



Disclosure of Insurance Company Information

For the year 2020

Company Profile

Pacific Cross Health Insurance Public Company Limited was registered on June 13.

1977, formerly known as Apex Health Insurance Company Limited, with a registered capital of 245 million baht on June 1, 2011, changed its name to "Borirak Insurance Company Limited" on February 29, 2012. The Company had a registered capital of 284 million baht, on January 17, 2013 it was registered as "Borirak Insurance Public Company Limited" with an initial registered capital of 300 million baht and continued to increase capital according to the business that Expanding quickly and steadily.

- On February 28, 2014, the registered capital was increased to 332,200,000 baht.
- On December 22, 2014, the registered capital was increased to 365,000,000 baht.
- On February 29, 2016, the registered capital was increased to 400,000,000 baht.
- On March 31, 2016, the registered capital was increased to 435,000,000 baht.
- On 27 September 2016, the registered capital was increased to 452,000,000 baht.
- On March 22, 2017, the registered capital was increased to 470,000,000 baht.
- On June 15, 2017, the registered capital was increased to 485,000,000 baht.
- On December 29, 2017, the registered capital was increased to 500,000,000 baht.

Pacific Cross Health Insurance Public Company Limited with years of experience, Pacific Cross International Company Limited has been a specialist in health insurance in Asia for 45 years and is also the owner of many reputable health insurance companies in both past and present (Blue Cross Insurance Incorporation in the Philippines; Blue Cross in Thailand and Hong Kong)

The company is part of the Pacific Cross Group, one of Asia's top healthcare and travel insurance specialists, which in 1957 it received its first license. This marks our first participation in the Thai health insurance market. In 1980 we established Blue Cross Thailand and this company was acquired by Bupa in 1996. In 2001, the company has returned to Thailand again as Med-Sure Services Co., Ltd. by joining in partnership with Nam Seng Insurance Co., Ltd. in the management and policy on health insurance / travel insurance for the first time and after the year 2005-2014, the company joined with LMG Insurance Public Company Limited under the project name LMG Pacific Health Care.

Pacific Cross Health Insurance Public Company Limited acquired an insurance company from Borirak Insurance Company in 2014 and registered as a health / travel insurance / personal accident insurance company. The latest and the most remarkable growth in the health insurance market in Thailand.

Vision

"Provide customers guidance and advice on Health, Personal Accident and Travel Insurance which are convenient, easy to access and understand. Give the customer the power to make a decision, interact with the company on their terms"

Mission

"Assists customers of all ages by providing the complete information for their consideration to purchase an insurance and build strong relationships with intermediaries and policyholders by all channels of distribution"

(Business Code of Conduct)

- **Business Standards:** The Company operates its business with honesty and integrity. We respect the human rights and interests of our employees. We will also respect the interests of our business partners.
- **Responsibility for Shareholders:** The Company is committed to good representative of its shareholders to create value for the business firmly, continuously and sustainably through a transparent and straightforward management.
- **Business Partners:** The Company is committed to create relationships that bring benefits to customers and other counterparts who the company expects to do business together. Business associates shall adhere to the same Code of Conduct.
- **Employee Responsibility:** Employees are the most valuable resource and the key to organizational success. The company is responsible for maintaining the working environment to ensure the safety of life and property of employees and strictly adheres to the labour law.
- **Customer Responsibility:** The Company recognizes the trust that our customers have and decides to use the service with the company. Therefore, we strive to produce good products and quality services and look for opportunities to develop and increase our efficiency to the next level.
- **Market Competition:** The Company believes in fair competition and supports the development of appropriate trade competition laws. The company and its employees shall conduct the business in accordance with the rules and regulations in a fair manner.

- Integrity: We will not give or accept any bribes both direct and indirect mean, as well as benefits or financial gain through the business misconduct. All employees must not offer or receive any gifts whether it is an item or money that is classified as a bribe. Any claim or offer of a bribe must be rejected promptly and reported to the management if any such action is taken.
- Conflict of Interest: All employees must avoid personal business or financial gain that may be inconsistent with their duties in the company and do not seek the benefit of yourself or others by using their position in the inappropriate way.

(Core Values)

- Customer Focus

Create a culture to meet the needs or solve problems for customers quickly and with continuous and long-term quality. To exceed the expectations of customers who bring business opportunities to us.

- Focus on effectiveness

Assist in the effectiveness of the work by focusing on outcomes at the end of the activity through a clear set of indicators to achieve goals or objectives resulting in success of individual, team and organization level.

- Continuous Improvement

Continuous improvement to enhance productivity is essential in today's competitive environment. Improving job creation brings change to new quality to indicate the significant customer acceptance which requires continuous development throughout the organization.

- Professionalism

Professionalism requires ethics, morality, knowledge, understanding and self-development to be professional in their work which must have a sense of self-responsibility, social organization and nation.

- Teamwork

Teamwork is crucial for the efficiency and effectiveness of management. Ideal team is a group of people who work together to achieve certain goal. Teamwork means much more than just a group of people. The heart of teamwork depends on having strong leaders and team-driven players. In order to achieve the objectives, every party involved must devote his willingness, thought and cooperation.

- Integrity

Honesty is a virtue required to every society. To be honest with oneself, family, work or nation brings success in life. Integrity in the workplace will directly affect our personal attributes that others see or perceive in us whether the person is honest or not. It also includes ongoing results to our own agencies and organizations.

Performance, analysis results and ratios associated

Insurance Business

The main business of the company are accident, health and travel insurances available through various channels such as agents, brokers and legal entities. Source of businesses can be divided by:

1. Direct insurance
2. Reinsurance from other insurance companies to avoid risk accumulation.

Top 3 insurance products

- Health insurance
- Accident insurance
- Travel insurance

Unit: Million Baht

	2020	2019
Total premiums	593.91	451.80
Net earned premium	317.34	249.31
Investment income and other incomes	91.67	74.81
Net Profit (Loss)	48.67	(17.02)

Significant financial ratios (%)

Ratio	2020	2019
Loss Ratio	45%	60%
Expense Ratio	26%	28%
Combined Ratio	84%	102%
Liquidity ratio	780%	530%
Return on equity	34%	-9.15%

Enterprise Risk Management: ERM

Risk management: The Company has established a holistic regulatory framework for risk management by applying "Three Lines of Defense" risk management by dividing the responsible persons into 3 levels as follows:

- First line of defense: business unit or risk owner has a direct duty to identify and manage risks including the design and implementation of risk control with emphasis on risk management and determined to be an integral part of daily operations such as sales and marketing, underwriting department, policy department, claim department, customer relations department, operation department and human resource.

- The second line of defense: is the risk management department, actuarial agency and the legal compliance department responsible for monitoring the operations of the business unit and giving advice and taking any actions to facilitate the risk management in general, the aforementioned organization must be neutral.

- Third line of defense: Internal auditing unit is responsible for internal audit and assessment of the efficiency of risk management and internal control of the company which must be independent from other levels of responsibility

The Risk Management Committee has developed a risk management framework, a risk management policy, a 3-year business plan within 3 months from the year-end closing date or within 30 days from the date that the Board of Directors 's approval of a significant change.

The risk management framework and risk management policy cover 9 main activities of the Company as follows:

1. Product development and insurance premium risks

Risk factors from product design and development, such as the availability of personnel in the agency involved in the proposal of sales of new products, including the adequacy of the number of personnel to support the new product, as estimated by the skills and expertise of the personnel, availability of work systems, including potential new work processes and information systems for employees, agents, brokers or the insured lacks knowledge and

understanding of the model and conditions of newly released products including customer needs do not meet the product development plan. In designing new products, the company has been supported by Thai Re Insurance PLC in designing and pricing to reflect the real cost.

Risk factors from the setting of the insurance premiums, for example, the setting of the premium rate is not suitable for the risk. Determination of the expected return is improper proportion of operating expenses, therefore, any new product release requires careful consideration in all respects.

The company has set up a product committee to supervise the issuance of insurance products and to operate under the principles of good corporate governance or good governance, with the Chief Executive Officer acting as the chairman of the board.

2. Sale and collection of insurance premium risks

In order to present the agent's health insurance sales to be accurate in accordance with the conditions and coverage of the policy, agents or brokers are required to pass product training which the company organize monthly training at least once a month. In addition, the company is also able to send staff to train at the office of an agent or broker, if there is a notice in advance, the company has issued a certificate of training in selling health insurance to trained agents.

The Company does not have a policy to grant credit, a grace period, to collect premiums to new representatives of the company but the company has given credit to the business partners who regularly work with the company. The company has set up a system to monitor

and report outstanding premium receivables on a regular basis including control insurance premiums collected in accordance with the regulations of the Office of Insurance Commission, prepare measures to control and prevent risks, specify the criteria for selecting the insurance broker / agent very carefully, consider the sales potential, financial status, history in business ability to pay premiums as well as requiring the agent to have securities or persons as guarantees in the credit limit specified by the company.

3. Underwriting risk

Underwriting risk factors such as the knowledge and ability of the insurer, accuracy and completeness of information used in insurance consideration, reliability of the information system used in underwriting as well as data security and reporting.

Refers to the risk arising from severe frequency fluctuations and the time of the damage deviation from assumptions used in setting insurance premiums, calculation of insurance reserves and underwriting.

Insurance risk factors such as the setting of the insurance premium rate, concentration of accepted damages at higher costs than prescribed assumptions, the allocation of premium reserves and indemnity reserves, policyholder change in behaviour, the Insured and the development of new insurance products which may affect the amount of claim payment and cash flows expected to be received in the future.

4. Insurance reserve assessment risks

Prudence in setting up indemnity reserves is very necessary. The Company uses generally accepted actuarial methods calculated and certified by a licensed actuary. The changes in

reserve are followed up and analyzed to determine factors that may affect the Company's reserve setting regularly to make sure that the reserve set aside is sufficient to cover the obligation, commitment that the company has to the insured in the future and have an actuary review the suitability and sufficiency of the insurance reserve incurred in the survey / assessment of damage depending on the case.

5. Claims management risks

Compensation risk factors, such as incorrect indemnity consideration, fraud of the Insured, the promptness of claim approval, surveyors / assessors of losses or damages lack of expertise. The Company pays attention to staff with experience in the medical profession to consider claims with the focus on consideration correctly and quickly. The claims department will report to the Chief Executive Officer and executives every week with reporting the number of claims that have been entered into the system, average compensation, period of logging work into the system for consideration and payment to the hospital.

6. Reinsurance risks

Reinsurance risk factors such as improper reinsurance classification, financial stability of reinsurers, does not monitor the credit rating of reinsurers, concentration of reinsurance to a particular company is higher than it should or choose the type of reinsurance that does not fit the existing risks.

For the risk that is higher than the Company can bear, it has managed to transfer risk to reinsurers through the reinsurance contract both the annual advance contract and the

method that is specific to the individual. Reinsurers selected will be considered with stability as the first priority. In addition, the company has also an underwriting portfolio management to have an appropriate insurance proportion in both the sum of the underwriting results and in accordance with objectives and goals of the company

Besides, the Company has established a written reinsurance management strategy and complies with the criteria and the requirements of the Office of the Insurance Commission as part of the administrative framework of overall risk and has been approved by the Risk Management Committee and the Board of Directors, respectively, with a process for selecting appropriate reinsurance plans, implementation of the audit, monitoring, review, control and preparation of reinsurance related documentation of the Company by considering the acceptable risks of the company, financial costs by comparing the state of the required condition, trends in the reinsurance market and the Company's business plan to suit the nature, size and complexity of the Company's business.

7. Investment in other business risks

Risk factors from investing in other businesses such as income from investing in securities or interest received on debt instruments and dividends received are incomplete. Securities register information is inadequate resulting in income and various expenses including the cost investments are incorrectly recorded. In addition, investment in securities is excessive.

Risk factors from marketing / investment, such as the risks that the Company may be damaged by fluctuations in the capital market, such as changes in the value of equity instruments or changes in interest rates and exchange rate.

To consider credit rating for investments, the Company has established an investment committee responsible for reviewing and monitoring various factors on a regular basis to be used in the investment decisions of the company and control investments to be in accordance with the scope and the requirements of the Office of the Insurance Commission. This is considered as an important mechanism for investment management. The Company chooses to invest in various types of securities which categorized by the level of credit rating.

Marketing / investment risk management

The Company has the Investment Committee to determine the investment policy framework to regulate the investment to comply with the policy of overall risk management focusing on investing in low-risk securities, with stability, providing reasonable and consistent returns through the approval of the investment portfolio by the Board of Directors including a written investment management guideline. The investment framework and direction will be determined each year by specifying limitations for all types of investments and at all levels which is determined based on the target rate of return and liquidity in connection and in line with impact on the capital fund maintained in accordance with the risk-based capital requirements

8. Asset and liability management risks

The company focuses on investing in highly liquid assets together with effective management that can maintain cash on hand at all times in the appropriate level. In the event of a claim that is greater than the amount of cash available, the Finance Department will provide advance notice for investors to convert the investment into cash in order to be sufficient to pay the debt due. This convinces that the liquidity risk is at a controlled level.

The Company has a policy to set the capital adequacy ratio that must be maintained under the law not lower than the standard set by the Office of Insurance Commission including the administration of the company's capital level according to the risk level as follows.

1. Determine the acceptable level of capital adequacy and not lower than the standard to serve as a guideline for maintaining adequate capital levels to accommodate the risk that is suitable for business operations.

2. Communicate the acceptable level of capital risk to the relevant departments to act.

3. Any action that will affect the capital funds required to maintain for various risks, such as underwriting. The risk owner must assess the impact on capital funds and inform the management to acknowledge for consideration and approval to operate.

- Market risk of investing in securities, which is the main risk of the Company's capital funds. The investment department will calculate the capital adequacy ratio from the change in the value of the invested securities and report it to the Investment Committee regularly.

- When there is an event that shows that it will affect the capital adequacy ratio of the Company, the management will report to the Executive Committee immediately.

9. Outsourcing risks

The company uses third-party services to reduce operating costs and increase business flexibility for more efficiency. The Company adhere to the guidelines of outsourcing of insurance companies announced by the OIC 2013 as standard.

The Company has set the risk management scope in line with the risk management framework and the Company's risk management policy and cover the key types of risks inherent in the major activities and operating processes of the company as follows:

1. Strategic Risk
2. Insurance Risk
3. Market Risk
4. Credit Risk
5. Liquidity Risk
6. Operational Risk
7. Reputation Risk
8. Information Technology Risk
9. Catastrophe Risk
10. Compliance risk
11. Emerging Risk

The preparation of plans to support business continuity.

The company has a plan to support business continuity by setting the steps to take important system as well as the work system that the company uses from external service providers and are always updated to be up to date to be able to operate to meet the desired goals. In addition, business continuity plans have been established to suit the size and complexity of the business. It covers potential disruption in all situations, including long-term or broad-

impact emergencies. All departments are encouraged to participate in the formulation of business continuity plans to support the important work of their own departments. Designate the person responsible in the event of an operational interruption including the communication and training for all personnel to understand and acknowledge guidelines for operating under emergency situations or there is an incident that interrupts the operation by providing training regularly. Emergency reporting is carried out to employees according to the 'Emergency Call Tree'. This plan is continuously reviewed and updated in detail and approved by the Board of Directors at least once a year or when there is a significant change that affects the risk factors of the Company. In this year 2020, the Company has continuously formulated a business plan.

Due to the situation of the spread of the COVID 19 virus, the Company has continuously revised its business plan to be in line with the aforementioned risks.

For quantitative data, the details for 2020 are as follows:

Unit: Million

Baht

Description	Amount
Insurance reserve recovery from Reinsurance	161.44
Due from reinsurers	23.83
Reinsurance premium deposit	-

Asset Liability Management (ALM)

Asset and Liability Management (ALM) is the management of assets and liabilities in

the financial statements. It also includes commitments to get returns and risks at an acceptable level. Risks involved are the risks that arise from liquidity management, interest rates and the risk of error pricing. Risks from inaccurate estimation of claim liabilities for example, when the company has to repay its debts and obligations but is unable to change assets available to be cash in time or cannot find sources of finance or can find sources of finance, but the financial cost is too high which will affect revenue and the capital and the reliability of the company.

The asset and liability management strategy emphasize the maintenance of financial liquidity to adequately cover liabilities to policyholders and number of policies. Liabilities as per policies is essential for the company to make investment decisions in terms of time to invest and interest rate risk.

Unit: Million Baht

Particulars	2020		2019	
	Accounting Price	Appraisal Price	Accounting Price	Appraisal Price
Total Investment Assets	301.05	301.05	271.79	271.79
Total Liquid Assets	213.95	204.95	185.74	185.74
Total Liabilities	564.62	528.40	428.42	406.33
Insurance Liabilities	381.30	347.26	299.45	277.36

Note

- Account price refers to assets and liabilities measured in accordance with financial reporting standards.

- Appraisal price refers to the assets and liabilities assessed as per the Notification of the OIC regarding valuation of assets and liabilities of non-life insurance companies for the primary purpose of directing financial security of insurance companies and to ensure that the company has the ability to fully pay benefits to the Insured.

Value, methods and assumptions in assessing liabilities from insurance contracts

Liabilities from insurance contracts consist of:

1. Unearned Premium reserve

The company calculates premium reserve not counted as income in accordance with the Notification of the OIC Re: Rules, Procedures and Conditions for allocation of premium reserve not counted as income, reserves for claims and other reserves of non-life insurance companies by calculating the method 1/365 System

2. Claim reserve and outstanding

Claim reserve and outstanding are recorded when claims are logged by the insured at the value appraised by the independent appraiser or the company's appraiser depending on the case. In addition, the company has made additional provision for claims that have not yet been reported to the company (IBNR), as assessed by the actuarial.

3. Unexpired Risk Reserve

An unexpired risk reserve is the best estimate of the insurance claims that are expected to occur during the remaining insurance period for an insurance policy that is still in force according to an analysis of past claims by an actuary. Unexpired Risk Reserve will be recognized in the financial statement when the unexpired Risk Reserve over unearned premium reserve.

3 methods of mathematical analysis are used in assessment.

1. Chain Ladder method (CL) for claims data and claims occurred.
2. Bornhuetter-Ferguson method (BF) for claims data and claims occurred.

3. Expected Loss Ratio (ELR)

To estimate the best value of claims, we mainly use CL to accommodate claims for damages while BF and ELR methods used on appropriateness of data.

Unit: Million Baht

Particulars	2020		2019	
	Book Value	Appraisal Value	Book Value	Appraisal Value
Insurance contract liabilities	381.30	347.56	299.45	277.36
Premium liabilities	316.61	274.80	227.52	196.79
Claim liabilities	64.69	72.45	71.93	80.56

Note

- Book Value refers to the value of the insurance contract assessed in accordance with accounting standards. The main objective is for investors to financially analyze to understand the economic value of a recognized insurance liability accepted in accordance with accounting principles in Thailand. Such value must be certified by a licensed auditor.
- Appraisal value refers to the value of liabilities from the insurance contract as assessed by the Notification of the OIC re: appraisal of asset value and liabilities of insurance companies for the primary purpose of overseeing the financial security of insurance companies to ensure that the company has the ability to fully pay the insured, which must be assessed by licensed actuaries approved by the actuarial registrar. The assumptions used in the appraisal must be consistent with the actual

experience or, if the company has insufficient information, may be based on industry experience and tailored to the specific characteristics of its insurance portfolio. This includes the Provision of Adverse Deviation (PAD), which is in line with the regulation of the OIC.

Observation remark: In some periods of financial reporting, the amount of insurance liability may differ between the accounting value and the appraised value significantly due to the different objectives and methods of assessment as described above. The person who will use the information should study and understand the purpose of the valuation method of the insurance contract both thoroughly before making a decision.

Investment Policy and Other Business

Investment Policy is to be in line with the overall risk management policy, product design, insurance issuance, insurance contract, asset and liability management, capital status, acceptable risk level, expected return and the availability of systems and personnel to support investment and comply with the Notification of the OIC re: other businesses of insurance companies 2013

Objectives

The purpose of this policy is to assist Pacific Cross Health Insurance PCL in order to manage its assets efficiently. To oversee, monitor and evaluate its assets of the company and investments in those assets will be held by the Investment Committee by taking into account of the business liquidity for the benefit of the company's mission and objectives. This policy is consistent with the laws and regulations of the OIC.

Proportion of investment by asset type (Product Limit)

The company has an investment policy in the year 2018 with the objective "to emphasize security of principal and value of return on investment", which determines the proportion of each type of investment to suit the condition of capital market at that time. Considering the consistency of each type of investment with risk management, which must be approved by the Investment Committee, then presented to the Managing Director for an approval before proceeding every time.

Strategy and allocation must be based on the current situation of the company to consider the liquidity as the first priority. This includes investment limits. Investors must keep track of economic movements and regularly analyze data from financial institutions and research centres of many reliable companies. In addition to investment planning, the flexibility of the investment plan is enhanced if the money market or capital market is fluctuated.

Asset quality

1. Cash and Cash Equivalent - is a deposit with domestic and foreign financial institutions established under the laws of each country. Depositing funds with foreign financial institutions is for specific purposes for use in their respective country.
2. Fixed Deposit / Term Deposit - Organizations can deposit money with either government or private banks where there is the guaranteed principal. The interest rate will be compared to the current market rate as well as the exchange rate. The duration of the fixed deposit should start from 3 months to 60 months as the maximum.

3. Debt instrument - Quality of debt instrument i.e. bonds or debentures are selected based on credit rating, which must be at least "BBB", rated by reputable and reliable companies both domestically and internationally. Such as the National Institutions in Thailand (Thai Rating).) TRIS, Fitch, offshore rating institute, S&P, Moody's, Fitch and AM Best. The company is considered to have the ability to conduct business well and the time frame bonds and debentures should be in 3-5 years.
4. Mutual Funds - Mutual funds must have a policy to invest in or hold high quality debt securities or equity instruments so that the return is appropriate to risks, such as treasury bills, government bonds, Bank of Thailand bonds, state enterprise bonds, debt securities issued by legal entities by specific law, debt securities issued by state-owned enterprises or commercial banks or foreign banks or debt securities by commercial banks or private companies with reliable credit rating investable.
5. Equity instruments or stocks in the SET50 Index group or unit trusts, which are traded in the Stock Exchange of Thailand.

Asset Valuation

The company has invested in assets in cash, deposits with financial institutions, depositories, and negotiable certificate of deposit

1. Cash appraised by the amount available.
2. Deposits with financial institutions and deposit slip appraised by the deposited amount and deposit slip appraised at cost.

Unit: Million Baht

Type of Investment Assets	Value at 31 December			
	2020		2019	
	Book Value	Appraisal Value	Book Value	Appraisal Value
Deposits and deposit certificates with financial institutions	462.89	462.89	334.69	334.69
Debt securities, (bonds, debentures, promissory notes, bills of exchange, convertible debentures and lotteries)	-	-	-	-
Equity securities (excluding investments in subsidiaries and associates)	-	-	-	-
Investment Units	-	-	-	-
Loans, rental cars, leasing properties	-	-	-	-
Warrants, debentures, investment unit	-	-	-	-
Derivatives	-	-	-	-
Other investment funds	-	-	-	-
Total				

Notes

- Book value refers to assets and liabilities assessed by the Financial Reporting Standards.
- Appraisal value refers to assets and liabilities assessed according to the Notification of the OIC re: the valuation of assets and liabilities of insurance companies for the primary purpose of overseeing the financial security of insurance companies and to ensure that the company is able to fully cover the Insured 's insurance benefits.

Internal control

Objectives

The company is subject to changes in economic conditions and business operations, which may adversely affect the company's overall risk profile. Changes may occur from both internal and external factors, including economic and industrial conditions, laws, regulations and change of the company operations.

The company is therefore required to set policies, operation and appropriate control to manage significant risks associated with the company's business operations. Establishing effective internal controls, under a strong control environment, is a key element of good governance. One of the company's obligations to the shareholders, policy holders, creditors and regulators are creating confidence for such individuals. The Company has a good internal control system and significant risks are managed with care and due diligence.

Definition

Internal control refers to policies and processes designed and practiced to build the confidence that the company will achieve the following objectives.

- Effective and efficient operation.
- Financial reports are reliable.
- Compliance of rules and policies

Structural control and operational procedures

The company has clearly structured the management of each unit. There are subdivisions and decentralized management in each hierarchy. The administration and risk management has been properly considered.

Company's business operation

The business operation of the Company is divided into 2 sections.

1. Underwriting

The main business of the Company is personal accident and health insurances.

- Direct insurance - Insurance through agents, brokers, legal entity brokers, and directly to prospects
- Reinsurance from other insurance companies.

2. Investment

Insurance companies can take cash to invest or seek return as another way to earn income. The investment must be made in line with the acceptable level of risk and the liquidity of the portfolio of investments in cash that the company uses in the future adequately. The company must comply strictly with the type, proportion and conditions regulated by laws under the provision regarding investment in accordance with the Notification of the OIC re: investment in other businesses of insurance companies 2013 – Loans, investment in securities, bill of exchange, bonds, ordinary shares, debentures, as well as deposits with banks.

Insurance Products

The company offers Accident and Health Insurances as follows:-

1. Personal Accident Insurance
2. Group Accident Insurance
3. Travel Insurance
4. Travel Insurance for Tour Operators and Guides (TTG)

5. Health Insurance

6. Group Health Insurance

The company's main focuses are Health, Group Health, Personal Accident, and Travel Insurances. To offer products, the company considers the interests of the Insured to obtain the maximum benefits. At the same time, the company must be able to operate and profit from the operation.

Customer Groups

The company has sold health insurance and accident insurance for individual customers as well as foreigners residing in Thailand. It offers a wide range of appropriate coverage limits up to a very high coverage limit. In addition, the company provides group coverage plans. Employee welfare is an important part of the business to attract and retain good employees to work with the company continuously.

Insurance premium percentage of premiums classified by type of insurance year 2020

Unit: Million Baht

Particulars	Fire	Marine		Motor		Miscellaneous						Total
		Hull	Cargo	Compulsory	Voluntary	Property	Public Liability	Engineering	Personal	Health	Other	
Direct Premiums									6.38	568.66		575.04
Premium Proportions%									1.11%	98.89%		100%

Note: The information retrieved from the annual report 2020

Important financial information

Capital management of the company

The company has set a minimum capital adequacy ratio of 180% and has estimated the adequacy ratio of the fund as part of its business plan. There are reports to the Risk Management Committee to present to the Board of Directors on regular basis. In addition to the process of assessing and managing business risks, the company generally conducts risk appraisal and management procedures, considering both qualitative and quantitative. The objective is to provide management with a clear understanding of the risks, capital requirements for various types of business risk including finding the way to deal with that risk appropriately

Unit: Million baht

Particulars	At December 31	
	2020	2019
Total Assets	732.48	547.94
Total Liabilities	564.62	428.42
- Insurance Contract Liabilities	381.30	299.45
- Other Liabilities	183.32	128.97
Equity	167.86	119.52
Capital Adequacy Ratio (%)	566.78%	230.65%
Capital Available	170.03	132.77
Capital required	30.00	57.56

Note

- According to the Notification of the OIC regarding Classification and type of capital funds, rules, procedures and conditions for calculating the capital fund of insurance companies. The Registrar may impose necessary measures to supervise the company with a capital adequacy ratio lower than one hundred and forty percent.
- The capital fund is appraised by the appraised value according to the Notification of the OIC regarding Valuation of assets and liabilities of insurance companies.
- The above items are calculated using the appraisal price according to the Notification of the OIC regarding Valuation of assets and liabilities of insurance companies.

Claims service (Keep same information)

Procedure, period, documentation and processes for obtaining insurance claims.

(Link to) >> <https://www.pacificcrosshealth.com/make-a-claim/>

How to contact the company and the relevant agencies for any dispute or complaint

(Link to) >> <https://www.pacificcrosshealth.com/make-a-claim/#ClaimDisputes>

Board of Directors

	Name	Position
1	Mr. Thomas Prentice Thomson	Chief Executive Officer
2	Mrs. Chompan Kulnides	Director
3	Mr. Nat Uawithaya	Director
4	Mr. Piyapadh Vana-ukrit	Director
5	Mr. Bancha Thanprakorn	Director
6	Ms. Songvilai Jiraphothong	Director

The board has the authority to supervise and manage the company to comply with the laws, objectives, regulations and resolutions of the shareholders' meeting. The Board may delegate one or several directors or any other person acting on behalf of the board with a condition of two directors to jointly sign and seal.

The scope of authority of the Board of Directors is as follows: -

- 1) Determine the policy, vision, mission, strategies, goals, direction of the company's operation and supervise the management to ensure that the policies are implemented effectively and efficiently.
- 2) Consider matters relating to the company's business operations, such as policies and business plans suitable to executive power, acquisition or disposition of assets and any other items prescribed by law.
- 3) Consider and approve the nomination and appointment of the qualified management team with the appropriate qualifications, duties and responsibilities and experience that is beneficial to the organization.

- 4) Administer any risks to be at an appropriate level under the law, objectives and regulations of the company with honesty, reasonable and cautious in accordance with good practice.
- 5) Consider the remuneration for the Board of Directors and to consider the annual dividend payment to propose to the shareholders meeting.

Charter of the Board of Directors

- The Board of Directors of the company consists of not less than five (5) directors and no less than half of the directors. All directors must have a residence in the Kingdom of Thailand. There must be a director who is of Thai nationality according to the ratio prescribed by the Insurance Act.
- The Board of Directors shall elect one director to be the chairman. In the case where the Board deems it appropriate, one or more directors may be elected as vice chairmen. The Vice Chairman is responsible for the regulations of the affairs assigned by the Chairman.
- The meeting of shareholders shall elect the directors in accordance with the following rules and procedures:
 - 1) One shareholder has one (1) share to one (1) vote.
 - 2) Each shareholder shall use the existing votes to elect one or several persons as directors. In the case of election of several persons, the number of votes shall not be divided among any other persons.
 - 3) The persons receiving the highest number of votes in descending order shall be elected as directors. In cases where the persons elected in descending order are equal, the number of directors shall be equal to the number of directors to be elected. The Chairman shall be the casting vote.

- At every Annual General Meeting, directors must retire at least one third (1/3). If the number of directors cannot be divided into three parts, the number nearest to one-third (1/3) of the directors must be retired in the first year. In the second year after the registration of the company, the lottery [of names] shall be drawn up. In subsequent years, the longest directors shall retire. A retiring director may be re-elected.
- In addition to termination of office, directors may vacate office with the following factors.
 - 1) Death
 - 2) Resignation
 - 3) Lack of qualifications or obtain prohibited characteristics under the law governing public limited companies or the Securities and Stock Exchange Act, or Casualty Insurance Act or Life Insurance Act
 - 4) The shareholders' meeting resolution
 - 5) The court has issued an order.
- Any director wishing to resign shall submit a letter to the company. Resignation is effective from the date the letter is issued to the company. A resigned member under paragraph one shall notify his resignation to the Registrar in accordance with the law governing public limited companies.
- If the position of the director is vacant for reasons other than the expiration of the term, the Board of Directors may elect a qualified person who does not obtain prohibited character to be a director for the next Board meeting, except for a term of less than two (2) months, such person shall possess the position for the remaining term of the director who is replaced by such person. The resolution of the committee under paragraph one shall consist of votes of not less than three quarters (3/4) of the remaining directors.

- In the event that the Board of Directors vacates office, the retiring board shall remain in office only for the conduct of the business of the company until the new board is in office, unless the court orders otherwise. If the board vacates office under a court order, the Board of Directors shall hold a shareholder meeting for the election of new board within one (1) month from the date of retirement. The notice of the meeting shall be sent to shareholders no less than fourteen (14) days prior to the date of the meeting. The announcement in the newspaper is not less than three (3) days before the meeting by advertising for a period of three (3) consecutive days.
- The shareholders' meeting may pass a resolution removing any director from office prior to the expiration of the term with a vote of not less than three quarters (3/4) of the number of shareholders who attend the meeting and have the right to vote and are holders of shares in the company. In aggregate, not less than one-half (1/2) of the number of shares held by shareholders who attend the meeting and have voting rights
- The Board is responsible and manage all activities of the company. It has the power to act within the scope of law, objectives, and regulations of the company and according to the resolution of the shareholders' meeting. The Board may delegate one or more persons to perform any act on behalf of the director.
- The Board of Directors must meet at least three (3) consecutive months. The Board of Directors 's meeting shall be held in the area where the headquarters of the company located or neighbouring provinces
- To call a meeting of the Board of Directors, the Chairman or assigned person send a letter notify the meeting to directors (7) days prior to the date of the meeting. Unless in case of urgent need to maintain the rights or benefits of the Company, the meeting shall be notified by other means and the meeting date is set sooner than that. In cases where two (2) or more directors request a meeting of the Board of

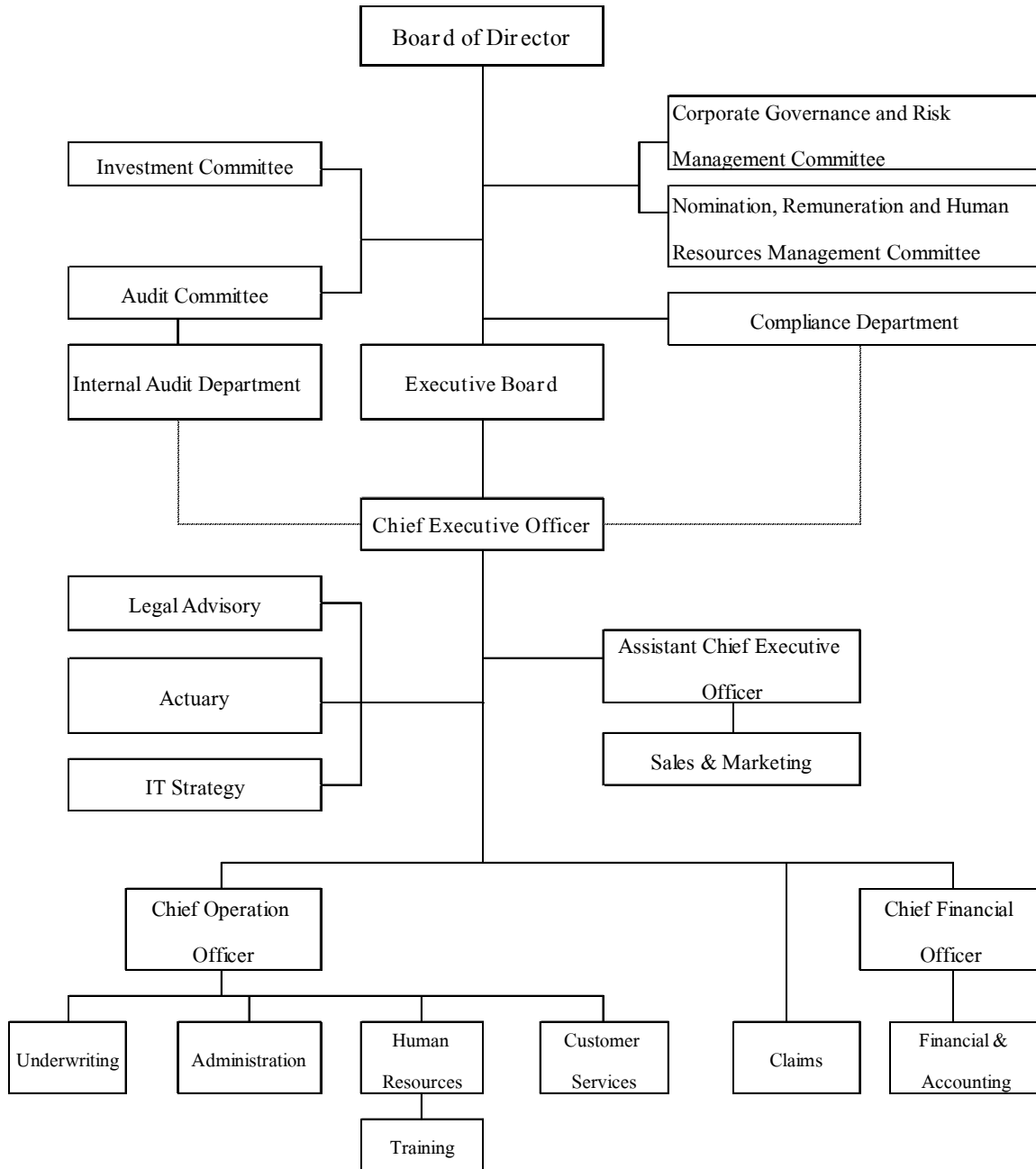
Directors, the Chairman shall fix the date of the meeting within fourteen (14) days from the date of such request.

- The meeting must consist of not less than one half of the total number of directors to constitute a quorum. In case the Chairman is absent from the meeting or cannot perform the duty, if there is a vice chairman, the vice chairman shall act as the chairman. If there is no the Vice chairman, the directors who are present at the meeting shall elect one of them to preside over the meeting. The decision of the meeting shall be taken by the majority of votes. One director is eligible to one vote. Directors who have interests in any matter shall not vote on such matter. In case of equal votes, the chairman of the meeting shall have a casting vote
- Directors are prohibited from doing business with the same conditions and compete with the company or a partnership in an ordinary partnership or a partnership not limited to liability in limited partnership or a director of a private company or any other entity that conducts business of the same nature and compete with the company whether it will be done for their own benefit or for the benefit of others, unless it is notified to the shareholders' meeting prior to the appointment.
- Directors must notify the company without delay if there is any conflict of interest in the contract that the company makes, directly or indirectly or hold shares or debentures increased or decreased in the company or affiliated companies.
- Directors are entitled to receive remuneration from the company in the form of meeting allowances, bonuses, or other benefits according to the consideration of the shareholders' meeting. The meeting may fix certain amount or principles which is scheduled periodically, or it will take effect until it changes. In addition, directors may receive the allowance and welfare of the company. The provisions of the preceding paragraph shall not affect the rights of staff members and employees of

the company who is elected as a director in order to receive remuneration and benefits as a staff or employee of the company.

- Numbers or names of the authorized directors to sign for the company – there must be two directors jointly sign and the company’s seal. The meeting of shareholders or the Board of Directors is authorized to determine the list of authorized directors.

Company Structure



Roles, responsibilities and the qualifications of personnel.

1. Board of Directors must have goal and objective, knowledge and understanding of the business and related risks of the company to ensure that problems get properly resolved and to make the effectiveness of the internal control system.
2. Audit Committee is responsible for monitoring the management and the Board of Directors by reviewing the internal audit report, the scope of work and the legal practice.
3. Risk Management Committee establishes a policy framework and risk management guidelines in line with the company's strategy to propose to the Board of Directors to consider risk management. The strategy is in line with the risk management policy.
4. Investment Committee is responsible for overseeing the company's investment to comply with the investment policy framework and the risk management policy, investment laws and the requirements of relevant laws, considering the risks inherent in investing and the management approach, control and verify the risk of investing, covering key issues
5. The Investment Department shall invest in accordance with the investment policy framework set by the Investment Committee. It also complies with the terms and conditions of the OIC regarding investment in other businesses of insurance companies including other laws associated
6. Risk Management Agency establishes a framework and guidelines for risk management, risk assessment, and risk indicators and provide guidance on risk control and mitigation.

7. Internal Audit Department has an important role in assessing effectiveness. The company is responsible for reviewing and testing the control system and risk management system.
8. Regulatory Compliance is responsible for monitoring and supervising the operations of all departments within the company comply with the regulations and other laws associated

Executives of the company

	Name	Position
1	Mr. Thomas Prentice Thomson	Chief Executive Officer
2	Mr. Piyapadh Vana-ukrit	EVP
3	Mr. Thanachat Kaewjaipetch	Sales and Marketing director
4	Ms. Veerapat Udomkham	Claims Specialist
5	Mr. Surin Suchartchotiwong	Chief Operation Officer
6	Ms. Opas Sirisan	Chief Financial Officer

Duties and powers of the company's Executive Directors are to act on behalf of the Board in various matters as follows:

1. Manage the company's business to be in line with objective, rules and regulations and resolution made by the Board of Directors' meeting and has the power to supervise staff and employees of the company. In terms of managing the operation, the Chief Executive Officer is responsible for the Board of Directors
2. Define working conditions of staff and employees, issue orders or notices, determine the management and operation of the company. It must not conflict with

the company’s regulations and resolutions of the directors or labour law or other relevant laws;

3. Third Party Business - The Chief Executive Officer and the authorized directors are entitled to represent and bind the company within the scope of authority specified in Clause 1. Unless the Chief Executive Officer and the authorized signatory assign any person to carry out specific business.

Nomination and appointment of directors, independent directors and executives

Committee of Nomination and Remuneration

	Name	Position
1	Mr. Thomas Prentice Thomson	Chairman of the Nomination and Remuneration Committee
2	Mr. Piyapadh Vana-ukrit	Nomination and Remuneration Committee
3	Mr. Arinchai Thammawang	Nomination and Remuneration Committee
4.	Ms. Opas Sirisan	Nomination and Remuneration Committee

Nomination and appointment of directors, independent directors and executives
 Nomination Committee shall define the remuneration and administration of human resource as part of the Good Corporate Governance. The Nominating Committee shall define the remuneration and administration of human resource and has a duty to propose a recruitment policy and remuneration for directors and executives to be transparent, fair comply with the rules, regulations and relevant laws including the policy and strategy for human resource management to presented to the Board of Directors.

1. Committee

Nomination Committee to define remuneration and manage human resource appointed by the Board of Directors consists of directors / experts with knowledge of recruitment, remuneration and human resource management no less than 3 persons

2. Qualifications

2.1 Experience in human resource management and understanding of their responsibilities and responsibilities as a member of the Nomination Committee to define remuneration and manage human resource.

2.2 Independent and able to dedicate sufficient time to perform duties.

3. Term of office

3.1 Nomination Committee to define remuneration and manage human resource has the term of three years. Upon expiry of the term, they may be reappointed.

3.2 Member of the committee shall vacate the office as follows:

3.2.1. Expiration of term

3.2.2 Resignation

3.2.3 Death

3.2.4 The Board of Directors has forced for resignation

In case of the position is vacancy for any other reasons beyond the expiration of the term, the Board of Directors shall appoint a qualified person to be the committee. The person who becomes a member of the remuneration committee to supervise human resource shall perform his/her duties only for the remaining term of the committee replaced by him/her.

4. Scope of duties and responsibilities

To ensure the performance of the Nomination Committee defining the remuneration and managing human resource is to support the company's operation

and according to good corporate governance principles, the Board of Directors has set the scope of duties of the committee.

4.1 Nomination

- Formulate policy framework, guidelines and criteria for nomination of directors, board members in various committees appointed by the Board of Directors, consultants and executive directors.
- Consider and nominate qualified persons to serve as directors and sub-committees and advisors to the Board of Directors to replace the vacant position or as appropriate to propose to the Board of Directors for approval.
- Consider the appointment of executive directors proposed to the Board of Directors for appointment and evaluation of guidelines facilitated to determine annual remuneration by considering the responsibilities and risks involved.

4.2 Remuneration

- Propose guidelines and procedures for setting meeting allowances, awards, monetary incentives and gratuities, as well as other benefits in the form of remuneration given to Board of Directors, subcommittees, consultants of the board to propose to the Board of Directors for approval.
- Policy Suggestions To consider and approve the remuneration of the President. In the same level of industry. The Board of Directors is responsible for the approval of the Board of Directors.

4.3 Human Resources Management

- Suggestion of policies and strategies for human resource management, including organizational structure, employee assessment system and the criteria for employee remuneration to be consistent with the company's

management strategy.

- Consider selecting appropriate persons to perform executive positions from director level before proposing upward to the Board of Directors for approval.
- Suggestion of policies to consider and approve the remuneration of executives from the director position upward in the same level of industry to propose to the Board of Directors for approval.
- Ensure that the policy is based on the overall compensation and benefits that can be accommodated for external personnel, and maintain the potential internal personnel.

4.4 Other

- Perform any other tasks as assigned by the Board of Directors.

5. Meetings

5.1 Nomination Committee setting the compensation and human resource management shall hold a meeting at least once a year.

5.2 At each meeting, at least half of all directors must attend the meeting.

5.3 If the Chairman of the committee is absent or cannot perform the duty, the committee attending the meeting shall elect one person to be the Chairman of the meeting.

5.4 The decision of the meeting shall be taken by the majority of votes. If the votes are equal, the chairman of the meeting shall have an additional casting vote.

5.5 If any of the Nomination Committee setting the compensation and human resource management is deemed to have conflict of interest must not participate in the consideration and vote on the matter.

6. Reporting

6.1 Reporting to the Board of Directors once a year

6.2 Summary of performance in the annual report and information.

7. Compensation (Remuneration policy)

Composition of Directors and Management Remuneration

- Human Resources Department offers opinions to the Board of Directors regarding structure and composition of remuneration for directors on an annual basis.
- To consider and review the performance valuation report of the Board of Directors to propose to the Board of Directors to approve and conduct the assessment. The Nominating Committee will use the results of such assessment to determine the directors' remuneration.
- Propose remuneration criteria appropriately to the duties of directors by linking the compensation with the results of the business plan and the overall performance of the company to be able to motivate and secure the directors who is competent, qualified and capable. The Board of Directors shall consider and agree on the matter before presenting to the Annual General Meeting of Shareholders for approval.

Audit Committee

	Name – Surname	Position
1.	Miss Songvilai Jiraphothong	Chairman of the Audit Committee
2.	Miss Saijai Wangpattanasirikul	Audit Committee
3.	Miss Suruthai Songsiridej	Audit Committee

Charter of the Audit Committee

1. Objectives

The Audit Committee is an independent committee established by the resolution of the Board of Directors to promote the regulatory system, take care of good business and strengthen operational efficiency. The Audit Committee will support and act on behalf of the Board of Directors to build confidence and credibility of the financial reports that are presented to shareholders and other related parties, review and evaluate the internal control system, risk management system and internal audit system and compliance with the OIC and other relevant laws.

2. Composition and qualifications of the Audit Committee

2.1. Composition

2.1.1 The Audit Committee consists of at least 3 persons.

2.1.2 To be appointed by the Board of Directors or the shareholders' meeting to be the Audit Committee.

2.1.3 There are independent directors not less than two-thirds of the total number of audit committee members.

2.1.4 Chairperson of the Audit Committee must be an independent director on the board of directors.

2.1.5 The Audit Committee consists of at least one audit committee member who has knowledge and sufficient accounting or financial experience to perform the duties of reviewing the reliability of the financial statements.

2.2. Qualification

Audit Committee must meet all the qualifications according to the rules and does not contradict the criteria of Clause 18, Clause 19 and Clause 20 in accordance with the Notification of the OIC on rules, methods and conditions for receiving revenues, paying on expenditures, auditing and internal control of non-life insurance company 2014 established by the Audit Committee which must be neutral, no benefits or interests either direct or indirect in a manner that could affect the independent exercise of discretion of duties and responsibilities.

3. Term of Office

3.1 The term of office of the Audit Committee members is 3 years from the date of appointment.

3.2 Audit committee members who vacate office due to expiration of their term may be reappointed by the resolution of the Board of Directors or the shareholders' meeting.

3.3 In the event that there is a need to change or increase or decrease the number of examination committee members must comply with the resolutions of the board of directors or the shareholders' meeting.

3.4 In addition to the vacation of office upon completion of the term of office as specified, the Audit Committee will retire when:

3.4.1 Resignation

3.4.2 Death

3.4.3 The Board of Directors resolves to vacate office.

3.4.4 Lack of qualifications as an audit committee member in accordance with the Notification of the OIC on rules, methods and conditions for receiving revenues, paying on expenditures, auditing and internal control of non-life insurance company 2014.

4. Scope of duties and responsibilities of the Audit Committee

4.1 Assist the company to review if it's financial reporting is complete, accurate, reliable, and important information is fully disclosed and in accordance with generally accepted accounting standards.

4.2 Review and evaluate the Company's internal control system, internal audit system and risk management system that is appropriate, effective and concise in accordance with the framework recognized as an international standard including determining the authorities and responsibilities of the internal audit function.

4.3 Review to ensure that the company complies with the law on non-life insurance of the OIC requirements and other laws applicable to the Company's business.

4.4 Considerate and propose to appoint an independent person to act as the Company's auditor and to propose such person's remuneration including attending a meeting with the auditor with no executives attending the meeting at least once a year.

4.5 Provide suggestions to the management for the effective and efficient supervision of the operations and report to the Board of Directors for rectification within the time the Audit Committee deems appropriate. In the event that the Audit Committee finds or has doubts that there are transactions or actions As follows. -

(A) Transactions that lead to conflicts of interest.

(B) There is an unusual corruption or there is a significant defect in the internal control system

(C) Violation of the General Insurance Law or other laws related to business of the company.

If the Board of Directors or executives fail to make adjustments within the time prescribed by the Audit Committee, the Audit Committee must report to the Insurance Commission without delay.

4.6 Provide opinions on the Company's overall internal control assessment report to the Board of Directors.

4.7 To consider and approve the audit and supervision plan of the internal audit unit.

4.8 Where necessary, the audit committee may seek advice from external advisers or professional experts on the conduct of the internal audit at the expense of the company.

4.9 Prepare the Audit Committee's report and disclose in the Company's annual report signed by the Chairman of the Audit Committee.

4.10 Regularly review and assess the Audit Committee Charter and propose for approval from the Board of Directors when there are amendments.

4.1.1 Arrange a self-assessment at least once a year and report the results to the Board of Directors.

4.10 To perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

5. Meeting

5.1 The Audit Committee organizes meetings regularly at least every quarter to monitor the operation of the internal audit department and the operation of the company and to have the power to call for additional meetings as necessary and the quorum consists of not less than half of the audit committee members.

5.2 At a meeting, the audit committee may invite the top management of the risk management group, the management, the auditor or the relevant person to attend the meeting and request information as necessary and appropriate to the agenda.

Risk Management Committee

No	Name	Surname	Position in Risk Management Committee	Date of appointment
1.	Mr. Piyapadh	Vana-ukrit	President	18 February 2021
2.	Mr. Thomas Prentice	Thomson	Director	18 February 2021
3.	Miss Opas	Sirisan	Director	18 February 2021
4.	Mr. Thanachat	Kaewchaietch	Director	18 February 2021
5.	Mr. Surin	Suchartchothiwong	Director	18 February 2021
6.	Miss Subhrraporn	Somjai	Secretary	18 February 2021

Charter of the Risk Management Committee

The Risk Management Committee is part of good corporate governance and is responsible for proposing a risk management policy, risk management practices and actions in accordance with rules, regulations and laws in terms of the company to grow steadily and sustainably

1. Objectives

The Risk Management Committee is responsible for overseeing the Company's risk management to be systematic and continuous in response to strategy, business plan and policy of the Company.

2. Composition and qualifications

The Risk Management Committee must consist of at least 5 persons, appointed by the Board of Directors or the meeting of shareholders and have the following qualifications:

2.1 Be the Board of Directors or,

2.2 Be a management of the company or,

2.3 Being qualified persons with knowledge and understanding of risks in the Company's business operation.

2.4 The Risk Management Committee must consist of at least one person in item 2.1.

3. Term of office

3.1 The Risk Management Committee has a term of office for 3 years and after completing the term of office Board of Directors may reappoint the former committee or any person in the former committee to hold office for the next term.

3.2 Member of the Risk Management Committee will vacate office upon:

3.2.1 The term expires

3.2.2 Resignation

3.2.3 Death

3.2.4 The Board of Directors resolves to vacate office.

3.3 In the event that the position of the Risk Management Committee is vacant due to causes in 3.2.2 - 3.2.4, the Board of Directors must appoint a person with all the qualifications as specified in Item 2 to be the Risk Management Committee to replace the vacant position. The replacement person can hold office for the remaining term of the member of the risk management committee who he/she replaces.

4. Scope of duties and responsibilities

To enable the performance of the Risk Management Committee to support the work of the Board of Directors in a correct, transparent and able to protect the interests of the shareholders and stakeholders of the Company. The scope of duties of the Risk Management Committee are as follows:

4.1 To formulate a risk management policy and propose to the Board of Directors to consider and approve the risk management, which must cover the significant risks of the company.

4.2 Hold a meeting at least once a quarter to assess the adequacy of the risk management strategy as well as the efficiency of the Company's risk management.

4.3 Risk Management's progress report and what needs to be done to improve it to be in line with the strategy, business plan and policy of the Company as appropriate to the Board of Directors at least once a quarter.

4.4 Set objectives, scope of duty and the responsibility of the risk management department.

4.5 Perform any other acts as assigned by the Board of Directors. In case of necessity, the Risk Management Committee may seek advice from an outside advisor at the expense of the Company.

Investment Committee

	Name - Surname	Position
1.	Mrs. Chompan Kullanites	Chairman
2.	Mr. Thomas Prentice Thomson	Director
3.	Ms. Opas Sirisan	Investment manager

Investment and other business policies

To ensure that the operation of Pacific Cross Health Insurance Plc is efficient and effective, with adequate levels of control and acceptable capital, the company has set policies and measures to manage capital adequacy of the Company Investment Policy Framework and Risk Management. The Board of Directors is responsible for overseeing and supervising the operations related to management functions in order to comply with the policies and measures of the capital fund management of the company and to be properly monitored and up to certain situations.

Objectives

The purpose of this policy is to help the company effectively manages assets and liabilities, supervises, monitors and evaluates investment in the company's assets. Investments in those assets will be held by the Investment Committee for the benefit of the company's mission and objectives. This policy is consistent with the following.

- Determine the level of adequacy of capital funds acceptable and not lower than the benchmark as a guideline for maintaining adequate capital levels to sufficiently accommodate risk.
- Determine and assign the responsibilities of each department concerned.

- Create clear understanding of all parties involved in the governance and capitalization of the company and its objectives, assign and allocate assets and liabilities, the risk acceptable and the compliance of the OIC.
- Capital adequacy must consider liquidity and capital concentration of the company.
- Framework and criteria for monitoring, evaluating and comparing performance is scheduled by the investment manager regularly including report to the Board of Directors and / or Investment Committee.

Risk Management Practices and Procedures caused by investment, responsibilities of the Board of Directors or the Investment Committee.

1. Executive Board has highest responsibilities for the investment strategy and risk management of the organization and investment assets.
2. Executive Board may delegate authority regarding the investment of the organization under the Investment Committee. The member must comply with the regulations of the OIC.
3. Executive Board or Investment Committee may outsource an outside expert as an investment consultant or investment manager to manage the corporate portfolios if necessary.
4. Executive Board or authorized person or Investment Committee is responsible for managing corporate portfolio assets. The conditions are as follows.
 - Must communicate the financial needs of the organization to the investment manager at the right time.
 - Consider and approve investment objectives including policies and allocation of the property to be invested every year.
 - Be cautious in choosing the right method or investment expert including investment managers, Asset Management Auditors and Asset Supervisors

- Regularly assessed the performance of asset managers in asset management to ensure to follow the operating guidelines and investigate the progress to meet the objectives of the investment.
- Review and monitor the performance of the investment to follow the policies of the organization.

Financial statements, Auditor's Responsibilities for the Audit of the Financial Statements and Notes to the financial statements, show in below link.

<https://www.pacificcrosshealth.com/financials/>