



## 1.2 Policy Business Objective and Strategies of the business

In 2021, THREL's reinsurance gross written premiums (GWP) totaled THB 2,913 million which increased by 25 percent from the previous year, which was in line with growth in the industry's life insurance that remains no growth, and a market share of 13.6 percent. The Company's GWP were mainly contributed by the health insurance product either in individual insurance and group insurance, which was in line with the market trend could generate premiums of THB 1,129 million, soaring by 48.3 percent, up by 7.3 percent. Followed by the ordinary life insurance at 22.2 percent of portfolio with premiums of THB 520 million, and commercial and housing credit insurance shared 21.8 percent with premiums of THB 510 million. Lastly personal accident insurance generated premiums of THB 180 million shared 7.7 percent. As a COVID 19, the company uses risk management measures for new emerging risk by closely monitoring the situation and assess the impact on the business sector and the company itself. The company assess the increase in claims from COVID-19 Therefore, the proportion of the claim reserve has been increased. Moreover, adjusting new business insurance guidelines to be more cautious.

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 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.

Compliance with all the regulatory requirements and high standards of corporate governance have built up a level of trust with customers that strengthens its ability to be a leading player in the life insurance market. The Company's CAR at the pre audit CAR at the end of 2021 was approximate 330 percent, considerable, exceeding 300 percent. The credit risk that life insurers carry in their CAR calculations is at the lowest possible level when reinsuring to THREL, equivalent to a AAA rating for a foreign reinsurer and in 2021, the Company obtained a financial strength rating of A- (Excellent) Stable, from AM Best. And the company has been selected to be on the list "Thailand sustainability Investment (THSI)" of 2021 by The Stock Exchange of Thailand (SET).

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

1. The new normal cause the change of people lifestyle resulting in change of market practice of communication, product offering including sales processes and service providing to people in the life insurance industry.
2. 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.

3. The volatility of investment yield which currently equal to 0.5 percent. 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.
4. 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 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, Cambodia and Taiwan which our implementation still in progress and we expect to create premium income from these markets in 2022.
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 2022.
4. Company places importance on caring for and enhancing the quality of the environment and society. Apart from the traditional role of financial intermediaries to support economic growth and stability, the Company has adopted the concept of sustainability in its business operations by establishing four sustainability guidelines:
  - 1) Caring for society and the environment
  - 2) Conducting business with ethics
  - 3) Building business security
  - 4) Caring for employees and creating customer satisfaction. These guidelines are integrated into the business strategies so that it can grow steadily and sustainably while creating value for all stakeholders.