



Interim Report 1st quarter 2019

Storebrand Helseforsikring AS (unaudited)

Interim Report Storebrand Helseforsikring AS

As at 31 March 2019

Pre tax profit is NOK 1.2 million (NOK 7.0 million) in 1st quarter.

Premiums earned totalled NOK 174.2 million (NOK 167.3 million). An increase of 4 percent from the same period in 2018. Measured by annual premiums, Storebrand Helseforsikring is one of the market leaders in Norway. Health-related insurance is growing. This is driven by companies' desire to reduce sickness absence, increase work satisfaction and reduction in total insurance costs. This type of employee benefits is increasing in popularity among the employees.

Cost of claims amounted to NOK 150.0 million (NOK 134.5 million) in 1st quarter. The claims ratio for own account stood at 86 per cent (80 per cent). An increase in the claims ratio has been expected this year.

Insurance-related operating costs came to NOK 27.5 million (NOK 28.8 million) in 1st quarter. The net cost ratio for own account ended up at 16 per cent (17 per cent) in 1st quarter.

The net non-technical result amounted to NOK 4.5 million (NOK 3.0 million) in 1st quarter. The company has maintained a conservative investment profile, with most of the funds placed in interest and credit papers. The financial return in 1st quarter was 0.60 per cent. Currency fluctuations resulted in a total currency gain/loss including the effects of currency derivatives of NOK 1.4 million (NOK 1.2 million).

Solvency margin should be above 100 per cent and was 147 per cent year to date 2019. At year-end 2018 the solvency margin was 143 per cent.

Stockholm, 21th May 2019

Board of directors Storebrand Helseforsikring AS

Storebrand Helseforsikring AS

Statement of comprehensive income

NOK thousand	01.01.-31.03		Full year
	2019	2018	2018
TECHNICAL ACCOUNTS			
PREMIUMS			
Gross premiums earned	174,616	167,703	685,576
- Reinsurers' share	-445	-424	-1,756
Premium income for own account	174,171	167,279	683,820
Other insurance related income	16	17	124
CLAIMS EXPENSES			
Incurred Claims Gross	-150,079	-134,664	-481,468
- Reinsurers' share	60	130	300
Claims expenses for own account	-150,019	-134,534	-481,169
INSURANCE RELATED OPERATING EXPENSES			
Sales expenses	-11,462	-12,029	-51,201
Insurance related administration expenses (incl. commissions for reinsurance received)	-16,041	-16,728	-70,650
Insurance related operating expenses	-27,503	-28,756	-121,851
Technical profit	-3,335	4,005	80,924
NON-TECHNICAL ACCOUNTS			
NET INCOME FROM FINANCIAL ASSETS			
Interest and dividend etc from financial assets	2,762	2,685	11,167
Change in value on investments	-7,317	-4,227	2,485
Realised gain and loss on investments	3,387	-1,489	-8,788
Expenses associated with administration of investments, including interest expense	-121	-128	-498
Net income from investments	-1,289	-3,159	4,366
Other income	5,803	6,032	461
Other expenses		94	-180
Non-technical profit	4,514	2,967	4,647
Pre tax profit	1,179	6,972	85,571
Tax	120	-60	-19,674
Profit/loss for the year	1,299	6,912	65,897
OTHER COMPREHENSIVE INCOME ELEMENTS AND EXPENSES NOT TO BE CLASSIFIED TO PROFIT/LOSS			
Change in actuarial assumptions			26
Tax on other comprehensive income and expenses not to be classified to profit/loss			-6
Comprehensive income	1,299	6,912	65,916

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Statement of financial position

NOK thousand	31.03 2019	31.12 2018
ASSETS		
Intangible assets	44,066	37,868
Total intangible assets	44,066	37,868
FAIR VALUE FINANCIAL ASSETS		
Bonds and other securities - fixed yield	497,054	487,850
Financial derivatives		4,255
Total financial assets	497,054	492,104
RECEIVABLES		
Receivables in connection with direct business transactions		
- Due from policyholders	210,956	161,172
Other receivables	6,803	17,477
Total receivables	217,759	178,648
OTHER ASSETS		
Cash and bank equivalents	69,609	28,567
Pension assets	70	70
Total other assets	69,679	28,637
Prepaid costs and income earned not received	1,087	992
Total prepaid costs and income earned not received	1,087	992
Total assets	829,646	738,251

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Statement of financial position cont.

8 NOK thousand	31.03 2019	31.12 2018
EQUITY AND LIABILITIES		
PAID IN CAPITAL		
Share capital	33,000	33,000
Share premium reserve	122,000	122,000
Total paid in capital	155,000	155,000
EARNED EQUITY		
Allocation to guarantee scheme	13,761	13,647
Other earned equity	12,249	11,064
Total earned equity	26,010	24,711
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	342,907	266,982
Claims reserve gross	102,992	80,780
Total insurance liabilities gross	445,900	347,762
RESERVES FOR LIABILITIES		
Period tax liabilities	1,398	24,092
Deferred tax	15,350	15,055
Total reserves for liabilities	16,748	39,147
LIABILITIES		
Liabilities in connection with direct insurance	23,692	13,492
Financial derivatives	3,425	
Allocation to dividends	130,000	130,000
Liabilities to related parties	705	268
Other liabilities	16,160	16,011
Total liabilities	173,982	159,771
Accrued expenses and received, unearned income	12,006	11,860
Total accrued expenses and received, unearned income	12,006	11,860
Total equity and liabilities	829,646	738,251

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Statement of change in equity

NOK thousand	Share capital	Share premi- um reserve	Total paid in capital	Guarantee scheme	Other equity	Total earned equity	Total equity
Equity 01.01.18	33,000	122,000	155,000	13,041	75,753	88,795	243,795
Profit					65,897	65,897	65,897
Change in guarantee scheme				606	-606		
Change in actuarial assumptions					26	26	26
Tax on other comprehensive income and expenses					-6	-6	-6
Share dividend					-130,000	-130,000	-130,000
Equity 31.12.18	33,000	122,000	155,000	13,647	11,064	24,711	179,711
Profit					1,299	1,299	1,299
Change in guarantee scheme				113	-113		
Equity 31.03.19	33,000	122,000	155,000	13,761	12,249	26,010	181,010

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Statement of cash flow 1. January - 31. March

NOK thousand	2019	2018
Cash flows from operations		
Net receipts - insurance	210,512	202,550
Net payments/claims insurance	-127,806	-127,589
Payment of income tax	-22,279	-32,873
Payments relating to operations	-14,661	-5,606
Net cash flow from operations before financial assets	45,765	36,482
Net receipts/payments - financial assets	3,110	21,413
Net cash flow from financial assets	3,110	21,413
Net cash flow from operations	48,876	57,895
Cash flows from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-7,834	-981
Net cash flow from investment activities	-7,834	-981
Cash flows from financing activities		
Payment of dividends		-78,674
Net cash flow from financing activities	0	-78,674
Net cash flow for the period	41,042	-21,761
-of which net cash flow inn the period before financial asset	37,932	-43,174
Net movement in cash and cash equivalents	41,042	-21,761
Cash and cash equivalents at start of the period	28,567	42,313
Cash equivalents at the end of the period	69,609	20,552

Notes

Storebrand Helseforsikring AS

Note 01 | Accounting principles

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2018 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

There is none new or amended accounting standards that entered into effect as at 1 January 2019 that have caused significant effects on the company's interim financial statements.

Note 02 | Estimates

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 company's critical estimates and judgments that could result in material adjustment of recognised amounts are the claim reserve to cover expected payments of claims incurred but not yet settled.

Note 03 | Financial risks

There is no change in the risk picture compared to that described in the 2018 Annual Report.

Note 04 | Solvency II

Storebrand Helseforsikring AS is subject to the European solvency regime Solvency II. The company is funded with group 1 capital and therefore utilizes the total solvency capital in calculating the solvency capital coverage (solvency margin). With a total solvency capital of NOK 164 million the company's solvency capital coverage is 147 per cent while the minimum capital requirement is covered by 379 per cent.

SOLVENCY CAPITAL

NOK thousand	Total	31.03.19				31.12.18
		Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	33,000	33,000		0		33,000
Share premium	122,000	122,000		0		122,000
Reconciliation reserve	8,610	8,610				2,062
Total solvency capital	163,610	163,610	0	0	0	157,062
Total solvency capital available to cover minimum capital requirement	163,610	163,610	0	0		157,062

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.

SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK thousand	31.03.19	31.12.18
Market	23,219	28,806
Counterparty	14,327	12,179
Health	114,773	111,466
Operational	20,775	20,567
Diversification	-24,890	-26,505
Loss-absorbing capacity of deferred taxes	-37,051	-36,628
Total solvency requirement	111,153	109,885
Solvencymargin	147.2 %	142.9 %
Minimum capital requirement	43,207	40,393
Minimum margin	378.7 %	388.8 %

Note
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Tax

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

NOK thousand	31.03.19
Ordinary pre-tax profit	1,179
Expected tax on income at nominal rate	-295
Change in earlier years	415
Tax charge	120
Effective tax rate	-10.2 %

Storebrand Helseforsikring AS
Professor Kohts vei 9
P.O. Box 464, N-1366 Lysaker
Telephone 915 08 880

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