



5. Methodology and assumption for valuation of insurance contract liabilities

Insurance contract liabilities consist of long term insurance policy reserves, loss reserves, claims payable and premium reserves.

a. Long term insurance policy reserves

At the end of the reporting period, the Company compares the amounts of gross premium valuation reserves with unearned premium reserves, and if gross premium valuation reserves are higher than unearned premium reserves, the Company will provide additional reserves for such difference.

(1) Unearned premium reserves

Life reinsurance - Treaty	- Monthly average basis (the one-twenty fourth basis)
Life reinsurance - Facultative	- Daily average basis (the one-three hundred and sixty fifth basis)

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as inward reinsurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract

(2) Gross premium valuation reserves

Gross premium valuation reserves are life policy reserves, calculated using an actuarial method in accordance with the OIC notifications. The main assumptions applied relate to lapse or surrender rate, selling and administrative expenses, mortality, morbidity, discount rate and non-guaranteed dividend payment rate.

b. Loss reserves

Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of estimated claim will not exceed the sum-insured under the relevant policy.

Loss reserves are calculated using an actuarial method based on the best estimate of claims expected to be paid to the insured in respect of losses incurred before or as at the end of the reporting period whether or not the claims are reported to the Company, including loss adjustment expenses. Differences of the then-calculated loss reserves and the loss reserves already recognised in the financial statements is claims incurred but not yet reported (IBNR).



c. Premium reserves

Premium reserves are short-term insurance policy reserves. At the end of the reporting period, the Company compares the amount of unexpired risk reserves with that of net unearned premium reserves from deferred commission expenses, and if the amounts of unexpired risk reserves are higher than the amounts of unearned premium reserves net of deferred commission expenses, the Company will recognise additional reserves for such difference. However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit or loss.

(1) Unearned premium reserves

Life reinsurance - Treaty	- Monthly average basis (the one-twenty fourth basis)
Life reinsurance - Facultative	- Daily average basis (the one-three hundred and sixty fifth basis)

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as inward reinsurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

(2) Unexpired risk reserves

Unexpired risk reserves are the reserves for the future claims that may be incurred in respect of in-force policies. Unexpired risk reserves are set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining coverage period, based on historical claim data.

Unit : THB Million

Item	Y 2023		Y 2022	
	Book Value	Market Value	Book Value	Market Value
long-term technical reserves	487.54	567.58	493.82	579.11
short-term technical reserves	682.43	601.21	543.01	495.03
Unpaid policy benefits	0.00	0.00	0.00	0.00
Due to insured	23.39	23.39	47.50	47.50