB**

- Group claim increased related to the premium growth, especially from Group health and Group life.
- Claim reserve for COVID approximately **170 MB**.  
(Q3/21 100 MB and Q4/21 70 MB)

**Investment and Other +78%, or +29 MB**

- Overall increase mainly from gain on sale of investments in foreign fund and common stock while previous year losses.



# Financial Performance 4Q and 2021 –Excl.Claim Covid 170 MB

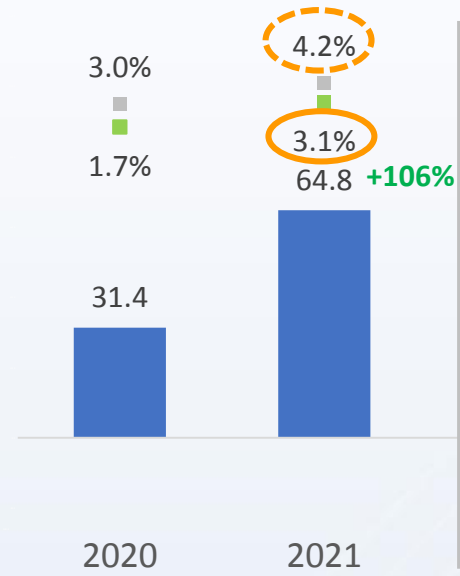
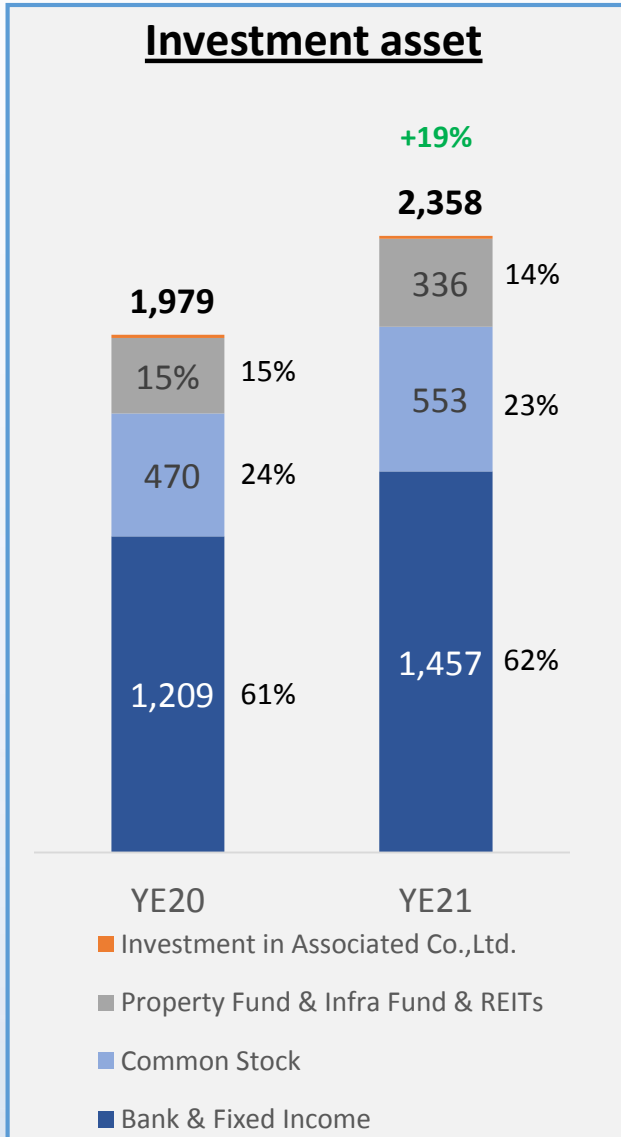
Confidential – For investor company visit Only

Unit: Million Baht

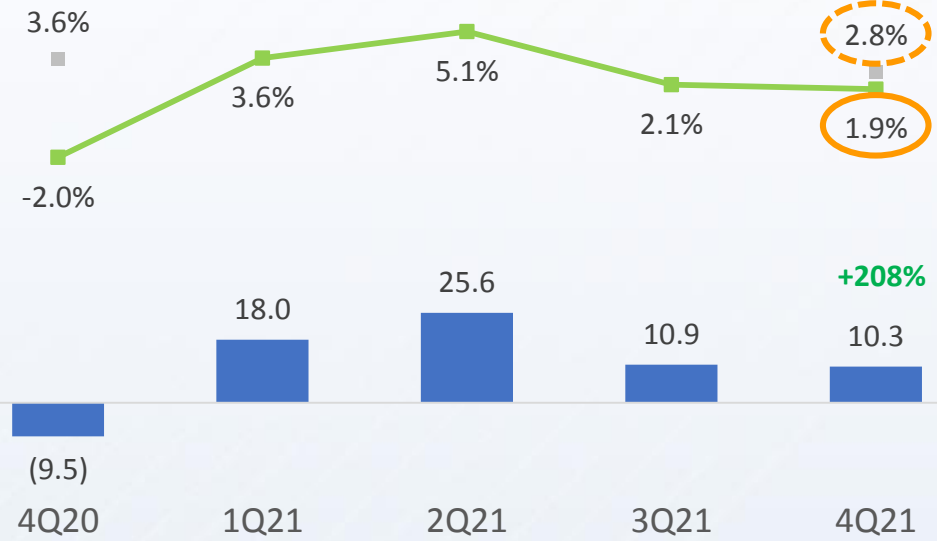
				Excl. Covid					Excl. Covid	
	4Q20	4Q21	YoY	4Q21	YoY	2020	2021	YoY	2021	YoY
Gross Written Premiums	513	622	21%	622	21%	2,339	2,913	25%	2,913	25%
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Net Claims	349	510	46%	410	17%	1,460	1,913	31%	1,743	19%
Net Commission	135	179	33%	179	33%	568	626	10%	626	10%
Total Expenses	32	37	14%	37	14%	130	145	12%	145	12%
<b>Earning on UWD - after expenses</b>	<b>69</b>	<b>4</b>	<b>-95%</b>	<b>104</b>	<b>51%</b>	<b>106</b>	<b>47</b>	<b>-55%</b>	<b>217</b>	<b>106%</b>
Net investment income and other	(9)	11	224%	11	224%	37	66	78%	66	78%
<b>Profit before tax</b>	<b>60</b>	<b>14</b>	<b>-76%</b>	<b>114</b>	<b>90%</b>	<b>143</b>	<b>113</b>	<b>-21%</b>	<b>283</b>	<b>98%</b>
Income Tax Expenses	11	2	-86%	2	-86%	21	15	-31%	15	-31%
<b>Net Profit</b>	<b>49</b>	<b>13</b>	<b>-74%</b>	<b>113</b>	<b>131%</b>	<b>121</b>	<b>98</b>	<b>-19%</b>	<b>268</b>	<b>121%</b>
<b>EPS (Bt)</b>	<b>0.08</b>	<b>0.02</b>		<b>0.19</b>		<b>0.20</b>	<b>0.16</b>		<b>0.45</b>	
Loss Ratio	59.6%	69.9%	»»	56.2%		64.5%	70.0%	»»	63.8%	
Commission Ratio	23.1%	24.6%		24.6%		25.1%	22.9%		22.9%	
Expenses Ratio	6.4%	6.0%		6.0%		5.6%	5.0%		5.0%	
<b>Combined Ratio</b>	<b>89.1%</b>	<b>100.4%</b>	»»	<b>86.7%</b>		<b>95.2%</b>	<b>98.0%</b>	»»	<b>91.8%</b>	

# Investment asset & income

Unit: Million Baht

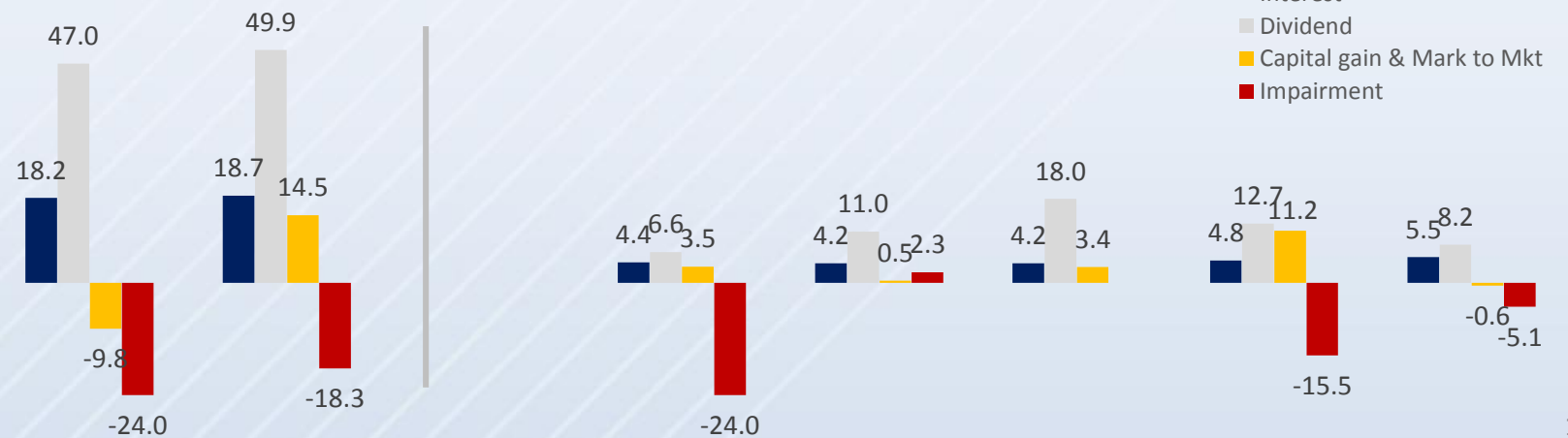


### Investment income



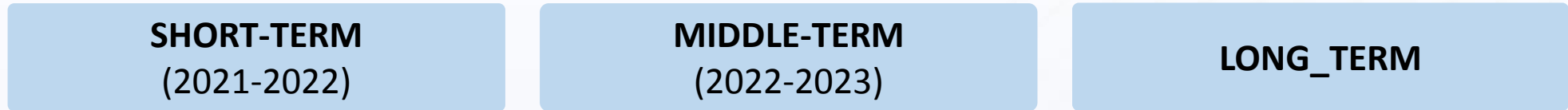
Investment Income ROI ROI-bef.Impair

### Breakdown by type of investment income



# COVID-19 : Challenges & Opportunities

# COVID situation and response action plans



<ul style="list-style-type: none"> <li>• Growth in Health product</li> <li>• Decrease in Normal Claim</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness in life &amp; health insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Well-being product &amp; service demand</li> <li>• Aging society Megatrend</li> </ul>
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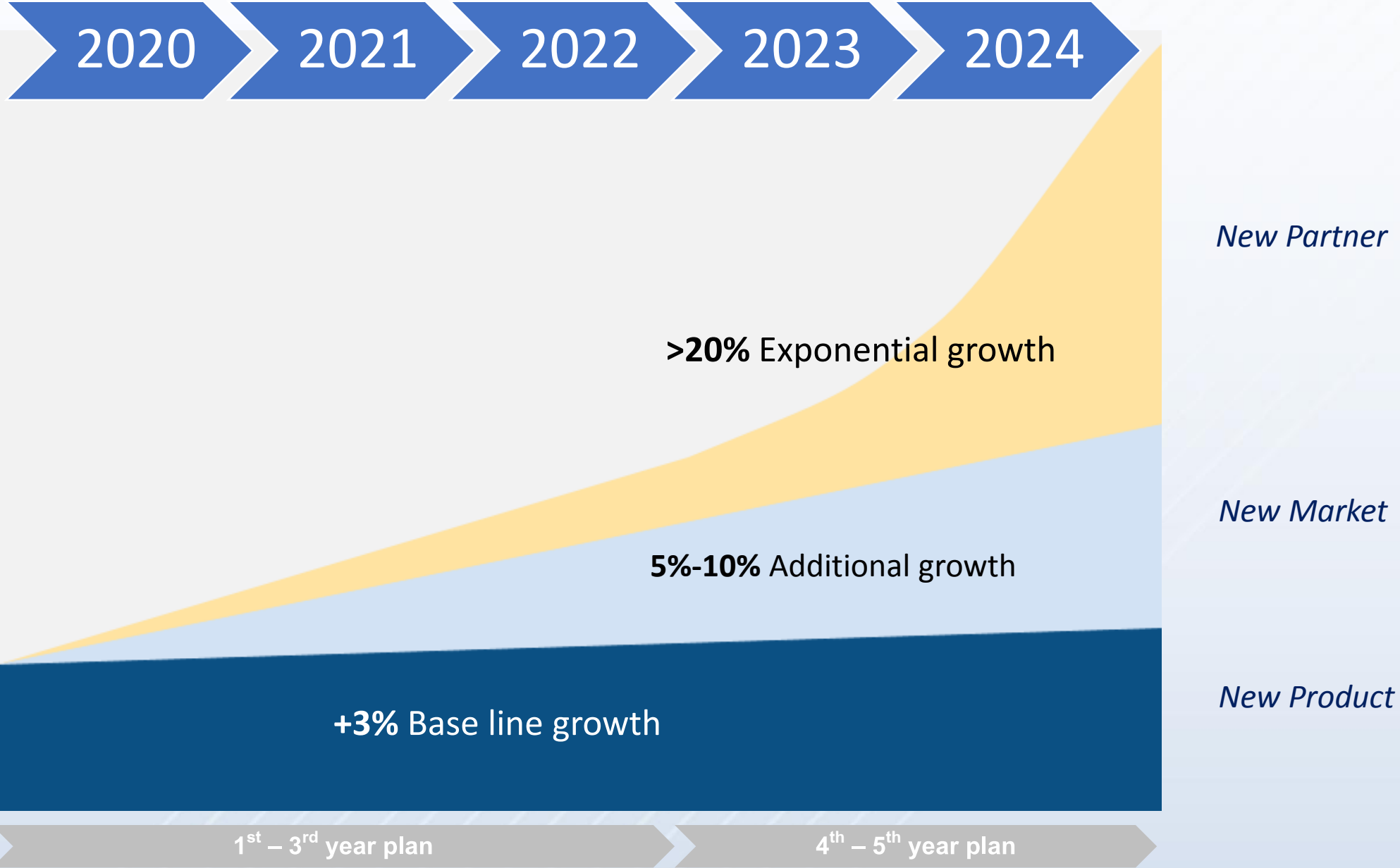
<ul style="list-style-type: none"> <li>• Increase in Claim Covid</li> </ul>	<ul style="list-style-type: none"> <li>• Claim from normal disease back to normal while COVID claim still unstable</li> </ul>	
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ACTION

<ul style="list-style-type: none"> <li>• Insurance reserve monitoring</li> <li>• Response to new product demand with risk management policy</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management strategy to limit exposure</li> <li>• Manage new business growth &amp; product portfolio mix</li> <li>• Underwriting quality</li> </ul>	<ul style="list-style-type: none"> <li>• New product development</li> <li>• Health eco-system</li> <li>• Tech partner project</li> </ul>
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# Business Outlook

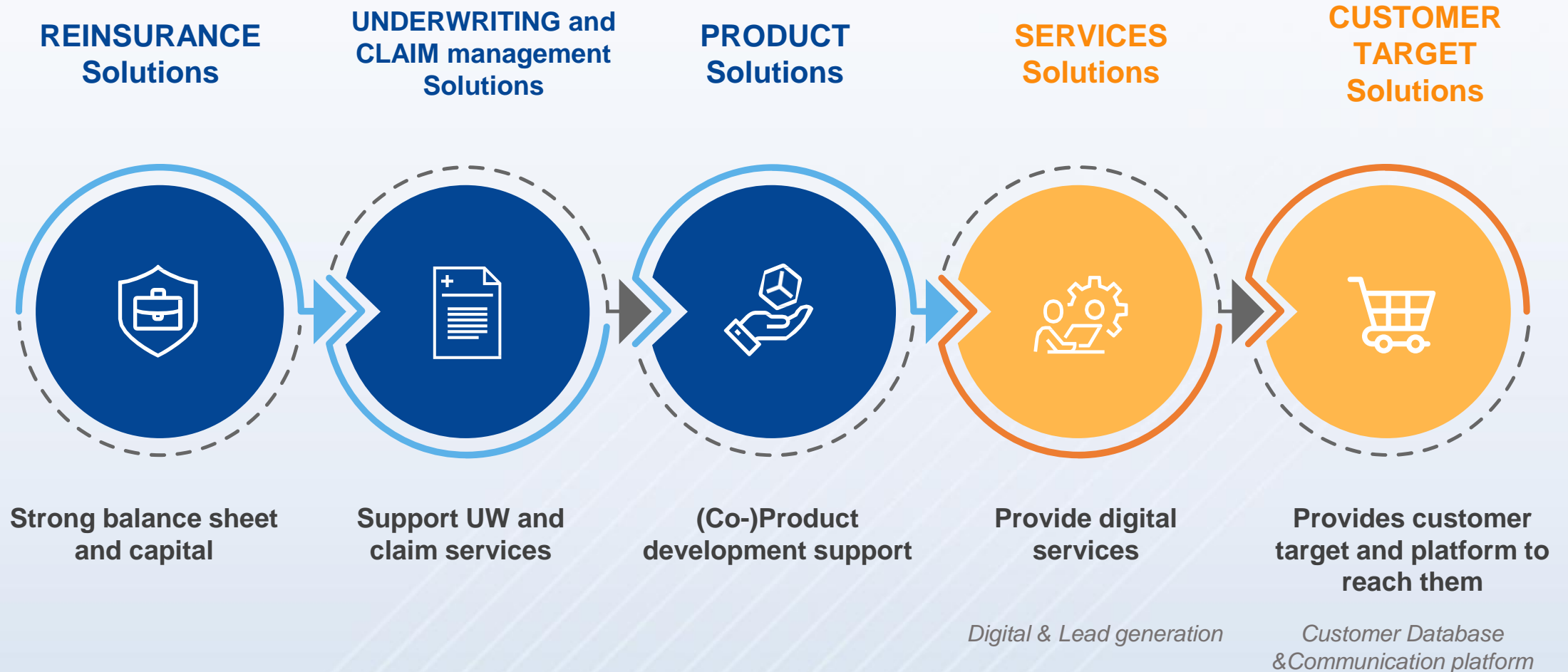
# S-Curve strategy for long-term growth





# THREL service expansion

We aim to create competitive advantage by providing service and customer target solutions as the value added with product solution.

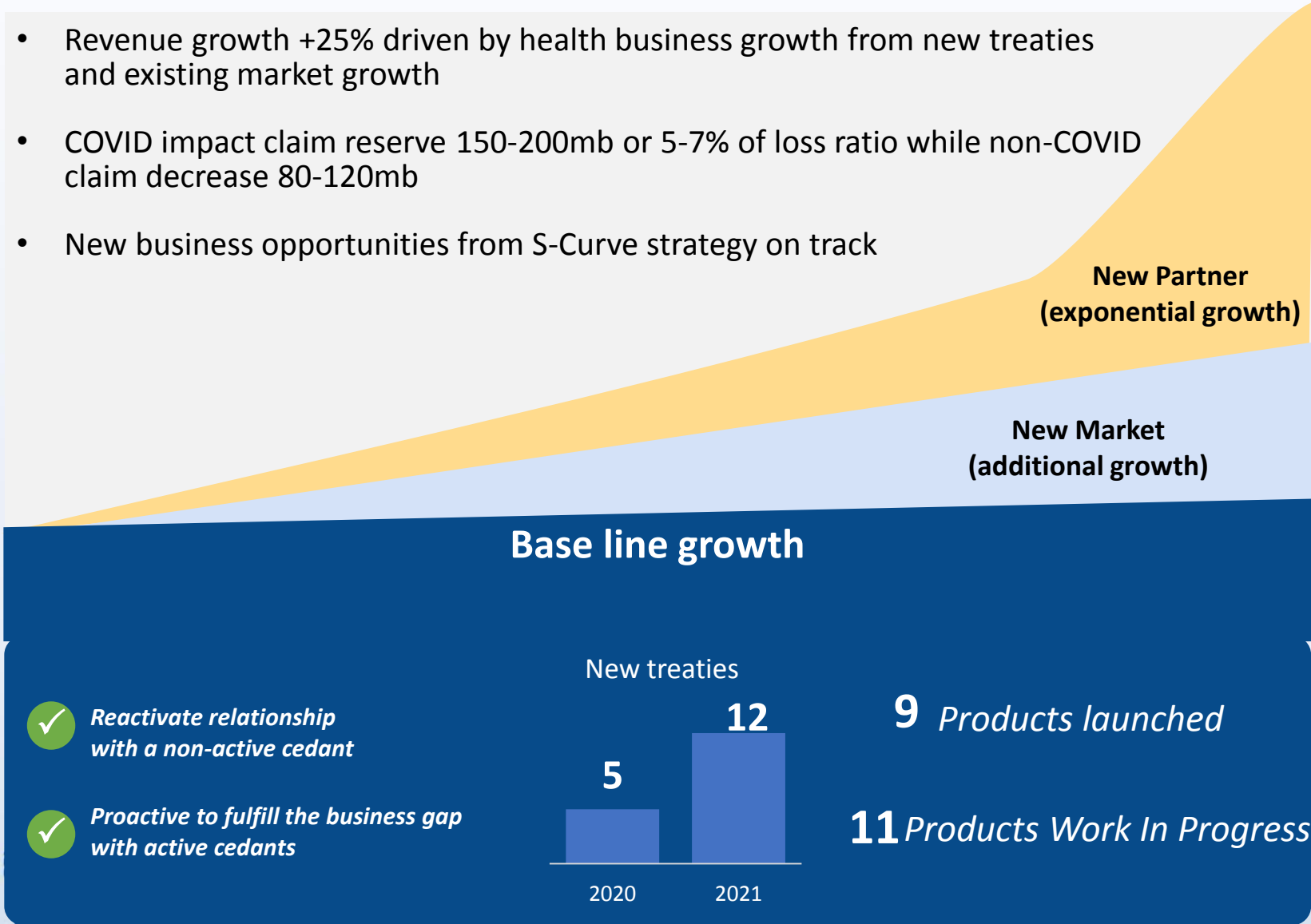


# Business Development Strategy: 2020 - 2024

We develop business with **non-conventional reinsurance strategy**. We analyze variety characteristics of ceding; company size, capital size, strengths and business direction to create an opportunity in increasing share of new business. It is the way that company has proactively served as an active reinsurer by participating in all activities with life insurance companies, ranging from new product development and launches to respond the market demand, set up marketing activities as well as explore new distribution channels.



- Revenue growth +25% driven by health business growth from new treaties and existing market growth
- COVID impact claim reserve 150-200mb or 5-7% of loss ratio while non-COVID claim decrease 80-120mb
- New business opportunities from S-Curve strategy on track



✓ *Reactivate relationship with a non-active cedant*

✓ *Proactive to fulfill the business gap with active cedants*

## New Partner

**Digital broker**

**2 collaboration** with product development sharing expected to launch in 2022.

**Digital Partners**

**1 initiative project** with Digital platform and 1 contract with ceding – Phase 1 operated.

**PLRE's product**

**1 Critical Illness product** on process with ceding company

## New Market

CLMV Southeast Asia



# 2021 Sample of product launch to market

## Individual Health

**บิแอลเอ แอปปี เฮลธ์**

ห้องเดี่ยว มาตรฐานทุก sw. | วงเงินสูงสุด 5 ล้านบาท/ครั้ง

**รักษาครบ คุ่มครองคุ้ม**

## Group Life Package

แจกฟรี ประกันชีวิต 2,000,000 สิทธิ์

**ส่งรอยยิ้ม** ให้กันเป็นกำลังใจ **พร้อมสู้ใหม่** อย่างมั่นใจ

SCB Protect ขอส่งกำลังใจให้คนไทย ด้วย **ประกันชีวิตฟรี 2,000,000** สิทธิ์

- ✓ เสียชีวิตจากการเจ็บป่วยรวมโควิด\* 20,000 บาท
- ✓ เสียชีวิตจากอุบัติเหตุ 40,000 บาท

**คุ้มครอง 180 วัน** นับตั้งแต่วันลงทะเบียน

1314 SCB PROTECT Call Center | ตั้งแต่วันที่ 4 ต.ค. - 15 พ.ย. 64 หรือจนกว่าจะครบสิทธิ์

รับสิทธิ์คลิก | ดูรายละเอียดการคุ้มครองเพิ่มเติม

## Individual Health

SAMSUNG LIFE INSURANCE SAMSUNG

สัญญาเพิ่มเติมการประกันภัยสุขภาพ

**ลักชัวรี่ แคร่**

ใช้ชีวิตอย่างมีระดับ หมดทุกความกังวลเรื่องค่ารักษาพยาบาล

## ลักชัวรี่ แคร่

## Individual PA

SAMSUNG LIFE INSURANCE SAMSUNG

**สมาร์ท ปิโอ**

(พื่อ ไลต์, พื่อ โพรเทค และพื่อ ฮัลตรา(PERSON ACCIDENT) ประกันภัยอุบัติเหตุส่วนบุคคล (PERSONAL ACCIDENT))

## สมาร์ท ปิโอ

# S-Curve strategy : 2022 outlook

- Increase premium from new business and manage portfolio mix to balance short-term vs long-term products
- Improve product development and underwriting process with global statistical data and data analytic
- Manage claim exposure by retrocession program
- Expand new business opportunities via partnership

**New Partner  
(exponential growth)**

**New Market  
(additional growth)**

## New Product

- Co-develop new product with partners (Pacific life reinsurance & Others)
- Mental health project
- Tele – medicine project
- Individual health & CI on digital channel or platform partner

## New Partner

### Digital broker

Develop new product to fit partner via digital platform, broker

### Digital Partners

Health and wellness program offering to group insurance product

### Pacific Life Reinsurance

Co-product development, data analytics and automate U/W tools

## New Market

### New territory Exploration

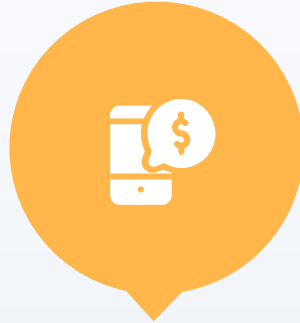


- Taiwan
- Philippines
- Malaysia
- Vietnam



# Service and Customer target Solutions

Alternative marketing team initiate the collaboration with several partners to obtain supplement service and customer target to be the value added service with our co-product development with client.



## ***Customer Database & Communication Platform***

Promote Product & Build Brand awareness to Partner's APP and community members



## ***Sales & Acquisition***

Professional Call Center services



## ***Digital & Lead Generation***

Get right potential prospects for our products with efficient cost thru Digital & Social Media channels



## ***Product Development***

Global Reinsurers, Pharmaceutical, Hospitals, TeleMed, TPA



# THANK YOU!

## Q & A?

