



2019 Corporate Social Responsibility Report

Union Insurance Company

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Communication of Stakeholders

Union Insurance Company adheres to the principle of honesty and is committed to practicing corporate social responsibility, which makes us understand more about the needs and expectations of different stakeholders. Through different communication channels, we communicate to customers actively and sincerely so that we can create a win-win result. According to GRI Standards, we identify the important issues of sustainable development as the foundation of disclosure in 2019 CSR report.

Stakeholder Engagement

According to AA1000 Stakeholder Engagement Standards which include 5 principles of dependency, responsibility, influence, diverse perspectives, and tension, Union recognizes the main stakeholders. For instance, the shareholders, investors, employees, customers, government, suppliers, communities, non-profit organizations, online communities. At present, Union company doesn't organize the trade union. However, we adhere to the business philosophy to happiness and provide legal salary, employee benefits, and retirement system to all of the employees.



1. About Us

Background

Union Insurance Company, which is established in 1963, has actual receipt capital NT\$ 2.129 billion by 2019 Q4. At present, Union has 1,096 full-time employees and meet the capital adequacy ratio requirement of the insurance industry.

Union's headquarter is located in Taipei city, and there are 17 branches and 26 liaison offices all over Taiwan to provide quality customer services. We provide insurance products, such as fire insurance, marine insurance, automobile insurance, engineering insurance, liability insurance, and accident insurance. Also, we do reinsurance.

The Company's direct premium income in 2019 totaled NT\$9,833 million and ranked 6th with a market share of 5.6%. At present, Union's credit rating has assigned AA (tw), and A- in 2019 with a "stable" outlook by Taiwan Ratings and S&P. Also, A. M. Best has already assigned A- (Excellent) to Union in June 4, 2020.

Service Branches

- | | |
|--------------------|----------------------|
| 1. Head Office | 10. Changhua Branch |
| 2. YuanAn Branch | 11. Fengyuan Branch |
| 3. Taipei Branch | 12. Tainan Branch |
| 4. Taoyuan Branch | 13. Chiayun Branch |
| 5. Zongli Branch | 14. Gangshan Branch |
| 6. Hsinchu Branch | 15. Yongkang Branch |
| 7. Langyang Branch | 16. Yushan Branch |
| 8. Taichung Branch | 17. Kaohsiung Branch |
| 9. Nantou Branch | 18. Pingtung Branch |



Organization Membership

Organization	Role
The Non-Life Insurance Association of the Republic of China	Member
Taiwan Financial Services Roundtable	Member
Institute of Financial Law and Crime Prevention	Member
Actuarial Institute of the Republic of China (Taiwan)	Member
Insurance Society of the Republic of China	Member
Risk Management Society of Taiwan	Member
Nuclear Insurance Association of the Republic of China	Member
Chinese Arbitration Association, Taipei	Member
Engineering Insurance Association	Member
Risk Management Society	Member
Chinese Insurance Service Association	Member

Fruitful year

Union's direct premium income in 2019 totaled NT\$9,833 million. Compared to NT\$9,826 million in 2018, we are ranked 6th with a market share of 5.6%.

● Business Performance Statistics

	2017	2018	2019
Amount Of Capital	2,129,600	2,129,600	2,129,600
Operating Revenue	7,220,409	7,695,690	8,065,998
Operating Cost	4,727,178	5,160,294	5,346,030
Post-tax Profit or Loss	663,458	605,620	703,782
Retrospectively Adjusted Earnings Per Share	3.12	2.84	3.3
Employee Benefit Cost (including Salary, insurance Premium and other costs)	893,199	1,202,375	1,254,407

(Unit: thousand dollar)

*1: Since 2013, we adopt International Financial Reporting Standards, IFRS.

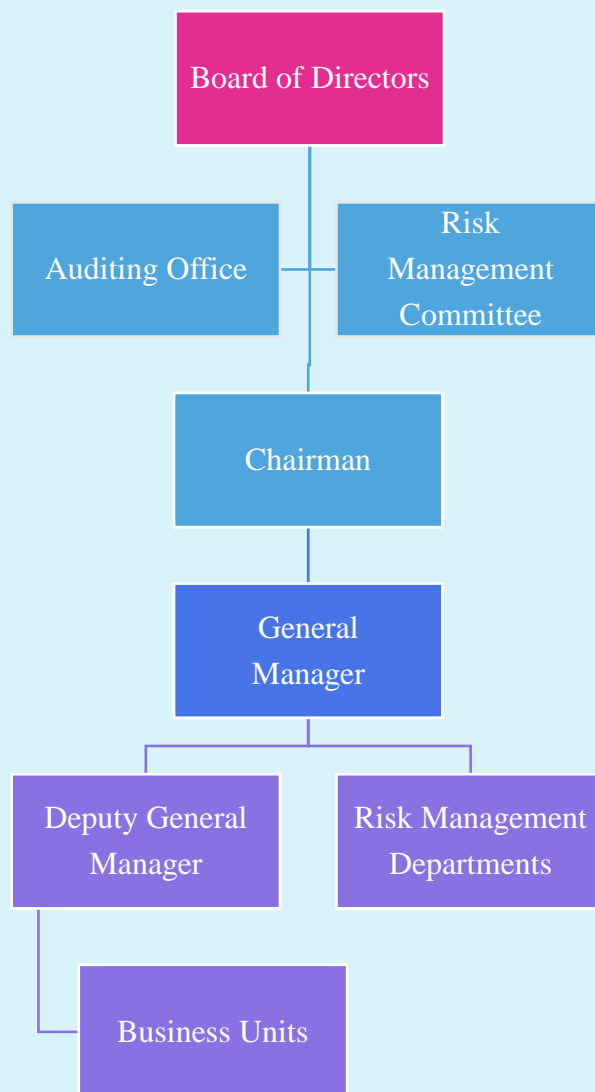
*2: Before the financial statement is released, Union has not hold the shareholder's meeting.

6. Corporate Governance

Corporate Social Responsibility Committee Structure



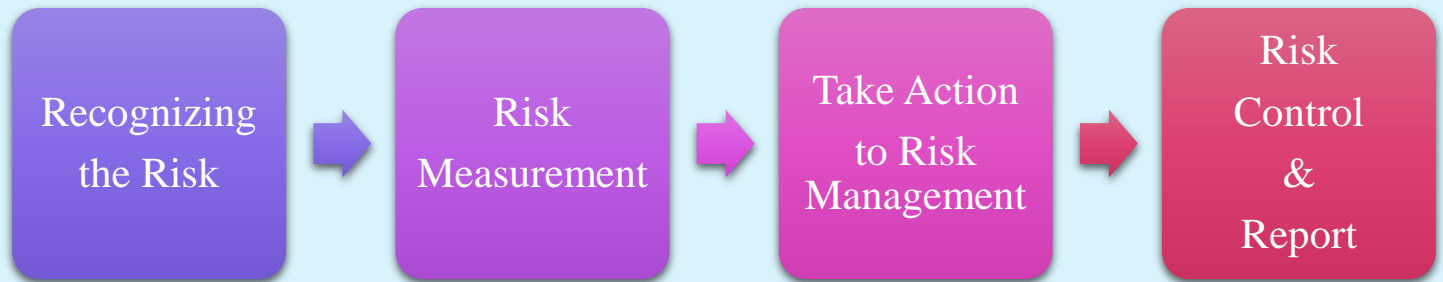
Risk Management Committee



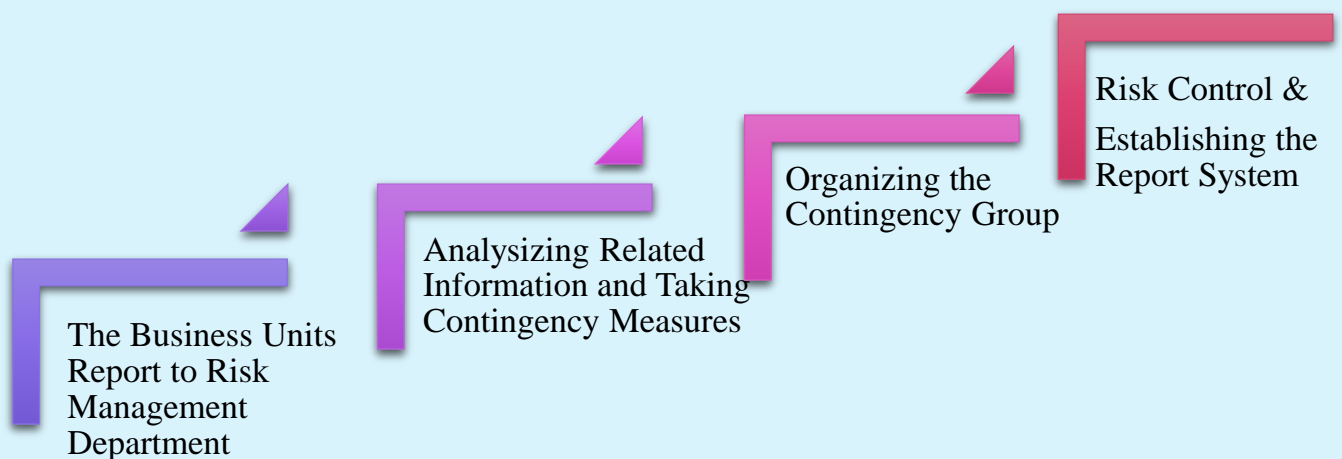
**Attendance Rate of
Independent Director**

100%

Mechanism of Risk Management



The Procedure of Dealing with the Significant Business Risk



Other Corporate Governance Policies

Diversity of the Board

Compliance with the Regulations

Anti-money Laundering

Countering the Financing of
Terrorism

Philosophy to Honesty

Respond to ESG's Principles for
Responsible Investment

7. Sustainable Product

Micro-insurance

- Ranked 4th in the non-life insurance industry.
- Affordable price to underprivileged groups.
- Benefit 13,571 people since 2014.

Accident & Health Insurance

- Including accidental death insurance, disability insurance, pay-as-you-go medical insurance, and etc.
- The age of the insured is up to 79 years old.
- Contract renewal is up to 89 years old.

Mountaineering Insurance

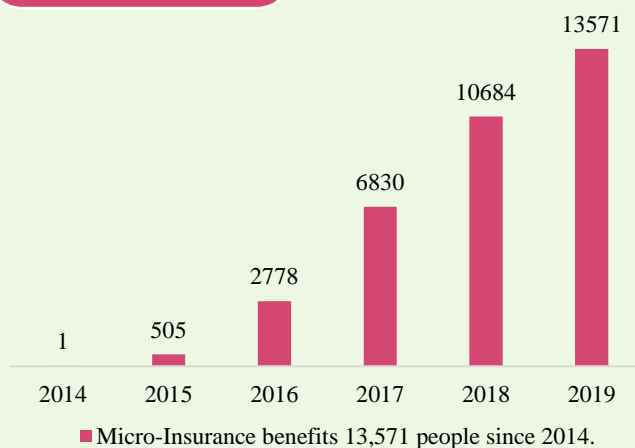
- At least 1 policyholder.
- The emergency relief charges is up to **500** thousands.
- There are 235 cases underwritten in 2019 (the premium income is NT\$ 391,079).
- In 2020, We plans to provide mountaineering insurance by online insurance.

Travel Inconvenience Insurance

- If the flight delays over 4 hours, we will claim.
- If the flight delays over 8 hours, the claim is up to NT\$10,000.
- Since October 2018, we have claimed for **11,063** cases.
- We provide free overseas emergency assistance in the new version of overseas travel comprehensive insurance.

The Third Party Liability of Automobile Driver Insurance

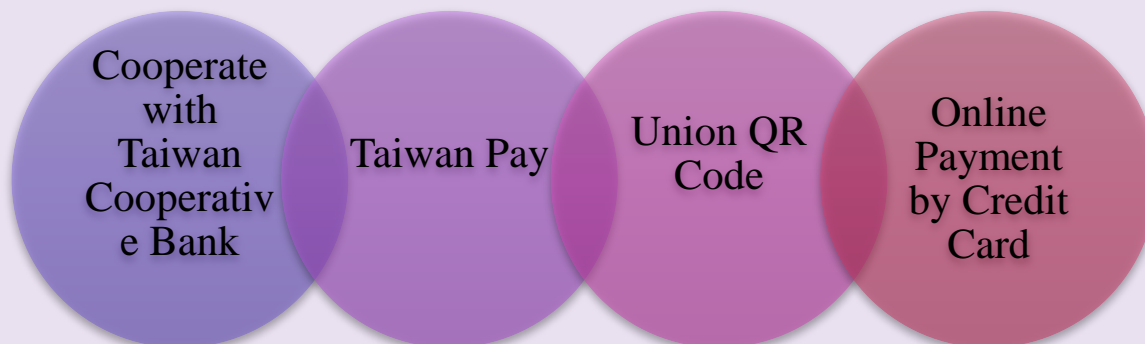
- At present, the automobile driver insurance which only covers the third party liability insurance.
- In 2020, we plans to expand the coverage to automobile physical damage insurance and passenger insurance.



8. Digital Finance Services

2019 Key Performance in Digital Finance Service

Convenient Payment Method



Other Digital Finance Service

Online Insurance

- Since August 2014, Union have sold 32,381 insurance policies, the total premium income is NT 51.28 million.

The Online Insurance Product

- Motor Insurance (including compulsory & voluntary insurance)
- Travel Insurance
- Residential Fire Insurance
- Household Comprehensive Insurance

Line Official Account

- created from 2019
- Auto-reply through entering the keywords

Electronic Insurance Policy

- Since July 2018, we have provided the electronic insurance service.
- In 2019, we expanded the service to channels.
- Until 31st December 2019, We have sent 6,553 electronic insurance policies.

Electronic motor compulsory insurance license

- Starts from 1st July 2018.
- From July 1st 2018 to 31st December 2019, We have sent 409,776 electronic motor compulsory insurance license.

5. Climate Change Brings Out Opportunities



6. Protecting the Environment

Energy-saving Policies

1. Light Energy Saving

- ✓ Turn off the lights during the lunchtime (12:30-13:30 p.m.). The employees can turn on the light in the cubicle only for the work purpose
- ✓ Turn off the lights when leaving
- ✓ Reducing the unnecessary light bulbs and using the energy saving bulbs.
- ✓ When it comes to work overtime, the employees can only turn on the light in their cubicle
- ✓ Turn off the lights of the archive room

2. Energy-saving of air conditioners

- ✓ Turn off the air conditioner before leaving the meeting room
- ✓ Clean the air conditioner filters of the headquarter, branches, liaison offices regularly
- ✓ Turn off all personal electronic equipment when leaving the office
- ✓ Establishing and executing the automatic inspection plan

3. Other Energy-saving measures

- ✗ Bottled water
- ✗ Disposable chopsticks
- ✓ Brings Reusable shopping bag, eco-chopsticks, and handkerchiefs
- ✓ Put the recycle bins in each branches
- ✓ Adjust the water yield of the tube
- ✓ Change the drinking fountain of the branches



Protecting the Forest

Through promoting the electronic insurance policies in motor insurance, residential fire insurance, travel insurance, and liability insurance, Union estimated it will reduce the cost of 1% to 2%.

In 2020, the promotion of electronic insurance policies and online insurance are the main objectives of The Non-life Insurance Association of the Republic of China. Electronic insurance policies are more convenient and can waste less papers rather than the tangible insurance policies. By cooperates with TWCA, each electronic insurance policies is verified by the third party so that the personal information security is ensured.

After the payment, the customer can receive the electronic insurance policies in 1 hour. In addition, electronic insurance policies is more convenient to save and look up.

During 1st Nov 2019 to 31st Dec 2019, Union held the donation activity which donated NT 10 dollars of each electronic insurance policy. Besides, the policyholders can participate in lucky draw during the activity. In the future, we will plan other activities to promote electronic insurance policies and increase the usage rate of it. Meanwhile, we will combine the online insurance service, to achieve the goal “green insurance”.



7. Customer Care

Customer Relationship Performance

- 2019 Customer Service Staff Satisfaction **99.4%**
 - 2019 Claim Satisfaction **97%**
 - 2019 Customer Complaint Rate **0.1028%**
 - 2019 Roadside Assistance Satisfaction (7,138 cases in Total) **98.8%**
 - 2019 Customer Complaint of the Privacy Invasion and Data Loss **0%**
-
- Import ISO/IEC 27001 Information Security Management System
 - Implement of BS 10012 Personal Information Management System
 - Announcement the duty of disclosure of Computer-Processed Personal Data Protection Law in non-life insurance industry



Customer Relationship Performance

Earning Customer's Trust for Several Years

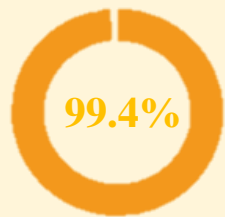
1. Providing the free customer service hotline for 24 hours
2. Customer service on the official website
3. Union official Line account
4. Union provides various customer communication channels so that the customer can express their opinions directly.

Doing Customer Satisfaction Survey Regularly

1. Asking the related departments to response to customer feedback questionnaires in time.

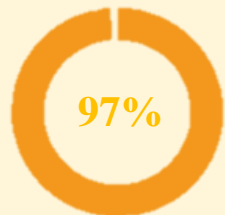
Doing Customer Service Staff Satisfaction Survey Everyday

1. It includes 2 criterion as below:
 - ✓ The attitude of Customer Service Staff
 - ✓ Whether the customer service staff's explanation is made clearly.
2. In 2019, the satisfaction rate of customer service staff's explanation is 99.4%.



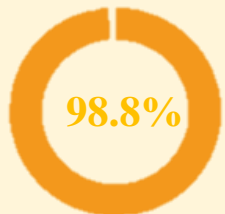
Claim Satisfaction Survey

1. In 2019, the claim satisfaction rate is 97% (increase 1.5% than 2018).



Roadside Assistance Satisfaction Survey

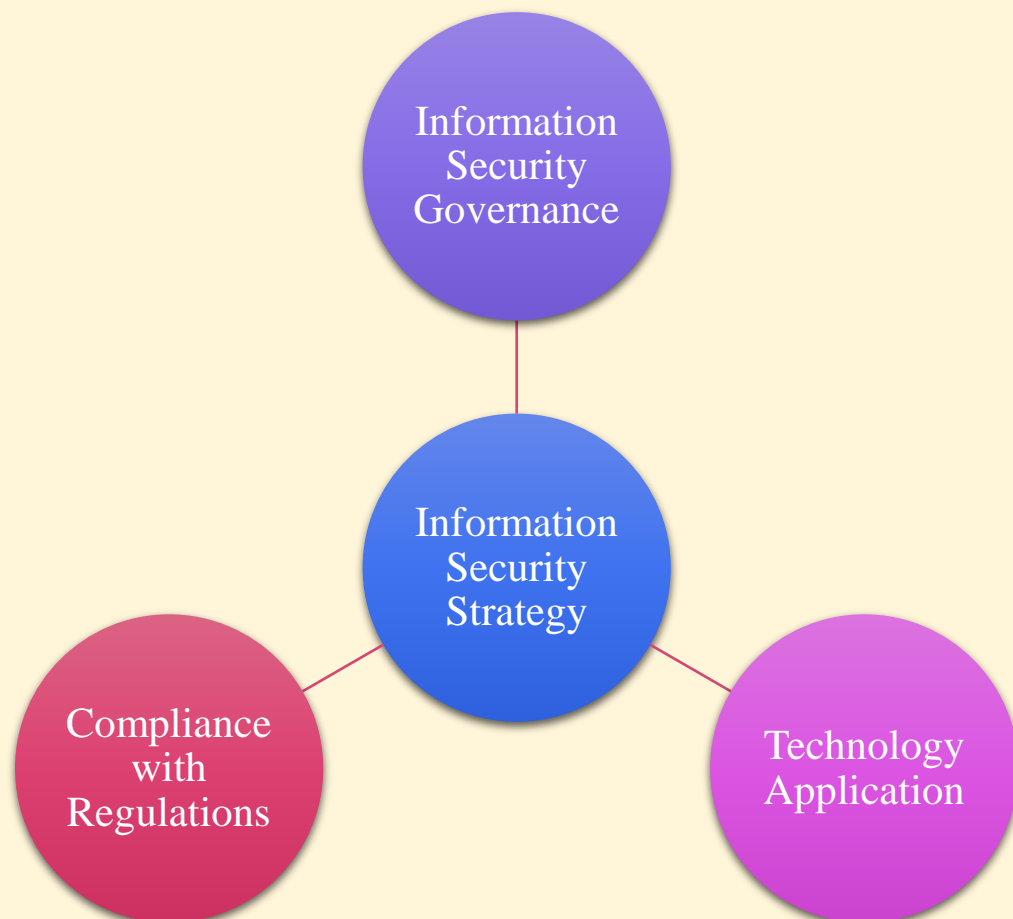
1. In 2019, the roadside assistance satisfaction rate is 98.8%.



Protecting Customer's Privacy

Information Management System	Validity of the Certification
BS 10012 Personal Information Management System	Oct, 2020
ISO/IEC 27001 Information Security Management System	June, 2023

Information Security Strategy



8. Friendly Workplace

Increasing the Employment Opportunities

To respond to SDGs 17 goals, Union takes the goal 8, “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” as our managerial guideline of employee care.

In 2019:

The Full-Time Employees	1,096 people
Non-Full-Time Employees	200 people
Male Employees	641 people
Female Employees	655 people
New Employees	149 people 14% of the total employees
Resigned Employees	127 people 12% of the total employees
Resigned Employees Which Not Includes the Retirement and Layoff	9%
Hiring People with Disabilities	14 people 2.3 times than the regulation
The Rate of Hiring the Senior Manager Who Has ROC Nationality	100%
Infant Retention Rate	100%

Employee Welfare Cost

The Employee Welfare Cost of Non-Management Position in 2019

	Unit	2018	2019	Difference	Growth rate
The annual cost of employee welfare	NT dollar	913,588,585	918,202,267	4,613,682	0.51%
The amount of employees	people	883	882	-1	-0.11%
Average salary	NT dollar	1,034,642	1,041,046	6,404	0.62%

9. Social Participation

Promoting Micro-insurance actively

Taking Care of the Underprivileged Groups

- Since 2014, there are over 41 organizations and 13,571 people benefited from micro-insurance.
- In 2017, 2018, and 2019, Union is honored by FSC the Excellence performance in developing micro-insurance.



CRPD Fifth Anniversary Event

Union cooperates with Pingtung Victory Christian Church to hold 2019 baseball games for the disabled. Through taking part in the games, the disabled could stay healthy and enrich the life experiences. In addition, the public could learn more about the talents of people with disabilities and appreciate another strength of their abilities.



Charitable Activities

- **The 7th ‘Hao-Tien-Tien Walking together’**

Union have worked with Syin-lu Social Welfare Foundation to accompany the disabled to do outdoor exercises and to enrich the life happiness in 4 executive years since 2016 on Taipei, Taoyuang, HsinChu and Kaoshiung.

- **Charitable Fair**

The 32th Charitable Fair has been held to give strength to those disadvantaged children and families.



- **Children’s Day Banquet for students from poor family**

To celebrate the children’s day, the deputy speaker of Yi-Lang county with Union holds the banquet for 250 students from impoverished families enjoying the festival.

- **The 5th Yu-Shiang National Wheelchair Badminton Championship**

To encourage the disabled doing exercise and get to know each other, Union worked with Changhua Disability Care Association to hold the the 5th Yu-Shiang National Wheelchair Badminton Championship.



Love Fun Great!

On 27 December 2019, Union organized a field trip for the hearing-impaired children to visit the exhibition. Union has held the exhibition activity for years and let the children take opportunities to understand more about art.



Want Want Charitable Concert

Want Want Charitable Concert, which was held by Tsai- Eng-Meng Charity Aid Foundation, China Times, CTI Television, hope to give strength by art. Until 2019, it is held more than 99 times and the participants is over 90 thousands. To express the gratitude to the volunteers, Union gave out the bags to each volunteer who came to help the concert.



Donations

01 To Children's Hearing Foundation
NT\$ 20,000.

02 To Huashan Social Welfare Foundation
NT\$ 20,000.

03 To Modern Women's Foundation
NT\$ 20,000.

04 To Children Are Us Foundation
NT\$ 20,000.

05 To Institute for the Blind of Taiwan
NT\$ 20,000.

Donations

- 06 To **Sunshine Foundation**
NT\$ 20,000.
- 07 To **Pure Love Alliance**
NT\$ 20,000.
- 08 To **Zenan Homeless Social Welfare Foundation**
NT\$ 20,000.
- 09 To **Noordhoff Craniofacial Foundation**
NT\$ 20,000.
- 10 To **Taiwan Motor Neuron Disease Association**
NT\$ 20,000.

Donations

Donate NT 20000

To Dandelion Hope Foundation

Donate NT 20000

To Taoyuan Chensenmei Social Welfare Foundation.

Donate NT 20000

To Animal Protection Association of the Republic of China

Donate NT 20000

To Dementia Care Association, Taiwan, R.O.C.

Donate NT 20000

To The First Social Welfare Foundation

Donate NT 20000

To Light Children Association