

4. Forecasted insurance risk that affects to the company's financial statement

Insurance risk is the risk that business loss from actual claims may deviate from assumptions such as premium pricing, there are actual claims deviate from pricing assumptions lead to premiums not cover claims and affect to company financial.

The Company has insurance risk assessment from insurance business processes, which are:

1. Product design and pricing risk, the company has set up the Product Governance Committee (PGC) to consider crucial issues from product design and pricing that may affect to company and ensure that product meet market demand, align with the strategic direction and within risk appetites. Moreover, after products are launched, the underwriting results are monitored for further product improvement and development. A sensitivity analysis is conducted to identify the effect from changes in the assumptions on the underwriting results.
2. Underwriting risk, the company has standardized underwriting manual and underwriting database system from medical statistical data, life expectancy trends and new technology to increase efficiency in searching information and build partnership with medical institution to become a consultant for the company.
3. Reserve risk, the company has set up loss reserves which are examined and certified by independent FSA actuary (Fellow to Society Actuaries). Moreover, factors that might affect the Company's loss reserve estimates are analyzed and monitored periodically to ensure they adequately cover its obligations.
4. Reinsurance risk, the company has set up consider the implement an excess of loss retrocession program that is compatible with the company's risk profile. The company has only used an approved reinsurance broker from Lloyd's, which is a world's leading reinsurance broker. In addition, the Company has a policy to retrocede its business only to retrocessionaires that have credit rating of at least "A-."
5. Emerging risk, the company has assessed emerging risk may have significant effect to business performance and financial stability which the most importance risk factor is pandemic of COVID-19 that significantly impact to incurred claims amount. However, the company has risk management to reduce impact such as monitoring number of infected both of domestic and international and performing stress scenario test to ensure that the company can continued business operation and has financial stability to cover incurred loss.