



TOKIO MARINE
INSURANCE GROUP


Public Disclosure Report 2021

Tokio Marine Safety Insurance (Thailand) PCL.

I hereby certify that the foregoing statement in this report is complete and accurate and contains neither any materially misleading statements nor any omissions of material information that ought to be declared.

Signature 
(Mr. Suteechai Santivarakum)
Position Chief Executive Officer



Signature 
(Mr. Nobufumi Yasue)
Position President

Date 27th May 2022

Reporting Year 2021

Tokio Marine Safety Insurance (Thailand) PCL.

S&A Building, 2nd - 6th floors, No. 302, Silom Road,
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บมจ. คิว่มภัยโตเกียวมารีนประกันภัย (ประเทศไทย)

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แขวงสุริยวงค์ เขตบางรัก กรุงเทพมหานคร 10500



1.1 Overview and Background

On 31 August 2018, Tokio Marine & Nichido Fire Insurance, which is a subsidiary of Tokio Marine Holdings (TMHD), together with its subsidiary and affiliates, completed their acquisition of Safety, a non-life insurance company in Thailand, from Insurance Australia Group Limited, an Australian insurance company.

The acquisition was in line with Tokio Marine group's long-term vision "to be a global insurance group that delivers Safety and security to customers worldwide and sustains growth." According to such vision, subsidiaries and affiliates of Tokio Marine group have been actively looking for the opportunities abroad to expand its existing portfolio geographies and in different business areas. Correspondingly, the acquisition and international expansion are now the main driving forces of Tokio Marine group's growth strategy, especially in the emerging markets, primarily in Asia as the economic growth continues to grow and increasing household income level in the middle-class population.

To leverage the experience, expertise, and resources of Safety and Tokio Marine group's existing non-life insurance business in Thailand and obtained the approval from OIC. The combined entity that will be formed upon such integration will operate the combined business under the name "Tokio Marine Safety Insurance (Thailand) Public Company Limited" (TMSTH)

After the completion of integration has been approved by the Office of Insurance Commission (OIC). TMSTH was established on 3 February 2020. Moving forward, TMSTH will collaborate with Tokio Marine group to work continually for expanding the mutual benefits for their customers and enhance capabilities for Thailand's insurance industry development

Tokio Marine Safety Insurance (Thailand) PCL.or TMSTH sets 'Foster a Sustainable Future' as company vision and takes steps toward this goal. Company aims to be one of leading insurer in Thailand's insurance industry by combining each strength of former organization and realizing the value of synergy. We have been tried to improve with every encounter to serve customers' need with the deep understanding.

Contact Information:

Tokio Marine Safety Insurance (Thailand) Public Company Limited

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Fax: 0 2253 3701, 0 2253 4222
Call Center: 0 2257 8080 (24 hours)



1.2 Policy/Vision/Objective/Business Strategy

Tokio Marine Safety Insurance (Thailand) PCL. conducts its business followed by 'Foster a Sustainable Future' vision which the organization has been defined the corporate culture needed to be in line with the organization's vision and goals.

The corporate culture is what we shall shape through our behavior and our way of work, process, system and strategy over years, rather than just follow as rule. To align with our company goal, the company has defined what should be the attributes, namely "Look beyond profit", "Deliver results through collaboration" and "Build trust and empowerment.

Look beyond profit

- Realize our business purpose and understand the meaning of our existence
- Build a sustainable future for all stakeholders including customers, business partners, society and colleagues.

Deliver results through collaboration

- Drive results leveraging our network of TMSTH as well as our stakeholders
- Drive agility to promote innovation and competitiveness

Build trust and empowerment

- Develop employee's career plan through providing training and opportunities
- Empower employees to have responsibility with accountability

1.3 Business Description

Tokio Marine Safety Insurance (Thailand) PCL. is a subsidiary of Tokio Marine Group which is the 1st Japanese insurance company has been founded since 1879 with strong financial and expanding its business 46 countries (As of 2020) such as Japan, US, UK, South Africa, India, Malaysia, Brazil, Philippines, etc. as well as Thailand. Tokio Marine & Nichido Fire Insurance, which is a subsidiary of TMHD also has been rated highest among Japanese Financial Institutions by international rating agencies such as Standard & Poor's (A+) and Moody's (Aa3) and A.M. Best (A++). as of as of January 6, 2022).

Tokio Marine Safety Insurance (Thailand) PCL. has gained full support in every field of operation and technique from Japan which has resulted in stronger financial and higher performance. The Company was categorized rating as "A" by S&P credit ratings (as of November 11, 2021). The rating on Tokio Marine Safety Insurance (Thailand) PCL. (TMSTH) reflects the important role the Company plays in supporting the wider group's strategy in Asia. The Company aims to provide various products with first class service to customers with social responsibility



1.4 Product detail, Important Service and Portfolio Mix

The main channel of the Company is Japanese Business and Local Business. The biggest proportion of written premium comes from Motor Insurance. The Company is 1st ranking for Marine Insurance in Insurance Industry in Thailand. The table below shows the Company's premiums from 1st January 2021 to 31st December 2021.

Unit : Million Baht

Description	Fire	Marine		Motor		Miscellaneous						Total
		Marine hull	Marine cargo	Compulsory	Voluntary	All risks	Public liabilities	Engineering	Personal accidents	Health insurance	Others	
Direct premium written	45	19	1,142	642	11,614	2,360	303	97	1,332	206	186	17,947
Net written premium	12	8	638	641	11,598	222	109	25	1,319	205	56	14,832
Proportion of direct premium written (%)	0.25%	0.11%	6.37%	3.58%	64.71%	13.15%	1.69%	0.54%	7.42%	1.15%	1.04%	100.00%

Remark : The information is obtained from annual report

1.5 Contact channel, procedures, methods, and timeframe for claiming, considering and indemnifying the insurance contract

1.5.1 Claim Process and Required Documents

Claim Process and Procedure of Motor Claim

Motor Claim Department Policy

Focus on providing services to the insured and persons affected by accidents caused by the insured vehicle mitigate the damage caused by fairness responsible for actual damage. We consider the damage caused both directly and indirectly in order for the service recipient to receive the maximum benefit according to the coverage from the policy

Objective

- To monitor the consideration and compensation of compensation in accordance with the OIC's announcement
- To be a guideline to alleviate the suffering of those involved in the accident
- To ensure transparency and accountability in considering and paying compensation
- For excellence in service and create satisfaction for service recipients



Claim Principle

Compensation based on actual damage resulting from accidents insured by the Company.

Claims Channels and Procedures

1. Notify the company at the 24-hour hotline, call 02-257-8080 or Hot Line Tel. 02-655-6901-2 or E-mail: customer-hotline@tokio-marinesafety.co.th
2. Submit the following documents supporting the claim:
 - Claim letter of the insured or fill in the form on the Company's website
 - A copy of the ID card of the insured or authorized director to certify the copy
 - A copy of the house registration of the insured or Copy of company certificate certified copy
 - Quotation for repair and documents showing the amount of damage such as damage inspection reports
 - Photos of the damage and/or a report showing the cause of the damage
 - A copy of the police officer's daily records
 - Other supporting documents as requested by the company
3. Contact to Motor claim at the company's office, both the head office and the branch.
4. However, the company may have an appointment to survey the damage. which officers assigned by the company will make an appointment to survey and inspect the damaged property value and price etc.

Elements, criteria and evidence for consideration of compensation in compulsory and voluntary policies:

Criteria and Guideline

Claim type	Claims consideration
1. Medical expenses	Considering from the receipt
2. Compensation for injuries and loss of organs or permanent disability	Considering the status of the victims such as occupation, injuries, future medical expenses, etc.
3. Damage to life	Considering from the status of the victims including the heirs of the victims who must be cared for
4. car repair expenses of the insured/third parties.	Apply the price of the Insurance Association
3.The insured vehicle is stolen or completely damaged..	Considering the conditions and the policy coverage
6. Loss of use of the third party car	Apply the guidelines of the Insurance Association working with the OIC in considering



7. Non-vehicle property	Considering by the Company, the contracting companies will repair the property or compare prices according to market prices
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Motor claim compensation related to the car / property, there are 4 methods as follows:

1. Compensation
2. Repair
3. Replacement
4. Restoration

▪ **Documents for consideration and compensation under Compulsory**

Claim Type	Documentation
1. Preliminary Medical Expenses	1. Receipt or an invoice from hospital
	2. Copy of ID card or other evidence issued by the government
2. The Compensation for the Loss of Organs or permanent disability, preliminary	1. Medical certificate or doctor's opinion
	2. Copy of ID card or other evidence issued by the government
	3. Copy of police record
3. Damage to Life, preliminary	1. Copy of death certificate or other evidence confirming that death was caused by an accident
	2. Copy of police record
	3. Documents for heirs who are entitled to receive compensation, such as a copy of the marriage certificate, copy of ID card or a copy of the house registration In the event that the heir of the deceased is a minor, there must be a court order requiring a person to do a juristic act on behalf of the minor. In the case of an heir of a foreigner must have a certificate confirming that the heir of the embassy or consulate with translation into Thai
4. Medical Expenses, Additional	1. Receipt or an invoice from a hospital
	2. Copy of ID card or other evidence issued by the government
	3. Police Record stating that the car insurance is at fault
5. Compensation for Loss of Organs or permanent disability, Additional	1. Medical certificate or doctor's opinion
	2. Copy of ID card or other evidence issued by the government
	3. Police Record stating that the car insurance is at fault
6. Damage to Life, Additional	1. Copy of death certificate or other evidence confirming that death was caused by an accident
	2. Police Record stating that the car insurance is at fault



	<p>3. Documents for heirs who are entitled to receive compensation, such as a copy of the marriage certificate, copy of ID card or a copy of the house registration</p> <p>In the event that the heir of the deceased is a minor, there must be a court order requiring a person to do a juristic act on behalf of the minor.</p> <p>In the case of an heir of a foreigner must have a certificate confirming that the heir of the embassy or consulate with translation into Thai.</p>
<p>*** Note *** In case of advance payment, evidence confirming the presence of compulsory insurance is required.</p> <p>*** In the event that the victim does not come by himself, A power of attorney with the following documents is required.</p> <ol style="list-style-type: none"> 1. Documents of the power of attorney consist of ID card copy (Signed to certify true copy) 2. Documents of the power of attorney consist of ID card copy. Sign the name certifying true copy and present the original ID card. <p>*** In the case of payment via bank transfer system. A copy of the bank passbook must be provided to the company and certified true copy.</p>	

▪ **Documents for consideration and compensation under Voluntary**

Claim Type	Documentation
<p>1. Damage to life, bodily injury, third parties</p>	<p>1. Receipt or an invoice from hospital (in case of medical expenses)</p>
	<p>2. Medical certificate or doctor's opinion</p>
	<p>3. Copy of death certificate or other evidence confirming that death was caused by an accident (in case of death)</p>
	<p>4. Documents for heirs who are entitled to receive compensation, such as a copy of the marriage certificate, Copy of ID card or a copy of the house registration</p> <p>In the event of a minor or death</p> <p>In the event that the heir of the deceased is a minor, there must be a court order requiring a person to do a juristic act on behalf of the minor.</p> <p>In the case of an heir of a foreigner must have a certificate confirming that the heir of the embassy or consulate with translation into Thai</p>
	<p>5. Other evidence that the injured person makes a claim for compensation</p>
<p>2. Damage to third party property</p>	<p>1. Evidence of damage or damage assessment identified repair period</p>
	<p>2. Evidence showing the owner of the property</p>



3. Damage to the insured vehicle and the third party's vehicle	1. Evidence of damage or damage certificate or a damage assessment sheet before repairing
	2. Evidence of repair arrangement photo of the car being repaired receipt (in the case of taking the car to arrange repairs by themselves)
	3. Documents of the insured or the third parties, such as a copy of the identification card or copy of passport or a copy of the documentary evidence issued by the government
	4. Copy of vehicle registration manual (applies only in the case of the third party)
4. In case of the insured car is completely damaged	1. Claim form with damage items
	2. Documents of the insured and or beneficiaries
	3. A letter indicating the intention to request the transfer and receive the transfer of ownership of the car
	4. Vehicle registration manual
	5. Copy of the police record about the case
	6. A copy of the court order appointing the administrator of the estate (In the event of the insured's death)
	7. Documents canceling the use of the car (Only in case of stolen car)
	8. Car leasing documents and a waiver of the insured's right to receive compensation (In case the beneficiary is a financial institution)
5. In case loss of use the car or car depreciation, only the third party	1. The original or the damage certificate
	2. Copy of vehicle registration manual
	3. Copy of ID card or a company certificate of the car owner
	4. Evidence showing details of claim for loss of use the car or car depreciation, such as a copy of the car repair certificate/car receipt, list of spare parts used in the repair, receipt of repair cost, etc.
<p>Remark: *** In case of advance payment, evidence confirming the presence of compulsory insurance is required.</p> <p>*** In the event that the victim does not come by himself, A power of attorney with the following documents is required.</p> <ol style="list-style-type: none">1. Documents of the power of attorney consist of ID card copy (Signed to certify true copy)2. Documents of the power of attorney consist of ID card copy. Sign the name certifying true copy and present the original ID card. <p>*** In the case of payment via bank transfer system. A copy of the bank passbook must be provided to the company and certified true copy.</p>	



▪ **Claim consideration and timeline (settlement and payment)**

Claim type	Settlement (days)	Payment (days)
2. Voluntary (damage of life, bodily injury)	15	15
3. Property damage	15	15
4. Own damage	15	15
5. Stolen car	15	15

Note: Compensation consideration must be based on the conditions in the insurance policy that is effective at the time of damage occur. The company reserves the right to notify you of the period of consideration as well as requesting additional documents or information from stated above for the benefit of the consideration of claims for the insured

Claim Process and Procedure of Non-Motor Claim

1) Claim Notification Process

- The insured shall notify the incident without any delay via the hotline number 02-257-8000 (24 hours a day, 7 days per week) or via Agent/Broker/Branches of Tokio Marine Insurance (Thailand) PCL. nationwide.
- The insured shall specify the brief details of claim, for example, date and time of loss, cause of loss, and loss estimation, along with the name and contact phone number of the claimant as channel for communication with claim department and/or loss adjustment process
- The insured shall provide all support documents and co-operative with the Insurer during claim consideration process
- For Travel Insurance Policy or Personal Accident Insurance Policy, the insured can directly contact with our partner as per contact number shown on the package booklet.

2) Claim Coverage Consideration

Once the Insurer has received the Claim Notification (as mentioned on No. 1), Non-Motor Claims Department will continue the claim consideration process, as follows:

- Checking details of claim e.g. Insured Name, Period of Insurance, Property Insured, Coverage, and Exclusions
- Considering the coverage of claim based on the information provided
- In case, there is NO record of the insured policy or the claim falls beyond the policy coverage, the Insurer shall immediately contact and notify the insured

3) Site Investigation

In case the loss requires in depth details or site investigation in order to support the claim consideration, the insurer may:

- Assigning the survey team (claim staff or appointed certified loss adjuster/surveyor) to investigate the claim at the site of the incident. Notwithstanding, the insured/ claimant shall provide support,



assistance and cooperating with the survey team for efficiency and smooth claim investigation process

4) Claim Calculation & Loss Adjustment

Once the Insurer receives required document and sufficient information from the insured/ survey team, the company shall:

- Adjusting the claim amount based on the coverage of policy
- Notify the claim consideration and claimable amount to the insured

5) Loss Adjustment Acceptance

Once Non-Motor Claims Dept. has finished the claim consideration, the Company shall notify the amount claimable under the coverage of the insured's policy period to the insured and/or beneficiary. Without any objection on this calculation/adjustment, the insured's Authorized Person shall sign on the Loss Acceptance Form, stamp the company crest, in order to accept the indemnification amount.

6) Claim Indemnification Process

The insured and/or beneficiary are required to prepare these documents to the insurer:

- Copy of ID Card/ Passport, Copy of House Registration, Copy of Company Affidavit, and other support document, if any
- Once the required documents are completely submitted, the insurer will continue the indemnification process to the insured

7) Claim Payment Period

The Insurer shall indemnify the claim amount to the insured/ beneficiary within 15 days upon the completion of document required.

1.5.2 Complaint Process

Channels of Complaint to Tokio Marine Safety Insurance (Thailand) PCL. are as follows:

1) Tokio Marine Safety Insurance (Thailand) PCL.

Orakarn Building, 1st, 2nd, Floors, No. 26/5-8 Chidlom Road, Lumpini, Pathumwan, Bangkok 10330

2) Complaint through telephone: call 02-655 6901-2, 02-257 8000, 02-686 8888

3) Complaint through company's website: www.tokiomarine.com

4) Complaint through email: info@tokiomarinesafety.co.th, Customer-hotline@tokiomarinesafety.co.th

2. Good Governance and Company's Internal Control and Processes

2.1 Good Governance Policy & Internal Control

In order for Tokio Marine Safety Insurance (Thailand) Public Company Limited to have an international standard of business practice and business operations, the Company has established good corporate governance policy as the practical guidelines for Board of Directors, executives and employees of the Group Company to conduct business with ethics, transparency and accountability. The Company shall create trustworthy business among customers and its partners in order to make a sustainable growth in the future.



Details of Corporate Governance Policy of Tokio Marine Safety Insurance (Thailand) Public Company Limited are as follows;

- Clearly dividing the roles of Board of Directors and management.
- Defining strategies and operational policies including resource allocations to achieve objectives and goals, as well as monitoring, controlling and evaluation.
- Encouraging and promoting the culture of morality and business ethics.
- Having framework, policies, risk management system and internal control, including establishment of the Risk Management and Compliance Committee (the *RMCC*) to ensure that the Company's business risks and compliance activities are reviewed and updated at least on quarterly basis. All risk profiles and compliance relating matters are compiled and reported to management.
- Having information disclosure policy, confidential information management to prevent data leakage and security of data under the appropriate, impartial, accurate, current and understandable method.
- Having policy reviewed and adjusted regularly to continuously develop corporate governance.
- Conducting business with ethics, respect for rights, and responsibilities to the shareholders and stakeholders.

2.2 Organization Chart



TMSTH Organization as of 1st April 2022

BKK BU	Branch	Automobile Industry Marketing	Business Development	UW	Claim	Finance & Accounting	Governance	Back Office	Corporate Management	Internal Audit
Multi-National Marketing	Central			Retail	Motor	Accounting	Compliance & Legal	HR		
Local Broker	North & Northeast			Commercial	Non Motor	Finance	Risk Management	GA		
Agent Business	South				TM Claim Service	Investment	Corporate Secretary	IT		
International Broker								Production		
Dealer Business 1								Recovery		
Dealer Business 2										
Bank & Finance										

*Latest information as of 1st April 2022



TOKIO MARINE
INSURANCE GROUP

2.3 Management Structure

Board of Director



Mr. Chongrak Sripunporn, Chairman of the Board of Directors



General Chayuth Suwanamas, Independent director



Mr. Niti Osathanugrah, Independent director



Mr. Masahito Hirai, Director



Mr. Allen Juang, Director



Mr. Suteechai Santivarakum, Executive Director



Mr. Nobufumi Yasue, Executive Director

Remark: Latest information as of May 2022

Tokio Marine Safety Insurance (Thailand) PCL.

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TOKIO MARINE
INSURANCE GROUP

Management Team (Latest information as of May 2022)



Mr. Sutechai Santivarakum
Chief Executive Officer



Mr. Nobufumi Yasue
President



Mr. Kriengkrai Chaivate
Executive Vice President



Mr. Seree Gavinratcharot
Executive Vice President



Mr. Takatsugi Kiyosue
Senior Vice President



Mr. Adisak Moksiri
Executive Vice President



Mr. Pichit Tungtummakron
Executive Vice President



Ms. Suwanna Prasongtunskul
Senior Vice President



Mr. Yoshinori Fukaura
Senior Vice President



Mr. Siri Sawanpornphen
Senior Vice President



Mr. Kraisit Vittinanon
Senior Vice President

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2.4 Board of Directors' Appointed Committees

2.4.1 Management Committee

Its primary objective is to provide consultation, guidance and decision making for strategic and operational issues of core business and other business of the Company and to address any key issues or problems identified or raised.

- Mr. Suteechai Santivarakum (Chairman)
- Mr. Nobufumi Yasue (Chairman)
- Mr. Kriengkrai Chaivate
- Mr. Seree Gavinratchatarot
- Mr. Adisak Moksiri
- Mr. Pichit Tungtummakron
- Mr. Takatsugi Kiyosue
- Ms. Suwanna Prasongtunskul
- Mr. Siri Sawanpornphen
- Mr. Kraisit Vittinanon
- Mr. Yoshinori Fukaura (Secretary)

Remark: Latest information as of May 2022

2.4.2 Audit Committee

Its primary objective is to assist the Board in providing an independent review of the effectiveness and appropriateness of internal audit and internal control of the Company, verifying the correctness and adequacy of financial statement and financial disclosure, and performing other duties and responsibilities as assigned by the Board.

- Mr. Chongrak Sripunporn (Chairman)
- General Chayuth Suwanamas
- Mr. Allen Juang
- Mr. Teerasut Chaiprasitphon (Secretary)

2.4.3 Risk Management & Compliance Committee

Its primary objective is to manage and oversee the risk management activities of the Company to set a policy of Enterprise Risk Management of the Company and to ensure an appropriate risk management process is in place and functioning effectively, as well as to manage and oversee the compliance activities of the Company to ensure that required regulations are adhered to, and that an appropriate compliance monitoring process is in place and functioning effectively.

- Ms. Adisak Moksiri (Chairman)
- Mr. Suteechai Santivarakum
- Mr. Nobufumi Yasue
- Mr. Seree Gavinratchatarot
- Mr. Pichit Tungtummakron
- Mr. Yoshinori Fukaura



- Mr. Siri Sawanpornphen
- Mr. Tetsushi Honjo (Secretary: Risk Management)
- Ms. Jatuporn Brahmopala (Secretary: Compliance)

Remark: Latest information as of May 2022

2.4.4 Investment Committee

Its primary objective is to manage and oversee the investment activities of the Company to set investment guidelines and strategies, to ensure the activities comply with the guidelines and strategies, and to monitor and review investment status and performance of the Company.

- Mr. Adisak Moksiri (Chairman)
- Mr. Suteechai Santivarakum
- Mr. Nobufumi Yasue
- Mr. Seree Gavinratchatarot
- Mr. Siri Sawanpornphen
- Mr. Taketsugu Suzuki (Representative of TMA)
- Ms. Supavadee Chookiatmetha (Secretary)

2.4.5 Nomination & Remuneration Committee

Its primary objectives are to establish a documented formal and transparent procedure for the appointment of directors and senior managements, and to assess the effectiveness of individual directors, the board as a whole, and senior managements on an on-going basis. The NRC also provides a formal and transparent procedure for developing a remuneration package for directors and senior managements and ensures their compensation is competitive and consistent with the Company's objectives, strategy and culture.

- Mr. Masahito Hirai (Chairman)
- Mr. Chongrak Sripunporn
- Mr. Allen Juang
- Mr. Yoshinori Fukaura (Secretary)

Remark: Latest information as of May 2022

2.4.6 Information Technology Steering Committee

Its primary objective is to manage and oversee the investment activities of the Company to set investment guidelines and strategies, to ensure the activities comply with the guidelines and strategies, and to monitor and review investment status and performance of the Company.

- Mr. Seree Gavinratchatarot (Chairman)
- Mr. Suteechai Santivarakum
- Mr. Nobufumi Yasue
- Mr. Kriengkrai Chaivate



- Mr. Adisak Moksiri
- Mr. Pichit Tungtummakron
- Mr. Yoshinori Fukaura
- Mt. Siri Sawanpornphen
- Mr. Kraisit Vittinanon
- Mr. Biren Kundalia (Representative of TMA)
- Ms. Nongnuch Petchtong (Secretary)

Remark: Latest information as of May 2022

2.5 Nomination for directors, independent directors and executive management

The Board of Director has appointed Nomination and Remuneration Committee to be responsible for recruitment of the qualified and competent candidates for the positions of directors, independent directors and executives. The criteria of nomination and remuneration are as follows:

- 1) The nomination procedures of directors, independent directors and executives shall be transparent and accountable.
- 2) Nomination and Remuneration Committee shall ensure that the candidate for the position is competent and have suitable qualifications.
- 3) The prospective director shall not have any forbidden qualification in accordance with Section 34 of Non-Life Insurance Act B.E. 2535 and Public Company Limited Act B.E. 2535. Nomination and Remuneration Committee shall give the advice to Board of directors to identify suitable candidates and to carry out the necessary evaluation/assessment of the candidates.
- 4) Nomination and Remuneration Committee shall realize that the competency and experience of Board of Directors, as a whole, is diverse with the appropriate composition in the areas of finance, accounting, legal, and business management.
- 5) In addition, Nomination and Remuneration Committee shall regularly review remuneration structure as to be suitable for knowledge, skills and responsibilities of the directors, independent directors and executive management of the Company.



3. Enterprise Risk Management (ERM) and Asset Liability Management (ALM)

3.1 Enterprise Risk Management :ERM

The Company stringently executes ERM which is in line with Risk Management Framework and Risk Management Policy of the Company.

The Company's Risk Appetite is broadly classified into **Financial & Non-Financial** risk types as follows:-

Financial Risk Type

Under this category, we have identified and define risk appetite for 5 main financial risks:

- Solvency
- Return on Equity (ROE)
- Profitability / Return on Risk (ROR)
- Underwriting
- Investment

Non-Financial Risk

Under this category, we have defined the risk appetite for 8 non-financial risks:

- Business Continuity
- Reputation
- Cyber Security
- Projects
- Compliance
- Fraud
- Outsourcing
- IT Infrastructure

We identify and assess risks on for all major activities and all risks, which may impact profit, capital, reputation, and existence of the Company. These risks are prioritized and found mitigation measures. Moreover, Key Risk indicators (KRI) are also defined for monitoring and managing to be acceptable risks. Moreover, the Company also has Business Continuity Plan since we emphasize the importance of employee safety, including awareness of the insurer's obligation to the insured, in case of any critical situations or events of emergency.

The Company's Enterprise Risk Management process shall base on the following process:

1) Risk Identification

To identify significant risks to the achievement of business objectives, cause of risks and risk owner, the process of which shall be done at all level within the organization from the operation levels to management level and provide risk register



2) Risk Assessment

Then, the Company assesses based upon vulnerabilities and threats, as well as the likelihood of the threats being realized and the potential impact on the Company. To assess and prioritize each risk base on the set internal standards, the assessment shall be done in two dimensions including likelihood and severity of the risks

3) Risk Treatment

The Company establishes risk management plans. The objectives are to reduce the risk impact to the acceptable risk. Risk response will be considered from the appropriateness of circumstances, costs, and the benefits altogether.

4) Risk Monitoring

The Company shall manage, monitor and follow-up in order to ensure the Company's risks to be in acceptable risk appetite level, including regularly reporting the effectiveness of risk control to Executive Management.

5) Risk Reporting

There are reporting results from all risk management processes by reporting information on the significant risks faced by the business, including risk status to ensure the effectiveness of the Risk Management Framework. In addition, the Company should prepare risk management documents to be ready for OIC's audit.

3.2 Asset Liability Management (ALM)

The primary objectives of the company's investment is to manage liquidity and security, to control risks and to achieve suitable level of return. Investment asset allocation and investment plan takes into account liquidity, concentration and counterparty risk management and shall be consistent with the enterprise risk management policy, insurance portfolios, capital & solvency risk appetite and asset and liability management. This is to mitigate counterparty default risks and volatility from investment market risks and to ensure that the company maintains sufficient liquidity to meet insurance liabilities, claim payments and other financial obligations.

Unit : Million Baht

Description	2021	
	Book value	Fair value
Total investment assets	19,947	19,951
Total liquid assets	19,853	19,857
Total liabilities	20,819	17,366
Insurance liabilities	16,065	12,636



4. Linkage between Risk, Strategy and Capital

The company establish an effective and efficient integrated risk management system and also to allocate the resources for the management of risks appropriately to fully comply with the company business obligations which eventually will result in sufficiency of capital and sound financial stability. Reinsurance is one part of risk management and considers the capital of the Company and the minimum acceptable capital adequacy ratio to be maintained by TMSTH, retention levels and reinsurance program.

The company has in placed a guideline for the selection of reinsurers strictly in accordance with the credit rating of the reinsurers. The credit rating of reinsurers is being updated regularly and binding of risks with any reinsurer must be done in compliance with the list of reinsurers who met with the group's minimum credit rating requirement. Treaty agreements will contain special clause to allow TMSTH to terminate reinsurers if the credit rating of reinsurers is downgraded below minimum acceptable level.

Rules on concentration of reinsurance are based on financial strength of each treaty reinsurer as set out in our Underwriting Guidelines and the Office of Insurance Commissioner whichever threshold is lower.

Unit : Million Baht

Description	Amount
Insurance reserve recovered from reinsurers	2,684
Amount due from reinsurance	847
Deposits on reinsurance	0

5. Valuation, method, and assumption in assessing insurance contract

The method of assessing liabilities from insurance contract is in accordance with the Notification of Valuation of Assets and Liabilities of Non-Life Insurance Company BE 2554. The actuarial methodology used for calculating the appraisal value in accordance with Actuarial Standards on insurance reserve for risk-based capital BE 2557.

Unit : Million Baht

Description	2021	
	Book value	Fair value
Insurance liabilities		
Long-term insurance liabilities	3,116	823
Short-term insurance liabilities		
- Premium liabilities	4,288	4,545
- Claim liabilities	8,661	7,268



6. Investment

The primary objectives of the company's investment is to manage liquidity and security, to control risks and to achieve suitable level of return. Investment asset allocation and investment plan take into account liquidity, concentration and counterparty risk management and shall be consistent with the enterprise risk management policy, insurance portfolios, capital & solvency risk appetite and asset and liability management. This is to mitigate counterparty default risks and volatility from investment market risks and to ensure that the company maintains sufficient liquidity to meet insurance liabilities, claim payments and other financial obligations.

Investment Department has segregation of duties. Front Office compiles and analyzes investment data and makes investment proposal for management approval. Back Office sends instructions to the custodian for settlement of investment transactions, reconciles data between internal reports and the custodian's reports; and prepares for appropriate accounting booking and reconciliation. Investment Department regularly reports performance, related risks and key investment activities to Investment Committee. Internal audit is also appropriately arranged.

The company uses investment asset valuation and appraisal methods as per related financial reporting standards and complies with Notification of Insurance Commission on the *Valuation of Assets and Liabilities* for Non-Life Insurance Companies B.E.2554 and its amendments.

Unit: Million THB

Description	As at 31 December			
	2021		2020	
	Book value	Fair value	Book value	Fair value
Deposit at financial institutions and certificate of deposit	4,413	4,413	4,465	4,465
Debt securities (Bonds, debentures, promissory notes, bill of exchanges, convertible bonds and savings lottery)	14,708	14,712	13,431	13,541
Equity securities (excluding investments in subsidiaries and associates)	54	54	156	156
Investment units	730	730	804	804
Loans	43	43	43	43
Warrants (Stock warrants, bond warrants and investment unit warrants)	0	0	0	0
Derivatives	0	0	0	0
Other investments	0	0	0	0
Total investment assets	19,947	19,951	18,900	19,010

Remarks:

- **Book value** means valuation of assets and liabilities using financial reporting standards.
- **Fair value** means valuation of assets and liabilities as per the Notification of Insurance Commission on the *Valuation of Assets and Liabilities* for Non-Life Insurance Companies for the purpose of financial stability supervision and to ensure that insurance companies meet their insurance liabilities to the insureds.

7. Company Performance

In 2021, our gross written premium was 18,434 million Baht, the Company's motor portfolio dominates its business mix, accounting for 66.49%, followed by miscellaneous (27.06%), and marine insurance (6.45%) respectively.

Net Profit after tax in 2021 was 2,464 million Baht mainly arose from robust portfolio improvement as well as decrease in losses due to less traffic during wide spread of Covid-19.



Unit : Million Baht

Description	2021
Gross written premium	18,434
Net premium earned	14,492
Investment income and other income	449
Net profit for the year	2,464

Financial Ratios (%)

Description	2021
Loss ratio	48.53%
Expense ratio	30.44%
Combined ratio	78.97%
Liquidity ratio	273.72%
Return on equity	31.49%



8. Capital Management

The Company has Total Capital Available (TCA) is 10,337 million baht. The Paid-up Capital is 4,097 million baht. Investment Charge is the biggest portion of Total Capital Required (TCR). The company has set Risk Tolerance for CAR at 200% which is in accordance with our Risk Management Policy.

CAR is reported to Risk Management & Compliance Committee and Board of Director every quarter.

As the company is under Tokio Marine Group who is a large multinational insurance company. Therefore, the company adopted international risk management policy and regularly monitored by the Group.

Unit : Million Baht

Description	As at 31 December
	2021
Total assets	27,730
Total liabilities	17,366
- Insurance liabilities	12,636
- Other liabilities	4,730
Total equity	10,364
Common Equity Tier 1 (CET 1) ratio (%)	605.59%
Tier 1 ratio (%)	605.59%
Capital adequacy ratio (CAR) (%)	605.59%
Total capital available (TCA)	10,337
Total capital required (TCR)	1,707

Remark: * Information as of 2021 was calculated based on RBC2 Framework.

9. Financial Statement

Please see financial information at

https://www.tokiomarine.com/content/dam/th/Non%20Life/About%20Us/Financial-Information/Documents/Financial-Information/FinancialInformation-TokioSafety2021Q4_TMSTH-FS-Signed_EN.pdf