

# Storebrand Helseforsikring AS

Annual Report 2023



# Annual Report

## About the company

Storebrand Helseforsikring is 50 per cent-owned by Storebrand ASA and 50 per cent-owned by Ergo International AG. The company offers medical expense insurance in the corporate and retail markets in Norway and Sweden. Its head office is located at Professor Kohts vei 9, Lysaker, Bærum. The company conducts its business through the head office in Norway and the branch in Sweden.

On 21 September 2023, the two holding companies announced that ERGO International AG is acquiring Storebrand ASA's 50% stake and will subsequently own the company 100%. The acquisition is subject to approval from Finanstilsynet, which is expected to come during the 1st quarter of 2024.

## Account of the financial statement

(Numbers in brackets are comparable figures from 2022).

The annual accounts have been drawn up in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which are in accordance with international accounting principles (IFRS), but with some adjustments. The result before tax expense was minus NOK 71.4 million (NOK minus 2.6 million).

Gross premium written was NOK 1 284.4 million (NOK 1 105.4 million), a 16.2 per cent increase compared with 2022. Premium income for own account was NOK 1 217.7 million (NOK 1 054.5 million). The largest growth in premium income is in Norway with 14 per cent and in Sweden in local currency, the increase is 12 per cent. Increased premium income is mainly due to price adjustments. The demand for medical expense insurance in the market remains high and Storebrand Health has a leading market position in Norway in terms of written premiums. Health insurance have increased in popularity as an employee benefit.

Claims incurred for own account were NOK 1 083.8 million (NOK 882.1 million) for the year, an increase of 22.9 per cent in 2023. The claims ratio was 89.0 per cent (83.7 per cent), an increase of 5.3 percentage points in 2023. The frequency of use and thus costs to cover psychological treatments has risen. The company assumes that this is due to the Covid-19 pandemic. Notified increases in premium prices in both Norway and Sweden is implemented from 2023. Further price increases will come in 2024. The company is monitoring the claims development closely to ensure a sound profitability.

In May 2023 there was an allocation to the Premium Deficiency Reserve of NOK 105.7 million. Thru 2023 the Premium Deficiency Reserve is reduced and stands at NOK 28.8 million as of 31.12.2023.

Insurance-related operating costs were NOK 209.0 million (NOK 180.1 million). The cost ratio was 17.2 per cent (17.1 per cent), a small increase from the previous year. This year's increase in operating expenses is mainly due to an increase in sales costs and IT development. The combined ratio was 108.5 per cent (100.7 per cent) in 2023.

Storebrand Helseforsikring achieved a financial return of 5.19 per cent (1.03 per cent) in the investment portfolio. At year end 2023 the investment portfolio consists of a bond fund issued by Storebrand Asset Management AS.

The result of the non-technical account totalled to NOK 32.3 million (NOK 4.7 million) for the year. Currency fluctuations resulted in a total net currency result, including the effects of currency derivatives, of minus NOK 5.7 million (minus NOK 0.8 million). In 2023 the Swedish krone has strengthened against the NOK. The result exchange rate changed from 0.9506 to 0.9960 and the balance sheet exchange rate from 0.9454 to 1.0078. The company has a conservative investment strategy, and the investment portfolio has low credit risk and short interest duration.

Total comprehensive result before tax ended at a loss of NOK 71.4 million (loss of NOK 2.7 million). The tax expense for 2023 was an income of NOK 18.2 million (income of NOK 1.1 million). Total comprehensive loss after tax expense is NOK 53.2 million (loss of NOK 1.6 million).

On May 25, 2023, a share issue of NOK 275 million was carried out split 50/50 between the company's two owners. A total of 2 000 new shares were issued, NOK 2 million as share capital and NOK 273 million in surplus funds. After the share issue, the company's financial position and solvency are very good.

Pursuant to the Norwegian accounting legislation, the board confirms that the company prepares the financial statements on the basis of a going concern assumption.

In the best judgment of the board, the annual financial statement for 2023 has been prepared in accordance with applicable accounting standards, and the information in the financial statement provides a fair and true picture of the company's assets, liabilities, financial standing and results. The board has no knowledge of events of material importance to the 2023 financial statement having occurred after the reporting date.

## Risks

Storebrand Helseforsikring continuously follows up and governs the company's risks.

### Business risk

Identification and management of business risk is an integral part of the company's managerial responsibilities. Systematic risk assessments are performed at the organization in relation to operational risks and adopted goals and strategies. These risk analyses are compiled into risk reports with associated risk-reducing measures that are presented to the company's board not less than yearly.

### Financial risk

Storebrand Helseforsikring's securities portfolio is mainly exposed to Norwegian credit papers with a good credit rating and short interest rate duration through the investment in the bond fund Storebrand Korte Renter SII. Assessment of price risk, interest rate risk, credit risk, counterparty risk and currency risk are central to management of the securities portfolio. The company conducts regular stress tests to analyze how any unusual market conditions affect the company's securities portfolio. The company checks that the risk level is always appropriate in terms of the company's ability to shoulder risk, and exposure is followed up against the limits set in the company's investment strategy.

### Insurance risk

Most of the insurance risk at Storebrand Helseforsikring is linked to the development in the cost of medical treatment. To reduce risk, agreements have been entered into with the largest suppliers of health services with which the company collaborates. To dampen the effect of major claims, the company has also written an 'excess of loss' reinsurance policy. The insurance risk is considered to be moderate, with the agreements that have been entered into.

### Macroeconomic situation

Storebrand Helseforsikring is affected by the uncertainty in the macroeconomic situation in the wake of the pandemic, the Russian invasion of Ukraine and turmoil's in Gaza and the Middle East. Economic uncertainty has had little effect on Storebrand Helseforsikring's results so far, but increased inflation may have a negative effect on both costs and claims ratio. Storebrand Helseforsikring follows the macroeconomic situation closely and will implement measures if needed.

## Climate risk

### Sustainability risk investments

For 2023, the conservative investment strategy has been retained, with the majority invested in an intercompany mutual fund with short interest duration and low credit risk. The fund is managed by Storebrand Asset Management, is fossil-free and otherwise follows Storebrand's expanded criteria for sustainable management and is classified as Article 8 of the SFDR. Article 8 funds are referred to as "light green products, which promote social and/or environmental characteristics".

### Environmental risk (climate and nature)

Climate risk often is divided into two categories: physical risk and transition risk. Physical climate risk is impacted by the extent and speed of climate change. The risk is that the insurance result may weaken if underwriting and pricing not sufficiently consider increased risk from climate changes. Transition risk is the main economic risk connected to the shift to the low emission society. The climate risk in Storebrand Helseforsikring AS is considered to be low because the health of the insured is only moderately influenced by the annual climatic changes.

### Social sustainability risk

The risk for customers is that in the event of inadequate information or advice, they may receive an insurance policy that is not adapted to their insurance needs. There will also be a risk associated with the customer's insurance needs changing without changes being made to their insurance coverages. Risks may be associated with aspects of the insurance products if terms or coverage are not suitable or do not cover a genuine insurance need of the product's target group or if the distribution strategy is not suitable for the target group. Efforts are being made to adapt the products to the EU taxonomy.

Clear routines for sales and advice, as well as training and authorisation of advisers and internal control reduce the risk that the insurance policies proposed to customers do not match the customers' insurance needs. The products have annual renewal and customers are informed to contact us if their insurance needs have changed. There will always be a risk that the customer's expectation/understanding of the insurance product does not match the coverage they have subscribed. A risk-reducing measure is to provide good information about the insurance product, alternative coverage and terms in all sales channels, in renewals and during the customer relationship. Annual review of all products and

digital purchasing solutions helps to ensure that the products cover real insurance needs of the customer target group. There is also a risk associated with new customers receiving benefits in the form of lower premiums through discounts that are not offered to existing customers. The use of rescue mandates can lead to differential treatment of customers in that customers who complain about price in renewal can obtain a discount in relation to customers who do not contact us. Discounts and rescue mandates are given to customers with assumed / experienced lower insurance risk. Differential treatment of customers may occur in claims settlement or other customer treatment, particularly in cases where discretion has been allowed.

#### **Risk of Storebrand Health Insurance**

If the insurance products we offer in the market do not cover the real insurance needs of the products' target group, this may result in dissatisfied customers and a reputational risk for the company. The Insurance Contracts Act stipulates that the insurance policies proposed must correspond to customers' insurance needs, and sales to the wrong target group are thus also a compliance risk.

#### **Sustainability risk corporate governance**

**Customers:** Conflicts of interest are a major source of sustainability risk for customers. The handling shall ensure that the customer's interests always take precedence over the company's interests and that all the company's customers shall be treated equally. The overall sustainability risk for customers from managing conflicts of interest is considered low. Privacy is a source of sustainability risk for customers as Storebrand Helseforsikring collects and manages large amounts of information for our customers that is necessary to deliver products and services. Risks arise if we store information that we no longer need or if we use information for purposes that the customer has not consented to. Another dimension is that the company may be exposed to threat actors gaining access to personal data. The Storebrand Group works continuously with information security to manage the risk and strengthen our resilience. Cyber-attacks are considered the biggest privacy risk.

**Society:** Money laundering and terrorist financing have major negative consequences for society. Storebrand Health Insurance is subject to extensive obligations through legislation and regulation. The risk is assessed as moderate to low. Corruption has major negative social consequences, and the company has zero tolerance and works actively against corruption, both in business activities and with our suppliers and partners. Tax payments are an important part of corporate social responsibility. Storebrand Helseforsikring follows the tax laws of the countries in which we operate and wishes to pay the correct tax, including following the intention behind the law. The company does not engage in aggressive tax planning.

**Employees:** The company is committed to having a safe and inclusive work environment that promotes diversity and equality. Storebrand Helseforsikring as an employer shall not discriminate based on gender, ethnicity, nationality or sexual orientation, including that wages shall be fair. The workload should be manageable and allow for work-life balance. Employees shall be given the opportunity to maintain and develop their competence.

**Suppliers:** Risk assessments related to human rights and decent working conditions are documented in the report pursuant to the Act on business transparency and work with fundamental human rights and decent working conditions. The supply chain can be a source of environmental risk. As a responsible purchaser of goods and services, the company uses its purchasing power to influence suppliers and partners to make the right choices to reduce the impact on nature and the climate.

#### **Sustainability risk corporate governance for Storebrand Helseforsikring**

In some areas, the risk and effect of risk-reducing measures coincide. To a large extent, efforts to ensure that corporate governance does not have negative consequences for employees will be positive for the company. A safe and inclusive working environment with motivated and competent employees with low sickness absence and limited turnover is positive, with a view to efficient operations and further development of Storebrand Helseforsikring. Similarly, work that ensures that suppliers are serious will be positive for the company. Storebrand Helseforsikring has a social responsibility to prevent money laundering and terrorist financing, corruption and market abuse. If this nevertheless happens, the negative consequence is generally greatest for society. The company's risk is that its activities may trigger sanctions and fines and that negative publicity results in loss of customers. The company's compliance risk and reputational risk therefore bridge the gap to society's risk, which is the purpose of much of the regulation. There are areas where Storebrand Helseforsikring must accept that low risk to the outside world results in increased costs, lower revenues or other constraints for the company. This applies to customers, and particularly related to conflicts of interest. The same applies to privacy, where we must refrain from using the information for other things than the customer has consented to, even if it could result in increased sales.

## Capital situation

Storebrand Helseforsikring AS had a total balance of NOK 1 244.1 million (NOK 880.9 million) at the end of 2023. Storebrand Health Insurance equity amounted to NOK 531.0 million (NOK 309.1 million). On May 25, 2023, a share issue of NOK 275 million was carried out. Excluding the increase in equity due to the share issue, there was a decrease of NOK 53.1 million from 2022. It is decided not to pay a dividend for 2023.

The solidity in Storebrand Helseforsikring AS is good and the company had a solvency margin of 251 per cent (146 per cent) for 2023. The company's strategy is to hold a solvency margin of approximate 150 per cent.

The company is subject to the EU Solvency II regulations for insurance companies, that is implemented in Norwegian legislation through "Finansforetaksloven" and regulations and uses the standard model for solvency calculations.

## An account of the work on due diligence assessments of human rights and decent working conditions Purpose and delimitation

Storebrand Helseforsikring AS (the "Company") is obliged to conduct due diligence in accordance with the OECD Guidelines for Multinational Enterprises and Work with Fundamental Human Rights and Decent Working Conditions (Transparency Act) 01.07.2022.

We will comply with universal human and labour rights and minimise the risk of breaches through our own operations and through the supply chain. Our own operations include influence through the financial services we offer and how we treat the company's workforce.

The purpose of this report is to make it easier for consumers, organisations and other stakeholders to gain insight into how Storebrand Helseforsikring AS works with human and employee rights, and whether we have either caused, contributed to, or are directly associated with violations of these rights.

In addition to this report, reference is made to [the Storebrand Group's joint report pursuant to the Transparency Act](#). Chapter 3 in the Storebrand Group's report describes the guidelines for work on human rights, these guidelines apply to Storebrand Helseforsikring AS.

## Organisation

### Organisation in the Storebrand Group

Storebrand Helseforsikring AS is not formally integrated into the Storebrand Group but is connected to the Group. Responsible parties have been identified in each company in the Storebrand Group to ensure that risk assessments are regularly carried out, both with regards to the supply chain and business partners, but also with regards to own operations. Reference is made to [the Storebrand Group's joint statement](#) pursuant to Chapter 2.1 of the Transparency Act for more information.

### Organisation in Storebrand Helseforsikring AS

Storebrand Helseforsikring AS is a joint venture in which Storebrand ASA and ERGO International AG each hold a 50 percent stake. The Company provides insurance coverage for necessary medical treatment costs in the private and corporate markets in Norway and Sweden. The Company conducts its operations through the head office in Norway and a branch office in Sweden.

In September 2023, Storebrand ASA entered into an agreement with ERGO International AG to sell its 50 percent ownership stake in Storebrand Helseforsikring AS to ERGO International AG.

A common framework for compliance with the Transparency Act has been established, and Storebrand Helseforsikring comply with these guidelines and procedures. In practice, the procedures for risk and due diligence assessments of Storebrand Helseforsikring AS's suppliers and its own operations are implemented within the central procurement function in the Storebrand Group. The CEO of Storebrand Helseforsikring AS is responsible for the implementation within the Company.

In the due diligence process, Storebrand ensures the participation of relevant internal stakeholders, such as experts in areas such as legal, risk, IT security, privacy, and/or compliance, in addition to external assistance. Part of the process involves a legal review and assessment, including evaluating whether the Company complies with relevant laws and regulations, such as the Transparency Act.

The Storebrand Group has established systems for complaints and whistleblowing. Employees can notify internally or externally through a third-party channel, and it is possible to submit a complaint from Storebrand's website or by contacting the customer service center.

## Suppliers

Storebrand has group-wide suppliers within IT and IT-operations, office management and cleaning, accounting, financial services and consultancy services. For a general overview of the Storebrand Group's suppliers, see chapter 2, section 3, of [the Storebrand Group's report](#).

Storebrand Helseforsikring AS has suppliers, subcontractors and other business partners within the EU/EEA. Sapiens Denmark AS provides Storebrand Helseforsikring with its core system. The agreement with the supplier is strictly regulated and has been entered into in accordance with applicable regulations. There is good and ongoing communication with the supplier.

Cognizant Worldwide Ltd delivers services such as insurance administration, insurance payouts, accounting, and analysis. The agreement is regularly monitored, and it complies with current regulations for outsourcing.

## Guidelines

Storebrand wish to be open and transparent about its work within human and labour rights. Therefore, we have a high degree of publicly available guidelines and documents. For an overview of governing documents and guidelines, see chapter 3 of [the Storebrand Group's report](#). These apply to all companies in the Storebrand Group.

## Risk and due diligence assessments

We assess the risk of human rights violations and decent working conditions through the use of suppliers and their subcontractors and through the distribution of financial services. The following presents the most significant risk areas for Storebrand Helseforsikring AS and associated mitigating measures.

The Storebrand Group's risks and risks to which its own employees are exposed are described in more detail in [the Storebrand Group's report](#) under chapter 4 of the reporting to Storebrand ASA.

IT and data security, as well as universal design and language, are two of the most significant risks identified for Storebrand Helseforsikring. During the reporting period, an elevated information security risk related to the processing of special categories of personal data has been identified. Storebrand Helseforsikring has conducted systematic internal work and collaborated with its system supplier to identify and implement measures that has reduced the risk to an acceptable level.

Additionally, there is an inherent risk that customers may experience inadequate support if their treatment needs are critical. However, the probability of this occurring in practice is low because acute injuries are not covered by the product offering, and customers can contact the Company through various channels such as phone, app, email, website, and postal mail.

## Methodology

The assessments are based on the extent to which the rights enshrined in the rights declarations below and the conventions are threatened, and what kind of consequences and harm a breach will entail.

- Universal Declaration of Human Rights (UDHR)
- International Covenant on Civil and Political Rights (ICCPR)
- International Covenant on Economic, Social and Cultural Rights (ICESCR)
- United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- United Nations Convention on the Rights of the Child (CRC)
- The fundamental rights of the International Labour Organization (ILO)

For a detailed description of the framework, see [the Storebrand Group's report](#).

## Sustainability

Storebrand Helseforsikring offers health insurance to private customers, business customers and public enterprises. We must be close to the customer and know them so well that we can always help them with what they need. Customers must be confident that we put their needs first.

Storebrand Helseforsikring must take sustainability into account, both through the products and services and through the collaboration with suppliers and partners. The work is based on these principles:

- Through our activities, we will contribute to achieving the UN Sustainable Development Goals, as well as associated national and international goals that the authorities in which we operate have committed themselves.
- We will prioritise work on selected SDGs where we can have a significant impact – and which significantly affect us.
- We will help our customers make more sustainable choices, through the products and services we offer.
- We are a responsible employer.

- We must take sustainability into account in all processes and decisions – from the boards and Group management, who have overall responsibility, to every manager and employee.
- We collaborate with customers, suppliers, authorities and partners in our work with sustainability.
- We are open about our sustainability work and about the results we achieve.

Storebrand Helseforsikring have the same principles related to sustainability as the Storebrand Group. The Storebrand Group is open about the sustainability work and reports in accordance with several leading reporting standards, including the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD) and CDP (formerly the Carbon Disclosure Project), in line with the expectations of a number of important stakeholders. Strategic ambitions, specific goals, reporting and communication about sustainability are important success criteria in the work. In addition, the Storebrand Group engage in international initiatives such as the Net Zero Asset Owner Alliance, the UN Principles for Sustainable Insurance (PSI) and Climate Action 100+ to collaborate with other like-minded players to find solutions to global sustainability challenges and set requirements to reach zero emission targets.

The sustainability report is integrated into the annual report of Storebrand ASA and follows GRI's (Global Reporting Initiative) standards for reporting. All information about the Group's sustainability work is easily available in Storebrand's sustainability library on our website.<sup>1)</sup>

### **Sustainable finance**

Storebrand's ambition is to set the agenda for sustainable finance. We believe that sustainability considerations provide the best possible future risk-adjusted returns for customers and owners, and that failure to take into account climate, nature and social conditions can pose a major risk of loss of value. As a financial player, Storebrand can both influence developments in society and is also influenced by societal developments, which provide both risks and opportunities.

The financial industry plays an important role in financing the transition to a sustainable society, through investments, lending activities and insurance. This is recognized and institutionalized through the EU's Green Deal, which aims to ensure a climate-neutral and competitive Europe. One of ten initiatives in the Green Deal is about financing the transition by directing capital towards more sustainable activities, establishing transparency about companies' sustainability efforts and integrating sustainability into risk assessments.

Storebrand's work on sustainable finance is described in more detail in the chapters A driving force for sustainable investments and Sustainability in insurance in Storebrand's annual report.

### **Climate and environment**

Storebrand's biggest impact on climate change comes from financed emissions through our investments. Because we are a significant owner of assets with global positions, we see climate change as one of the areas where we can indirectly contribute positively or negatively to society – and this can affect us negatively. To reduce the negative impact on climate change, we have defined science-based and verified targets for investments and our own operations. Storebrand's overall ambition is to contribute to achieving the Paris Agreement and a maximum temperature increase of 1.5°C.

In our own operations, we aim to reduce greenhouse gas emissions by 7.6 percent per year from the 2019 level, in line with the 1.5°C target and the conclusions of the UN Emissions Gap report 2019. We also have the following science-based goals. These have been verified by the Science Based Targets Initiative.

- Storebrand commits to reduce absolute emissions (scope 1-2) by 52% by 2030, with 2018 as the base year
- Storebrand commits to continue with the annual purchase of 100% renewable electricity until 2030<sup>2)</sup>

To reduce emissions in our own operations, we are working to become more energy efficient, reduce waste generation, increase the proportion of waste sorted, and reduce our carbon footprint in connection with business travel and commuting. At Storebrand, we have an internal carbon tax for air travel that provides insight into the department's travel habits. The money from the carbon tax is used to purchase carbon credits and other climate-compensating activities. The system was further developed in 2023 to give us increased insight into the drivers behind air travel and mitigation measures. In 2023, the number of flights in the Group increased and we exceeded the target level in CO<sub>2</sub> emissions from our flights. We are now back to about the same level as in 2019, before the pandemic. We are working diligently on measures to reverse the trend, including through updated business travel guidelines and internal carbon price assessments.

Storebrand's work on climate is described in more detail in the chapter Climate change and A driving force for sustainable investments in Storebrand's annual report.

<sup>1)</sup><https://www.storebrand.no/en/sustainability/sustainability-library>

<sup>2)</sup> We have used a location-based method for our scope 1-2 emission goals for our own business, but we have also included a market-based goal for the procurement of renewable electricity.

## Own employees

Storebrand Helseforsikring has a significant influence on employee well-being, although the extent of the impact is largely limited to internal conditions at Storebrand. Storebrand's employees constitute our most important source of innovation, development and growth. We need employees who are courageous pioneers, who challenge and think creatively to contribute to financial security and freedom for our customers. Work with ethics, corporate social responsibility and sustainability constitutes an important value base for our business. Our People strategy aims to create a balance between value creation seen from a customer and employee perspective, a profitability perspective and a sustainability perspective. We will develop an organization that works every day to give our customers a future to look forward to. We do this by delivering financial security and freedom through knowledge sharing and advice, as well as financial products and services. Our customers will experience that we have both competence and commitment to what we do. Our work with sustainability also helps to attract motivated talents and strengthen the Storebrand brand among current and future employees. We were early adopters of artificial intelligence (AI) as an important part of our strategy. We shared our vision and knowledge of AI with all our employees at Storebrand Day in 2023, our annual employee day.

Employee surveys showed that the high level of engagement among our employees remained stable in 2023.

In 2023, we continued to facilitate customized skills development for all our employees, based on dialogue with each individual. Planning for future skills needs can give Storebrand a competitive advantage that can lead to increased profits. Our work with diversity and equal opportunities can yield indirect financial gains as a result of external attention and a good reputation. We always strive to be an organization characterized by inclusion and belonging. All Storebrand employees shall be treated equally, regardless of age, gender, disability, cultural background, religious beliefs or sexual orientation, both in recruitment processes and throughout their employment. We have zero tolerance for harassment and discrimination.

In 2023, 50 per cent of the company's board members were women. There are 33 per cent women with management responsibility in the company.

Storebrand's long-term ambition is to ensure a safe and secure working environment for all employees, both physically and mentally, as well as to protect the environment in which we operate. Storebrand has a high standard for this and works systematically on measures to prevent the risk of injury, protect our employees and further develop a good and safe working environment. Among the Group's most important goals this work is a stable and low sickness absence rate of less than 3.5 per cent and zero physical injuries. Sickness absence among employees was 2.07 per cent in 2023. Storebrand had no accidents involving personal injury in 2023. There have been no cases of property damage.

Storebrand's work on gender equality, personnel management, working environment and ethical rules is described in more detail in the chapter's *Own employees* and corporate governance and compliance in *Storebrand's annual report as well as a separate report on equality and discrimination*.

## Financial remuneration

The financial remuneration in Storebrand Helseforsikring shall contribute to attracting, developing and retaining competent, motivated and adaptable employees who contribute to the Group's long-term value creation. Storebrand's remuneration policy is described in more detail in the chapters Shareholder Relations and Corporate Governance in Storebrand's annual report.

## Customers and end users

We offer health insurance solutions that help individuals and businesses achieve financial security and freedom. This is how we can influence society in a positive way. The company's ability to deliver financial security and freedom is critical to attracting customers. When customers take steps to secure their financial future together with Storebrand, they should feel confident that they have made good choices. Customers should experience that we offer relevant and good products.

The principle "customer first" is the starting point for all customer contact. This is reflected in our service standards:

**Trustworthy** – I keep my promises and I'm a professional

**Caring** – I treat everyone individually, help them and give advice

**Enthusiastic** – I am positive and exceed expectations

**Efficient** – I make the customer journey easy and improve the organization

We work to build strong relationships with corporate customers and their employees through comprehensive and customized follow-up. Through digital solutions, customer seminars and advice, we make it easier for corporate customers to have a conscious relationship with their own health insurance schemes. We have qualified advisors and emphasize the use of simple and understandable communication.

We want to increase the number of satisfied and loyal customers through good digital customer experiences. The interaction between digital services and automated processes is the key to efficient distribution and service, and a prerequisite for a profitable and future-oriented Storebrand in the years to come. Through investments in technology and defined digitalization programs in each business area, we ensure competitiveness in the market.

The company's work on customer relations is described in more detail in the chapter Customers and end users in Storebrand's annual report.

### **Corporate governance and compliance**

In order to build and maintain the trust our customers, shareholders, authorities and society at large have in us, we are conscious of how governance and control mechanisms help shape the corporate culture in the company. This is about what values we promote, how each employee behaves and how we facilitate compliance with internal and external regulations. Our culture influences, among other things, how we interact, make decisions and how we behave in everyday work. All employees must take mandatory courses in sustainability, ethics, anti-corruption, data protection, information security, money laundering and terrorist financing and sustainability every year.

Our approach is to work purposefully to develop our employees' competence, identify risks and opportunities, and develop our internal regulations. This helps build a culture of open communication, trust and respect, while promoting diversity and inclusion, learning and accountability. The company works actively to build and maintain an open corporate culture.

### **Privacy and digital trust**

Digital developments increase the risk that personal data can go astray, be stolen or shared with unauthorized persons. Our customers and employees must be able to trust that we manage their personal data responsibly. This requires that we have good security measures, a well-established framework for data protection and good compliance with this. In addition, our employees must know how to handle personal data properly in their daily work and in our business in general.

### **Efforts to combat money laundering and terrorist financing**

Storebrand Helseforsikring shall act consistently and in accordance with relevant legislation in matters concerning money laundering, terrorist financing and other financial crime, and prevent our companies from being misused for such purposes. This requires systematic and continuous work. We seek to achieve this through good routines, training and continuous follow-up of our customers and partners.

### **Anti-corruption efforts**

At Storebrand Helseforsikring, we have zero tolerance for corruption and other financial irregularities. Corruption can lead to economic instability and is punishable by law in all countries where Storebrand operates. The trust our customers and the outside world have in us, but also in the financial industry in general, will be adversely affected by a possible corruption case. Therefore, it is important for us to help promote ethics, active ownership and accountability because it helps fight corruption. We work continuously to identify internal areas with a high risk of corruption. We also have a number of measures in place to prevent fraud.

### **Information security**

As a financial institution, our digital solutions and infrastructure are critical for society. We manage large amounts of information for our customers. We can be an attractive target for a number of threat actors due to our market position, our customers, suppliers, partners and employees. We work with information security by seeing people, processes and technology as a whole. In order for Storebrand to run a sound financial business and increase our innovation power in the years to come, secure and stable IT solutions and infrastructure are a prerequisite. We therefore work continuously and strategically with information security to manage risk and to strengthen our resilience.

### **A responsible value chain**

Purchasing is an area where we can influence our suppliers in a more responsible direction. In our business, we have a significant proportion of outsourcing. This requires stricter procedures for monitoring working conditions, safeguarding human rights and dealing with environmental pressures in the value chain. A key objective is to avoid agreements with suppliers where production processes or products violate international agreements, national legislation or internal guidelines. Through our own operations and procurement activities, we shall contribute to sustainable development, and to ensuring that human rights and labour rights are not violated. Since 2020, we have set ambitious climate requirements for our suppliers. In 2023, we adjusted these requirements. We maintain high ambitions, while at the same time encouraging suppliers to take concrete measures in their own operations rather than purchasing carbon credits in their work towards net zero, as well as reducing the risk of greenwashing. Our updated concrete targets mean that by 2050, suppliers will reach net zero greenhouse gas emissions from their operations through:

1. Measure and report greenhouse gas emissions from operations
2. By the end of 2025, set science-based climate targets in line with relevant industry standards to reduce greenhouse gas emissions
3. Reduce emissions as much as possible through own actions and introduce appropriate measures to compensate for own emissions that cannot be avoided

Storebrand's work on corporate governance is described in more detail in the chapter Corporate governance and compliance in Storebrand's annual report.

#### **Insurance for board members and company management**

The Board and senior executives are covered by the company's ongoing board liability insurance. This is placed with insurers with a solid rating.

Within the framework of the insurance coverage, the insurer will pay compensation for economic loss resulting from claims brought against the insured persons for personal management liability during the insurance period.

#### **Board and management changes**

Gunnar Andreas Hvattum Heiberg is replacing Per Lindberg in the board. Anja Berner has taken over the position of Chairman of the Board from Heidi Skaaret who remains a member of the board.

#### **Prospects for the Future**

Storebrand Helseforsikring is a major player in the health insurance market and has established a market-leading position in high-quality treatment covers. The market is still growing but is also characterized by high competition intensity, increased price pressure and increased frequency of claims payments. Storebrand Helseforsikring has a competitive advantage due to the quality of claims settlement, unlimited liability period, a comprehensive national and international network of high-quality hospitals, and agreements with specialist clinics, and owners with extensive industry experience.

At the end of the year, Storebrand Helseforsikring's total customer base was 233,000 insured persons. The most important sales channels in Norway were Storebrand's distribution network, Frende and brokers. The most important distribution channels in Sweden were SPP, Handelsbanken and brokered channels.

Both the retail and the corporate markets for health insurance have historically been profitable but since the Covid-pandemic the company sees a strong increase in claims. Greater pressure on margins means that one of the main challenges in the future will be to implement solutions that support cost-efficient and profitable operation, and which further strengthen the growth in volume. Storebrand Helseforsikring wants to meet the increased competition in the market with market-adapted products at the right price and level of quality for customers. The market is expected to grow at the present rate for both corporate and privately paid health insurance.

The board wishes to thank the company's customers for their constant feedback regarding improvements to the company's processes, other business contacts, and the employees for a good collaboration in 2023.

#### **Allocation of result for the year**

The 2023 result for Storebrand Helseforsikring AS was minus NOK 53.2 million (minus NOK 1.6 million).

In the Board's opinion the company's equity is satisfactory and reasonable in view of the company's business activities.

The Board proposes to the General Meeting the following allocation of result (amounts in NOK million):

<b>NOK million</b>	<b>2023</b>
Dividend	0.0
Transferred to guarantee reserve	3.0
Transferred to other equity	-56.2
<b>Total</b>	<b>-53.2</b>

Lysaker, 05 March 2024  
The Board of Storebrand Helseforsikring AS

Translation not to be signed

Anja Berner  
Chairman

Ronald Helmut Kraule

Gunnar Andreas Hvattum Heiberg

Heidi Skaaret

Ketil Eilev Bøe

Beate Palkin Berntsen

Bjarke Thorøe  
CEO

# Statement of Comprehensive Income

## Storebrand Helseforsikring

1. January - 31. December

NOK thousand	Note	2023	2022
<b>TECHNICAL ACCOUNTS</b>			
PREMIUMS			
Gross premiums earned		1 220 692	1 057 369
- Reinsurers' share		-3 009	-2 902
<b>Premium income for own account</b>	<b>11,12</b>	<b>1 217 683</b>	<b>1 054 467</b>
Other insurance related income		278	354
CLAIMS EXPENSES			
Incurred claims gross		-1 087 517	-883 033
- Reinsurers' share		3 730	952
<b>Claims expenses for own account</b>	<b>5,12</b>	<b>-1 083 787</b>	<b>-882 081</b>
INSURANCE RELATED OPERATING EXPENSES			
Sales expenses		-81 006	-69 103
Insurance related administration expenses (incl. commissions for reinsurance receivable)		-128 022	-110 992
<b>Insurance related operating expenses</b>	<b>13,14,15,16</b>	<b>-209 028</b>	<b>-180 095</b>
<b>Change in Premium Deficiency Reserve</b>	25	-28 801	
<b>Technical profit</b>		<b>-103 654</b>	<b>-7 355</b>
NON-TECHNICAL ACCOUNTS			
NET INCOME FROM FINANCIAL ASSETS			
Interest and dividend etc from financial assets		29 130	6 635
Change in value on investments		5 845	-906
Realised gain and loss on investments		6 674	-3 251
<b>Net income from investments</b>	<b>17</b>	<b>41 649</b>	<b>2 478</b>
Other income		1 941	3 003
Other expenses		-11 329	-782
<b>Non-technical profit</b>		<b>32 261</b>	<b>4 699</b>

<b>NOK thousand</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Pre tax profit</b>		<b>-71 394</b>	<b>-2 656</b>
Tax	18	18 245	1 053
<b>Profit/loss for the year</b>		<b>-53 149</b>	<b>-1 603</b>
OTHER COMPREHENSIVE INCOME ELEMENTS AND EXPENSES NOT TO BE RECLASSIFIED TO PROFIT/LOSS			
Change in actuarial assumptions		-8	-36
Tax on other comprehensive income and expenses not to be reclassified to profit/loss		2	9
<b>Total comprehensive income</b>		<b>-53 155</b>	<b>-1 630</b>

# Statement of financial position

## Storebrand Helseforsikring

NOK thousand	Note	2023	2022
<b>ASSETS</b>			
Intangible assets		82 167	101 234
<b>Total intangible assets</b>	<b>19</b>	<b>82 167</b>	<b>101 234</b>
<b>FINANCIAL ASSETS AT FAIR VALUE</b>			
Bonds and other fixed-income securities	21	783 277	467 219
Financial derivatives	22	428	
<b>Total financial assets at fair value</b>	<b>8,10,20</b>	<b>783 705</b>	<b>467 219</b>
<b>RECEIVABLES</b>			
Receivables in connection with direct business transactions			
- Due from policyholders	24	301 581	269 055
Receivables from reinsurers		1 331	
Other receivables	24	15 048	10 444
<b>Total receivables</b>		<b>317 960</b>	<b>279 498</b>
<b>OTHER ASSETS</b>			
Cash and cash equivalents	8,20	44 341	28 109
Tax assets	18	11 430	
Pension assets	14	36	38
<b>Total other assets</b>		<b>55 807</b>	<b>28 148</b>
Prepaid costs and income earned not received		4 420	4 779
<b>Total prepaid costs and income earned not received</b>	<b>24</b>	<b>4 420</b>	<b>4 779</b>
<b>Total assets</b>		<b>1 244 060</b>	<b>880 878</b>
<b>EQUITY AND LIABILITIES</b>			
<b>PAID IN CAPITAL</b>			
Share capital		35 000	33 000
Share premium reserve		395 000	122 000
<b>Total paid in capital</b>		<b>430 000</b>	<b>155 000</b>
<b>EARNED EQUITY</b>			
Allocation to guarantee scheme		22 766	19 770
Other earned equity		78 195	134 345
<b>Total earned equity</b>		<b>100 961</b>	<b>154 115</b>

NOK thousand	Note	2023	2022
GROSS INSURANCE LIABILITIES			
Reserve for unearned premiums gross		476 687	395 920
Premium Deficiency Reserve		28 863	
Claims reserve gross	5	161 956	110 851
<b>Total insurance liabilities gross</b>	<b>25</b>	<b>667 506</b>	<b>506 771</b>
RESERVES FOR LIABILITIES			
Period tax liabilities	18		780
Deferred tax	18		6 817
<b>Total reserves for liabilities</b>		<b>0</b>	<b>7 598</b>
LIABILITIES			
Liabilities in connection with direct insurance	26	25 768	34 738
Financial derivatives	22		4
Liabilities to related parties	27		499
Other liabilities	26	6 441	12 076
<b>Total liabilities</b>	<b>20,26</b>	<b>32 209</b>	<b>47 317</b>
Accrued expenses and received, unearned income			
		13 385	10 077
<b>Total accrued expenses and received, unearned income</b>	<b>20,26</b>	<b>13 385</b>	<b>10 077</b>
<b>Total equity and liabilities</b>		<b>1 244 060</b>	<b>880 878</b>

Lysaker, 05 March 2024  
The Board of Storebrand Helseforsikring AS

Translation not to be signed

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CEO

# Statement of cash flow

## Storebrand Helseforsikring

NOK thousand	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Paid-in premiums gross insurance	1 284 486	1 075 219
Paid-out claims gross insurance	-1 061 483	-858 577
Tax payable for the period	-780	-6 853
Net receipts/payments operations	-200 183	-173 585
<b>Net cash flow from operating activities before financial assets</b>	<b>22 039</b>	<b>36 204</b>
Net receipts/payments - financial assets	-274 841	-9 591
<b>Net cash flow from financial assets</b>	<b>-274 841</b>	<b>-9 591</b>
<b>Net cash flow from operating activities</b>	<b>-252 802</b>	<b>26 613</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net receipts/payments – sale/purchase of fixed assets/intangible assets	-5 966	-6 656
<b>Net cash flow from investing activities</b>	<b>-5 966</b>	<b>-6 656</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuing of share capital and other equity	275 000	
Dividends paid	0	-18 000
<b>Net cash flow from financing activities</b>	<b>275 000</b>	<b>-18 000</b>
<b>Net cash flow for the period</b>	<b>16 232</b>	<b>1 957</b>
of which net cash flow for the period before financial assets	291 073	28 109
Net movement in cash and cash equivalent assets	16 232	1 957
Cash and cash equivalent assets at the start of the period	28 109	26 153
<b>Cash and cash equivalent assets at the end of the periode</b>	<b>44 341</b>	<b>28 109</b>

# Statement of change in equity

## Storebrand Helseforsikring

NOK thousand	Share capital	Share premium reserve	Total paid in capital	Guarantee scheme	Other equity	Total retained earnings	Total equity
<b>Equity 01.01.22</b>	<b>33 000</b>	<b>122 000</b>	<b>155 000</b>	<b>17 191</b>	<b>138 554</b>	<b>155 745</b>	<b>310 745</b>
Profit					-1 603	-1 603	-1 603
Change in guarantee reserve				2 579	-2 579	0	0
Change in pension experience adjustments					-36	-36	-36
Tax on other comprehensive income					9	9	9
Share dividend					0	0	0
<b>Equity 31.12.22</b>	<b>33 000</b>	<b>122 000</b>	<b>155 000</b>	<b>19 770</b>	<b>134 345</b>	<b>154 115</b>	<b>309 115</b>
Paid-in capital	2 000	273 000	275 000				275 000
Profit and loss					-53 149	-53 149	-53 149
Change in guarantee reserve				2 996	-2 996	0	0
Change in pension experience adjustments					-8	-8	-8
Tax on other comprehensive income					2	2	2
Share dividend					0	0	0
<b>Equity 31.12.23</b>	<b>35 000</b>	<b>395 000</b>	<b>430 000</b>	<b>22 766</b>	<b>78 195</b>	<b>100 961</b>	<b>530 961</b>

NOK thousand	Number of shares	Nominal value	Share capital
Storebrand ASA	17 500	1	17 500
Ergo International AG	17 500	1	17 500
<b>Total share capital</b>	<b>35 000</b>		<b>35 000</b>

# Notes

## Storebrand Helseforsikring

### Note 1 - Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which is in accordance with international accounting principles (IFRS), but with some adjustments. As of the 2023 financial year, IFRS 9 has been included in the company accounts for Storebrand Helseforsikring AS. The company has chosen not to implement IFRS 17 for the 2023 financial year.

#### 1.1 - Changes in accounting policies

For Storebrand Helseforsikring, the implementation of IFRS 9 is not expected to have a material effect on the company as the financial assets are measured at fair value through the result.

#### IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 and was generally effective from 1 January 2018. For insurance-dominated groups and companies, however, IFRS 4 permits postponement of implementation of IFRS 9 until implementation of IFRS 17. The regulation on annual accounts for non-life insurance companies specified that IFRS 9 had mandatory implementation for annual accounts commencing on or after 1 January 2023. Storebrand Health Insurance qualified for deferral of IFRS 9 and IFRS 9 will be implemented from 1 January 2023.

The financial assets of Storebrand Helseforsikring are measured at fair value through the result.

Classification and measuring after IAS 39 vs IFRS 9 per 01.01.2022:

#### IFRS 9 - Financial instruments to amortised cost and FVOCI

NOK thousand	IAS 39 classification	IFRS 9 classification	Booked value after IAS39 1.1.2022	Fari value after IFRS9 1.1.2022
<b>Financial assets</b>				
Bank deposits	AC	AC	26 153	26 153
Accounts receivable and other short-term receivables	AC	AC	266 175	266 175
<b>Total financial assets</b>			<b>292 327</b>	<b>292 327</b>
<b>Financial liabilities</b>				
Other current liabilities	AC	AC	100 047	100 047
<b>Total financial liabilities</b>			<b>100 047</b>	<b>100 047</b>

## IFRS9 - Financial instruments at fair value

NOK thousand	IAS 39 classification	IFRS 9 classification	Booked value after IAS39 1.1.2022	Fair value after IFRS9 1.1.2022
<b>Financial assets</b>				
Bonds and other fixed-income securities (interest fund)	FVP&L (FVO)	FVP&L	456 078	456 078
<b>Total financial assets</b>			<b>456 078</b>	<b>456 078</b>
<b>Financial liabilities</b>				
Financial derivatives	FVP&L (FVO)	FVP&L	932	932
<b>Total financial liabilities</b>			<b>932</b>	<b>932</b>

AC = amortised cost  
FVP&L / FVO - fair value in profit/loss

### New IFRS rules that have not entered into force

There are no other new or amended accounting standards that have not entered into force that are expected to have a material effect on Storebrand Helseforsikring's accounts.

## 1.2 - Financial instruments - General policies and definitions

### Recognition and derecognition

Financial assets and liabilities are recognized in the statement of financial position from such time Storebrand Helseforsikring becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognized in the financial statements, it is valued at fair value. Initial recognition includes transaction costs directly related to the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability at fair value through profit or loss.

Financial assets are derecognized when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognized in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

### Financial assets at fair value through net income

Financial assets at fair value through net income are measured at fair value on the balance sheet date. Changes in fair value are recognized in the result.

### Receivables

Loans and receivables are non-derivative financial assets with payments that are fixed or determinable and which are not quoted in an active market, except those that the entity intends to sell immediately or in the short term that are classified as held for turnover, and those that the company initial recognition designates as at fair value through profit.

## 1.3 - Accounting for the insurance business

Storebrand Helseforsikring's insurance contracts are calculated in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies.

Insurance premiums are recorded as income according to the insurance period. Costs related to claims are recognised when the claims occur.

### 1.3.1 - Unearned premiums (premium reserve)

Reserve for unearned premium concerns on-going policies that are in force at the time the financial statements were closed and is intended to cover the contracts' remaining risk period. Accrued entitlements are calculated on a pro rata basis and without any deduction for costs.

### 1.3.2 - Premium Deficiency Reserve

A premium deficiency reserve (PDR) is the amount needed if the unearned premiums collected may not be sufficient to meet future claims and expenses.

### **1.3.3 - Claims reserve**

The claims reserve is a reserve for expected claims that have been reported, but not settled. In addition, claims reserves shall include a separate provision for future losses on claims that have not been settled.

### **1.3.4 - Guarantee scheme**

A required provision for non-life insurance companies. The reserve is intended to help ensure that the insured obtains settlement in relation to policies entered. The reserve is included in retained earnings. The guarantee applies only to Norwegian business and therefore not calculated guarantee reserve of the business in the Swedish branch.

### **1.4 - Pension liabilities for own employees**

Storebrand Helseforsikring has a defined contribution pension scheme. The defined contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The company does not have any further work-related obligations after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined contribution pension schemes are recognised directly in the financial statements.

Storebrand is a member of the Norwegian contractual early retirement (AFP) pension scheme. The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable accounting obligations and costs.

### **1.5 - Intangible assets**

The company's intangible assets comprise of IT systems. Intangible assets with limited useful economic lives are measured at acquisition cost less accumulated amortisation and any write downs. The useful life and amortisation method are measured each year. With initial recognition of intangible assets in the balance sheet, it must be demonstrated that probable future economic benefits attributable to the asset will flow to the company. The cost of the asset must also be measured reliably. The value of an intangible asset is tested for impairment when there are indications that its value has been impaired.

### **1.6 - Tax**

The tax expense in the income statement comprises current tax and changes to deferred tax and is based on the accounting standard IAS12 Income Taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities. Deferred tax is calculated on the basis of the company's tax loss carry forwards, deductible temporary differences and taxable temporary differences. Any deferred tax assets shall be recognized if it is considered probable that the tax asset will be recovered.

### **1.7 - Foreign currency**

Figures for the Swedish branch is converted to Norwegian kroner by recalculating the income statement using the average exchange rate for the year in question and by converting the balance-sheet using the exchange rate at the end of the financial year. Any difference arising from the conversion is reflected in the ordinary profit.

## **Note 2 - Important accounting estimates and judgments**

In preparing the financial statements the management is required to make judgments, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statements were prepared. Actual results may differ from these estimates.

The most important estimates, in the sense that their ultimate realization could lead to material adjustments of recognized amounts, are the claims reserves. Estimates are made for expected payments for the period up to the renewal date for contracts in force (unearned premiums gross) and expected remaining payments for incurred but not finally settled claims (claims reserve). There is uncertainty connected to the frequency, size and late reporting of claims, and estimates changes may cause increases or reductions in reserves and corresponding changes in claims costs reported in the accounts.

## Note 3 - Risk management and internal control

The company's premium income and results are affected by external factors that gives uncertainty. The main external risk factors are the development of the financial markets and the cost development for medical treatment. Internal operational factors may also cause losses, e.g. errors in underwriting or claims payments.

Continuous monitoring and active risk management are core areas of the company's activities and organization. The basis for risk management is laid down in the Board's annual review of the strategy and planning process, which sets the risk appetite, risk targets and overriding risk limits for the operations. In the company, responsibility for risk management and internal control is an integral part of management responsibility.

### Organisation of risk management

The company's organization of the responsibility for risk management follows a model based on three lines of defence. The model safeguards risk management responsibility in the company.

The boards of directors have the overall responsibility for limiting and following up the risks associated with the activities. The boards set annual limits and guidelines for risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

Managers at all levels in the company are responsible for risk management within their own area of responsibility. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritization and implementation of improvement measures, and good communication, information and reporting.

### Independent control functions

Independent control functions are in place for risk management within the unit (Chief Risk Officer), for compliance with the regulations, that the insurance liabilities are calculated correctly (Actuary). The independent control functions are organised directly under the companies' managing director and report to the company's board.

Functionally, the independent control functions belong to Governance Risk & Compliance (GRC). GRC is a community of expertise led by the CRO Group. The CRO Group is subordinate to the CEO.

Internal Audit is directly subordinate to the Board of Directors and shall provide the Board with confirmation of the appropriateness and effectiveness of the enterprise's risk management, including the functioning of the lines of defense.

## Note 4 - Operational risk

Operational risk is the risk of financial loss, damaged reputation or sanctions related to violations of internal or external regulations as a result of ineffective, insufficient or defective internal processes or systems, human error, external events or rules and guidelines not being followed.

The purpose of operational risk management is to avoid operational incidents that impact customers, result in serious operational disruptions, violations of regulations and/or direct financial loss.

The company seeks to reduce operational risk through an effective system for internal control. Risks are followed up through the management's risk reviews, with documentation of risks, measures and the follow-up of incidents. In addition, Internal Audit carries out independent checks through audit projects adopted by the Board.

Contingency and continuity plans have been prepared to deal with serious incidents in business-critical processes.

Cyber risk is becoming an increasingly important operational risk. The threat picture for cybercrime has increased, partly as a result of organized crime and increased geopolitical sentiment. Technology advances enable the spread and increased automation of fraud, and an increasing targeting of cyber-attacks.

Cyber risk is becoming an increasingly important operational risk. The threat picture for cybercrime increased partly as a result of organised crime and increased geopolitical sentiment. Technology advances enable the spread and increased automation of fraud, and an increasing targeting of cyberattacks.

Our ability to manage cyber risk depends on good and proactive digital resilience. This entails a comprehensive security strategy, good plans for crisis management and continuity for our critical business processes, as well as training and practice on relevant scenarios. This helps to reduce risk and increase the likelihood of good handling of undesirable incidents.

The insurance platform is based on purchased standard systems that are operated and followed up through outsourcing agreements.

Stable and secure technology and infrastructure are vital to the business and for reliable financial reporting. Errors and disruptions may impact both customer and shareholder trust. In a phase of the transition to cloud-based technology services, greater attention is being paid to the complexity and integrations in existing solutions. Cloud-based services and infrastructure have good inbuilt security solutions and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. For those parts of the technology services that have been outsourced, risk-based follow-up of providers has been established with the aim of managing the risk associated with the IT systems' development, management, operation and information security.

## Note 5 – Insurance risk

Insurance risk occurs when the company receives a fixed amount, premium, to compensate for an insurance event described in the insurance agreement with the customer. Claims expenses can be both higher and lower than paid premiums. For Storebrand Helseforsikring most insurance risk will be associated with developments in the cost of medical treatment which has a direct effect on the company's claims expenses. To reduce this risk, agreements have been entered with the largest health services providers with which the company has working relationships. Storebrand Helseforsikring has also entered into a reinsurance agreement with Munich Re, which is the company's reinsurer, to offset the effect of large claims. The company has "excess of loss" protection for 80 per cent of all claims paid above NOK 550,000 per person per year.

### Development in insurance claim payment - P&C insurance:

NOK thousand	2018	2019	2020	2021	2022	2023	Total
<b>Calculated gross cost of claims</b>							
At end of the policy year	460 344	537 545	582 288	674 396	850 797	1 046 297	
- one year later	461 369	529 849	561 484	665 663	832 885		
- two years later	461 195	529 091	562 158	665 213			
- three years later	461 128	529 093	561 958				
- four years later	461 049	529 057					
- five years later	461 032						
Calculated amount 31.12							
<b>Total disbursed to present</b>	<b>460 962</b>	<b>528 935</b>	<b>561 687</b>	<b>664 478</b>	<b>829 937</b>	<b>908 317</b>	<b>3 954 316</b>
Claims reserve *)	71	124	271	734	2 948	138 366	142 514
Claims reserve for claims from prior years (before 2017)							178
<b>Total trend in claims disbursed *)</b>							<b>142 692</b>

\* Excluding claims handling costs which amounts to NOK 19,263 thousand in 2023

\* Business in SEK was converted from NOK to SEK with currency at 31.12.2023

## Note 6 – Financial market risk

Market risk is the risk of incurring losses on open positions in financial instruments due to changes in market variables and/or market conditions within a specified time horizon. Therefore, market risk is the risk of price changes in the financial markets, including changes in interest rates, and in the currency, equity, property or commodity markets, affecting the value of the company's financial instruments. Storebrand continuously monitors market risk using a range of evaluation methods. The potential for losses in the investment portfolio on a one-year horizon is calculated and the portfolios are stress tested pursuant to the statutorily defined stress tests as well as internal models.

Storebrand Helseforsikring's portfolio consists of interest-bearing investments and is therefore mainly exposed to changes to the interest rate markets. The duration of the portfolio is 0.58. The low duration, together with active follow-up of the portfolio's credit risk means that the exposure to market risk is deemed to be low.

## Note 7- Liquidity risk

Liquidity risk is the risk that the company will not have sufficient liquidity to meet its payment obligations when they fall due, or that the company will not be able to sell securities at acceptable prices. Storebrand Helseforsikring's insurance liabilities are usually known long before they fall due, but a solid liquidity buffer is still important for handling unforeseen events.

At the same time company-specific liquidity strategies have been drawn up in line with statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategy defines limits for allocations to various types of assets and means that Storebrand Helseforsikring generally has money market investments which can be sold if necessary.

## Note 8 Credit risk

Storebrand Helseforsikring has risk of loss associated with a counterparty does not meet their debt obligations. The risks include losses related to lack of contractual non-performance by counterparties to derivative financial instruments.

Maximum limits for credit exposure to individual debtors and for overall credit exposure within rating categories are set by the Board. Particular attention is paid to diversification of credit exposure to avoid concentrating credit risk on any particular debtors or sectors. Changes in the credit rating of debtors are monitored and followed up.

The table below shows the bond funds underlying investments.

### Credit risk by counterparty

Bonds and other fixed-income securities at fair value	AAA	AA	A	BBB	Total
Category of issuer or guarantor NOK thousand	Fair value	Fair value	Fair value	Fair value	Fair value 2023
Government and government guaranteed bonds		7 565			7 565
Corporate bonds	286 144	61 200	349 817	77 432	774 593
<b>Total interest-bearing securities 2023</b>	<b>286 144</b>	<b>68 765</b>	<b>349 817</b>	<b>77 432</b>	<b>782 159</b>
Non-interest bearing securities managed by Storebrand					1 119
<b>Total 2023</b>					<b>783 277</b>
Total interest-bearing securities 2022	165 247	50 820	175 267	71 616	467 219

	AAA	AA	A	BBB	Total
Counterparties NOK thousand	Fair value	Fair value	Fair value	Fair value	Fair value 2023
Derivatives		2 266	513		2 779
Of witch derivatives in bond funds, managed by Storebrand		2 266	85		2 351
<b>Total derivatives excluding derivatives in bond fund 2023</b>					<b>428</b>
Total derivatives excluding derivatives in bond fund 2022					
Bank deposits			47 284		47 284
Of witch bank deposits in bond funds, managed by Storebrand			2 943		2 943
<b>Bank deposit 2023<sup>1)</sup></b>		<b>44 341</b>	<b>44 341</b>		<b>44 341</b>
Bank deposit 2022		28 109			28 109

Rating classes are based on Standard & Poor's ratings.

<sup>1)</sup> of which tied-up bank deposits (tax deduction account) 1 226

## Note 9 - Climate risk

Storebrand Helseforsikring conducts a yearly assessment of climate risk in order to estimate the influence this risk has on the business financially, regulatory and reputation-wise. Climate risk often is divided into two categories: physical risk and transition risk. Physical climate risk is impacted by the extent and speed of climate change. Transition risk is the main economic risk connected to the shift to the low emission society. The climate risk in Storebrand Helseforsikring AS is considered to be low because the health of the insured is only moderately influenced by the annual climatic changes.

Reference is made to a further description of climate risk in the Annual Report.

## Note 10 - Valuation of financial instruments at fair value

The Investment Manager conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Bond funds are generally valued based on prices obtained from Nordic bond pricing.

The Investment Manager categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

### *Level 1: Financial instruments valued on the basis of quoted prices for identical assets in active markets.*

Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1. The Company has no such investments.

### *Level 2: Financial instruments valued on the basis of observable market information not covered by level 1.*

This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Bonds and equivalent instruments are generally classified in this level.

The company's investments are primarily in this category.

### *Level 3: Financial instruments valued on the basis of information that is not observable in accordance with level 2.*

Equities classified as level 3 are primarily investments in unlisted/private companies as well as funds consisting of these.

The company has no such investments.

NOK thousand	Level 2		Fair value	
	Observable assumptions	2023	2022	2022
<b>Bonds and other fixed income securities</b>				
Bond fund	783 277	783 277		
<b>Total bonds and other fixed income securities 2023</b>	<b>783 277</b>	<b>783 277</b>		
Total bonds and other fixed income securities 2022	467 219			467 219
<b>Derivatives:</b>				
- Currency derivatives	428	428		
<b>Total derivatives 2023</b>	<b>428</b>	<b>428</b>		
Total derivatives 2022	-4			-4

## Note 11 – Premium income per country

### Breakdown between operations in Norway and Sweden:

NOK thousand	Norway		Sweden		Total	
	2023	2022	2023	2022	2023	2022
Gross premiums written	601 030	534 422	683 399	570 963	1 284 430	1 105 386
Gross premium earned	581 970	511 082	638 722	546 287	1 220 692	1 057 369
Reinsurers' share	-2 096	-2 030	-913	-872	-3 008	-2 901
<b>Earned premium for own account</b>	<b>579 874</b>	<b>509 052</b>	<b>637 809</b>	<b>545 415</b>	<b>1 217 684</b>	<b>1 054 468</b>

## Note 12 – Insurance profit and loss

NOK thousand	2023	2022
<b>Gross business</b>		
Written premiums	1 284 430	1 105 386
Earned premiums	1 220 692	1 057 369
Losses incurred	-1 087 517	-883 033
<b>Technical result gross</b>	<b>133 175</b>	<b>174 336</b>
<b>Ceded business</b>		
Earned premiums	-3 009	-2 902
Losses incurred	3 730	952
<b>Technical result ceded</b>	<b>721</b>	<b>-1 950</b>
<b>For own account</b>		
Earned premiums	1 217 683	1 054 467
Losses incurred	-1 083 787	-882 081
<b>Technical result for own account</b>	<b>133 896</b>	<b>172 386</b>
Losses incurred gross		
Incurring this year	-1 106 132	-891 224
Incurring in previous years	18 615	8 191
<b>Total for the financial year</b>	<b>-1 087 517</b>	<b>-883 033</b>

## Note 13 - Insurance-related sales and administration expenses

NOK thousand	2023	2022
<b>Personnel expenses</b>	20	56
Commissions	80 911	68 994
Other sales expenses	75	54
<b>Total insurance-related sales expenses</b>	<b>81 006</b>	<b>69 103</b>
Personnel expenses	31 825	25 319
Other insurance-related operating expenses	96 197	85 673
<b>Total insurance-related operating expenses</b>	<b>209 028</b>	<b>180 095</b>

## Note 14 - Pension expenses and liabilities

Storebrand Helseforsikring is obliged to have an occupational pension scheme pursuant to the Mandatory Occupational Pension Act. The company's pension schemes meet the requirements of the law.

Storebrand's employees in Norway have a defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:

- Saving starts from the first krone of salary.
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 118,620 at 31 December 2023)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.6 per cent in 2023 and will be 2.7 per cent in 2024.

There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (BTP). SPP has a defined-contribution occupational pension known as BTP1. All new employees were enrolled in this pension agreement from and including 1 January 2014. In BTP1, the employer pays a premium for pension savings that is calculated based on pensionable salary up to 30 times the "basic income amount" (inkomstbasbelopp). The insurance includes retirement pension with or without mortality inheritance, disability pension and children's pension. The premium is calculated independently of age and is calculated primarily based on the monthly salary. The premium is paid monthly in two parts, a fixed part that is 2.5 per cent of the pensionable salary up to and including 7.5 times the "basic income amount". The optional part of the premium is 2 per cent of salary up to and including 7.5 times the "basic income amount" and 30 per cent of salary between 7.5 and 30 times the "basic income amount".

Reconciliation of pension assets and liabilities in the statement of financial position:

NOK thousand	2023	2022
Present value of insured pension benefit liabilities	55	54
Pension assets as fair value	-139	-184
Net pension liability/surplus for the insured schemes	-84	-130
Upper limit pension funds	48	91
<b>Net pension liabilities in the statement of financial position</b>	<b>-36</b>	<b>-38</b>

Provision for employment taxes are included in the gross obligation.

**Booked in the statement of financial position**

NOK thousand	2023	2022
Pension assets	36	38
Pension liabilities		

**Changes in the net defined benefit pension liability in the period:**

NOK thousand	2023	2022
Net pension liability at 01.01.	19	72
Interest on pension liabilities	1	2
Experience adjustments	-1	-54
<b>Net pension liability at 31.12.</b>	<b>20</b>	<b>19</b>

### Changes in the fair value of pension assets in the period:

NOK thousand	2023	2022
Fair value of pension assets at 01.01	149	144
Expected return	7	4
Experience adjustments	-52	1
<b>Net pension assets at 31.12</b>	<b>104</b>	<b>149</b>
Expected premium payments (defined benefit) in 2024	2 500	
Expected AFP early retirement scheme payments in 2024	570	

### Pension assets are based on the financial assets held by Storebrand Life Insurance composed at 31.12:

NOK thousand	Storebrand Livsforsikring AS	
	2023	2022
Real estate	15%	14%
Bonds at amortised cost	48%	43%
Mortgage loans and other loans	14%	16%
Equities and units	6%	5%
Bonds	18%	20%
Other short term financial assets	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Life Insurance.

The book (realised) investment return on assets	0,8 %	0,5 %
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### Net pension cost booked to profit and loss account, specified as follows:

NOK thousand	2023	2022
Current service expenses		
Net interest expenses/expected return	-6	-2
<b>Total defined benefit pension schemes</b>	<b>-6</b>	<b>-2</b>
The period's payment to contribution scheme/AFP <sup>1)</sup>	3 752	3 745
<b>Net pension expenses booked to profit and loss account in the period</b>	<b>3 746</b>	<b>3 744</b>

<sup>1)</sup> 2019 is changed and includes employer tax

### Other Comprehensive Income (OCI) in the period

NOK thousand	2023	2022
Loss (profit) – change to the discount rate	-2	-55
Loss (profit) – experienced DBO	1	1
Loss (profit) – experienced pension funds	52	-1
Upper limit pension funds	-43	91
<b>Remeasurements loss (gain) in the period</b>	<b>8</b>	<b>36</b>

## Main assumptions used when calculating net pension liability at 31.12:

NOK thousand	2023	2022
Discount rate	3,9 %	3,8 %
Expected earnings growth	3,5 %	3,5 %
Expected annual increase in social security pensions	3,5 %	3,5 %
Expected annual increase in pensions in payment	0,0 %	0,0 %
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

### Financial assumptions:

The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly high degree of uncertainty. A discount rate determined by reference to covered bonds (OMF) is used. Based on observed market and volumes the Norwegian covered bond market, in Storebrands perception, must be defined as a deep market.

In determining the economic assumptions, company-specific factors, including increase in direct wages, also will be considered.

### Actuarial assumptions:

In Norway standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31 December 2023.

The actuarial assumptions in Sweden follow the industry's mutual mortality table DUS14 adjusted for corporate differences. The average employee turnover rate is estimated to be 4 per cent p.a.

## Note 15 – Remuneration of senior employees and elected officers of the company

The Managing Director is a member of Storebrand's pension scheme. At the end of the employment relationship the Managing Director has six months' notice. The company is under no obligation to give the Managing Director any special compensation payment at the end of the employment relationship.

NOK thousand	Ordinary salary	Other benefits <sup>1)</sup>	Total remuneration for the year	Pension accrued for the year	Loan <sup>2)</sup>
<b>Senior employees</b>					
Bjarke Thorøe	2 532	128	2 660	396	2 096
<b>Total 2023</b>	<b>2 532</b>	<b>128</b>	<b>2 660</b>	<b>396</b>	<b>2 096</b>
Total 2022	2 560	140	2 700	396	3 499

1) Comprises company car, telephone, insurance, concessionary interest rate, other taxable benefits.

2) Employees can borrow up to NOK 7.0 million at a subsidised interest rate at 4.89 % as of 31.12.23. Excess loan amounts will be subject to market terms.

The Company has no obligations towards the Chairman upon termination or change of position. Company pays directors' liability insurance for its board members.

NOK thousand	Remuneration
Board of Directors	150
<b>Total 2023</b>	<b>150</b>
Total 2022	154

## Note 16 - Remuneration paid to auditors

NOK thousand	2023			2022
	Norway	Sweden	Total	Total
Statutory audit	589	114	704	666
Other services			0	0
<b>Total</b>	<b>589</b>	<b>114</b>	<b>704</b>	<b>666</b>

The amounts above is including VAT.

## Note 17 - Net financial income

NOK thousand	Dividend/ interest income etc.	Net gains and losses on investments	Net revaluation on investments	Total
Net income on bonds and other fixed-income securities at fair value	29 130	1 963	5 412	36 505
Net income from derivatives	0	4 711	432	5 143
<b>Total gains and losses on financial assets at fair value 2023</b>	<b>29 130</b>	<b>6 674</b>	<b>5 845</b>	<b>41 649</b>
Total gains and losses on financial assets at fair value 2022	6 635	-3 251	-906	2 478

## Note 18 - Tax expenses

### Tax expenses in profit and loss

NOK thousand	2023	2022
Payable tax <sup>1)</sup>	0	798
Change in deferred tax	18 245	-1 851
<b>Total tax expenses</b>	<b>18 245</b>	<b>-1 053</b>

### <sup>1)</sup> Payable tax in the balance sheet

NOK thousand	2023	2022
Payable tax in profit and loss account	0	798
Prepaid taxes	0	-9 195
Tax receivables	0	9 177
<b>Payable tax in the balance sheet</b>	<b>0</b>	<b>780</b>

### Calculation of deferred tax assets and deferred tax on temporary differences and losses carried forward

NOK thousand	2023	2022
<b>Tax increasing temporary differences</b>		
Pension assets	36	38
Security reserve	25 652	32 065
<b>Total tax increasing temporary differences</b>	<b>25 689</b>	<b>32 104</b>

NOK thousand	2023	2022
Tax reducing temporary differences		
Fixed assets and intangible assets	-2 200	-4 124
Financial assets	2 371	-3 474
Allocations	0	-1 350
<b>Total tax reducing temporary differences</b>	<b>171</b>	<b>-8 948</b>
Net deferred tax assets/deferred tax before losses carried forward	25 859	23 156
Loss carried forward	-73 779	
Temporary differences not eligible for deferred tax	2 200	4 112
Net basis for deferred tax/tax assets	-45 719	27 268
<b>Net deferred tax asset/liability</b>	<b>-11 430</b>	<b>6 817</b>

#### Reconciliation of expected and actual tax charge

NOK thousand	2023	2022
Ordinary pre-tax profit	-71 394	-2 656
Expected tax on income at nominal rate	17 848	664
Tax effect of:		
permanent differences	-82	-89
temporary differences not eligible for deferred tax	478	478
<b>Tax charge</b>	<b>18 245</b>	<b>1 053</b>
Effective tax rate	25,6 %	39,6 %

## Note 19 - Intangible assets

NOK thousand	IT-systems	
	2023	2022
Acquisition cost 01.01	244 062	237 406
Additions in the period:		
Purchased separately	5 966	6 656
<b>Acquisition cost 31.12</b>	<b>250 028</b>	<b>244 062</b>
Accumulated depreciation & write-downs 01.01	-142 828	-117 372
Amortisation in the period	-25 032	-25 456
<b>Accumulated depreciation</b>	<b>-167 861</b>	<b>-142 828</b>
<b>Book value 31.12</b>	<b>82 167</b>	<b>101 234</b>

The intangible assets consist of IT systems. In 2018, the decision was made to invest in a new insurance system from the Danish provider TIA Technology. The system satisfies the requirements for activation in accordance with IAS 38.57 with all the demands fulfilled and will be amortized over the expected economic lifespan, which has been set at seven years. Tia was implemented in June 2021. Other IT-systems are depreciated over a period of 5 years.

## Note 20 - Classification of financial assets and liabilities

NOK thousand	Loans and receivables	Fair value in profit and loss	Liabilities at amortised cost	Total
<b>Financial assets</b>				
Bank deposits	44 341			44 341
Bonds and other fixed-income securities (interes fund)		783 277		783 277
Accounts receivable and other short-term receivables	317 960			317 960
Derivatives		428		428
<b>Total financial assets 2023</b>	<b>362 302</b>	<b>783 705</b>		<b>1 146 007</b>
Total financial assets 2022	307 607	467 219		774 827
<b>Financial liabilities</b>				
Derivatives				
Other current liabilities			45 593	45 593
<b>Total financial liabilities 2023</b>			<b>45 593</b>	<b>45 593</b>
Total financial liabilities 2022		4	57 390	57 394

## Note 21 - Bonds and other fixed-income securities

NOK thousand	Fair value	
	2023	2022
Bond fund	783 277	467 219
<b>Total bonds and other fixed-income securities</b>	<b>783 277</b>	<b>467 219</b>
Modified duration	0,33	0,58
Average effective yield	5,36%	4,05%

The effective yield for each security is calculated using the observed market price. Weighted effective yields for the whole portfolio is calculated on the basis of each security's share of the market value.

## Note 22 - Derivatives

### Nominal volume

Financial derivatives are linked to underlying amounts which are not reported in the statement of financial position. In order to quantify a derivative position, reference is made to such underlying amounts described as the underlying nominal principal, nominal volume and the like. Nominal volume is arrived at differently for different classes of derivatives and provides some indication of the size of the position and risk the derivative creates.

Gross nominal volume mainly gives an indication of the amount, while net nominal volume gives an impression of risk positions. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivatives. Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions.

For currency derivatives, a long position results in a positive change in value if the relevant exchange rate strengthens against the NOK.

NOK thousand	Gross nominal volume	Gross booked value financial assets	Gross booked value financial liabilities	Net booked financial assets/ liabilities	Amounts that can, but are not presented net in the balance sheet		Net amount
					Financial assets	Financial liabilities	
Currency derivatives	160 233	80 296	79 868				428
<b>Total derivatives 2023</b>	<b>160 233</b>	<b>80 296</b>	<b>79 868</b>				<b>428</b>
Total derivatives 2022	155 664	75 498	75 502				-4

In the table above, net positions in indirect investments have been included.

1) Values at 31 December

## Note 23 – Currency exposure

Financial assets and liabilities in foreign currencies	Balance sheet items excl. currency derivatives	Currency derivatives	Net position	
	Net on balance sheet	Net sales	in currency	in NOK
SEK	-163 357	80 296	-83 677	-84 323
<b>Total net position foreign currency 2023</b>				<b>-84 323</b>
Total net position foreign currency 2022				-55 207

## Note 24 – Receivables due from policyholders and other receivables

NOK thousand	2023	2022
Receivables due from policyholders	301 581	269 055
Receivables from reinsurance	1 331	
Prepaid commissions	4 420	4 779
Other receivables	15 048	10 444
<b>Book value 31.12</b>	<b>322 380</b>	<b>284 277</b>

### Age distribution for accounts receivable, etc 31.12 (gross)

NOK thousand	2023	2022
Receivables not fallen due	294 113	247 748
Past not distributed	7 468	21 306
<b>Gross accounts receivable/receivables from reinsurance</b>	<b>301 581</b>	<b>269 055</b>
<b>Net accounts receivable/receivables from reinsurance</b>	<b>301 581</b>	<b>269 055</b>

## Note 25 - Technical insurance reserves

NOK thousand	2023	2022
<b>Gross insurance liabilities</b>		
Book value 01.01	506 771	442 207
Change in premium and claims reserves	111 391	72 648
Change in Premium Deficiency Reserve	28 863	
Exchange rate changes	20 481	-8 084
<b>Book value 31.12.</b>	<b>667 506</b>	<b>506 771</b>

### Assets and liabilities

NOK thousand	2023	2022
Receivables concerning insurance contracts	301 581	269 055
<b>Total assets</b>	<b>301 581</b>	<b>269 055</b>
Premium reserve	476 687	395 920
Claims reserve	161 956	110 851
- of which IBNS	142 692	97 667
- of which settlement expenses	19 263	13 184
Premium Deficiency Reserve	28 863	
Liabilities in connection with direct insurance	25 768	34 738
<b>Total liabilities</b>	<b>693 273</b>	<b>541 508</b>

## Note 26 – Other current liabilities

NOK thousand	2023	2022
Liabilities in connection with direct insurance	25 768	34 738
Accounts payable	483	5 424
Governmental fees and tax withholdings	5 474	5 585
Other current liabilities	484	1 565
<b>Total liabilities</b>	<b>32 209</b>	<b>47 313</b>
Accrued expenses	13 385	10 077
<b>Book value 31.12</b>	<b>45 593</b>	<b>57 390</b>

## Note 27 – Information about close associates

Storebrand Helseforsikring is a joint venture company owned by Storebrand ASA (50%) and Ergo International AG (50%).

Transactions with related parties are included among the products and services offered by the companies to external customers. The transactions are entered into on commercial terms. For the Storebrand companies this includes occupational pensions, medical/personal injury insurance, leasing of premises, investment management, purchase and sale of services. Munich Re is Storebrand Helseforsikring's reinsurer.

For more detail, see information on executives in note 15.

NOK thousand	2023					2022				
	Purchase of services	Commission costs	Net reinsurance cost	Receivables	Liabilities	Purchase of services	Commission costs	Net reinsurance cost	Receivables	Liabilities
Munich Re			-721	1 331				1 950		499
Storebrand ASA	62					67				
Storebrand Bank ASA	197					190				
Storebrand & SPP Business Services NUF	12 270					10 737				
Storebrand Livsforsikring AS	4 384	24 667		1 500		5 182	20 837			743
SPP Pension & Försäkring AB		18 464					19 323			
Storebrand Forsikring AS	1 672			538		1 328				
<b>Total</b>	<b>18 585</b>	<b>43 130</b>	<b>-721</b>	<b>3 369</b>		<b>17 504</b>	<b>40 161</b>	<b>1 950</b>		<b>1 243</b>

## Note 28 – Solvency requirements

Storebrand Helseforsikring AS is an insurance company subject to the European solvency regime Solvency II.

The solvency margin and the coverage of the minimum capital requirement are the key ratios in Solvency II. Companies that fall below 100 per cent solvency margin will be put under stricter supervision, and it is forbidden to have less capital than the minimum capital requirement.

The solvency margin over is the quotient between the company's solvency margin capital at the company's solvency capital requirements. The solvency margin capital that the company arrived at by first allocating regulatory capital between three groups basis capital and a residual category of supplementary capital in line with solvency II Regulation, then applying rules for how much of each category of capital that can be used. Storebrand Helseforsikring AS is financed with capital belonging to Group 1 without limitations and Group 3. Group 3 capital can't be used in the calculation of the minimum capital requirement. An overview of the company's basis capital is given below.

Solvency is calculated with the standard model under Solvency II, and the distribution of the capital requirement of the different risk modules included is shown below.

NOK thousand	31.12.23					31.12.22
	Total	Tier 1 Unlimited	Tier 1 Limited	Tier 2	Tier 3	Total
Share capital	35 000	35 000				33 000
Share premium	395 000	395 000				122 000
Reconciliation reserve	-1 706	-1 706				54 293
Deferred tax assets	28 548				28 548	14 900
Shortening of Tier 3 capital	-1 299				-1 299	
<b>Total solvency capital</b>	<b>455 542</b>	<b>428 294</b>			<b>27 249</b>	<b>224 193</b>
<b>Total solvenskapital tilgjengelig til å dekke minstekapitalkravet</b>	<b>428 294</b>					<b>209 293</b>

### Solvency capital requirement and -margin

NOK thousand	2023	2022
Market	18 325	11 374
Counterparty	1 240	3 193
Health	199 682	169 131
Operational	36 846	31 633
Diversification	-13 882	-10 508
Loss Absorbing tax effect	-60 553	-51 206
<b>Total solvency requirement</b>	<b>181 658</b>	<b>153 617</b>
<b>Solvency margin</b>	<b>250,8 %</b>	<b>145,9 %</b>
<b>Minimum capital requirement</b>	<b>45 415</b>	<b>62 626</b>
<b>Minimum margin</b>	<b>943,1 %</b>	<b>334,2 %</b>

### Difference provisions statutory accounts and solvency II balance

NOK thousand	2023	2022
<b>Technical provisions statutory accounts</b>	<b>667 506</b>	<b>506 771</b>
Future premium payments	-286 377	-253 375
Risk margin	13 598	11 824
Expected margin in future premiums	0	-9 013
Discounting	-35 030	-7 643
<b>Technical provisions solvency II value</b>	<b>359 697</b>	<b>248 564</b>

Future premium payments on policies in force reduces reserves for solvency, which is based on cash flows. Accounts receivable on the asset side is reduced by the same amount, so that the net assets are not affected.

Risk margin shall ensure that insurance companies can be refinanced in the case of insolvency and are included only reserves for solvency purposes.

Expected margin in future premiums reduces premium provisions for solvency purposes.

Future cash flows relating to technical provisions have been discounted as a requirement after Solvency II. This decreases the allocations.

## Note 29 – Number of employees

	2023	2022
Number of employees at 31.12.	31	30
Average number of employees	31	29
Fulltime equivalent positions at 31.12.	31	30
Average number of fulltime equivalents	30	28

# Words and expressions

## **Insurance profit and loss**

Premium income less cost of claims and operating costs.

## **Risk profit and loss**

Premium income less cost of claims.

## **Cost ratio**

Operating costs as a percentage of accrued premiums.

## **Claims ratio**

Claims paid as a percentage of accrued premiums.

## **Combined ratio**

Cost ratio plus claims ratio.

## **Own account**

Amounts added/subtracted for re-insurance.

## **Reinsurance**

Transfer of part of the risk to another insurance company.

## **Insurance-related allocations [non-life insurance]**

For a more detailed description of insurance-related allocations and accrual of premiums and claims, see note 1 - Accounting principles.

## **Duration**

Average remaining period of an income stream from interest-bearing securities. Modified duration is calculated on the basis of the duration and reflects value sensitivity to underlying interest rate changes.



To the General Meeting of Storebrand Helseforsikring AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Storebrand Helseforsikring AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of cash flow and statement of change in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 7 March 2018 for the accounting year 2018.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

#### How our audit addressed the Key Audit Matter

##### Valuation of claims reserve gross

We have focused on the valuation of claims reserve gross because it is a significant estimate in the financial statements. The estimate implies that management must exercise judgment related to assessments of the development of reported claims that are under processing and how incurred claims, which have not yet been reported to the insurance company, will evolve. The use of a model, relevant assumptions, and accurate data are crucial for measuring the gross claims provisions in the financial statements.

In our audit, we have evaluated and tested the design and effectiveness of established controls within claims handling and determination of gross claims provisions. This includes, among other things, controls related to review of applied assumptions and methods, data quality, claims settlement, in addition to general IT controls relevant for financial reporting.

The controls we chose to rely on worked effectively. We have reviewed and challenged management's assessment of the valuation of



Small adjustments to the assumptions may have a significant impact on the size of the estimates. See notes 2, 5, and 25 in the financial statements where management provides a more detailed description of the claims provisions

insurance obligations. We evaluated, among other things, applied models, assumptions, and tested a selection of the data basis. We did not uncover any significant deviations.

We have also evaluated and concluded that the note information about the claims provision was sufficient, comprehensive, and in accordance with accounting rules

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as



fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 5 March 2024

**PricewaterhouseCoopers AS**

Thomas Steffensen

State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

