



THREL: Management Discussion and Analysis for year 2024 ended Dec 31, 2024

25 February 2025

Subject: Management Discussion and Analysis for year 2024 ended Dec 31, 2024

To President
The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited (“the Company”) would like to explain the operating performances for year 2024 in which the equity method presented in the audited financial statements as follows:

Overview of the Company's Operations

In 2024, Thailand's economic conditions and household debt will directly affect consumers' purchasing power. Combined with a decline in bank lending, this will lead to a decrease in credit life insurance. Furthermore, the continuous rise in medical inflation will pose greater challenges for health insurance. However, the life insurance sector is expected to benefit from heightened consumer awareness regarding the importance of life, health, and critical illness insurance. Additionally, the younger generation is increasingly interested in health care and incorporating life insurance into their financial planning. Moreover, life insurance for the elderly is anticipated to experience growth as Thailand fully transitions into an aging society.

In the business sector, companies are adjusting their sales policies to align with current circumstances, while simultaneously developing new products and expanding opportunities through new sales channels. They are also leveraging technology to enhance services and streamline processes to align with the digital economy, aiming to cover all target groups comprehensively. Meanwhile, the public has become increasingly aware of pension life insurance due to Thailand’s transition into an aging society. As a result, the company’s life insurance portfolio for 2024 is structured as follows:

(Unit : Million Baht)	Increase		
Reinsurance Premium	2024	2023	(Decrease)
Personal Accident	163.4	164.2	(0.7)
Credit Life	614.3	367.5	246.8
Ordinary Life	480.5	478.8	1.8
Individual Health & Group Life	3,301.0	2,444.8	856.2
	<u>4,559.2</u>	<u>3,455.3</u>	<u>1,103.9</u>

In 2024, the company will continue to implement marketing policies focused on developing products and services that create sustainable business opportunities. The company will position itself as a partner to all life insurance companies, acting as a business ally in jointly developing products that meet market and consumer demands. For instance, the company will offer health insurance products that cover new forms of treatment, including psychiatric care, to align with changing social conditions and evolving medical needs.

During the product development process, the company will focus on delivering comprehensive project proposals, conducting profit and loss analyses, designing products tailored to target groups, presenting them to pilot groups,



and managing the product distribution process. This comprehensive approach will ensure the achievement of the company's business objectives.

In the international business, the company has experienced strong growth, primarily driven by its expansion in Indonesia. In other markets, such as Cambodia and Laos, the company continues to manage operations and seek business growth opportunities. The company is also exploring new markets, including India, with a focus on credit insurance, group insurance, and critical illness insurance products. Additionally, in response to the rising trend of medical costs, the company has adapted by placing greater emphasis on underwriting processes and risk management with careful consideration. This approach aims to maintain the quality of underwriting results within an acceptable risk level.

Over the past year, the continuous rise in medical inflation has made managing and controlling the quality of health insurance claims more challenging. However, the company has adjusted its portfolio to balance group insurance, individual insurance, and other insurance types. It has also revised reinsurance terms to align with the increasing claims ratio and discontinued certain contracts that do not provide long-term business returns. The company continues to prioritize careful and prudent underwriting and risk management processes to ensure that the quality of underwriting results remains within an acceptable risk level.

And this year, the company received a 5-star rating, or "Excellent CG Scoring," for corporate governance for the 8th consecutive year. Additionally, the company was ranked among the *Top Quartile Companies* for the second consecutive year in the 2024 Corporate Governance Report of Thai Listed Companies (CGR) survey, organized by the Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

These achievements reflect the company's ongoing excellence in corporate governance and its commitment to sustainable business operations in line with good governance principles across the economic, social, and environmental dimensions (ESG).

(Unit Million baht)

Description	4Q/2024	3Q/2024	QoQ	4Q/2023	YoY	YE/2024	YE/2023	YoY
Reinsurance premium written	995	1,693	-41%	809	23%	4,559	3,455	32%
Earned Premium	1,155	1,524	-24%	931	24%	4,451	3,301	35%
Reinsurance expense	1,172	1,489	-21%	885	32%	4,502	3,188	41%
Earnings (Loss) on Underwriting	(17)	35	-148%	46	-137%	(51)	113	-145%
Net Investment Income and Other Income	12	15	-23%	15	-20%	67	75	-10%
Operating Expenses	32	33	-3%	30	7%	131	117	12%
Profit (Loss) before Income Tax expenses	(37)	18	-311%	31	-220%	(115)	71	-261%
Net Profit (Loss)	(25)	14	-275%	14	-277%	(85)	62	-236%
COMBINED RATIO	105.5%	99.6%		99.0%		104.1%	99.9%	

Operating performances for 2024

The Company's financial statements in which the equity method presented a net loss for the year 2024 at Baht 85 million, decreased by Baht 147 million or -236% from the previous year mainly due to:



1. **Earning on Underwriting** the Company had Loss on Underwriting amounted to Baht 51 million, decreased by Baht 163 million or -145% from the previous year comprises:

- A. The Company had reinsurance premiums written amounted to Baht 4,559 million, increased by Baht 1,104 million from the previous year or 32% with earned premiums amounted to Baht 4,451 million, increased by Baht 1,150 million or 35% from the previous year, mainly from the growth of individual health insurance product, an adjustment of group health insurance premium rates, and the expansion of credit insurance products in the international market.
- B. Reinsurance expenses amounted to Baht 4,502 million, increased by Baht 1,314 million or 41% from the previous year mainly from:
 - Total claim expenses increased by Baht 1,244 million which is related to the growth of premiums and following the industry's situation where medical cost inflation for health insurance products has risen higher than the adjusted insurance premium rates.
 - In Q4/2024, two major claims occurred under the credit insurance product, impacting the company's claim expense by Baht 50 million.
 - Commission expenses increased by Baht 141 million from the previous year mainly due to the increase in line with the growth of premiums.

As a result, the company recorded a net loss Baht 85 million for the year of 2024, with the Combined Ratio rising to 104.1%, reflecting an increase of 4.2 percentage points from the previous year. In 2024, the company conducted a review and adjusted the pricing for some health insurance contracts, especially those for contract renewals. Additionally, we have terminated the contract that affects the operating results, aiming to bring the loss ratio and combined ratio back to target levels in the future.

2. **Investment Income and Other Income**

In 2024, the Company had net investment income of Baht 72 million, which is close to the previous year. This decline was due to a reduction in dividend income following portfolio adjustments aimed at risk reduction.

Please be informed accordingly.

Yours sincerely

-Signed-

(Mr. Vipon Vorasowharid)
Managing Director