

**UNION INSURANCE CO., LTD.****Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

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The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of Union Insurance Co., LTD.:

### Introduction

We have reviewed the accompanying balance sheets of Union Insurance Co., LTD. as of March 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Union Insurance Co., LTD. as of March 31, 2024 and 2023, and of its financial performance and its cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Wu, Cheng-Yen and Tsai, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)  
April 30, 2024

**Notes to Readers**

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

## UNION INSURANCE CO., LTD.

## Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 3,323,506	16	3,479,186	17	3,271,040	17	21000	Accounts payable (note 6(b) and (c))	\$ 1,293,724	6	1,234,591	6	1,144,178	6
12000	Receivables (note 6(b))	963,288	5	555,987	3	819,562	4	21700	Current tax liabilities	145,560	1	94,885	-	-	-
12600	Current tax assets	7,234	-	7,234	-	10,408	-	24000	Insurance liabilities (note 6(n))	12,828,660	61	12,297,598	62	12,720,367	66
14110	Financial assets at fair value through profit or loss (note 6(f))	2,574,888	12	1,721,519	9	1,162,559	6	27000	Provisions	98,761	-	98,816	1	110,138	1
14190	Financial assets at fair value through other comprehensive income (note 6(f))	2,372,729	11	2,351,075	12	2,281,990	12	23800	Lease liabilities (note 6(j))	15,393	-	17,929	-	25,485	-
14145	Financial assets at amortized cost (note 6(f))	2,662,268	13	2,562,498	13	2,461,507	13	28000	Deferred tax liabilities	63,920	-	63,920	-	63,920	-
14180	Other financial assets, net (note 6(f))	1,699,700	8	1,872,700	10	1,711,800	9	25000	Other liabilities	20,067	-	19,669	-	20,518	-
16700	Right-of-use assets (note 6(i))	15,203	-	17,733	-	25,345	-		<b>Total liabilities</b>	<u>14,466,085</u>	<u>68</u>	<u>13,827,408</u>	<u>69</u>	<u>14,084,606</u>	<u>73</u>
14200	Investment property (note 6(g))	845,864	4	1,047,509	5	850,492	4		<b>Equity</b>						
15000	Reinsurance assets (note 6(c))	4,222,280	20	4,202,406	21	4,506,364	24	31100	Ordinary share (note 6(p))	2,236,080	11	2,236,080	11	2,236,080	12
16000	Property and equipment (note 6(h))	1,484,380	7	1,287,364	6	1,286,078	7	33100	Legal reserve (note 6(p))	1,004,854	5	1,004,854	5	1,004,854	5
17000	Intangible assets	166,899	1	165,170	1	157,595	1	33200	Special reserve (note 6(n) and (p))	3,094,152	15	3,094,152	16	2,750,537	15
18000	Other assets	654,729	3	657,674	3	643,857	3	33300	Unappropriated retained earnings (note 6(p))	147,976	1	(256,606)	(1)	(921,508)	(5)
								34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	43,821	-	22,167	-	34,028	-
									<b>Total equity</b>	<u>6,526,883</u>	<u>32</u>	<u>6,100,647</u>	<u>31</u>	<u>5,103,991</u>	<u>27</u>
<b>Total assets</b>		<u>\$ 20,992,968</u>	<u>100</u>	<u>19,928,055</u>	<u>100</u>	<u>19,188,597</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 20,992,968</u>	<u>100</u>	<u>19,928,055</u>	<u>100</u>	<u>19,188,597</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

## UNION INSURANCE CO., LTD.

## Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		For the three months ended March 31,			
		2024		2023	
		Amount	%	Amount	%
41000	<b>Operating revenue:</b>				
41110	Written premium	\$ 3,506,233	127	3,138,577	133
41120	Reinsurance premium	125,340	5	142,977	6
41100	Premium	3,631,573	132	3,281,554	139
51100	Less: Reinsurance expense	935,179	34	837,717	35
51310	Net change in unearned premiums reserve	389,494	14	364,884	16
41130	Retained earned premium	2,306,900	84	2,078,953	88
41300	Reinsurance commission received	166,791	6	159,513	7
41500	Net income (loss) from investments				
41510	Interest income	31,366	1	29,275	1
41521	Gains (losses) on financial assets at fair value through profit or loss	249,638	9	95,088	4
41550	Foreign exchange gains (losses), investments	1,509	-	(506)	-
41570	Gains (losses) on investment property	11,282	-	7,764	-
41585	Expected credit losses or reversal of expected credit losses of investments (note 6(f))	(235)	-	(4,454)	-
41800	Other operating income	3,932	-	2,975	-
	<b>Total operating revenue</b>	<u>2,771,183</u>	<u>100</u>	<u>2,368,608</u>	<u>100</u>
51000	<b>Operating costs:</b>				
51200	Insurance claim payment	1,346,998	49	1,608,669	68
41200	Less: Claims recovered from reinsurers	305,781	11	388,678	16
51260	Retained claim payment	1,041,217	38	1,219,991	52
51300	Net change in other insurance liability (note 6(n))				
51320	Net change in claim reserve	130,057	5	141,097	6
51340	Net change in special claim reserve	(7,910)	-	1,344	-
51350	Net change in premium deficiency reserve	697	-	(222,659)	(9)
51500	Commission expense	557,550	20	495,944	21
51800	Other operating costs	5,942	-	6,218	-
51700	Finance costs	2,608	-	1,619	-
	<b>Total operating costs</b>	<u>1,730,161</u>	<u>63</u>	<u>1,643,554</u>	<u>70</u>
58000	<b>Operating expenses:</b>				
58100	General expenses	456,387	16	427,470	18
58200	Administrative expenses	116,324	4	96,828	4
58300	Staff training expenses	156	-	223	-
58400	Expected credit losses or reversal of expected credit losses of non-investments (note 6(b))	14,457	1	3,138	-
	<b>Total operating expenses</b>	<u>587,324</u>	<u>21</u>	<u>527,659</u>	<u>22</u>
	<b>Net operating income</b>	<u>453,698</u>	<u>16</u>	<u>197,395</u>	<u>8</u>
59000	<b>Non-operating income and expenses</b>	<u>2,843</u>	<u>-</u>	<u>1,681</u>	<u>-</u>
62000	<b>Net income (loss) before income tax</b>	<u>456,541</u>	<u>16</u>	<u>199,076</u>	<u>8</u>
63000	Less: Income tax expenses (note 6(o))	51,959	2	-	-
	<b>Net Income</b>	<u>404,582</u>	<u>14</u>	<u>199,076</u>	<u>8</u>
83000	<b>Other comprehensive income:</b>				
83100	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
83190	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	21,654	1	100,062	4
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>21,654</u>	<u>1</u>	<u>100,062</u>	<u>4</u>
83000	<b>Other comprehensive income (after tax)</b>	<u>21,654</u>	<u>1</u>	<u>100,062</u>	<u>4</u>
	<b>Total comprehensive income</b>	<u>\$ 426,236</u>	<u>15</u>	<u>299,138</u>	<u>12</u>
97500	<b>Basic earnings per share (NT dollars) (note 6(q))</b>	<u>\$ 1.81</u>		<u>0.89</u>	
98500	<b>Diluted earnings per share (NT dollars) (note 6(q))</b>	<u>\$ 1.81</u>		<u>0.89</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

**UNION INSURANCE CO., LTD.****Statements of Changes in Equity****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings		Other equity	Total equity
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2023</b>	\$ 2,236,080	1,004,854	2,750,537	(1,120,584)	(66,034)	4,804,853
Net Income	-	-	-	199,076	-	199,076
Other comprehensive income	-	-	-	-	100,062	100,062
Total comprehensive income	-	-	-	199,076	100,062	299,138
<b>Balance at March 31, 2023</b>	<b>\$ 2,236,080</b>	<b>1,004,854</b>	<b>2,750,537</b>	<b>(921,508)</b>	<b>34,028</b>	<b>5,103,991</b>
<b>Balance at January 1, 2024</b>	\$ 2,236,080	1,004,854	3,094,152	(256,606)	22,167	6,100,647
Net Income	-	-	-	404,582	-	404,582
Other comprehensive income	-	-	-	-	21,654	21,654
Total comprehensive income	-	-	-	404,582	21,654	426,236
<b>Balance at March 31, 2024</b>	<b>\$ 2,236,080</b>	<b>1,004,854</b>	<b>3,094,152</b>	<b>147,976</b>	<b>43,821</b>	<b>6,526,883</b>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

## UNION INSURANCE CO., LTD.

## Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Net income before income tax	\$ 456,541	199,076
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	12,098	13,258
Amortization expense	7,797	5,182
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(247,407)	(94,588)
Interest expense	2,608	1,619
Interest income	(31,366)	(29,275)
Dividend income	(2,231)	(500)
Net change in insurance liabilities	531,560	596,721
Net change in other provisions	(55)	25
Expected credit loss of investments	235	4,454
Expected credit loss of non-investments	14,457	3,138
Others	(1)	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>287,695</b>	<b>500,034</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Increase in notes receivable	(16)	(7,568)
Increase in premiums receivable	(347,133)	(195,031)
Increase in other receivables	(48,122)	(9,500)
Increase in financial assets at fair value through profit or loss	(605,962)	(265,494)
Increase in financial assets at fair value through other comprehensive income	-	(41,252)
(Increase) decrease in financial assets at amortized cost	(100,000)	300,000
Decrease (increase) in other financial assets	173,000	(88,925)
Increase in reinsurance assets	(29,804)	(254,346)
Increase in current tax assets	-	(3,174)
Decrease in other assets	1,004	88,605
<b>Total changes in operating assets</b>	<b>(957,033)</b>	<b>(476,685)</b>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in other payable	59,133	(23,127)
Increase in other liabilities	398	1,150
<b>Total changes in operating liabilities</b>	<b>59,531</b>	<b>(21,977)</b>
Cash (outflow) inflow generated from (used in) operations	(153,266)	200,448
Interest received	15,233	33,915
Dividends received	1,923	559
Interest paid	(2,608)	(1,619)
Income taxes paid	(1,284)	-
<b>Net Cash flows from (used in) operating activities</b>	<b>(140,002)</b>	<b>233,303</b>
<b>Cash flows from (used in) investing activities:</b>		
Increase in prepayments	(6,824)	(13,693)
Acquisition of property and equipment	(3,421)	(1,687)
Acquisition of intangible assets	(1,380)	(10,000)
<b>Net cash flows used in investing activities</b>	<b>(11,625)</b>	<b>(25,380)</b>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(4,053)	(4,173)
<b>Net cash flows used in financing activities</b>	<b>(4,053)</b>	<b>(4,173)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(155,680)</b>	<b>203,750</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,479,186</b>	<b>3,067,290</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 3,323,506</b>	<b>3,271,040</b>

See accompanying notes to financial statements.



(English Translation of Financial Statements Originally Issued in Chinese)

**UNION INSURANCE CO., LTD.**

**Notes to the Financial Statements**

**For the three months ended March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

UNION INSURANCE CO., LTD. (the “Company”) was founded on February 20, 1963 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 12th Floor, No. 219, Sec. 4, Zhongxiao E. Road, Taipei, Taiwan, R.O.C. The Company are primarily engaged in underwriting of fire, marine, automobile, engineering, liability and accident insurance, reinsurance, insurance businesses entrusted by other companies, performing a variety of investments and other businesses in accordance with the regulations.

**(2) Approval date and procedures of the financial statements:**

These financial reports were approved and announced by the Board of Directors on April 30, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 17 “Insurance Contracts”	<p>The new standard of accounting for insurance contracts contain recognition, measurement, presentation and disclosure of insurance contracts issued, and the main amendments are as follows:</p> <ul style="list-style-type: none"> <li>● Recognition: an entity recognizes a group of insurance contracts that it issues from the earliest of : <ul style="list-style-type: none"> <li>- the beginning of the coverage period of the group of contracts;</li> <li>- the date when the first payment from a policyholder in the group because due; and</li> <li>- for a group of onerous contracts, when the group becomes onerous, if facts and circumstances indicate that there is such a group.</li> </ul> </li> <li>● Measurement: on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. For subsequent measurement, the entity shall estimate the cash flows, discount rates and the adjustment for non-financial risk.</li> <li>● Presentation and disclosure: the presentation of insurance revenue is based on the provision of service pattern and investment components excluded from insurance revenue.</li> </ul>	January 1, 2023

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IFRS 17 “Insurance Contracts”	<p>The fundamental principles introduced when the Board first issued IFRS 17 in May 2017 remain unaffected. The amendments are designed to:</p> <ul style="list-style-type: none"> <li>● reduce costs by simplifying some requirements in the Standard;</li> <li>● make financial performance easier to explain; and</li> <li>● ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time.</li> </ul>	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “	<p>The amendment adds a new transition option to IFRS 17 (the ‘ classification overlay’ ) to alleviate accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of IFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with IFRS 9 Financial Instruments.</p>	January 1, 2023

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IAS21 “Lack of Exchangeability”

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Companies and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the financial statements are the same as those in the financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the financial statements for the year ended December 31, 2023.

**(b) Income taxes**

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

**(c) Employee benefits**

The pension cost in the interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for subsequent significant market fluctuations and for significant workforce reduction, settlements, or other significant one-off events.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the financial statements for the current period and the 2023 financial statements. Please refer to Note 6 of the 2023 annual financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand	\$ 500	500	93
Petty cash	13,010	13,010	13,010
Cash in bank	2,261,044	2,767,653	2,353,144
Bonds purchased under resale agreements	<u>1,048,952</u>	<u>698,023</u>	<u>904,793</u>
Total	<u>\$ 3,323,506</u>	<u>3,479,186</u>	<u>3,271,040</u>

(b) Receivables and Payables

(i) Receivables

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 259,376	259,364	288,243
Premiums receivable	503,513	159,870	377,519
Other receivables	<u>200,399</u>	<u>136,753</u>	<u>153,800</u>
Total	<u>\$ 963,288</u>	<u>555,987</u>	<u>819,562</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (ii) Payables

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commission payable	\$ 243,065	196,354	224,591
Due to ceding companies	232,801	98,338	209,519
Reinsurance premium payable	424,142	484,424	425,878
Reinsurance commission payable	1,411	1,207	271
Insurance claims payable	17,393	10,001	26,530
Other payables	374,912	444,267	257,389
Total	<u>\$ 1,293,724</u>	<u>1,234,591</u>	<u>1,144,178</u>

## (iii) Receivables of insurance contracts

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 259,529	259,513	288,612
Less : Loss allowance	(153)	(149)	(369)
Total	<u>\$ 259,376</u>	<u>259,364</u>	<u>288,243</u>

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Premiums receivable			
Fire insurance	\$ 54,003	23,657	39,722
Marine insurance	77,188	22,095	55,672
Hull and fishing vessel insurance	6,851	3,005	7,546
Other accident insurance	219,924	48,600	161,937
Compulsory pure premium	6,342	7,503	6,892
Voluntary automobile insurance	29,956	5,992	18,068
Compulsory automobile liability insurance	2,839	3,599	3,058
Overdue receivables	115,523	51,042	91,915
Subtotal	512,626	165,493	384,810
Less : Loss allowance	(9,113)	(5,623)	(7,291)
Total	<u>\$ 503,513</u>	<u>159,870</u>	<u>377,519</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (iv) Other receivables

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other receivables	\$ 244,359	179,679	193,633
Less : Loss allowance	(43,960)	(42,926)	(39,833)
Total	<u>\$ 200,399</u>	<u>136,753</u>	<u>153,800</u>

As of March 31, 2024, December 31 and March 31, 2023, the overdue receivables in notes receivable, premiums receivable and other receivables were \$158,794, \$93,220 and \$130,758, which provisioned the loss allowance \$53,226, \$48,698 and \$47,493, respectively. The movements of the loss allowance for receivables were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 48,698	44,355
Loss recognized	4,528	3,138
Ending balance	<u>\$ 53,226</u>	<u>47,493</u>

The Company's aging analysis of receivables was as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Under 90 days	\$ 923,695	540,997	813,355
91~270 days	54,482	26,266	19,362
More than 271 days	38,337	37,422	34,338

The estimate of expected credit losses of the Company's receivables please refer to Note 6(u).

## (v) Payables of insurance contracts

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commission payable	<u>\$ 243,065</u>	<u>196,354</u>	<u>224,591</u>

(Continued)



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (c) Reinsurance assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Claims recoverable from reinsurers (Note 6(d))	\$ 202,125	237,038	216,051
Due from reinsurers and ceding companies – net (Note 6(e))	325,478	289,938	371,633
Reinsurance reserve assets (Note 6(n))			
Ceded unearned premiums reserve	1,788,341	1,777,831	1,658,189
Ceded claim reserve	1,906,248	1,885,063	2,166,264
Ceded premium deficiency reserve	<u>88</u>	<u>12,536</u>	<u>(94,227)</u>
Total	<u>\$ 4,222,280</u>	<u>4,202,406</u>	<u>4,506,364</u>

## (d) Claims recoverable from reinsurers

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Fire insurance	\$ 9,666	11,676	9,200
Marine insurance	338	2,335	1,131
Land and air insurance	71	32	21
Liability insurance	52,013	62,906	49,877
Surety insurance	3,166	-	145
Other property insurance	86,798	98,469	83,572
Accident insurance	5,919	8,635	10,032
Health insurance	1,422	1,307	2,990
Compulsory automobile liability insurance	42,653	51,642	59,066
Overdue receivables	79	36	17
Less : Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 202,125</u>	<u>237,038</u>	<u>216,051</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(e) Due from (to) reinsurers and ceding companies

(i) Receivables of insurance contracts

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Due from ceding companies	\$ 117,541	167,833	109,891
Reinsurance premium receivable	61,626	58,428	91,032
Reinsurance commission receivable	146,236	63,633	140,565
Overdue receivables	<u>24,480</u>	<u>14,495</u>	<u>30,145</u>
Subtotal	349,883	304,389	371,633
Less : Loss allowance	<u>(24,405)</u>	<u>(14,451)</u>	<u>-</u>
Total	<u>\$ 325,478</u>	<u>289,938</u>	<u>371,633</u>

The movements of the loss allowance for receivables of insurance contracts were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 14,451	-
Loss recognized	<u>9,954</u>	<u>-</u>
Ending balance	<u>\$ 24,405</u>	<u>-</u>

(ii) Payables of insurance contracts

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Due to ceding companies	\$ 232,801	98,338	209,519
Reinsurance premium payable	424,142	484,424	425,878
Reinsurance commission payable	<u>1,411</u>	<u>1,207</u>	<u>271</u>
Total	<u>\$ 658,354</u>	<u>583,969</u>	<u>635,668</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (f) Financial assets

## (i) Financial assets at fair value through profit or loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Beneficiary certificate	\$ 414,333	213,233	131,002
Real estate investment trust beneficiary certificate	325,648	321,109	332,077
Domestic listed stocks and OTC stocks	1,779,655	1,187,177	699,480
Foreign stock	<u>55,252</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,574,888</u>	<u>1,721,519</u>	<u>1,162,559</u>

Sensitivity analysis - the risk of equity price:

If there is an increase in the securities' price of 1% on the reporting date (assume that all other variables remain the same), the impact on comprehensive income for the three months ended March 31, 2024 and 2023 will increase \$25,749 and \$11,626, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remain the same, there will be the same amount but opposite direction of influence.

## (ii) Financial assets at fair value through other comprehensive income

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks and OTC stocks	\$ 2,358,239	2,336,417	2,266,884
Domestic unlisted stocks	<u>14,490</u>	<u>14,658</u>	<u>15,106</u>
Total	<u>\$ 2,372,729</u>	<u>2,351,075</u>	<u>2,281,990</u>

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represented those investments that the Company intended to hold not for trading purposes.

During the three months then ended March 31, 2024 and 2023, no dividend income was recognized for equity investments measured at fair value through other comprehensive income held at the three months then ended, respectively; no dividend income was recognized for equity investments derecognized during the three months then ended March 31, 2024 and 2023, respectively.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

Sensitivity analysis - the risk of equity price:

If there is an increase in the securities' price of 1% on the reporting date (assume that all other variables remain the same), the impact on comprehensive income for the three months ended March 31, 2024 and 2023 will increase \$23,727 and \$22,820, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remain the same, there will be the same amount but opposite direction of influence.

(iii) Financial assets at amortized cost

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Government bonds	\$ 614,585	614,701	615,053
Financial bonds	1,300,000	1,300,000	1,300,000
Corporate bonds	<u>1,150,000</u>	<u>1,050,000</u>	<u>950,000</u>
Subtotal	3,064,585	2,964,701	2,865,053
Less: Security deposits	(397,500)	(397,621)	(397,986)
Loss allowance	<u>(4,817)</u>	<u>(4,582)</u>	<u>(5,560)</u>
Total	<u>\$ 2,662,268</u>	<u>2,562,498</u>	<u>2,461,507</u>

- 1) The Company assessed financial assets that are held to maturity in order to collect contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding. Therefore, these financial assets were classified as measured at amortized cost.
- 2) Please refer to Note 6(u) for further information of credit risk and the movement in the loss allowance of financial assets measured at amortized cost.
- 3) The Company's financial assets measured at amortized cost had been pledged partially, please refer to Note 8.
- 4) The Company assessed the impairment of financial asset for the three months ended March 31, 2024 and 2023, the amounts of the expected credit loss recognized were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 4,582	1,106
Loss recognized	<u>235</u>	<u>4,454</u>
Ending balance	<u>\$ 4,817</u>	<u>5,560</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(iv) Other financial assets, net:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Time deposits— initial maturity date over than three months	\$ 1,746,700	1,919,700	1,758,800
Less: Security deposits	(47,000)	(47,000)	(47,000)
Total	<u>\$ 1,699,700</u>	<u>1,872,700</u>	<u>1,711,800</u>

The Company's time deposits were provided as pledged assets and were reclassified to refundable deposits, please refer to Note 8 for further information.

(v) Capital outsourcing information

As of March 31, 2024, December 31 and March 31, 2023, the Company had outsourced to Securities Investment Trust to manage investment project and capital amount. Further information were as follows:

<u>Investment</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Domestic listed stocks and OTC stocks, bonds purchased under resale agreements, short term bills, etc.	<u>\$ 1,700,000</u>	<u>1,700,000</u>	<u>1,500,000</u>

The investment project was mentioned above, and the carrying amount as of March 31, 2024, December 31 and March 31, 2023 were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash and cash equivalents	\$ 393,418	658,937	568,638
Financial assets at fair value through profit or loss - stocks	<u>1,551,205</u>	<u>1,060,528</u>	<u>699,480</u>
Total	<u>\$ 1,944,623</u>	<u>1,719,465</u>	<u>1,268,118</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(g) Investment property

The cost, accumulated depreciation, and accumulated impairment loss of the investment property of the Company for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Land and improvement</u>	<u>Buildings and construction</u>	<u>Total</u>
<b>Cost or deemed cost:</b>			
<b>Balance at January 1, 2024</b>	\$ 920,829	224,477	1,145,306
Reclassification from property, plant and equipment	1,845	411	2,256
Reclassification to property, plant and equipment	(194,546)	(8,085)	(202,631)
<b>Balance at March 31, 2024</b>	<u>\$ 728,128</u>	<u>216,803</u>	<u>944,931</u>
<b>Balance at March 31, 2023 (Same as January 1, 2023)</b>	<u>\$ 727,887</u>	<u>217,104</u>	<u>944,991</u>
<b>Accumulated depreciation and impairment loss</b>			
<b>Balance at January 1, 2024</b>	\$ 2,359	95,438	97,797
Depreciation	-	1,287	1,287
Reclassification from property, plant and equipment	-	127	127
Reclassification to property, plant and equipment	-	(144)	(144)
<b>Balance at March 31, 2024</b>	<u>\$ 2,359</u>	<u>96,708</u>	<u>99,067</u>
<b>Balance at January 1, 2023</b>	\$ 2,359	90,937	93,296
Depreciation	-	1,203	1,203
<b>Balance at March 31, 2023</b>	<u>\$ 2,359</u>	<u>92,140</u>	<u>94,499</u>
<b>Carrying amount:</b>			
January 1, 2024	<u>\$ 918,470</u>	<u>129,039</u>	<u>1,047,509</u>
March 31, 2024	<u>\$ 725,769</u>	<u>120,095</u>	<u>845,864</u>
January 1, 2023	<u>\$ 725,528</u>	<u>126,167</u>	<u>851,695</u>
March 31, 2023	<u>\$ 725,528</u>	<u>124,964</u>	<u>850,492</u>
<b>Fair value:</b>			
January 1, 2024			<u>\$ 2,058,304</u>
March 31, 2024			<u>\$ 1,857,837</u>
January 1, 2023			<u>\$ 1,568,918</u>
March 31, 2023			<u>\$ 1,567,591</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

On March 31, 2024, December 31 and March 31, 2023, the assessment of fair value of investment property mainly referred to the market trade.

As of March 31, 2024, December 31 and March 31, 2023, the Company's investment property had not been pledged as collateral.

(h) Property, plant and equipment

The cost, accumulated depreciation, and accumulated impairment loss of the property, plant and equipment of the Company for the three months ended March 31, 2024 and 2023, were as follows:

	Land	Buildings and construction	Computer equipment	Transportation equipment	Other equipment	Leasehold improvement	Total
<b>Cost:</b>							
<b>Balance at January 1, 2024</b>	\$ 951,838	529,263	191,948	579	56,092	2,930	1,732,650
Additions	-	1,199	1,082	-	1,140	-	3,421
Reclassification from investment property	194,546	8,085	-	-	-	-	202,631
Reclassification to investment property	(1,845)	(411)	-	-	-	-	(2,256)
Scrap	-	-	(496)	-	(7)	-	(503)
<b>Balance at March 31, 2024</b>	<u>1,144,539</u>	<u>538,136</u>	<u>192,534</u>	<u>579</u>	<u>57,225</u>	<u>2,930</u>	<u>1,935,943</u>
<b>Balance at January 1, 2023</b>	945,824	518,148	192,284	579	55,997	2,004	1,714,836
Additions	-	651	563	-	473	-	1,687
Scrap	-	-	(372)	-	(8)	-	(380)
<b>Balance at March 31, 2023</b>	<u>945,824</u>	<u>518,799</u>	<u>192,475</u>	<u>579</u>	<u>56,462</u>	<u>2,004</u>	<u>1,716,143</u>
<b>Accumulated depreciation and impairment loss:</b>							
<b>Balance at January 1, 2024</b>	15,196	201,268	176,952	579	49,169	2,122	445,286
Depreciation	-	3,869	1,824	-	998	72	6,763
Reclassification from investment property	-	144	-	-	-	-	144
Reclassification to investment property	-	(127)	-	-	-	-	(127)
Scrap	-	-	(496)	-	(7)	-	(503)
<b>Balance at March 31, 2024</b>	<u>15,196</u>	<u>205,154</u>	<u>178,280</u>	<u>579</u>	<u>50,160</u>	<u>2,194</u>	<u>451,563</u>
<b>Balance at January 1, 2023</b>	15,196	185,858	171,412	579	47,749	1,774	422,568
Depreciation	-	3,768	2,997	-	1,011	101	7,877
Scrap	-	-	(372)	-	(8)	-	(380)
<b>Balance at March 31, 2023</b>	<u>15,196</u>	<u>189,626</u>	<u>174,037</u>	<u>579</u>	<u>48,752</u>	<u>1,875</u>	<u>430,065</u>
<b>Carrying amount:</b>							
January 1, 2024	<u>\$ 936,642</u>	<u>327,995</u>	<u>14,996</u>	<u>-</u>	<u>6,923</u>	<u>808</u>	<u>1,287,364</u>
March 31, 2024	<u>\$ 1,129,343</u>	<u>332,982</u>	<u>14,254</u>	<u>-</u>	<u>7,065</u>	<u>736</u>	<u>1,484,380</u>
January 1, 2023	<u>\$ 930,628</u>	<u>332,290</u>	<u>20,872</u>	<u>-</u>	<u>8,248</u>	<u>230</u>	<u>1,292,268</u>
March 31, 2023	<u>\$ 930,628</u>	<u>329,173</u>	<u>18,438</u>	<u>-</u>	<u>7,710</u>	<u>129</u>	<u>1,286,078</u>

As of March 31, 2024, December 31 and March 31, 2023, the Company's property, plant and equipment had not been pledged as collateral.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(i) Right-of-use assets

The changes in the Company's costs and depreciation of leasing buildings and construction, transportation equipment were as follows:

	<u>Buildings and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost of right-of-use assets:			
January 1, 2024	\$ 26,197	9,902	36,099
Additions	1,550	-	1,550
Derecognition	(1,635)	-	(1,635)
March 31, 2024	<u>\$ 26,112</u>	<u>9,902</u>	<u>36,014</u>
January 1, 2023	\$ 25,844	9,088	34,932
Additions	17,727	-	17,727
Derecognition	(16,897)	-	(16,897)
March 31, 2023	<u>\$ 26,674</u>	<u>9,088</u>	<u>35,762</u>
Depreciation of right-of-use assets:			
January 1, 2024	\$ 11,767	6,599	18,366
Depreciation	3,223	825	4,048
Derecognition	(1,603)	-	(1,603)
March 31, 2024	<u>\$ 13,387</u>	<u>7,424</u>	<u>20,811</u>
January 1, 2023	\$ 19,053	4,083	23,136
Depreciation	3,957	221	4,178
Derecognition	(16,897)	-	(16,897)
March 31, 2023	<u>\$ 6,113</u>	<u>4,304</u>	<u>10,417</u>
Carrying amount:			
January 1, 2024	<u>\$ 14,430</u>	<u>3,303</u>	<u>17,733</u>
March 31, 2024	<u>\$ 12,725</u>	<u>2,478</u>	<u>15,203</u>
January 1, 2023	<u>\$ 6,791</u>	<u>5,005</u>	<u>11,796</u>
March 31, 2023	<u>\$ 20,561</u>	<u>4,784</u>	<u>25,345</u>

(j) Lease liabilities

The Company's lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Less than one year	\$ 12,501	13,700	14,550
Between one and five years	2,892	4,229	10,935
Total	<u>\$ 15,393</u>	<u>17,929</u>	<u>25,485</u>

The maturity analysis please refer to Note 6(u) financial instruments.

(Continued)



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <b>99</b>	<b>89</b>

The amounts recognized in the statement of cash flows were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <b>4,152</b>	<b>4,262</b>

(i) Leases of buildings and construction

The Company leases buildings and construction as offices with usual lease terms of 1 to 5 years.

(ii) Other leases

The Company leases transportation equipment with lease terms of 1 to 3 years.

(k) Operating lease

The Company leases out its investment properties, during the three months ended March 31, 2024 and 2023, there are no significant new operating lease agreements, please refer to Notes 6(k) of the financial statements for the year ended December 31, 2023 for related information.

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material workforce reduction, reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The Company's expenses recognized in profit or loss amounted to \$1,766 and \$1,919 for the three months ended March 31, 2024 and 2023, respectively.

(ii) Defined contribution plan

The pension costs of the Company incurred from the contributions to the Bureau of the Labor Insurance amounted to \$8,500 and \$8,737 for the three months ended March 31, 2024 and 2023, respectively.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(m) Remunerations to employees and directors

In accordance with the Articles of Incorporation, once the Company has annual profit, it should appropriate 1%~ 5% of the profit to its employees and no more than 5% to its directors as remunerations. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the three months ended March 31, 2024 and 2023, the Company estimated its employees remuneration amounting to \$2,000 and \$0 ,and remunerations to directors all amounting to \$0. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remunerations to employees and directors of each period, and after deducting accumulated losses, then multiplied by the percentage of remunerations to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or expenses for each period. If the actual amounts were subsequently decided after the approval and the issuance date of the financial statements in the following year differ from the estimated amount, the differences are accounted for as changes in accounting estimates and recognized in profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

The amounts of remunerations to employees and directors of the Company in 2023 and 2022 were \$2,000, \$0 and \$0, \$0, respectively. There is no difference in the actual distribution situation. Relevant information can be obtained from the Market Observation Post System.

(n) Insurance liability

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unearned premium reserve	\$ 6,699,846	6,300,340	6,310,188
Claims reserve	5,160,373	5,009,156	5,207,221
Special reserve	966,104	974,014	935,353
Premium deficiency reserve	<u>2,337</u>	<u>14,088</u>	<u>267,605</u>
Total	<u>\$ 12,828,660</u>	<u>12,297,598</u>	<u>12,720,367</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (i) Unearned premium reserve

## 1) Unearned premium reserve and ceded unearned premium reserves

<b>March 31, 2024</b>					
<b>Item</b>	<b>Unearned premium reserve</b>		<b>Ceded unearned premium reserve</b>		<b>Retained business</b>
	<b>Direct business</b>	<b>Reinsurance ceded in</b>	<b>Reinsurance ceded out</b>		
Fire insurance	\$ 843,197	32,852	475,647		400,402
Marine insurance	84,676	579	60,582		24,673
Land and air insurance	35,232	-	25,206		10,026
Liability insurance	1,861,672	24,749	264,219		1,622,202
Surety insurance	11,682	712	5,994		6,400
Other property insurance	2,794,358	52,499	708,631		2,138,226
Accident insurance	427,324	3,528	36,922		393,930
Health insurance	9,260	-	596		8,664
Compulsory automobile liability insurance	350,882	166,644	210,544		306,982
<b>Total</b>	<b>\$ 6,418,283</b>	<b>281,563</b>	<b>1,788,341</b>		<b>4,911,505</b>

  

<b>December 31, 2023</b>					
<b>Item</b>	<b>Unearned premium reserve</b>		<b>Ceded unearned premium reserve</b>		<b>Retained business</b>
	<b>Direct business</b>	<b>Reinsurance ceded in</b>	<b>Reinsurance ceded out</b>		
Fire insurance	\$ 863,987	35,331	500,614		398,704
Marine insurance	78,080	915	65,124		13,871
Land and air insurance	50,143	-	40,900		9,243
Liability insurance	1,727,596	28,990	249,633		1,506,953
Surety insurance	11,221	555	6,053		5,723
Other property insurance	2,563,724	45,116	670,213		1,938,627
Accident insurance	360,766	3,769	30,994		333,541
Health insurance	11,127	-	1,949		9,178
Compulsory automobile liability insurance	353,893	165,127	212,351		306,669
<b>Total</b>	<b>\$ 6,020,537</b>	<b>279,803</b>	<b>1,777,831</b>		<b>4,522,509</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**March 31, 2023**

Item	Unearned premium reserve		Ceded unearned premium reserve		Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out		
			Provision	Recovery	
Fire insurance	\$ 752,173	63,636	399,153		416,656
Marine insurance	70,418	910	59,940		11,388
Land and air insurance	32,085	313	22,109		10,289
Liability insurance	1,795,477	56,541	269,017		1,583,001
Surety insurance	10,863	688	5,106		6,445
Other property insurance	2,485,886	34,250	647,118		1,873,018
Accident insurance	464,705	3,367	35,908		432,164
Health insurance	13,134	-	2,755		10,379
Compulsory automobile liability insurance	361,779	163,963	217,083		308,659
<b>Total</b>	<b>\$ 5,986,520</b>	<b>323,668</b>	<b>1,658,189</b>		<b>4,651,999</b>

2) The Net change in reserve for unearned premiums and reserve for ceded unearned premiums

For the three months ended March 31, 2024

Items	Premium revenue	Reinsurance premium	Reinsurance expense	Retained Premium	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premium reserve	Reinsurance ceded out Unearned premium reserve		Net change in ceded unearned premium reserve	Retained earned premium
					Provision	Recovery	Provision	Recovery		Provision	Recovery		
					Compulsory insurance	\$ 226,325	80,947	94,444		212,828	350,882		
Non-compulsory insurance	3,279,908	44,393	840,735	2,483,566	6,067,401	5,666,146	114,919	114,676	401,498	1,577,797	1,565,480	12,317	2,094,385
<b>Total</b>	<b>\$ 3,506,233</b>	<b>125,340</b>	<b>935,179</b>	<b>2,696,394</b>	<b>6,418,283</b>	<b>6,020,039</b>	<b>281,563</b>	<b>279,803</b>	<b>400,004</b>	<b>1,788,341</b>	<b>1,777,831</b>	<b>10,510</b>	<b>2,306,900</b>

For the three months ended March 31, 2023

Items	Premium revenue	Reinsurance premium	Reinsurance expenses	Retained Premium	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premium reserve	Reinsurance ceded out Unearned premium reserve		Net change in ceded unearned premium reserve	Retained earned premium
					Provision	Recovery	Provision	Recovery		Provision	Recovery		
					Compulsory insurance	\$ 232,987	78,002	97,796		213,193	361,779		
Non-compulsory insurance	2,905,590	64,975	739,921	2,230,644	5,624,741	5,240,160	159,705	139,899	404,387	1,441,106	1,403,566	37,540	1,863,797
<b>Total</b>	<b>\$ 3,138,577</b>	<b>142,977</b>	<b>837,717</b>	<b>2,443,837</b>	<b>5,986,520</b>	<b>5,602,790</b>	<b>323,668</b>	<b>305,481</b>	<b>401,917</b>	<b>1,658,189</b>	<b>1,621,156</b>	<b>37,033</b>	<b>2,078,953</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- 3) The movements in unearned premium reserve and ceded unearned premium reserve were as follows:

<u>Item</u>	<u>For the three months ended March 31, 2024</u>	
	<u>Unearned premium reserve</u>	<u>Ceded unearned premium reserve</u>
Beginning balance	\$ 6,300,340	1,777,831
Provision	6,699,846	1,788,341
Recovery	(6,300,340)	(1,777,831)
Ending balance	<u>\$ 6,699,846</u>	<u>1,788,341</u>
	<u>For the three months ended March 31, 2023</u>	
<u>Item</u>	<u>Unearned premium reserve</u>	<u>Ceded unearned premium reserve</u>
Beginning balance	\$ 5,908,746	1,621,156
Provision	6,310,188	1,658,189
Recovery	(5,908,746)	(1,621,156)
Ending balance	<u>\$ 6,310,188</u>	<u>1,658,189</u>

The provision methods of unearned premium reserve are determined by an actuary according to the characteristics of each insurance and are stated in the instruction of insurance commodity calculation and shall not be changed without the approval of the competent authority. The Company has submitted the provision method of unearned premium reserve on Letter (Wang) Zong Jing Suan No. 1112 on October 24, 2011 and had been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Insurance Bureau Jin Guan Bao Cai Zi No. 10002518120.

On October 9, 2014, the Company signed a specific business transferring contract with Asia Insurance Company Ltd. Taiwan Branch and accepted its long term fire insurance contracts on the delivery date, which was December 15, 2014. The Company undertook the amount of \$3,916 unearned premium reserve and charged \$3,648 to Asia Insurance Company Ltd. Taiwan Branch. According to IFRS 4 "Insurance Contract" that paragraph of insurance contracts acquired in business combination or portfolio transfer: the intangible asset recognized was the difference of \$268 from the fair value of the contractual insurance rights acquired and insurance obligations assumed to a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issued. The subsequent measurement of this asset shall be consistent with the measurement of the related insurance liability.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

On December 7, 2012, the Company signed a special business transferring contract with Walsun Insurance Ltd. and accepted its direct business of four types of insurance contracts on January 10, 2013: long term residential fire insurance contracts, employer's accidental liability insurance contracts, contractor's liability insurance contracts, and architect's professional liability insurance contracts. The Company undertook the amount of \$232,939 unearned premium reserve and requested for a grant of \$67,451 from the Insurance and Security Fund of the Corporation. According to IFRS 4 "Insurance Contract" that paragraph of insurance contracts acquired in business combination or portfolio transfer: the intangible asset recognized was the difference of \$165,488 from the fair value of the contractual insurance rights acquired and insurance obligations assumed to a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issued. The subsequent measurement of this asset shall be consistent with the measurement of the related insurance liability.

As of March 31, 2024, December 31 and March 31, 2023, the relevant unearned premium reserve from the business transfer and intangible assets were \$12,182, \$8,549 and \$12,891 and \$9,047, \$14,931 and \$10,481, respectively.

(ii) Special reserve

1) Segmentation of specific assets

The Company is engaged in business of compulsory automobile liability insurance (hereinafter referred to as "this insurance") accounting to this insurance's relevant accounting of Compulsory Automobile Liability Insurance Law.

This insurance of special reserve provision obeys "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance" Article 5 that is to the insurer shall purchase treasury bills or deposit the reserve with a financial institution as a time deposit. Provided that with the approval of the competent authority, the insurer may purchase the following domestic securities:

- a) Government bonds, not including exchangeable government bonds.
- b) Financial bonds, negotiable certificates of deposit, bankers' acceptances, and commercial paper guaranteed by a financial institution, provided that financial bonds shall be limited to ordinary financial bonds only.

The amount of treasury bills purchased or time deposits placed in a financial institution under the preceding paragraph shall not be less than 30 percent of the total amount of the insurer's retained earned pure premiums for this Insurance in the most recent period, as audited or reviewed by a certified public accountant. The competent authority may raise that percentage to a level it deems appropriate based on the insurer's operational status.

If the balance of special reserve is less than 30 percent of the total amount of the retained earned pure premiums for this insurance in the most recent period, as audited or reviewed by a certified public accountant, then the full amount of its special reserve shall be deposited in a financial institution as a time deposit or treasury bills.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

According to Article 6 of "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance", funds (all types of reserves, payables, temporary credits and amounts to be carried forward) held by an insurer for this Insurance shall be deposited in a financial institution in the form of demand deposits and time deposits, provided that with the approval of the competent authority, an insurer may purchase any of the following domestic securities:

- a) Treasury bills.
- b) Negotiable certificates of deposit, bankers' acceptances, and commercial paper guaranteed by a financial institution.
- c) Government bonds in a repo transaction.

The amount of deposits deposited in financial institutions under the first paragraph shall not be less than 45 percent of the balance remaining after subtracting the amount of special reserves from the amount of funds held by the insurer due to the operation of this Insurance, or less than 30 percent of the retained earned pure premium for the most recent period as audited or reviewed by a certified public accountant. The competent authority may raise the percentage of deposits required by the insurer to a level it deems appropriate based on the insurer's operational status.

If the total amount of unearned premium reserve and loss reserve of the insurer with respect to this Insurance is less than 30 percent of the retained earned pure premiums of this Insurance for the most recent period as audited or reviewed by a certified public accountant, the funds held by the insurer through its conduct of this Insurance shall be deposited in full with a financial institution in the form of deposits.

Accounting Article 11 of "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance", when an insurer suspends business operations or terminates its operation of this Insurance, the various reserves for this Insurance shall be transferred into the various reserves set aside for handling of this Insurance by the other insurer that assumes the business.

When an insurer has been duly ordered to suspend business and undergo rehabilitation, ordered to dissolve, or its permission to operate this Insurance business has been revoked, and no other insurer is to assume this Insurance business, and there is no outstanding liability under this Insurance, and the balance of the special reserve is positive, the assets corresponding to the special reserve shall be transferred to the Motor Vehicle Accident Compensation Fund.

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 11004107771 dated February 20, 2021, the insurance company that operates as compulsory automobile liability insurance shall set aside a special reserve from the business expenses received from the operation of such business.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 10904939031 dated October 29, 2020, in order to improve the financial structure of the insurance enterprises, the insurance enterprises shall, at the end of each business year, set aside 10% of the total premium income based on the amount of insurance and the number of days of insurance, less 20% of the nominal tax rate, in a special reserve account under owners' equity in accordance with the "Standard Rate Schedule for Personal Travel-Insurance Accidental Death and Dismemberment Benefit".

Special reserve – Compulsory Automobile Liability Insurance

Item	For the three months ended March 31,	
	2024	2023
Beginning balance	\$ 135,259	90,188
Provision	9,281	9,099
Recovery	(15,941)	(6,506)
Ending balance	<u>\$ 128,599</u>	<u>92,781</u>

Special reserve – Non-Compulsory Automobile Liability Insurance

Item	For the three months ended March 31, 2024						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Contingency risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 96,414	738,185	834,599	992,188	2,066,074	22,575	3,080,837
Recovery	(1,250)	-	(1,250)	-	-	-	-
Ending balance	<u>\$ 95,164</u>	<u>738,185</u>	<u>833,349</u>	<u>992,188</u>	<u>2,066,074</u>	<u>22,575</u>	<u>3,080,837</u>

  

Item	For the three months ended March 31, 2023						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Contingency risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 101,480	738,185	839,665	884,765	1,841,170	10,314	2,736,249
Recovery	(1,249)	-	(1,249)	-	-	-	-
Ending balance	<u>\$ 100,231</u>	<u>738,185</u>	<u>838,416</u>	<u>884,765</u>	<u>1,841,170</u>	<u>10,314</u>	<u>2,736,249</u>

Note: The liability of special reserve mentioned above means non-compulsory automobile liability insurance reserve had been provisioned before January 1, 2011. In addition, Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No.11101405951, which is the base of recovered special reserve for the three months ended March 31, 2024 and 2023.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

2) Special reserve -Other

In 2013, the determination of cost of real estate and equipment based on the International Financial Reporting Standards No. 1 that approved by the Financial Supervisory Committee, the Company chose the exemption that the revaluation reserve of land and buildings according to the Generally Accepted Accounting Principles of the Republic of China transferred to retained earnings. However, according to the standard of the Preparation of Financial Reports by Insurance Enterprises, the revaluation reserve that estimated by the cash flow discount approach via contractual rent of the investment real estate target as the upper limit adjustment to define the cost and the value added part. Then, to fill the unrecognized pension loss, the unrecognized transition net payment obligation, the increase on defined benefit obligation based on the change of actuarial assumptions, and the employee's paid leave liability, those adjustment increased the special increase of \$4,156.

(iii) Claims reserve

- 1) Liabilities for claims are to be paid, reported but unpaid and incurred but not reported (IBNR).

Item	March 31, 2024			
	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	924,620	128,122	1,052,742
Marine insurance	-	83,708	64,569	148,277
Land and air insurance	-	16,963	18,172	35,135
Liability insurance	4,236	1,268,054	409,357	1,677,411
Surety insurance	1	24,037	6,783	30,820
Other property insurance	6,941	947,770	109,784	1,057,554
Accident insurance	2,557	74,574	224,639	299,213
Health insurance	190	1,450	16,699	18,149
Compulsory automobile liability insurance	3,468	230,061	611,011	841,072
<b>Total</b>	<b>\$ 17,393</b>	<b>3,571,237</b>	<b>1,589,136</b>	<b>5,160,373</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<b>December 31, 2023</b>				
<b>Item</b>	<b>Insurance claims payable</b>	<b>Claims reserve</b>		
	<b>Reported to be paid</b>	<b>Reported but unpaid</b>	<b>IBNR</b>	<b>Total</b>
	Fire insurance	\$ -	875,130	122,821
Marine insurance	-	105,349	64,417	169,766
Land and air insurance	-	38,142	18,412	56,554
Liability insurance	3,202	1,255,622	393,882	1,649,504
Surety insurance	1	18,631	5,899	24,530
Other property insurance	5,768	913,895	102,083	1,015,978
Accident insurance	518	78,697	206,307	285,004
Health insurance	100	1,844	18,526	20,370
Compulsory automobile liability insurance	412	196,860	592,639	789,499
<b>Total</b>	<b>\$ 10,001</b>	<b>3,484,170</b>	<b>1,524,986</b>	<b>5,009,156</b>

  

<b>March 31, 2023</b>				
<b>Item</b>	<b>Insurance claims payable</b>	<b>Claims reserve</b>		
	<b>Reported to be paid</b>	<b>Reported but unpaid</b>	<b>IBNR</b>	<b>Total</b>
	Fire insurance	\$ 33	1,123,908	91,962
Marine insurance	6	200,394	64,047	264,441
Land and air insurance	-	41,756	17,626	59,382
Liability insurance	8,173	1,128,321	297,187	1,425,508
Surety insurance	1	19,013	6,246	25,259
Other property insurance	8,916	1,022,286	74,448	1,096,734
Accident insurance	2,592	65,257	172,062	237,319
Health insurance	2,129	9,770	115,491	125,261
Compulsory automobile liability insurance	4,680	200,002	557,445	757,447
<b>Total</b>	<b>\$ 26,530</b>	<b>3,810,707</b>	<b>1,396,514</b>	<b>5,207,221</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- 2) Reinsurance assets - the insurance ceded business for the policy holders with reported but unpaid or unreported claims

<b>March 31, 2024</b>			
<b>Item</b>	<b>Reported but unpaid</b>	<b>IBNR</b>	<b>Total</b>
Fire insurance	\$ 654,662	41,598	696,260
Marine insurance	55,849	44,405	100,254
Land and air insurance	10,459	13,041	23,500
Liability insurance	163,117	64,319	227,436
Surety insurance	8,883	1,887	10,770
Other property insurance	403,363	27,434	430,797
Accident insurance	9,718	45,437	55,155
Health insurance	232	2,926	3,158
Compulsory automobile liability insurance	87,538	271,380	358,918
Total	<b>\$ 1,393,821</b>	<b>512,427</b>	<b>1,906,248</b>
<b>December 31, 2023</b>			
<b>Item</b>	<b>Reported but unpaid</b>	<b>IBNR</b>	<b>Total</b>
Fire insurance	\$ 596,868	41,469	638,337
Marine insurance	76,739	44,224	120,963
Land and air insurance	32,245	13,016	45,261
Liability insurance	178,412	63,305	241,717
Surety insurance	8,182	1,841	10,023
Other property insurance	409,765	27,207	436,972
Accident insurance	11,372	45,096	56,468
Health insurance	247	2,917	3,164
Compulsory automobile liability insurance	71,856	260,327	332,183
Less: Accumulated impairment	(25)	-	(25)
Total	<b>\$ 1,385,661</b>	<b>499,402</b>	<b>1,885,063</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<b>March 31, 2023</b>			
<b>Item</b>	<b>Reported but unpaid</b>	<b>IBNR</b>	<b>Total</b>
Fire insurance	\$ 819,673	29,694	849,367
Marine insurance	169,576	45,476	215,052
Land and air insurance	36,112	12,814	48,926
Liability insurance	162,554	45,504	208,058
Surety insurance	8,378	1,803	10,181
Other property insurance	453,840	13,950	467,790
Accident insurance	10,984	40,748	51,732
Health insurance	165	3,303	3,468
Compulsory automobile liability insurance	72,380	239,310	311,690
Total	<b>\$ 1,733,662</b>	<b>432,602</b>	<b>2,166,264</b>

3) The net change of claims reserve and ceded claims reserve

<b>For the three months ended March 31, 2024</b>								
<b>Item</b>	<b>Direct underwrite business</b>		<b>Reinsurance ceded-in</b>		<b>The net change in claims reserve</b>	<b>Reinsurance ceded-out</b>		<b>The net change in ceded claims reserve</b>
	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>
Fire insurance	\$ 1,019,036	963,732	33,706	34,219	54,791	696,260	638,337	57,923
Marine insurance	143,236	164,660	5,041	5,106	(21,489)	100,254	120,963	(20,709)
Land and air insurance	33,592	54,037	1,543	2,517	(21,419)	23,500	45,261	(21,761)
Liability insurance	1,647,956	1,621,996	29,455	27,508	27,907	227,436	241,717	(14,281)
Surety insurance	28,749	22,545	2,071	1,985	6,290	10,770	10,023	747
Other property insurance	1,036,818	995,445	20,736	20,533	41,576	430,797	436,972	(6,175)
Accident insurance	283,407	269,620	15,806	15,384	14,209	55,155	56,468	(1,313)
Health insurance	15,941	18,169	2,208	2,201	(2,221)	3,158	3,164	(6)
Compulsory automobile liability insurance	602,513	555,767	238,559	233,732	51,573	358,918	332,183	26,735
Total	<b>\$ 4,811,248</b>	<b>4,665,971</b>	<b>349,125</b>	<b>343,185</b>	<b>151,217</b>	<b>1,906,248</b>	<b>1,885,088</b>	<b>21,160</b>

<b>For the three months ended March 31, 2023</b>								
<b>Item</b>	<b>Direct underwrite business</b>		<b>Reinsurance ceded-in</b>		<b>The net change in claims reserve</b>	<b>Reinsurance ceded-out</b>		<b>The net change in ceded claims reserve</b>
	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>	<b>Provision</b>	<b>Recovery</b>
Fire insurance	\$ 1,194,196	1,114,837	21,674	20,896	80,137	849,367	754,480	94,887
Marine insurance	260,438	231,149	4,003	3,778	29,514	215,052	182,426	32,626
Land and air insurance	57,388	61,699	1,994	2,562	(4,879)	48,926	53,134	(4,208)
Liability insurance	1,411,148	1,356,466	14,360	11,278	57,764	208,058	208,099	(41)
Surety insurance	23,516	23,170	1,743	1,541	548	10,181	10,073	108
Other property insurance	1,090,569	926,234	6,165	5,633	164,867	467,790	370,602	97,188
Accident insurance	226,513	213,759	10,806	3,851	19,709	51,732	40,204	11,528
Health insurance	122,708	107,469	2,553	2,417	15,375	3,468	3,332	136
Compulsory automobile liability insurance	521,784	508,369	235,663	232,067	17,011	311,690	304,965	6,725
Total	<b>\$ 4,908,260</b>	<b>4,543,152</b>	<b>298,961</b>	<b>284,023</b>	<b>380,046</b>	<b>2,166,264</b>	<b>1,927,315</b>	<b>238,949</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

4) The movements in claims reserve and ceded claims reserve

	For the three months ended March 31,			
	2024		2023	
Item	Claims reserve	Ceded claims reserve	Claims reserve	Ceded claims reserve
Beginning balance	\$ 5,009,156	1,885,063	4,827,175	1,927,315
Provision	5,160,373	1,906,248	5,207,221	2,166,264
Recovery	(5,009,156)	(1,885,088)	(4,827,175)	(1,927,315)
Impairment loss reversed(recognized)	-	25	-	-
Ending balance	<u>\$ 5,160,373</u>	<u>1,906,248</u>	<u>5,207,221</u>	<u>2,166,264</u>

The methodology for providing claims reserve is decided by actuaries and reported to the Authority. If there is any change, it should adopt the same procedures as fore mentioned. The Company submitted the method of claims reserve provision in the letter of (Wang) Zong Qi Zi No. 1920 on December 23, 2009, which has been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Insurance Bureau Jin Guan Bao Cai Zi No. 09802245610. The relevant provision methods is explained as follows:

- 1) Regarding to the claims reserve for reported but not paid, it should be estimated based on actual situation by each case.
- 2) Regarding to the claims reserve for IBNR, it should be estimated based on the experience of claim loss development of each type insurance by actuary methodology.

(iv) Premium deficiency reserve

- 1) Premium deficiency reserve and ceded premium deficiency reserve

Item	March 31, 2024			
	Premium deficiency reserve		Ceded premium deficiency reserve	
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	Retained business
Marine insurance	\$ <u>2,337</u>	<u>-</u>	<u>88</u>	<u>2,249</u>
Item	December 31, 2023			
	Premium deficiency reserve		Ceded premium deficiency reserve	
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	Retained business
Fire Insurance	\$ 12,183	353	12,536	-
Marine insurance	1,552	-	-	1,552
Total	<u>\$ 13,735</u>	<u>353</u>	<u>12,536</u>	<u>1,552</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**March 31, 2023**

Item	Premium deficiency reserve		Ceded premium deficiency reserve		Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out		
Fire insurance	\$ 88,430	7,316	93,747		1,999
Marine insurance	1,613	-	480		1,133
Health insurance	170,246	-	-		170,246
<b>Total</b>	<b>\$ 260,289</b>	<b>7,316</b>	<b>94,227</b>		<b>173,378</b>

2) The net change in premium deficiency reserve and ceded premium deficiency reserve

For the three months ended March 31, 2024

Item	Direct underwrite		Reinsurance ceded-in		The net change in premium deficiency	Reinsurance ceded-out		The net change in premium ceded deficiency	Net deposit of premium deficiency reserve
	Provision	Recover	Provision	Recover		Provision	Recover		
Fire insurance	\$ -	12,183	-	353	(12,536)	-	12,536	(12,536)	-
Marine insurance	2,337	1,552	-	-	785	88	-	88	697
<b>Total</b>	<b>\$ 2,337</b>	<b>13,735</b>	<b>-</b>	<b>353</b>	<b>(11,751)</b>	<b>88</b>	<b>12,536</b>	<b>(12,448)</b>	<b>697</b>

For the three months ended March 31, 2023

Item	Direct underwrite		Reinsurance ceded-in		The net change in premium deficiency	Reinsurance ceded-out		The net change in premium ceded deficiency	Net deposit of premium deficiency reserve
	Provision	Recover	Provision	Recover		Provision	Recover		
Fire insurance	\$ 88,430	57,717	7,316	1,551	36,478	93,747	57,390	36,357	121
Marine insurance	1,613	1,146	-	-	467	480	-	480	(13)
Health insurance	170,246	393,777	-	-	(223,531)	-	764	(764)	(222,767)
<b>Total</b>	<b>\$ 260,289</b>	<b>452,640</b>	<b>7,316</b>	<b>1,551</b>	<b>(186,586)</b>	<b>94,227</b>	<b>58,154</b>	<b>36,073</b>	<b>(222,659)</b>

3) The movements in premium deficiency reserve and ceded premium deficiency reserve

For the three months ended March 31, 2024

Item	Premium deficiency reserve	Ceding premium deficiency reserve
	Beginning balance	\$ 14,088
Provision	2,337	88
Recovery	(14,088)	(12,536)
<b>Ending balance</b>	<b>\$ 2,337</b>	<b>88</b>

For the three months ended March 31, 2023

Item	Premium deficiency reserve	Ceding premium deficiency reserve
	Beginning balance	\$ 454,191
Provision	267,605	94,227
Recovery	(454,191)	(58,154)
<b>Ending balance</b>	<b>\$ 267,605</b>	<b>94,227</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

The methodology for premium deficiency reserve provision is decided by actuaries and shall report to the Authority, same as afterward change. The Company reported the methodology for premium deficiency reserve provision on February 16, 2012 in the letter of (Wang) Zong Jing Suan No.0005, which has been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. No.10102503930.

(o) Income tax

The components of the Company's income tax expenses for the three months ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Current income tax expenses	<b>\$ 51,959</b>	-

The Company's tax returns for the year through 2021 were assessed by the Taipei National Tax Administration tax authorities.

(p) Capital and other equity

(i) Share capital

As of March 31, 2024, December 31 and March 31, 2023, the number of authorized ordinary shares were all \$6,236,320 with par value of \$10 per share, i.e. 623,632 thousand shares. The issued shares were both 223,608 thousand shares of common stock.

(ii) Retained earnings

1) Legal reserve

According to the Company Act, the Company is able to issue new stock or cash dividend from legal reserve if there is no deficit as long as the legal reserve is over 25% of the paid in capital.

2) Special reserve

Based on Financial Supervisory Commission Jin Guan Bao Cai Zi No.10102508861 on June 5, 2012, when the Company distributes retained surplus that transferred from the special reserve of unrealized revaluation increment \$12,143, it should be accounted a decrease in other equity, with the same amount of the prior years' inappropriate retained earning provision being equal to current year's net income. The amount of decrease in other equity belonged to the prior accumulation, the same amount of special reserve should be not appropriated. However, the Company's has provisioned the special reserve based on former standard, the difference between the provision amount and the decrease in other equity has been provision special reserve. Then, if a reversal of shareholders' equity contra account occurs, the reversed portion of the special reserve could be distributed as dividends.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

According to the letter from the Financial Supervisory Commission Jin Guan Bao Cai Zi No. 10502066464 on July 13, 2016. The insurance industry should allocate a special surplus reserve from 0.5% to 1% of the net profit after tax when the 2016-2018 fiscal year surplus is distributed. Moreover, since 2017, the expense of employee transferring training, transferring occupation, and settle down during the development of financial technology should be reversal. As of March 31, 2024, December 31 and March 31, 2023 the special reserve distributed by the Company in accordance with the regulations were \$1,172, \$1,172 and \$2,145, respectively.

3) Undistributed retained earnings appropriated

Under the Company's Article of Incorporation, the Company's net income after deduction of income tax and losses (if any) and offset the prior years' deficits, should be provisioned 20% of remaining amount as legal reserve, except the legal reserve is equal to the capital. In addition to any remaining profit together with any undistributed retained earnings shall be distributed based on the Company considering the operating need and legal requirement to provision special reserve, the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The remuneration of non-executive director in the Company is authorized to the board's meeting to set rational remuneration, and do not attend the earning distribution. The Company belongs to property and casualty insurance, the enterprise development should cooperate with the Government's policy and risk based capital, the ability of underwriting and solvency have to be stronger. The Company's earning distribution policy has to consider the current and future investment environment, capital requirement, market competition situation and budget, etc., with the benefit of shareholders, balancing dividend and long term financial plan, etc. and then the earning distribution that the board's meeting set will provide to the shareholder's meeting. The earning distribution should be in form of cash or stock dividend to distribute, in addition to the amount of cash dividend should not be lower than 10% of stock dividend. However, the amount of par cash dividend is lower than \$0.1, the dividend should use the form of stock dividend to distribute.

The Board of Directors proposed the appropriation of profit or loss for 2023 on March 12, 2024. Because there are still accumulated losses, there is no surplus for distribution. The appropriation of profit or loss for 2023 is to be determined by the shareholder's meeting.

The shareholder's meeting passed the loss make-up proposal for 2022 on June 7, 2023.

The relevant information about distribution of retained earnings under the consent of the shareholders' meeting, can be obtained on the website of Market Observation Post System.



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (q) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were shown as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to ordinary shareholders of the Company	<b>\$ 404,582</b>	<b>199,076</b>
Weighted average number of ordinary shares (thousands shares)	<b>223,608</b>	<b>223,608</b>
<b>Basic earnings per share (NT dollars)</b>	<b>\$ 1.81</b>	<b>0.89</b>
<b>Diluted earnings per share</b>		
Net income attributable to ordinary shareholders of the Company	<b>404,582</b>	<b>199,076</b>
Weighted average number of ordinary shares (thousands shares)	223,608	223,608
Employee share options	67	-
Weighted average number of ordinary shares (Dilutive potential common shares)(thousands shares)	<b>223,675</b>	<b>223,608</b>
<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 1.81</b>	<b>0.89</b>

## (r) Disclosure of acquisition cost of insurance contracts

Acquisition cost of insurance contracts

Item	<b>For the three months ended March 31, 2024</b>					
	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 48,356	-	-	206	-	48,562
Marine insurance	8,151	-	-	60	-	8,211
Land and air insurance	1,120	-	-	-	-	1,120
Liability insurance	185,375	-	-	1,275	-	186,650
Surety insurance	957	-	-	-	-	957
Other property insurance	204,357	-	-	4,834	-	209,191
Accident insurance	66,698	-	-	-	-	66,698
Health insurance	6,033	-	-	-	-	6,033
Compulsory automobile liability insurance	30,128	-	-	-	-	30,128
Total	<b>\$ 551,175</b>	<b>-</b>	<b>-</b>	<b>6,375</b>	<b>-</b>	<b>557,550</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 41,584	-	-	(68)	-	41,516
Marine insurance	7,219	-	-	64	-	7,283
Land and air insurance	905	-	-	-	-	905
Liability insurance	164,772	-	-	985	-	165,757
Surety insurance	949	-	-	-	-	949
Other property insurance	181,799	-	-	3,157	-	184,956
Accident insurance	60,666	-	-	-	-	60,666
Health insurance	3,397	-	-	-	-	3,397
Compulsory automobile liability insurance	30,515	-	-	-	-	30,515
Total	<u>\$ 491,806</u>	<u>-</u>	<u>-</u>	<u>4,138</u>	<u>-</u>	<u>495,944</u>

(s) Disclosure of insurance cost-benefit analysis

(i) Direct written business cost-benefit analysis

For the three months ended March 31, 2024

Item	Written premium	The net change in unearned premium reserve	Insurance contract acquisition cost	Claims	The net change in claims reverse	Gain (Loss)
Fire insurance	\$ 501,397	(20,292)	48,356	53,256	55,304	364,773
Marine insurance	71,099	6,596	8,151	12,321	(21,424)	65,455
Land and air insurance	14,931	(14,911)	1,120	2,247	(20,445)	46,920
Liability insurance	1,034,236	134,076	185,375	473,196	25,960	215,629
Surety insurance	6,177	461	957	4,484	6,204	(5,929)
Other property insurance	1,306,636	230,634	204,357	460,239	41,373	370,033
Accident insurance	322,653	66,558	66,698	108,272	13,787	67,338
Health insurance	22,779	(1,867)	6,033	8,325	(2,228)	12,516
Compulsory automobile liability insurance	226,325	(3,011)	30,128	135,045	46,746	17,417
Total	<u>\$ 3,506,233</u>	<u>398,244</u>	<u>551,175</u>	<u>1,257,385</u>	<u>145,277</u>	<u>1,154,152</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

Item	Written premium	The net change in unearned premium reserve	Insurance contract acquisition cost	Claims	The net change in claims reverse	Gain (Loss)
Fire insurance	\$ 419,482	18,495	41,584	96,016	79,359	184,028
Marine insurance	56,816	(14,944)	7,219	25,777	29,289	9,475
Land and air insurance	11,138	(12,734)	905	14,832	(4,311)	12,446
Liability insurance	956,748	138,322	164,772	395,361	54,682	203,611
Surety insurance	6,489	1,667	949	491	346	3,036
Other property insurance	1,175,733	211,704	181,799	514,300	164,335	103,595
Accident insurance	267,070	50,721	60,666	106,980	12,754	35,949
Health insurance	12,114	(8,650)	3,397	213,803	15,239	(211,675)
Compulsory automobile liability insurance	232,987	(851)	30,515	161,151	13,415	28,757
Total	<u>\$ 3,138,577</u>	<u>383,730</u>	<u>491,806</u>	<u>1,528,711</u>	<u>365,108</u>	<u>369,222</u>

(ii) Reinsurance cost-benefit analysis

For the three months ended March 31, 2024

Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claims reverse	Ceded in Gain (Loss)
Fire insurance	\$ 18,078	(2,479)	206	198	(513)	20,666
Marine insurance	1,036	(336)	60	(102)	(65)	1,479
Land and air insurance	-	-	-	38	(974)	936
Liability insurance	5,471	(4,241)	1,275	7,824	1,947	(1,334)
Surety insurance	484	157	-	(4)	86	245
Other property insurance	17,562	7,383	4,834	4,070	203	1,072
Accident insurance	1,762	(241)	-	371	422	1,210
Health insurance	-	-	-	-	7	(7)
Compulsory automobile liability insurance	80,947	1,517	-	77,218	4,827	(2,615)
Total	<u>\$ 125,340</u>	<u>1,760</u>	<u>6,375</u>	<u>89,613</u>	<u>5,940</u>	<u>21,652</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claims reverse	Ceded in Gain (Loss)
Fire insurance	\$ 45,036	27,520	(68)	276	778	16,530
Marine insurance	1,372	(360)	64	(16)	225	1,459
Land and air insurance	-	(266)	-	773	(568)	61
Liability insurance	4,450	(10,735)	985	3,655	3,082	7,463
Surety insurance	424	118	-	16	202	88
Other property insurance	12,004	3,772	3,157	4,252	532	291
Accident insurance	1,689	(243)	-	331	6,955	(5,354)
Health insurance	-	-	-	-	136	(136)
Compulsory automobile liability insurance	78,002	(1,619)	-	70,671	3,596	5,354
Total	<u>\$ 142,977</u>	<u>18,187</u>	<u>4,138</u>	<u>79,958</u>	<u>14,938</u>	<u>25,756</u>

(iii) Gain/Loss on reinsurance contracts

For the three months ended March 31, 2024

Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claims reserve	Ceded out Gain (Loss)
Fire insurance	\$ (355,826)	(24,967)	42,119	20,986	57,923	(259,765)
Marine insurance	(38,087)	(4,542)	3,871	7,820	(20,709)	(51,647)
Land and air insurance	(8,386)	(15,694)	446	1,425	(21,761)	(43,970)
Liability insurance	(128,145)	14,586	42,182	80,371	(14,281)	(5,287)
Surety insurance	(2,069)	(59)	69	3,166	747	1,854
Other property insurance	(282,974)	38,418	71,550	100,331	(6,175)	(78,850)
Accident insurance	(25,244)	5,928	6,551	9,591	(1,313)	(4,487)
Health insurance	(4)	(1,353)	3	1,457	(6)	97
Compulsory automobile liability insurance	(94,444)	(1,807)	-	80,634	26,735	11,118
Total	<u>\$ (935,179)</u>	<u>10,510</u>	<u>166,791</u>	<u>305,781</u>	<u>21,160</u>	<u>(430,937)</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claims reserve	Ceded out Gain (Loss)
Fire insurance	\$ (275,089)	(939)	35,074	67,177	94,887	(78,890)
Marine insurance	(26,092)	(15,592)	2,702	13,264	32,626	6,908
Land and air insurance	(5,690)	(13,078)	358	14,523	(4,208)	(8,095)
Liability insurance	(124,191)	(10,640)	38,947	70,671	(41)	(25,254)
Surety insurance	(1,822)	(28)	257	143	108	(1,342)
Other property insurance	(274,121)	74,844	74,786	112,685	97,188	85,382
Accident insurance	(32,738)	6,438	7,411	13,787	11,528	6,426
Health insurance	(178)	(3,465)	(22)	2,973	136	(556)
Compulsory automobile liability insurance	(97,796)	(507)	-	93,455	6,725	1,877
Total	<u>\$ (837,717)</u>	<u>37,033</u>	<u>159,513</u>	<u>388,678</u>	<u>238,949</u>	<u>(13,544)</u>

(t) Disclosure of insurance contract risk

Except for the following disclosure, there were no significant changes in the Company's objectives, policies, procedures and methods used to manage the risk management of insurance contracts and the credit risk, liquidity risk and market risk of insurance contracts for the three months ended March 31, 2024 and 2023. For the related information, please refer to Note 6(t) of the financial statements for the year ended December 31, 2023.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## (i) Insurance risk information

## 1) Sensitivity analysis of insurance risk

Item	<b>For the three months ended March 31, 2024</b>			
	Written premium	Expected rate of loss	Effect of profit or loss on 1% movement of expected rate of loss	
			Before reinsurance	After reinsurance
Fire insurance	\$ 519,475	64.19 %	5,427	1,620
Marine insurance	72,135	61.74 %	659	232
Land and air insurance	14,931	78.26 %	298	58
Liability insurance	1,039,707	67.08 %	9,099	7,963
Surety insurance	6,661	72.70 %	60	39
Other property insurance	1,324,198	64.10 %	10,862	8,416
Accident insurance	324,415	76.06 %	2,581	2,388
Health insurance	22,779	61.00 %	246	233
Compulsory automobile liability insurance	307,272	No applicable	No applicable	No applicable

  

Item	<b>For the three months ended March 31, 2023</b>			
	Written premium	Expected rate of loss	Effect of profit or loss on 1% movement of expected rate of loss	
			Before reinsurance	After reinsurance
Fire insurance	\$ 464,518	64.70 %	4,190	1,429
Marine insurance	58,188	62.31 %	735	318
Land and air insurance	11,138	65.50 %	241	54
Liability insurance	961,198	66.76 %	8,336	6,988
Surety insurance	6,913	72.70 %	51	33
Other property insurance	1,187,737	64.15 %	9,723	7,730
Accident insurance	268,759	76.66 %	2,183	1,920
Health insurance	12,114	61.00 %	208	171
Compulsory automobile liability insurance	310,989	No applicable	No applicable	No applicable

Note: Due to various insurance contract frameworks are difference, the impact of a one percent change in rate of expected loss is not linear relationship to incomes and losses.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

2) Concentration of insurance risk

The risk of insurance risk concentration is controlled by reinsurance transfer method. For example, the risk caused by natural disasters is based on the RMS and AIR natural disaster model and the selected 250-year regression period is used as the basis for arranging the natural disaster reinsurance contract. Its content is used as a reference for setting key risk indicators for catastrophe.

a) The premium proportion of underwriting and ceded in reinsurance.

The insurance contracts which the Company underwrites are separated in various types of insurances, and not concentrated in any single type of insurance. In terms of proportion, the voluntary automobile insurance is the highest proportion accounts for 49.26% and 52.06% for the three months ended March 31, 2024 and 2023, respectively. Although the proportion is slightly higher than other insurances, the loss experience of voluntary automobile insurance is stable and the risk variation is low. The remaining types of insurance are no risk concentration.

The premium proportion of underwriting insurance and ceded in reinsurance:

Type	For the three months ended March 31,			
	2024		2023	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 293,497	8.08 %	243,177	7.41 %
Marine cargo insurance	69,378	1.91 %	52,295	1.59 %
Hull, fishing vessel and aviation insurance	17,693	0.49 %	17,035	0.52 %
Voluntary automobile insurance	1,788,886	49.26 %	1,708,417	52.06 %
Compulsory automobile liability insurance	307,272	8.46 %	310,989	9.48 %
Liability insurance	226,402	6.24 %	166,998	5.09 %
Engineering and nuclear insurance	304,107	8.37 %	237,978	7.25 %
Surety and credit insurance	6,661	0.18 %	6,913	0.21 %
Other property insurance	17,210	0.48 %	22,741	0.69 %
Accident insurance	324,415	8.93 %	268,759	8.19 %
Typhoon, flood and earthquake insurance	225,979	6.22 %	221,295	6.75 %
Personal and commercial all-risk insurance	27,300	0.75 %	12,801	0.39 %
Health insurance	22,779	0.63 %	12,114	0.37 %
Overseas ceded-in reinsurance	(6)	-	42	-
<b>Total</b>	<b>\$ 3,631,573</b>	<b>100.00 %</b>	<b>3,281,554</b>	<b>100.00 %</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

b) Percentage of retained premium

In term of retained business, the voluntary automobile insurance which is the highest proportion accounts for 58.76% and 60.25% for the three months ended March 31, 2024 and 2023, respectively. The Company assesses the possibility of accumulated loss in order to arrange the contracts of reinsuring to diversify the risk. Therefore, there is no the situation of risk concentration.

In addition, the insurance which is likely to result in significant accumulated loss such as catastrophe insurance (earthquake, typhoon and flood) and the insurances are likely to result in accumulation are property insurance (fire insurance and engineering insurance), marine insurance and accident insurance should avoid the operating risk resulting from the underwriting risk concentration, the Company has bought catastrophe reinsurance contracts in advance for abovementioned insurances to diversify the risk.

The percentage of retained premium was as follows:

Type	For the three months ended March 31,			
	2024		2023	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 91,955	3.41 %	118,076	4.83 %
Marine cargo insurance	39,095	1.45 %	36,574	1.50 %
Hull, fishing vessel and aviation insurance	1,472	0.05 %	971	0.04 %
Voluntary automobile insurance	1,584,430	58.76 %	1,472,450	60.25 %
Compulsory automobile liability insurance	212,828	7.89 %	213,193	8.72 %
Liability insurance	180,952	6.71 %	129,002	5.28 %
Engineering and nuclear insurance	152,347	5.65 %	121,873	4.99 %
Surety and credit insurance	4,592	0.17 %	5,091	0.21 %
Other property insurance	14,615	0.54 %	15,951	0.65 %
Accident insurance	299,171	11.10 %	236,021	9.66 %
Typhoon, flood and earthquake insurance	71,695	2.66 %	73,550	3.01 %
Personal and commercial all-risk insurance	20,442	0.76 %	11,347	0.46 %
Health insurance	22,775	0.85 %	11,936	0.49 %
Overseas ceded-in reinsurance	25	-	(2,198)	(0.09)%
<b>Total</b>	<b>\$ 2,696,394</b>	<b>100.00 %</b>	<b>2,443,837</b>	<b>100.00 %</b>

(Continued)



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

3) Claims trend

For the three months ended March 31, 2024

Occurrence year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	44,182,975	3,505,019	4,231,875	3,846,573	4,548,623	4,201,280	4,120,597	4,742,416	6,043,107	5,311,099	870,990
2	44,305,119	3,615,016	4,483,260	4,058,010	4,804,267	4,901,074	4,890,228	5,292,664	6,640,880	5,654,507	
3	44,186,381	3,557,644	4,338,968	3,989,815	4,784,261	4,774,671	4,886,780	5,098,963	6,642,283		
4	44,119,750	3,530,087	4,331,187	3,997,617	4,714,228	4,775,424	4,899,446	5,101,752			
5	44,096,384	3,505,206	4,348,353	3,972,187	4,711,259	4,745,935	4,898,910				
6	44,060,407	3,518,795	4,300,980	3,971,299	4,695,182	4,749,850					
7	44,414,834	3,501,489	4,301,352	3,969,391	4,694,614						
8	44,033,300	3,502,875	4,305,090	3,950,564							
9	44,029,607	3,500,708	4,304,270								
10	44,018,689	3,500,677									
11	43,993,689										
Estimates	43,993,689	3,500,677	4,304,270	3,950,564	4,694,614	4,749,850	4,898,910	5,101,752	6,642,283	5,654,507	870,990
Actual	43,980,759	3,498,356	4,290,722	3,939,843	4,676,507	4,723,604	4,818,346	4,934,363	6,065,779	3,908,149	198,252
Subtotal	12,930	2,321	13,548	10,721	18,107	26,246	80,564	167,389	576,504	1,746,358	672,738
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	12,930	2,321	13,548	10,721	18,107	26,246	80,564	167,389	576,504	1,746,358	672,738

For the three months ended March 31, 2023

Occurrence year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	41,020,376	3,019,920	3,505,019	4,231,875	3,846,573	4,548,623	4,201,280	4,120,597	4,742,416	6,043,107	1,237,590
2	41,163,055	3,216,949	3,615,016	4,483,260	4,058,010	4,804,267	4,901,074	4,890,228	5,292,664	6,475,356	
3	41,088,170	3,161,079	3,557,644	4,338,968	3,989,815	4,784,261	4,774,671	4,886,780	5,282,977		
4	41,025,302	3,151,586	3,530,087	4,331,187	3,997,617	4,714,228	4,775,424	4,886,685			
5	40,968,164	3,151,839	3,505,206	4,348,353	3,972,187	4,711,259	4,777,918				
6	40,944,545	3,130,980	3,518,795	4,300,980	3,971,299	4,711,438					
7	40,929,427	3,155,004	3,501,489	4,301,352	3,970,638						
8	41,259,830	3,128,978	3,502,875	4,301,286							
9	40,904,322	3,127,878	3,502,688								
10	40,901,729	3,134,144									
11	40,901,691										
Estimates	40,901,691	3,134,144	3,502,688	4,301,286	3,970,638	4,711,438	4,777,918	4,886,685	5,282,977	6,475,356	1,237,590
Actual	40,857,755	3,132,612	3,498,366	4,287,664	3,928,416	4,663,696	4,698,433	4,762,592	4,613,405	4,834,820	305,860
Subtotal	43,936	1,532	4,322	13,622	42,222	47,742	79,485	124,093	669,572	1,640,536	931,730
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	43,936	1,532	4,322	13,622	42,222	47,742	79,485	124,093	669,572	1,640,536	931,730

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(ii) Credit risk of insurance contracts

1) Credit risk

- a) Compliance with the “Regulations Governing the Provision of Unauthorized Reinsurance Reserves for Insurance Company” No.5, the transaction with unauthorized reinsurers shall be represented in the notes of financial statements and the content shall include:
- i) The summary of unauthorized reinsurance contracts and types of reinsurance.
  - ii) The reinsurance premium expense of unauthorized reinsurance contracts.
  - iii) General description of the amount of unauthorized reserve and its components.
- b) The abstract and related insurance of unauthorized reinsurance contracts in the Company were as follows:

As of March 31, 2024

<b>Company</b>	<b>Annotation</b>
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO.B.S.C (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance

As of December 31, 2023

<b>Company</b>	<b>Annotation</b>
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance
S-Squared Insurance Company, Inc.	Facultative reinsurance of fire insurance

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

As of March 31, 2023

<u>Company</u>	<u>Annotation</u>
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance
S-Squared Insurance Company, Inc.	Facultative reinsurance of fire insurance

- c) For the three months ended March 31, 2024 and 2023, the reinsurance premium expenses (reversal) for unauthorized reinsurance in the Company amounted to \$0 and \$1, respectively.
- d) The principal summary of amounts and component items of unauthorized reinsurance reserve in the Company were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unearned premium reserve	\$ -	1	2,427
Claims recoverable from reinsurers of paid claims overdue in nine months	-	3	-
Claims recoverable from reinsurers reported but unpaid	853	1,645	1,980
Total unauthorized reinsurance reserve	<u>\$ 853</u>	<u>1,649</u>	<u>4,407</u>

2) Liquidity risk

The Company's liquidity risk includes capital liquidity risk and market liquidity risk of insurance contracts, via monitoring and managing the liquidity risk of risk management to maintain the sufficient liquidity when the occasion events and raise the balance of assets income investment.

To ensure the operating stability, the Company needs the sufficient liquidity assets that can immediately into cash in case the needs of premium deficiency or unexpected claim duty increase sharply.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

3) Market risk

The market risk of insurance contracts in the Company includes interest rate risk, foreign currency risk and price risk. The monitoring market risk includes the overall and individual transaction processes of each trading unit and each financial product, such as change in positions, change in profit and loss, trading patterns and trading targets, etc., which should be carried out within the scope of the Company including quota, stop loss and over limit treatment. The competent authority shall conduct risk reporting according to its responsibilities and the risk management department shall regularly report the market risk monitoring table to the operating management and report to the risk management committee and the Board of Directors regularly.

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

Maximum credit risk exposure was as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash and cash equivalents	\$ 3,323,506	3,479,186	3,271,040
Receivables	963,288	555,987	819,562
Financial assets at fair value through profit or loss	2,574,888	1,721,519	1,162,559
Financial assets at fair value through other comprehensive income	2,372,729	2,351,075	2,281,990
Financial assets at amortized cost	2,662,268	2,562,498	2,461,507
Other financial assets	1,699,700	1,872,700	1,711,800
Reinsurance contract assets	527,603	526,976	587,684
Other assets	<u>577,086</u>	<u>577,534</u>	<u>576,660</u>
Total	<u>\$ 14,701,068</u>	<u>13,647,475</u>	<u>12,872,802</u>

The Company does not involve into lending business. The financial assets are mainly receivables, reinsurance contract assets and investment projects in the open market. The credit risk is controlled by the limit method and the risk status of the counterparty is assessed regularly.

As of March 31, 2024, December 31 and March 31, 2023, the overdue refundable deposits accounted for under other assets were all \$20,000, which provisioned the loss allowance all \$20,000.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

2) Impairment loss of receivables

The expected credit losses of receivables were as follows:

	March 31, 2024				Total
	Not overdue	Overdue under 90 days	Overdue for 91- 270 days	Overdue 271 over days	
Notes receivable:					
Expected credit loss rate	0.06%	100%	100%	100%	
Carrying amount	\$ 259,529	-	-	-	259,529
Expected credit loss amount	153	-	-	-	153
Premiums receivable:					
Expected credit loss rate	0.68%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 397,103	63,710	50,680	1,133	512,626
Expected credit loss amount	2,701	2,480	2,799	1,133	9,113
Other receivables:					
Carrying amount	\$ 201,088	2,265	3,802	37,204	244,359
Expected credit loss amount	1,603	1,351	3,802	37,204	43,960
	December 31, 2023				Total
	Not overdue	Overdue under 90 days	Overdue for 91- 270 days	Overdue 271 over days	
Notes receivable:					
Expected credit loss rate	0.06%	100%	100%	100%	
Carrying amount	\$ 259,513	-	-	-	259,513
Expected credit loss amount	149	-	-	-	149
Premiums receivable:					
Expected credit loss rate	1.79%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 114,451	27,026	22,887	1,129	165,493
Expected credit loss amount	2,051	1,124	1,319	1,129	5,623
Other receivables:					
Carrying amount	\$ 137,501	2,506	3,379	36,293	179,679
Expected credit loss amount	1,734	1,520	3,379	36,293	42,926

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

	March 31, 2023				Total
	Not overdue	Overdue under 90 days	Overdue for 91- 270 days	Overdue 271 over days	
Notes receivable:					
Expected credit loss rate	0.08%	100%	100%	100%	
Carrying amount	\$ 288,463	149	-	-	288,612
Expected credit loss amount	220	149	-	-	369
Premiums receivable:					
Expected credit loss rate	0.72%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 292,895	74,567	16,224	1,124	384,810
Expected credit loss amount	2,122	3,119	926	1,124	7,291
Other receivables:					
Carrying amount	\$ 154,939	2,342	3,138	33,214	193,633
Expected credit loss amount	1,930	1,551	3,138	33,214	39,833

3) The movement in loss allowance and information of credit quality of financial assets at amortized cost

a) The movement in loss allowance

	For the three months ended March 31, 2024					Total
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	
Beginning balance	\$ 1,723	2,859	-	4,582	-	4,582
Changes	208	27	-	235	-	235
Ending balance	<u>\$ 1,931</u>	<u>2,886</u>	<u>-</u>	<u>4,817</u>	<u>-</u>	<u>4,817</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	\$ 1,106	-	-	1,106	-	1,106
Changes	440	4,014	-	4,454	-	4,454
Ending balance	\$ 1,546	4,014	-	5,560	-	5,560

b) The information of credit quality

	March 31, 2024										
	stage1				stage2				stage3	Allowance impairment loss	Total
	Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total			
Financial assets at amortized cost (including statutory deposit)	\$ 2,894,585	-	-	2,894,585	170,000	-	-	170,000	-	4,817	3,059,768

	December 31, 2023										
	stage1				stage2				stage3	Allowance impairment loss	Total
	Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total			
Financial assets at amortized cost (including statutory deposit)	\$ 2,794,701	-	-	2,794,701	170,000	-	-	170,000	-	4,582	2,960,119

	March 31, 2023										
	stage1				stage2				stage3	Allowance impairment loss	Total
	Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total			
Financial assets at amortized cost (including statutory deposit)	\$ 2,695,053	-	-	2,695,053	170,000	-	-	170,000	-	5,560	2,859,493

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(ii) Liquidity risk

The following table shows the maturity date of financial liabilities. The Company does not anticipate that the cash flow of the maturity analysis will occur significantly earlier, or the actual amount will be significantly different.

March 31, 2024						
<b>Non-derivative financial liabilities</b>	<b>Amount</b>	<b>Contract undiscounted cash amount</b>	<b>Overdue under 3 months</b>	<b>Overdue for 3 - 9 months</b>	<b>Overdue for 9 - 12 months</b>	<b>Overdue over 12 months</b>
Payables						
Claims payable	\$ 17,393	17,393	16,061	176	47	1,109
Commissions payable	243,065	243,065	243,065	-	-	-
Due to ceding companies	658,354	658,354	620,112	37,381	-	861
Other payables	374,912	374,912	321,397	2,004	49,500	2,011
Lease liabilities	15,393	15,642	3,973	6,630	2,086	2,953
Other liabilities						
Guarantee deposits received	9,939	9,939	199	172	-	9,568
<b>Total</b>	<b>\$ 1,319,056</b>	<b>1,319,305</b>	<b>1,204,807</b>	<b>46,363</b>	<b>51,633</b>	<b>16,502</b>
December 31, 2023						
<b>Non-derivative financial liabilities</b>	<b>Amount</b>	<b>Contract undiscounted cash amount</b>	<b>Overdue under 3 months</b>	<b>Overdue for 3 - 9 months</b>	<b>Overdue for 9 - 12 months</b>	<b>Overdue over 12 months</b>
Payables						
Claims payable	\$ 10,001	10,001	8,792	91	4	1,114
Commissions payable	196,354	196,354	196,354	-	-	-
Due to ceding companies	583,969	583,969	564,195	19,468	306	-
Other payables	444,267	444,267	441,933	2,162	81	91
Lease liabilities	17,929	18,232	3,959	7,039	2,939	4,295
Other liabilities						
Guarantee deposits received	10,338	10,338	1,132	1,862	88	7,256
<b>Total</b>	<b>\$ 1,262,858</b>	<b>1,263,161</b>	<b>1,216,365</b>	<b>30,622</b>	<b>3,418</b>	<b>12,756</b>

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

	March 31, 2023					
	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
<b>Non-derivative financial liabilities</b>						
Payables						
Claims payable	\$ 26,530	26,530	25,328	16	22	1,164
Commissions payable	224,591	224,591	224,591	-	-	-
Due to ceding companies	635,668	635,668	618,708	15,834	-	1,126
Other payables	257,389	257,389	215,126	-	42,252	11
Lease liabilities	25,485	25,993	4,298	7,587	3,063	11,045
Other liabilities						
Guarantee deposits received	9,966	9,966	375	25	1,101	8,465
Total	<u>\$ 1,179,629</u>	<u>1,180,137</u>	<u>1,088,426</u>	<u>23,462</u>	<u>46,438</u>	<u>21,811</u>

(iii) Foreign currency risk

1) Exposure about foreign currency risk

The amounts of the original currency (in thousands) exposed to the significant foreign currency exchange rate risk were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 4,619	4,836	6,685
EUR	103	103	141
JPY	20,087	59	121
HKD	40	34	105
KRW	7	4	170
CNY	49	44	-
GBP	36	37	40
THB	33	45	31
<b><u>Non-monetary items</u></b>			
JPY	261,237	-	-
<b><u>Financial liability</u></b>			
<b><u>Monetary items</u></b>			
USD	2,308	2,891	1,678
KRW	-	-	582

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

Important rate:

	<b>Rates</b>		
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
USD	\$ 32.00	30.71	30.46
EUR	34.46	33.98	33.14
JPY	0.2115	0.2172	0.2283
HKD	4.09	3.93	3.88
KRW	0.0239	0.0239	0.0236
CNY	4.41	4.33	4.43
GBP	40.39	39.15	37.67
THB	0.8840	0.9017	0.8965

2) Sensitivity analysis

As of March 31, 2024 and 2023, with all other variable factors that remain constant, when NTD decreases 1% compared to other currency, the amount of the Company's comprehensive income will increase as follows:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
USD(increases 1%)	\$ 591	1,220
EUR(increases 1%)	28	37
JPY(increases 1%)	476	-
HKD(increases 1%)	1	3
GBP(increases 1%)	12	12
CNY(increases 1%)	2	-

Conversely, if there is a increase of 1% compared to other currency based on all other variables remain the same, there will be the same amount but opposite direction of influence as of March 31, 2024 and 2023.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(iv) Interest rate risk

1) Summary

The amounts of interest bearing financial instruments related to interest rate risk on the reporting date were as follows:

	<u>Carrying Amount</u>		
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Variable interest rate instrument:			
Term deposit	\$ <u>1,189,000</u>	<u>1,339,000</u>	<u>1,198,000</u>

2) Sensitivity Analysis of variable interest rate financial instruments

Based on the carrying amount of those financial instruments on the reporting date, assuming they are held for one year, and all other variable factors remaining constant, when interest rate change 10 basis points, the Company's net income will increase or decrease as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	Increase 10 basis points	\$ 1,189	1,339
Decrease 10 basis points	(1,189)	(1,339)	(1,198)

(v) Fair value and hierarchy information

1) Fair value information

a) General description

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

b) Definition of fair value hierarchy

i) Level 1

The input of Level 1 is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market is of homogeneity; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. Listed stock, OTC stock, beneficiary certificates, as well as equity and derivative instruments with public quote in an active market possessed by the Company belong to Level 1.

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**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

ii) Level 2

The input of Level 2 refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price).

iii) Level 3

The input of level 3 is the parameters of measuring fair value, which is from neither on direct market data nor from the counter party.

2) Based on fair value measurement

a) Hierarchy information of fair value

The Company's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

		March 31, 2024			
Assets and liabilities	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b><u>Repeatable fair value measurement</u></b>					
<u>Non-derivative financial assets</u>					
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 414,333	414,333	-	-	
Real estate investment trust beneficiary certificates	325,648	325,648	-	-	
Stocks	1,834,907	1,834,907	-	-	
Financial assets at fair value through other comprehensive income					
Stocks	2,372,729	2,358,239	-	14,490	
		December 31, 2023			
Assets and liabilities	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b><u>Repeatable fair value measurement</u></b>					
<u>Non-derivative financial assets</u>					
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 213,233	213,233	-	-	
Real estate investment trust beneficiary certificates	321,109	321,109	-	-	
Stocks	1,187,177	1,187,177	-	-	
Financial assets at fair value through other comprehensive income					
Stocks	2,351,075	2,336,417	-	14,658	

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

Assets and liabilities	March 31, 2023			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Repeatable fair value measurement</b>				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 131,002	131,002	-	-
Real estate investment trust beneficiary certificates	332,077	332,077	-	-
Stocks	699,480	699,480	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,281,990	2,266,884	-	15,106

b) Valuation techniques of fair value measurement

The valuation of non-derivative financial instruments are based on transparent offer price as fair value if there is existence of active market. The basic of fair value is the market price announced by stock exchange, OTC, etc., the listed stocks and OTC stocks as equity instruments, and debt instruments in active market.

If obtaining frequently and timely transparent offers from stock exchange, brokers, securities underwriter, industrial union and set price service organization or supervisor organization that means the price is actual and frequent fair market deal that is the transparent offer price as fair value in the active market. If the conditions above mentioned are fail, the market is considered as non active market. Generally, the difference between bid ask is big and significant or with the volume of deal is few would be indicated that non active market. The equity of non transparent offer price shall be evaluated by valuation techniques by using the Market approach public company comparable with the discount of lack equity liquidity.

c) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the three months ended March 31, 2024 and 2023.

d) Movements of financial assets at fair value classified into Level 3

Name	For the three months ended March 31, 2024							Balance at the end of the year
	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease		
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	
Financial assets at fair value through other comprehensive income	\$ 14,658	-	(168)	-	-	-	-	14,490

  

Name	For the three months ended March 31, 2023							Balance at the end of the year
	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease		
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	
Financial assets at fair value through other comprehensive income	\$ 15,176	-	(70)	-	-	-	-	15,106

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- e) Quantified information of fair value measurement for significant unobservable inputs (Level 3)

The Company's Level 3 fair value measurements are financial assets at fair value through other comprehensive income – equity instruments investment.

The Company's equity instruments investment without active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

<u>Items</u>	<u>Evaluation</u>	<u>significant unobservable inputs</u>	<u>relationship between significant unobservable inputs and the fair value</u>
Financial assets at fair value through other comprehensive income - equity instruments without an active market	Market method	<ul style="list-style-type: none"> <li>· Price to Book Ratio</li> <li>· Discount for lack of marketability</li> </ul>	<ul style="list-style-type: none"> <li>· The higher price to book ratio is, the higher fair value is.</li> <li>· The higher discount for lack of marketability is, the lower the fair value is.</li> </ul>

- f) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Company made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	<u>Change in fair value recognized in other comprehensive income</u>	
	<u>Favorable</u>	<u>Unfavorable</u>
<b>March 31, 2024</b>		
Financial assets fair value through other comprehensive income	\$ <u>145</u>	<u>(145)</u>
<b>December 31, 2023</b>		
Financial assets fair value through other comprehensive income	\$ <u>147</u>	<u>(147)</u>
<b>March 31, 2023</b>		
Financial assets fair value through other comprehensive income	\$ <u>151</u>	<u>(151)</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

Favorable and unfavorable movements of the Company refer to the fluctuation of fair value, and the fair value is calculated through the valuation technique according to the unobservable inputs to different extent. If the fair value of a financial instrument is affected by more than one input, the above table only illustrates the effect as a result of one single input, and the correlation and variance among multiple inputs are not listed here.

(vi) Financial instruments not measured at fair value

1) Fair value information

The carrying amount of financial instruments not measured at fair value, such as cash and cash equivalents, receivables, reinsurance assets, other financial assets, account payables and other financial liabilities that are approximate to the fair value in the Company does not disclose the fair value, except for below items:

<u>Item</u>	<u>Carrying amount</u>	<u>Fair value</u>
<b>March 31, 2024</b>		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	\$ 3,059,768	3,034,447
Investment Property	845,864	1,857,837
<b>December 31, 2023</b>		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	2,960,119	2,938,276
Investment Property	1,047,509	2,058,304
<b>March 31, 2023</b>		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	\$ 2,859,493	2,840,755
Investment Property	850,492	1,567,591

2) Fair value information

<u>Item</u>	<u>March 31, 2024</u>			
	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Financial assets at amortized cost (included statutory deposits)	\$ 3,034,447	-	3,034,447	-
Investment property	1,857,837	-	-	1,857,837

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<b>December 31, 2023</b>				
<b>Item</b>	<b>Total</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
Financial assets at amortized cost (included statutory deposits)	\$ 2,938,276	-	2,938,276	-
Investment property	2,058,304	-	-	2,058,304
<b>March 31, 2023</b>				
<b>Item</b>	<b>Total</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
Financial assets at amortized cost (included statutory deposits)	\$ 2,840,755	-	2,840,755	-
Investment property	1,567,591	-	-	1,567,591

3) Valuation techniques

The valuation assumption and methods of financial instruments not measured at fair value is used by the Company were as follows:

- a) The fair value of short-term financial commodity is estimated by the carrying amount of balance sheet. The carrying amount is the reasonable basis to estimate the fair value, because the maturity date of the commodity is near. The method applied on cash and equivalent cash, accounts receivables and accounts payables.
- b) Financial assets at amortized cost (bond investments without active market)
 

If investments assets measured at amortized cost have transaction price or quotes of the market makers, use the recent transaction price and quotes as the basis of estimating fair value. If without market value, discounted cash flow method or the quotes of the counterparties are used to calculate fair value or the quoted prices of the counter party.
- c) The refundable deposits and guarantee deposits have no specific maturity date, as a result, using the carrying amount on the balance sheet as the fair value.
- d) The fair value of investment property is assessed by the market practices.

4) Transfer between Level 1 and Level 2

There were no transfer for the three months ended March 31, 2024 and 2023.

(Continued)



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(v) Financial risk management

There were no significant changes in the Company's financial risk management objectives and policies as disclosed in Note 6(v) of the financial statements for the year ended December 31, 2023.

(w) Capital Management

Management believes that the objectives, policies and processes of capital management of the Company has been applied consistently with those described in the financial statements for the year ended December 31, 2023. For the related information, please refer to Note 6(w) of the financial statements for the year ended December 31, 2023.

(x) Structured entities not included in the financial statements

(i) The Company possesses the equities of the following structured entities which are not included in the financial statements. The fund is from the Company and an outside third party:

<u>Types of structured entity</u>	<u>Characteristic and purpose</u>	<u>Equity owned by the Company</u>
Assets securitization products-REITS	Invests in assets securitization products of commercial real estate.	Asset backed securities issued by the entity

(ii) The carrying amount of the assets related to the structured entities recognized by the Company but not yet included in the financial statements on March 31, 2024, December 31 and March 31, 2023, were as follows:

<u>March 31, 2024</u>	<u>Asset securitization products-REITS</u>
<b>Assets possessed by the Company</b>	
– Financial assets at fair value through profit or loss	\$ <u>325,648</u>
Total assets possessed by the company	\$ <u><u>325,648</u></u>
<u>December 31, 2023</u>	<u>Asset securitization products-REITS</u>
<b>Assets possessed by the Company</b>	
– Financial assets at fair value through profit or loss	\$ <u>321,109</u>
Total assets possessed by the company	\$ <u><u>321,109</u></u>
<u>March 31, 2023</u>	<u>Asset securitization products-REITS</u>
<b>Assets possessed by the Company</b>	
– Financial assets at fair value through profit or loss	\$ <u>332,077</u>
Total assets possessed by the company	\$ <u><u>332,077</u></u>

The maximum exposure of the possible loss from the entity is the carrying amount of the assets possessed.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(iii) The Company did not provide any financial support for the asset securitization products not included in the financial statements for the three months ended March 31, 2024 and 2023.

**(7) Related-party transactions:**

(a) Final controller

Mr. Tsai Yan Ming is the Company final controller.

(b) Names and relationship of related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Want Want Co., Ltd.	Substantive related party
Want Chia Enterprises Co.,Ltd.	Substantive related party
H.Y. Tsai Co., Ltd.	Substantive related party
Tsai Ho Want Enterprises Co., Ltd.	Substantive related party
Want Want Constructions Co., Ltd.	Substantive related party
Digital Commercial Times Inc.	Substantive related party
CTI Television Incorporation Co., Ltd.	Substantive related party
China Times Culture Co., Ltd.	Substantive related party
China Television Company Co., Ltd.	Substantive related party
Infotimes Co., Ltd.	Substantive related party
Touche Innovative Media Co., Ltd.	Substantive related party
Media Sphere Communications Co., Ltd.	Substantive related party
TY Star Network Technology Co., Ltd.	Substantive related party
Want Tai Media Co., Ltd.	Substantive related party
I Lan Foods Ind. Co., Ltd.	Substantive related party
First Family Enterprise Co., Ltd.	Substantive related party
Want Pu Trading Limited, Taiwan Branch (B.V.I)	Substantive related party
Newwing Limited, Taiwan Branch (B.V.I)	Substantive related party
Twitcher Taiwan Limited, Taiwan Branch (B.V.I)	Substantive related party
Shao Yuan Co., Ltd.	Substantive related party
Jia Peng Development Co., Ltd.	Substantive related party
Ho Yuan Want Co., Ltd.	Substantive related party
Taiwan Marketing Logistics Co., Ltd.	Substantive related party
Hao Want Co., Ltd.	Substantive related party

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Wulai Tourism Co., Ltd.	Substantive related party
Ren Want Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Nuowant Biomedical Technology Co., Ltd.	Substantive related party
Commercial Culture Co., Ltd.	Substantive related party
Hongkong Hai Tian Aquaculture Holdings Limited, Taiwan Branch	Substantive related party
Chunyuan Hospitality Ltd.	Substantive related party
Pozzo Bakery Co., Ltd.	Substantive related party
Chaopin Food Co., Ltd.	Substantive related party
Jinping Development Co., Ltd.	Substantive related party
Duozi Duosun Duofuqi Co., Ltd.	Substantive related party
Zuocheng Law Firm	Substantive related party
All directors, supervisors, managers, chairman of the board, general managers are the Company's related parties.	

(c) Compensation of key management personnel

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 13,067	10,033
Short-term employee benefits-paid leave	1,319	1,229
Post-employment benefits	300	272
Total	<b>\$ 14,686</b>	<b>11,534</b>

(d) Significant transactions with related parties were as follows:

(i) The details of written premium, account receivables, and prepaid expenses were as follows:

1) Written premium

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Amount</b>	<b>Amount</b>
Written premium		
Other related parties	\$ 2,619	689
Key management personnel	210	243
Total	<b>\$ 2,829</b>	<b>932</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

## 2) Account receivables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivables:			
Other related parties	\$ <u>18</u>	<u>-</u>	<u>47</u>
Premiums receivable:			
Other related parties	\$ 471	420	416
Key management personnel	<u>-</u>	<u>5</u>	<u>37</u>
Total	\$ <u>471</u>	<u>425</u>	<u>453</u>

The terms of transactions were similar to those of non-related parties.

## 3) Prepaid expenses

<u>Related parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other related parties	\$ <u>-</u>	<u>2</u>	<u>2</u>

(ii) The details of general expense were as follows:

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties	\$ <u>1,120</u>	<u>372</u>

**(8) Pledged assets:**

As of March 31, 2024, December 31 and March 31, 2023, the assets pledged or guaranteed were as follows:

<u>Pledged Assets</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>Purpose of pledge</u>
Other financial assets - Time deposit	\$ 47,000	47,000	47,000	Guarantee for the insurance business
Financial assets at amortized cost	397,500	397,621	397,986	Guarantee for operating business, suit, and contract performance
Total	\$ <u>444,500</u>	<u>444,621</u>	<u>444,986</u>	

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**(9) Commitments and contingencies:**

- (a) The Company had several significant insurance lawsuits and was required to pay indemnities of \$149,107, of which approximately \$109,541 were reinsured. The remain had been accrued. These cases have not been resolved with District Court of Appeal as of March 31, 2024.
- (b) In order to improve computer equipment and IT systems, the Company is in contract with several IT companies. As of March 31, 2024, there is \$128,528 unpaid.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other:**

- (a) A summary of employee benefits, depreciation and amortization:

Nature	For the three months ended March 31,					
	2024			2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits:						
Salaries	113,003	211,272	324,275	101,391	193,548	294,939
Labor and health insurance	-	25,713	25,713	-	24,053	24,053
Pension	-	10,266	10,266	-	10,656	10,656
Remuneration of directors	-	4,082	4,082	-	3,315	3,315
Others	-	12,709	12,709	-	12,109	12,109
Depreciation	1,287	10,811	12,098	1,203	12,055	13,258
Amortization	-	7,797	7,797	-	5,182	5,182

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(b) Disclosure of earned retention premium by compulsory and non-compulsory insurance

For the three months ended March 31, 2024						
Item	Premium Revenue (1)	Reinsurance Premium (2)	Reinsurance Expense (3)	Net change in unearned premium reserve (4)=(1)+(2)-(3)	Net change in unearned premium reserve(5)	Retention of earned premium (6)=(4)-(5)
Compulsory insurance	\$ 226,325	80,947	94,444	212,828	313	212,515
Non-compulsory insurance	3,279,908	44,393	840,735	2,483,566	389,181	2,094,385
Total	<u>\$ 3,506,233</u>	<u>125,340</u>	<u>935,179</u>	<u>2,696,394</u>	<u>389,494</u>	<u>2,306,900</u>

  

For the three months ended March 31, 2023						
Item	Premium Revenue (1)	Reinsurance Premium (2)	Reinsurance Expense (3)	Net change in unearned premium reserve (4)=(1)+(2)-(3)	Net change in unearned premium reserve(5)	Retention of earned premium (6)=(4)-(5)
Compulsory insurance	\$ 232,987	78,002	97,796	213,193	(1,963)	215,156
Non-compulsory insurance	2,905,590	64,975	739,921	2,230,644	366,847	1,863,797
Total	<u>\$ 3,138,577</u>	<u>142,977</u>	<u>837,717</u>	<u>2,443,837</u>	<u>364,884</u>	<u>2,078,953</u>

(c) Disclosure of self-claim by compulsory and non-compulsory insurance

For the three months ended March 31, 2024				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 135,045	77,218	80,634	131,629
Non-compulsory insurance	1,122,340	12,395	225,147	909,588
Total	<u>\$ 1,257,385</u>	<u>89,613</u>	<u>305,781</u>	<u>1,041,217</u>

  

For the three months ended March 31, 2023				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 161,151	70,671	93,455	138,367
Non-compulsory insurance	1,367,560	9,287	295,223	1,081,624
Total	<u>\$ 1,528,711</u>	<u>79,958</u>	<u>388,678</u>	<u>1,219,991</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(d) Reserves accrued and recovered for compulsory automobile and motorcycle insurance:

For the three months ended March 31, 2024

Type	Beginning	Provision	Recovery	Ending	Note
<b>Unearned premium reserve</b>					
Compulsory automobile liability insurance	\$ 389,897	388,543	389,897	388,543	
Compulsory motorcycle liability insurance	126,834	126,543	126,834	126,543	
Compulsory mini electric two-wheel vehicle liability insurance	2,289	2,440	2,289	2,440	
<b>Special reserve</b>					
Compulsory automobile liability insurance	(185,237)	4,487	15,941	(196,691)	
Compulsory motorcycle liability insurance	320,178	4,681	-	324,859	
Compulsory mini electric two-wheel vehicle liability insurance	318	113	-	431	
<b>Claim reserve</b>					
Compulsory automobile liability insurance	621,470	668,085	621,470	668,085	
Compulsory motorcycle liability insurance	167,415	172,099	167,415	172,099	
Compulsory mini electric two-wheel vehicle liability insurance	614	888	614	888	
<b>Total</b>	<b>\$ 1,443,778</b>	<b>1,367,879</b>	<b>1,324,460</b>	<b>1,487,197</b>	

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

For the three months ended March 31, 2023

Type	Beginning	Provision	Recovery	Ending	Note
<b>Unearned premium reserve</b>					
Compulsory automobile liability insurance	\$ 398,720	396,051	398,720	396,051	
Compulsory motorcycle liability insurance	129,132	128,812	129,132	128,812	
Compulsory mini electric two-wheel vehicle liability insurance	360	879	360	879	
<b>Special reserve</b>					
Compulsory automobile liability insurance	(219,154)	7,581	-	(211,573)	
Compulsory motorcycle liability insurance	309,295	1,461	6,506	304,250	
Compulsory mini electric two-wheel vehicle liability insurance	47	57	-	104	
<b>Claim reserve</b>					
Compulsory automobile liability insurance	572,412	579,532	572,412	579,532	
Compulsory motorcycle liability insurance	167,935	177,709	167,935	177,709	
Compulsory mini electric two-wheel vehicle liability insurance	89	206	89	206	
<b>Total</b>	<b>\$ 1,358,836</b>	<b>1,292,288</b>	<b>1,275,154</b>	<b>1,375,970</b>	

(Continued)



**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

(e) Balance sheet and operating revenue and cost of compulsory automobile liability insurance:

(i) Balance sheet of compulsory automobile liability insurance:

Items	Amount		Items	Amount	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
<u>Asset</u>			<u>Liabilities</u>		
Cash and cash in bank	\$ 877,943	798,740	Claims payable	\$ 3,468	4,680
Notes receivable	5,307	6,420	Due to reinsurers and ceding companies	61,456	69,298
Premiums receivable	6,342	6,892	Unearned premium reserve	517,526	525,742
Claim recoverable from reinsures	42,653	59,066	Claims reserve	841,072	757,447
Due from reinsurers and ceding companies	50,411	49,807	Special reserve	128,599	92,781
Ceded unearned premium reserve	210,544	217,083			
Ceded claims reserve	358,918	311,690			
Temporary payments	3	250			
<b>Total assets</b>	<b>\$ 1,552,121</b>	<b>1,449,948</b>	<b>Total liabilities</b>	<b>\$ 1,552,121</b>	<b>1,449,948</b>

(ii) Operating revenue and cost of compulsory automobile liability insurance:

Item	For the three months ended March 31,	
	2024	2023
Operating revenue	144,120	145,477
Pure premium	157,397	162,981
Reinsurance premium	80,947	78,002
Premium	238,344	240,983
Less: Reinsurance expense	(94,444)	(97,796)
Net change in unearned premium reserve	(313)	1,963
Retained earned premium	143,587	145,150
Interest income	533	327
Operating costs	149,807	151,246
Insurance claim payment	135,045	161,151
Reinsurance claim payment	77,218	70,671
Less: Claim recovered from reinsurers	(80,634)	(93,455)
Retained claim payment	131,629	138,367
Net change in claim reserve	24,838	10,286
Net change in special reserve	(6,660)	2,593

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- (f) The amounts of total assets and liabilities which will be recovered or paid within or over 12 months of the balance sheet date are as follows:

<u>Assets</u>	<b>March 31, 2024</b>		
	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,323,506	-	3,323,506
Receivables	963,288	-	963,288
Current tax assets	7,234	-	7,234
Financial assets at fair value through profit or loss	2,574,888	-	2,574,888
Financial assets at fair value through other comprehensive income	-	2,372,729	2,372,729
Financial assets at amortized cost	-	2,662,268	2,662,268
Other financial assets	1,684,700	15,000	1,699,700
Right-of-use assets	-	15,203	15,203
Investment property	-	845,864	845,864
Reinsurance assets	3,545,434	676,846	4,222,280
Property and equipment	-	1,484,380	1,484,380
Intangible assets	-	166,899	166,899
Other assets	47,000	607,729	654,729
<b>Total assets</b>	<b>\$ 12,146,050</b>	<b>8,846,918</b>	<b>20,992,968</b>

  

<u>Liabilities</u>	<b>March 31, 2024</b>		
	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Accounts payable	\$ 1,289,743	3,981	1,293,724
Current tax liabilities	145,560	-	145,560
Insurance liabilities	11,701,562	1,127,098	12,828,660
Provisions	-	98,761	98,761
Lease liabilities	12,501	2,892	15,393
Deferred tax liabilities	-	63,920	63,920
Other liabilities	10,499	9,568	20,067
<b>Total liabilities</b>	<b>\$ 13,159,865</b>	<b>1,306,220</b>	<b>14,466,085</b>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<u>Assets</u>	<b>December 31, 2023</b>		<u>Total</u>
	<u>Within 12 months</u>	<u>Over 12 months</u>	
Cash and cash equivalents	\$ 3,479,186	-	3,479,186
Receivables	555,987	-	555,987
Current tax assets	7,234	-	7,234
Financial assets at fair value through profit or loss	1,721,519	-	1,721,519
Financial assets at fair value through other comprehensive income	-	2,351,075	2,351,075
Financial assets at amortized cost	-	2,562,498	2,562,498
Other financial assets	1,033,400	839,300	1,872,700
Right-of-use assets	-	17,733	17,733
Investment property	-	1,047,509	1,047,509
Reinsurance assets	1,855,670	2,346,736	4,202,406
Property and equipment	-	1,287,364	1,287,364
Intangible assets	-	165,170	165,170
Other assets	-	657,674	657,674
Total assets	<u>\$ 8,652,996</u>	<u>11,275,059</u>	<u>19,928,055</u>

  

<u>Liabilities</u>	<b>December 31, 2023</b>		<u>Total</u>
	<u>Within 12 months</u>	<u>Over 12 months</u>	
Accounts payable	\$ 1,233,386	1,205	1,234,591
Current tax liabilities	94,885	-	94,885
Insurance liabilities	11,170,500	1,127,098	12,297,598
Provisions	-	98,816	98,816
Lease liabilities	13,700	4,229	17,929
Deferred tax liabilities	-	63,920	63,920
Other liabilities	12,413	7,256	19,669
Total liabilities	<u>\$ 12,524,884</u>	<u>1,302,524</u>	<u>13,827,408</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

<u>Assets</u>	<b>March 31, 2023</b>		
	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,271,040	-	3,271,040
Receivables	819,562	-	819,562
Current tax assets	10,408	-	10,408
Financial assets at fair value through profit or loss	1,162,559	-	1,162,559
Financial assets at fair value through other comprehensive income	-	2,281,990	2,281,990
Financial assets at amortized cost	-	2,461,507	2,461,507
Other financial assets	1,511,900	199,900	1,711,800
Right-of-use assets	-	25,345	25,345
Investment property	-	850,492	850,492
Reinsurance assets	3,976,082	530,282	4,506,364
Property and equipment	-	1,286,078	1,286,078
Intangible assets	-	157,595	157,595
Other assets	-	643,857	643,857
Total assets	<u>\$ 10,751,551</u>	<u>8,437,046</u>	<u>19,188,597</u>

  

<u>Liabilities</u>	<b>March 31, 2023</b>		
	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Accounts payable	\$ 1,141,877	2,301	1,144,178
Insurance liabilities	11,914,965	805,402	12,720,367
Provisions	-	110,138	110,138
Lease liabilities	14,550	10,935	25,485
Deferred tax liabilities	-	63,920	63,920
Other liabilities	12,053	8,465	20,518
Total liabilities	<u>\$ 13,083,445</u>	<u>1,001,161</u>	<u>14,084,606</u>

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

- (g) Other disclosures in accordance with regulations governing the preparation of financial reports by insurance enterprises:
- (i) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund : Refer to Note 6(f).
  - (ii) Information regarding to discontinued operations: None.
  - (iii) Material revolutions of adjustments of organization and management policy: None.
  - (iv) Material influence because of the regulations changed: None.
  - (v) The Loan because of paying large amount of claims: None.
- (h) Disclosure in accordance to "catastrophe special reserve and equalization special reserve", "the special reserve for resident earthquake insurance" and "the special reserve for nuclear insurance":

For the three months ended March 31, 2024 and 2023, the influence for not applying the notification on net income, liabilities, and equity of the Company resulted in an increase of \$18,099, an increase of \$21,573, a decrease of \$18,099, a decrease of \$21,573, an increase of \$18,099, an increase of \$21,573, respectively. The influence on the Company for not applying the notification resulted in the EPS (NT dollars) by an increase of \$0.08 and an increase of \$0.10, respectively.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**(13) Other disclosures:**

## (a) Information on significant transactions:

The following is the information on significant transactions required by the “the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” for the Company:

- (i) Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.
  - (ii) Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.
  - (iii) Related-party transactions for purchases and sales with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.
  - (iv) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.
  - (v) Trading in derivative instruments: None.
- (b) Information on investees: None.
- (c) Information on investment in mainland China: None.
- (d) Major shareholders:

Units: in shares

Shareholder's Name	Shareholding	Shares	Percentage
Tsai Ho Want Enterprises Co., Ltd.		49,961,671	22.34 %
Want Chia Enterprises Co., Ltd.		48,480,873	21.68 %
Want Want Co., Ltd.		46,689,943	20.88 %

Notes: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(Continued)

**UNION INSURANCE CO., LTD.**  
**Notes to the Financial Statements**

**(14) Segment information:**

(a) General information

The Company primarily conducts its business in property insurance, which is the single mostly significant business unit for the Company, furthermore major decisions are based on the business activity's company-wide report to determine performance evaluation and the allocation of resources, therefore it is not necessary to individually disclose operational information of reportable segments.

(b) Region information

The Company's business is primarily located in Taiwan.

(c) Important client information

The Company does not receive premium revenue from any single customer which exceeds 10% of the direct written premiums received and there is no need to disclose major customer information.