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THAIRE LIFE ASSURANCE PCL

DIGITAL COMPANY

2016

**SUSTAINABILITY  
DEVELOPMENT REPORT**

THAIRE LIFE ASSURANCE PCL



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## Message from the President

**Thaire Life Assurance PCL was founded in 2000. Prior to its listing in 2013 the Company was a subsidiary of Thai Reinsurance PCL transacting all classes of Life reinsurance. The Company's overriding objectives are to benefit the insurance industry and bring economic benefit to the country by being the premier Life reinsurer in Thailand. These objectives provide capacity to the Thai Life insurance industry for growth and retain capital in the country.**

Thaire life is the only Life reinsurer in Thailand, and operates its business in a socially aware manner that enables Thai people to improve their quality of life. The Company innovates and responds to customer needs through well-established business relationships with business counterparties. It also at the leading edge of the Life Insurance market through continual research into all the various factors that influence consumer trends and the activities of international competitors. The Company has maintained its credit rating and Capital Adequacy Ratio to recognised standards which in turn has earned the trust and credibility with business partners, further enabling the Company to enhance its reinsurance capacity. The ultimate consumer is thus well protected in respect of their life, health, medical and retirement plans.

The Company knows the importance of operating a successful business to achieve growth and profitability through the management of the reinsurance activities and the optimum use of all human and other resources.

It has received a positive evaluation for good governance from the Securities and Exchange Commission (SEC) and Thai Institute of Directors (IOD).

The Company is a project member of the Private Sector Collective Action Coalition Against Corruption Project or CAC. This reinforces the Company's desire to operate the business whilst following codes of governance and business ethics. Additionally, the Company demands loyalty and a high level of integrity from all employees which both helps strengthen trust and credibility among all stakeholders and illustrates that the Company will not tolerate any form of corruption.

The Company is committed to sustainable development of its business through the following of rigorous business plans that lead to strong and secured growth, support for personnel development and rewards for all stakeholders.



**Suthi Rajitrungsun**

President



## About this report



Development of  
community, society  
and environment



Anti-Corruption  
Activities



**This 2016 report is the Company's first sustainable development report**, this was previously the Company and Society Report. This report is aimed at disclosing Company information and activities ultimately leading to sustainable development whilst complying with the establishment of the Global Reporting Initiative (GRI) to provide all stakeholders with comprehensive information about their company. The Company has prepared this report in both Thai and English. The report can be viewed or downloaded at [www.thairelife.co.th](http://www.thairelife.co.th)

## Corporate Information



### Thaire Life Assurance Public Company Limited

Provision of reinsurance  
(life insurance business)

#### Founded

January 5, 2000

#### Location

48/15 Soi Rajchadapisek 20,  
Rajchadapisek Road, Samsennok,  
Huaykwang, Bangkok 10310  
Phone: 0-2660-61111, 0-2290-3111  
Fax: 0-2660-6100



#### Securities

Symbol: THREL  
First Trade Date: October 9, 2013  
Registered Capital: 600,000,000.00 Baht

### Business Overview

The Company transacts reinsured all types of Life reinsurance business; namely, ordinary life insurance, group insurance, credit life insurance as well as accident and health insurance by reinsuring various types of insurance from life insurance companies in Thailand.

The Company has confidence in its personnel having sound knowledge and an understanding of the practices of insurance operations based on international standards as well as appreciating the needs of the Thai population in terms of products and life insurance policies. The Company also has strong technical skills to conduct research, develop new products, plan, undertake risk management and a broad range of management skills needed to manage and develop the Company's overall business.

## Organizational Structure

The Company has one associate company through a 20% interest in EMCS Co, Ltd. (EMCS) established in 2000. EMCS has THB 30 million of capital and operates vehicle compensation management system and derives valuable motor insurance industry statistics from this.

# Vision & Mission

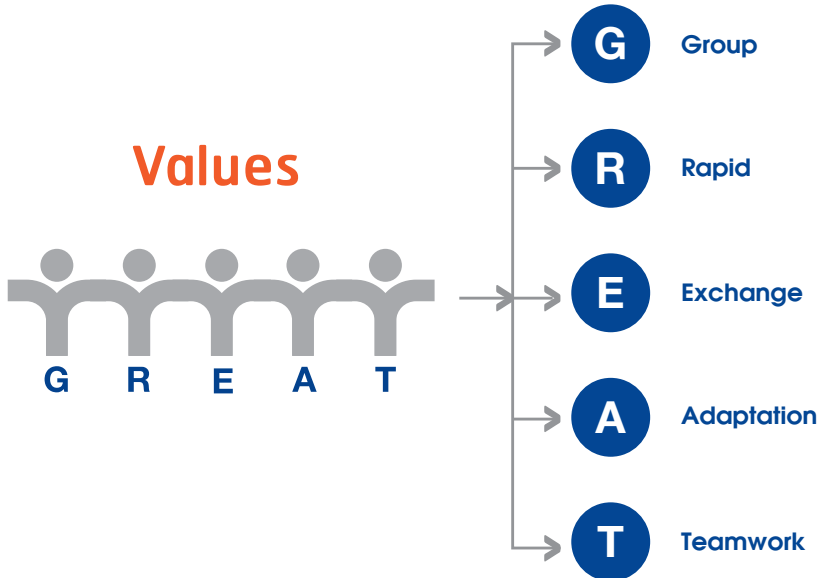
## Vision

“Our task is to offer solutions to life insurance companies in ASEAN”

## Mission

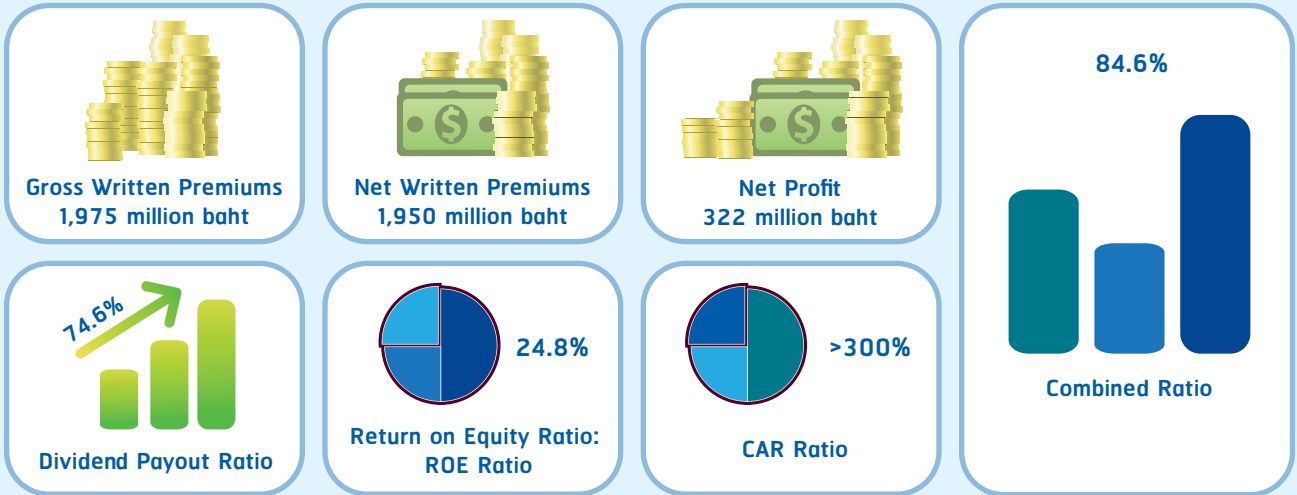


## Values



# Outstanding Operational Performance in 2016

## Finance



## Values



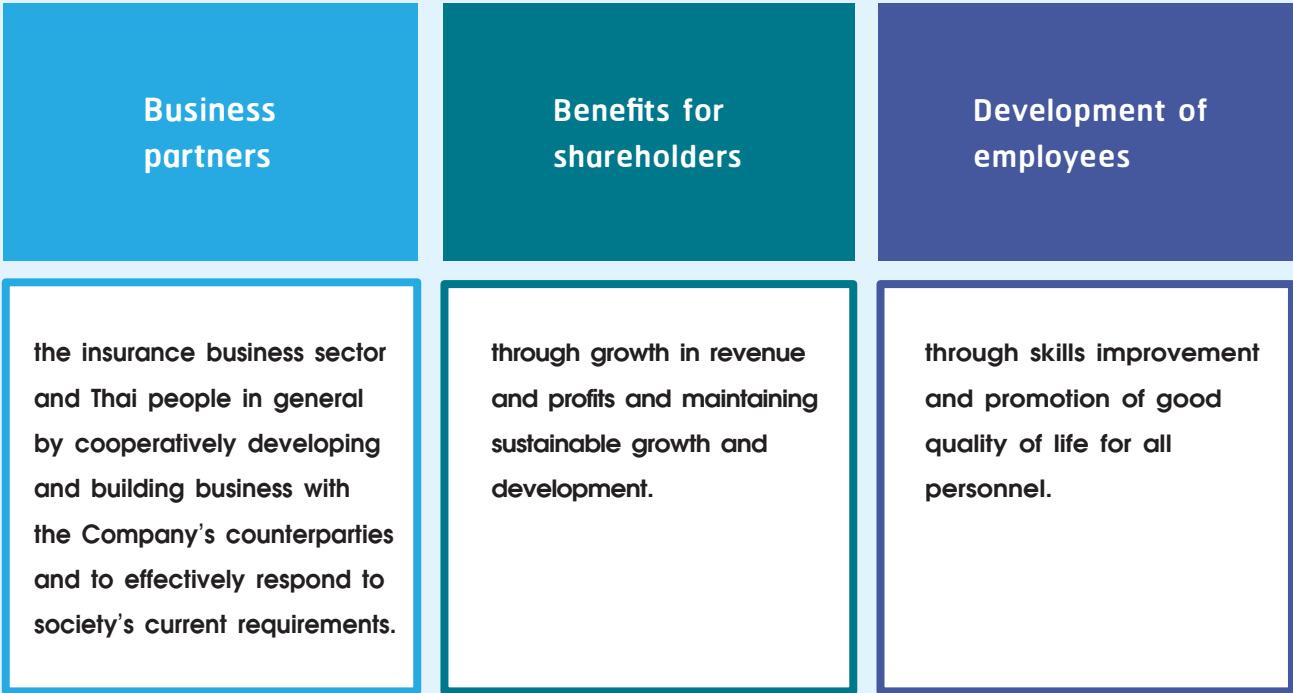


# Sustainable development policy

Thaire Life Assurance PCL main objectives are to operate its business to optimum levels to benefit the Thai insurance sector and the country's overall economy. The Company strongly adheres to a good governance policy and social responsibility to strengthen the Life insurance industry and the overall economy of the country which supports the Company's sustainability into the future.

## The sustainability commitment of the Company

is to build a strong society that leads to sustainable growth and long term development through



## Stakeholder Engagement

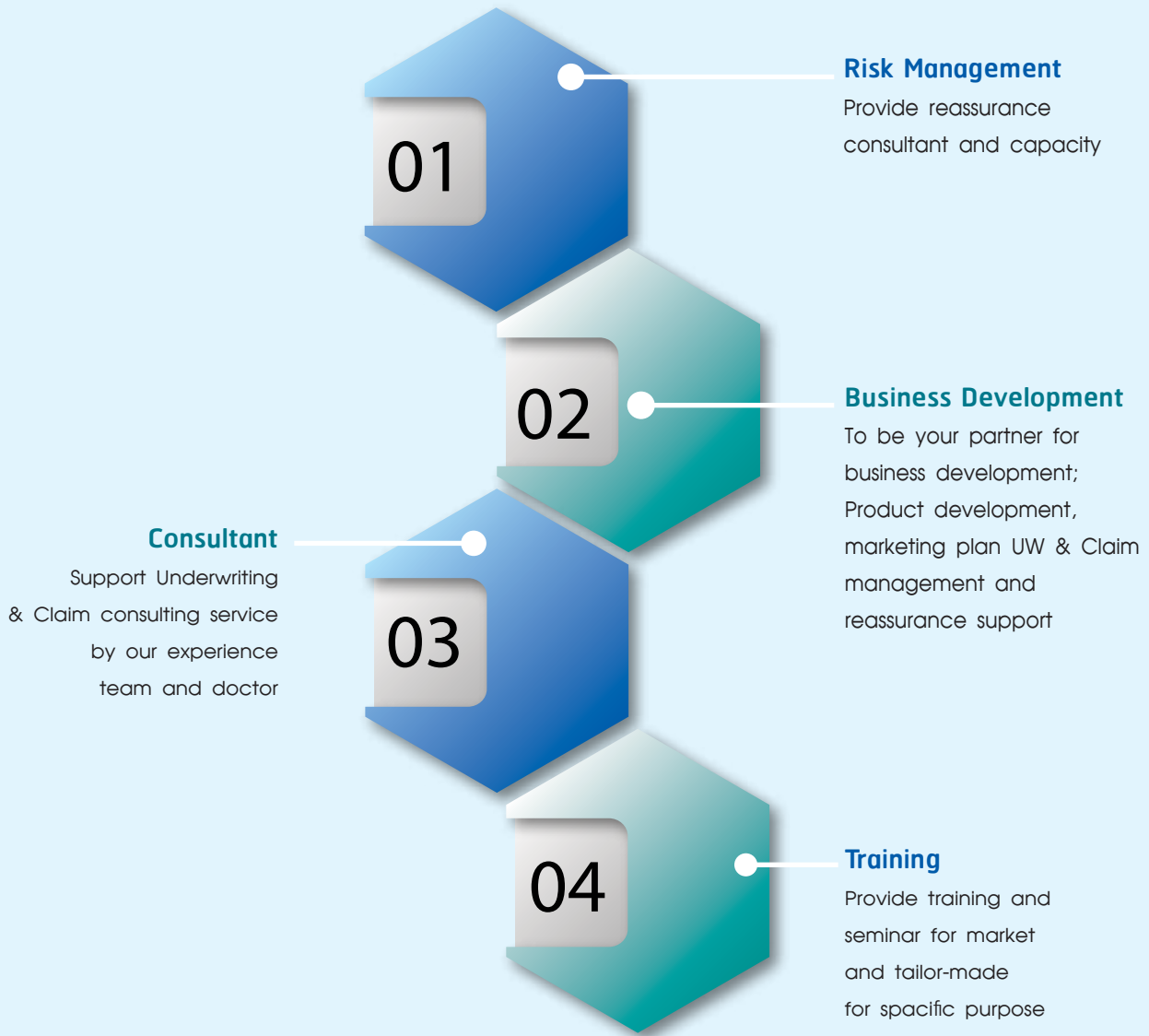
The Company has identified its relevant stakeholders and shareholders together with their expectations, participation and how the Company responds to each. The Company seeks to create value for its stakeholders as described below:

Group of Stakeholders	Stakeholders' Expectations	Methods of Participation	The Company's Actions
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Achievement of Company's vision and goal</li> <li>• A high and sustainable return on investment</li> <li>• Sound risk management and good corporate governance</li> <li>• Receipt of accurate, complete and timely information, both financial and non-financial</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Feedback or complaint reporting through designated channels</li> <li>• Disclosure of performance</li> <li>• Annual report</li> <li>• Road show activity</li> <li>• Coordination with IR center</li> <li>• Meeting with securities analysts, investors and fund managers</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver high and consistent returns for shareholders</li> <li>• Treat all shareholders on an equitable basis</li> <li>• Disclose both financial and non-financial information in a reliable, complete and timely manner</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Reasonable compensation</li> <li>• Career stability and advancement</li> <li>• Welfare, fringe benefits and personnel management</li> <li>• Training and capability development</li> <li>• A regular update on relevant news and information</li> </ul>	<ul style="list-style-type: none"> <li>• Communication of the Company's vision and goal</li> <li>• Performance evaluation</li> <li>• Promotion of personnel development</li> <li>• Employee satisfaction survey</li> <li>• Feedback or complaint reporting through designated channels</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a transparent personnel recruitment process</li> <li>• Ensure that compensation is commensurate with duty and responsibility</li> <li>• Promote employee skill development to enhance work efficiency</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Good quality of products and services</li> <li>• Availability of complete information crucial to decision-making</li> <li>• Quick response to customer needs</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Delivery of products and services</li> <li>• Rendering of advice and assistance</li> <li>• Customer visit</li> </ul>	<ul style="list-style-type: none"> <li>• Co-develop products and services with customers</li> <li>• Promote group members' provision of supporting services to insurance companies</li> </ul>
<b>Business Partners, Competitors and Creditors</b> 	<ul style="list-style-type: none"> <li>• A fair and transparent procurement process</li> <li>• Payment punctuality</li> <li>• Creation of long-term value and cooperation</li> <li>• Partner and competitor confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Communication via various media</li> <li>• Business cooperation</li> <li>• Execution of contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Not take advantage of business partners or counterparties</li> </ul>
<b>Supervisory Authorities and Government Agencies</b> 	<ul style="list-style-type: none"> <li>• Compliance with the laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in activities and projects organized by regulatory agencies and organizations concerned</li> <li>• Submission of reports to regulatory agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly observe the laws, rules and regulations</li> </ul>

## Value Chain management

The Company's business operations involve all classes of life insurance whilst at the same time incorporating social responsibility into its business objectives. The Company's has ability to participate in the management of the risks in the life insurance market as well as enabling the life insurance companies to compete and introduce innovative products. Thus, the Company is able to achieve its main objective; that is, sustainable growth and development.

### Sustainability Commitment To create quality of society



## Organizational management procedure

### Business direction

Throughout the Company senior management and executives are aware of the Company's business strategies. This knowledge provides the base for the planning teams from each area to work together to create business plans which once approved by the President set the business targets to be achieved in the coming years.

### Risk management

The approach to risk management in the Company involves the analysis, identification, evaluation and treatment of risks facing the business. A risk management plan is then put in place to minimize risks that in turn support the objectives that lead towards sustainable growth.

### Engagement

Motivation of the workforce is essential if business plans are to be realized and the training and development of personnel together with their active participation in a broad spectrum of areas ensures that all members of staff have a basis for feeling part of the team that is striving for success.

### Implement

The Company seeks active cooperation from personnel in all departments in the planning and implementation of its business plans and day to day business processes.

### Measurement

The directors of the Company monitor the progress of business plans at quarterly board meetings and provide advice and support in the solving of difficult issues and performance improvement as well as adjustment to operational plans where events demand change.

## Sustainability Framework

The sustainability framework provides the necessary guidelines for the Company to identify the issues that need to be addressed to achieve sustainable growth. These issues are: -

- The Company transacts all types of Life reinsurance responding to customers and business partners' needs and requirements
- Development and innovation with new products for the market and enabling consumers to have access to products that suits their needs.
- Recognising that the Company is concerned about the quality of society through the adoption of clear CSR plans and long-term sustainable development.
- Adopting sound good governance policies in the performance of its duty as a law abiding and responsible corporate citizen.
- Creating benefits for the general public by participating in social development.

## Corporate Citizenship Framework



## Sustainability Strategy

### “Sustainable growth”

The Company has participated in an Innovation and Development Programme to push forward organisational changes in terms of its culture, vision and attitude to effectively respond to changing business conditions. Furthermore, the Company has organised Change Management Projects and Teamwork Effectiveness Training for employees to encourage them to create business value for society as well as to strengthen the Company's sustainable growth in the economy, society and environment.

**THE CULTURE  
OF INNOVATION**



**CHANGE FOR  
SUSTAINABILITY**

## Products & Services' Sustainable Growth

The Life insurance industry has developed new and improved products to respond to various requirements of different target groups as well as to be able to conform to changes in economic and social situations. Thailand is rapidly becoming a senior citizen society and the demand for insurance for older people and pension plans will become significant as retirement needs are understood. If retirees have sufficient pension income the burden their family and society in general lessens.

Nowadays, Health insurance is increasingly important and therefore the Company has plans to cooperate with business partners in developing new business type, conduct a marketing plan as well as introducing new products to respond to older people's needs and requirements, including credit protection, life insurance products and personal credit which all respond to economic expansion. The Company's objectives are to introduce new and innovative products and to adopt different selling approaches to build sustainable businesses with business partners. The Company recognises emerging trends, changes in the insurance market, economic conditions, consumer and competitor behavior.

Additionally, the Company also provides consultancy services to improve the operational efficiency of life insurance companies focusing on reinsurance, compensation and consultancy fees.



# Society's Sustainable Growth



## Business partners

The Company's mission is to create value among business partners, shareholders as well as employees who are deemed as its major stakeholders. Consequently, the Company has established its goals in developing its market with business partners to introduce different types of insurance policy through new market channels to effectively respond to consumers' needs. This also enables the Company to improve the quality of society and helps in achieving sustainable growth.



## Shareholders

Return on equity is the key financial driver and not growth for the sake of growth. Enhancing shareholder value ensures business continuity and remains a core requirement.



## Employees

Human resource management is the single most important management activity, if done well the company flourishes, if done badly it will fail. ThaiRe puts considerable effort into ensuring staff development together with fair and equitable compensation policies.



## Employment

Employee selection is governed by interviews and written tests to ensure the quality of employee meets the required corporate standards. ThaiRe is an equal opportunity employer and does not tolerate any form of discrimination.

All employment contracts set out clearly the terms of employment and regulations that each employee must adhere to together with the rights of the company in the event of disciplinary action.

## Human Rights and Employees' involvement

Every human deserves to be treated with an adherence to human rights, to live happily as a human being as well as be a part of the society. The Company puts an emphasis on complying with human rights policy. Every employee is entitled to receive rights and



equal benefits from the Company. Therefore, the Company has established clear policies regarding human rights as well as communicating such policies to every employee, including other rights the employees are entitled to. The Company consequently, has specified rules and regulations in the Company's handbook of good governance and business ethics as well as publicising such rules and regulations on the Company's intranet.

The Company has an established mechanism for notifying claims and suspicion of any wrongdoing. The Company has the right to investigate and decide on what action is to be taken. The Company will adhere to human rights laws in order that employees or anyone who believes that their rights are being violated or they are being treated unfairly can claim for remedy. The Company publicises such mechanisms to inform its employees and any related persons on the Company's website.



### Personnel development

Development of staff is achieved through several different means including: -

1. Employee evaluation to determine training needs
2. Training programmes
3. Extra-curricular activities and the sharing of this with other employees
4. Overseas training programmes
5. Higher education, eg masters degrees, actuarial qualifications & LOMA professional qualifications



### Employees' health, workplace environment and safety

Health and safety at work is a principle upheld by the company and the following practices are in place: -

1. Annual medical check-ups
2. Provision of a fitness centre
3. Modern lighting, office equipment and furniture
4. Safe working environment
5. Staff meeting areas
6. Discouragement of health hazards eg smoking

## Operations' Sustainable Growth

As a reinsurer the Company is aware that it is taking on the risks of many insurance companies and needs to practice sound risk management principles. This it does through its own financial risk transfers in the purchase of reinsurance programmes. Additionally, there is in place a comprehensive business continuity plan which includes disaster recovery plans in the event of major unforeseen events.

The Company is mindful of the need to consider the underwriting of insurance based on sound principles of risk management and not over expose the Company to excessive risk. The Company has not over emphasised premium growth but concentrated instead on underwriting profitably. Its capital is used effectively in support of the Company's customers, mainly consisting of 22 life insurance companies in Thailand.

Thaire Life does not tolerate discrimination in its business practices and enjoys a reputation of fair treatment amongst its business partners including its respect for confidentiality.

A new IT system has also provided the business with greater flexibility ensuring better customer satisfaction and more growth opportunities.

Providing the insurance sector with knowledge, data, global insurance developments and updates on market developments has been a regular feature of Thaire Life's activities. The following illustrates several of these activities: -

- Industry seminar under the forum titles
  - 2016 Thaire Life Forum under the topic of **"Be Prepared and Get Ready for Changing Economic Policy and Health Insurance"**
  - 2016 Idea2 Building Strategic Intelligence in Insurance Biz Through Big Data Analytics
  - How to assess the Typical Gynecological Cancer for Life Assurance?
- The Company has published articles, analysis and research reports on the development of insurance industry.
- On numerous occasions the Company has provided information and advice to Thai Life Assurance Association, Office of Insurance Commission and other agencies.

## Development of community, society and environment

The Company considers the interests of all stakeholders in all its business operations. The Company's business operations have been directed towards quality of society, enabling people to have life insurance, retain an adequate amount of money to be spent after their retirement and have funds available for medical expenses. Being a Thai corporate citizen it is the Company's duty to support social and community activities. The Company has set up guidelines regarding society and the environment in its business ethics to encourage every employee to follow; for example, turning off electricity during lunch time, storing data in an electronic form to conserve paper. The Company has also recognised the importance of education and public health as one of major foundations in the development of the country, especially in remote areas where education and health care are inadequate.

In 2016, the Company organised activities to develop the community and society as follows: -

## Activities for the benefit of a society in general

The Company has donated money to support various activities which benefit the society in general. Examples of such activities are as follows:

- Donate money to make an offering of robes and other needs to monks as well as to build monks' dwelling at Pa Urai Wannawanaram Temple, Moo1, Nong Mak Fai sub district, Wattananakorn district, Srakaew.
- Donate money to support the operation of Anti-Corruption Organization (Thailand)
- Donate money to support the construction of Heart Center at Doi Dhammajedi Temple, Tong Kobe sub district, Kok Kee Suphan district, Sakolnakorn.
- Donate money to build toilets for Baan Sam Roi Yod School (Bunarakuthit), Rai Kao sub district, Sam Roi Yod district, Prachuapkirikhan.
- Donate money to join "Free the life of cattle and buffalo charity project" dedicated to His Majesty the King.
- Donate money to host the offering of Royal Kathin Ceremony cloth, organized by Office of Insurance Commission.

Total amount of money spent it social activities in 2016 is equivalent to 200,000 baht.

## Corporate Governance

Corporate Governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, employees, customers, government and the community.

The company attaches great importance to corporate governance and has produced a handbook for guidance on business ethics for all stakeholders which sets out the following: -

- |                                       |   |
|---------------------------------------|---|
| <b>1. Responsibility</b>              | Efficient performance of duties and to the best of one's abilities.                                   |
| <b>2. Equitable Treatment</b>         | Fair and equitable treatment of all stakeholders.   |
| <b>3. Accountability</b>              | Responsibility for one's own decisions and actions, and ensuring they can be explained and clarified. |
| <b>4. Creation of Long-term Value</b> | Looking towards the future to create long-term added value and sustainable growth.                    |
| <b>5. Transparency</b>                | Ensuring corporate operations can be examined and information is disclosed to relevant parties.       |
| <b>6. Ethics</b>                      | Existence of business ethics and code of conduct.   |

## Corporate Governance Policy

The Board of Directors of Thaire Life Assurance PCL and its subsidiaries mutually agrees that for an organization or business to achieve sustainable growth, it must have in place a good corporate governance system that is compatible with its status. This is a key fundamental for enhancing both operational efficiency and benefit for all stakeholders. Therefore, the Board of Directors is committed to operating business under good corporate governance and management practices by upholding the code of business ethics and transparency and focusing on creating value for shareholders, employees, customers, business partners and all stakeholders. The Company has accordingly set out policies on corporate governance for the directors, executives and staff members to observe in performing their duties, as follows:

1. The Board of Directors, executives and employees shall perform duties with strong determination, integrity and responsibility to generate the utmost benefit to the Company by adhering to good corporate governance principles and business ethics in their operation.
2. The Board of Directors plays a crucial role in formulating the Company's vision, strategy, policy, management structure and significant business plans and must take action to ensure that the internal control system, accounting-finance system and financial reporting are reliable.
3. The Board of Directors and executives shall take the lead on ethics and act as a role model for performing duties with strong determination and integrity under corporate governance principles.
4. The Board of Directors, executives and employees shall uphold fairness and treat all groups of stakeholders on an equitable basis, and shall monitor, control, prevent and eradicate any conflict of interest that may take place.
5. The Board of Directors, executives and employees shall adhere to the anti-fraud policy.
6. The Board of Directors shall ensure that the shareholders are treated equally, have the right to access information, and have an appropriate channel to communicate with the Company, and shall form an investor relations center to be responsible for providing information to investors and the general public.
7. The Board of Directors and executives shall ensure that personnel at all levels are properly selected and that the selection process is fair and transparent.

Compliance with corporate governance policy is a key indicator to measure the business management performance of the Board of Directors and executives and to evaluate the performance of all employees.

## Anti-Corruption Activities

The Company has a policy to counter corruption and bribery for commercial benefit and has established this as the best practices for customers, competitors and state agencies in its code of business ethics since 2012. Under the policy, all directors, executives and employees shall abide by the principles of integrity and shall neither give nor receive any bribe whether in form of a gift or any other benefit. They shall not perform any act that is

conducive to fraud and bribery; nor perform any act or assist in or support any act that is deemed as a misconduct according to the relevant laws and notifications; nor perform any act relating to property in bad faith or any act that is detrimental to the national economy or security; nor conceal or take part in a transfer or sale of property obtained from such act.

In addition, the Company has drawn up a policy on interest and conflict of interest and a policy on control over the use of internal information, aiming to ensure performing of duties in a transparent and examinable manner in line with its corporate governance principles.

In 2012, the Company has announced its intention to participate in the Private Sector Collective Action Coalition against Corruption or CAC in which this year the Company has been certified as a member of this project. The Company; therefore, has established the anti-corruption policy by specifying risk evaluation procedures, guidelines in monitoring and supervising corruption within the Company as well as following up results to indicate its concrete will and determination in operating the business with integrity, transparency and equality to every stakeholder in compliance with good governance policy. The Company's Board of Directors have also revised the appropriateness of established anti-corruption policy on an annual basis. Nonetheless, the Company has regularly communicated with the employees by organizing various training programs regarding anti-corruption policy and direction as well as preparing good governance and business ethics manual and publicized such manual via the Company's website to inform every stakeholder.



In 2016, the Company has been certified as a member of the Private Sector Collective Action Coalition against Corruption or CAC. It has implemented the anti-corruption policy and drawn up the anti-corruption measure in writing by compilation of measures/regulations/guidelines/procedures for corruption prevention.

These are disclosed publicly and communicated to all employees through media such as training, new employee orientation program, internal communication, posting on the website and other verbal and written communication.



# Actions against Fraud and Corruption under the Company's Anti-Corruption Policy

## 1. Fraud Risk Assessment Process

The Company implements a risk management programme that given the nature of its business operation examines the potential for fraud in all core activities and identifies the root causes of fraud opportunity and the proper measures for prevention, control and management of such fraud risk. Performance against the risk management plan is monitored and evaluated on a quarterly basis.

## 2. Guidelines on Monitoring, Prevention and Control of Fraud Risk

- The Company has in place an internal audit system operated by the Internal Audit Department as an independent unit responsible for examining the operations of all other work units in line with the established regulations, including an internal control system, an accounting/financial system, procurement, contracting and any other activity, with a view to preventing and monitoring fraud and corruption risk.

- The Enterprise Risk Management Committee meeting is held to consider, monitor, control and follow up on progress of core risk management as well as fraud risk prevention and monitoring on a quarterly basis.

- The Company monitors legal and regulatory compliance and ensures that a compliance report is submitted to the quarterly Audit Committee meeting.

- The Company makes available communication channels for investors, outsiders and employees to express opinions or report complaints/suspensions of acts against laws or corporate governance or acts of fraud or corruption or any other issues. The Company also outlines a policy on complaint/whistleblowing management and whistleblower protection, and puts in place measures, regulations, guidelines and procedures under such policy that are adequate for risks in case there are any such complaints reported. Procedures for complaint management are clearly defined and the reported information is treated in strict confidence. Reporters or whistleblowers are notified in writing of results of the Company's actions.

- The Company has clearly set out rules which include disciplinary actions, ranging from written warning to termination of employment contract, and legal penalty through, for instance, prosecution. All employees are notified of such rules against any violation via the Company's internal communication channels, training programs, and new employee orientation.

### **3. Communication and Training**

The Company communicates the anti-corruption policy and measure to its employees and employees of its group members, customers, business partners, creditors, investors and outsiders through various methods such as staff orientation programs, employees' acknowledgement signing, the Intranet or e-mail, the Company's website, annual report, circulars to business partners, etc. so as to provide practice guidelines for all concerned parties. All employees are obligated to comply with such policy and measure.

### **4. Guidelines on Monitoring and Evaluation of Anti-Corruption Policy Compliance**

The Company provides channels for complaint/whistleblowing and monitors and evaluates the compliance with its anti-corruption policy. Its Legal Compliance Department has duty to follow up compliance with the anti-corruption measure and report any act of fraud or corruption to the Audit Committee. At the same time, Internal Audit Department is responsible for examining internal control system, assessing efficiency and adequacy of internal control of each work unit based on the corporate governance principles and anti-corruption policy, continuously providing advice, conducting an audit according to the yearly audit plan, and reporting audit results to the Audit Committee.

The Audit Committee already arranged for proper and adequate actions to be taken to review appropriateness of compliance with the self-evaluation form with respect to the anti-corruption measure of the Company.

### **Declaration of Intent on Other Anti-Corruption Activities**

The Company provides financial support to the Anti-Corruption Organization of Thailand as one of the driving forces to combat corruption and ultimately make Thailand a transparent, corruption-free country.