



Interim report 2015

Storebrand Helseforsikring AS

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As at 31 March 2015

Profit before tax is NOK -12.0 million (NOK 7.2 million) in 1st quarter.

Premiums earned totalled NOK 128.4 million (NOK 116.2 million) in 1st quarter. This is an increase of 11 per cent compared to the equivalent period in 2014. Measured by annual premiums, Storebrand Helseforsikring holds a market-leading position in Norway. Health-related insurance are growing, and the company succeed on the market. This is driven by companies' desire to reduce sick leave, increased work satisfaction and reduction in total insurance costs and increased popularity among the employees for this type of employee benefits.

Cost of claims amounted to NOK 116.5 million (NOK 86.5 million) in 1st quarter. The claims ratio for own account stood at 91 per cent (74 per cent) in 1st quarter. 1st quarter is traditionally a weak quarter for Storebrand Helseforsikring, but the underlying risk development is still satisfying.

Insurance-related operating costs came to NOK 23.3 million (NOK 23.8 million) in 1st quarter. The net cost ratio for own account ended up at 18 per cent (20 per cent) in 1st quarter, reflecting improved efficiency in the operations of the company.

The net financial items amounted to NOK 0.0 million (NOK 1.6 million) in 1st quarter. The company has maintained a conservative investment profile, with most of the funds placed in interest and credit. The underlying financial result is good, but a weakening of the Swedish krona has resulted in an accounting loss on the hedging of Swedish insurance liabilities. The effects on the Swedish insurance liabilities are not included in the net financial items, but in the other comprehensive income.

The capital adequacy requirement is 8 per cent of risk-weighted balance sheet and the company's capital adequacy ratio was 52.2 per cent as at 31 March 2015 down from 68.0 per cent at the beginning of the year. The decrease is due to somewhat higher risk weight in the balance and that negative results are counted in the calculation of regulatory capital directly.

The solvency margin requirement is 100 per cent and the solvency margin is estimated to be 178.4 per cent as at 31 March 2015, down from 197.3 per cent at the beginning of the year. The reason for the decline is an increase in premium income while capital is affected by the negative result.

Oslo, 20th May 2015
The Board of Storebrand Helseforsikring AS

Statement of Comprehensive income

Storebrand Helseforsikring AS

(NOK thousand)	2015	1.1. - 31.3. 2014	Full year 2014
TECHNICAL ACCOUNTS			
PREMIUMS			
Gross premiums written	202 077	180 042	507 342
- Reinsurers' share	-401	-615	-1 773
Gross change in reserve for unearned premiums	-73 241	-63 229	-18 780
Premium income for own account	128 435	116 198	486 788
Allocation of investment return transferred from the non-technical accounts	721	1 333	5 170
CLAIMS EXPENSES			
Gross claims paid	-108 017	-83 843	-338 023
- Reinsurers' share	62	134	885
Gross change in claims reserve	-8 515	-2 802	-20 417
Claims expenses for own account	-116 470	-86 511	-357 554
INSURANCE RELATED OPERATING COSTS			
Sales costs	-11 137	-12 209	-36 801
Insurance related administration costs	-12 188	-11 593	-36 634
Insurance related operating costs for own account	-23 325	-23 802	-73 435
Balance on the technical account before allocations to security reserve	-10 639	7 218	60 969
Change in security reserve	-884	-341	-9 296
Technical profit	-11 524	6 877	51 672
NON-TECHNICAL ACCOUNTS			
NET INCOME FROM FINANCIAL ASSETS			
Interest and dividend etc from financial assets	2 678	2 734	11 312
Change in value on investments	-1 630	-3 729	321
Realised gain and loss on investments	-934	2 712	-437
Management expenses linked to investment, included interest cost	-103	-96	-411
Net income from investments	12	1 620	10 785
Allocation of investment return transferred to the technical accounts	-721	-1 333	-5 170
Other income / other cost	233	70	-89
Non-technical profit	-476	358	5 526
Pre tax profit	-12 000	7 235	57 198
Tax	3 096	-1 937	-16 037
Profit before other comprehensive income	-8 904	5 298	41 161
Other result elements:			
Translation differences	1 760	1 934	-985
Change in pension experience adjustments	-	-	-6 471
Tax on other comprehensive income	-	-	2 013
Comprehensive income	-7 143	7 231	35 718

Statement of financial position

Storebrand Helseforsikring AS

(NOK thousand)	31.3 2015	31.12 2014
ASSETS		
Intangible assets	12 979	12 868
Total intangible assets	12 979	12 868
FAIR VALUE FINANCIAL ASSETS		
Bonds and other securities - fixed yield	411 511	408 335
Financial derivatives	1 622	2 870
Other financial assets	450	2 287
Total financial assets	413 583	413 492
RECEIVABLES		
Receivables due from insurance customers	159 232	118 517
Other receivables	5 348	5 865
Total receivables	164 580	124 382
OTHER ASSETS		
Fixed assets	652	705
Cash and bank	67 358	46 008
Deferred tax assets	1 523	-
Total other assets	69 533	46 713
Prepaid costs and accrued income	1 213	533
Total prepaid costs and accrued income	1 213	533
Total assets	661 888	597 988

Statement of financial position

Storebrand Helseforsikring AS (continue)

(NOK thousand)	31.3 2015	31.12 2014
EQUITY CAPITAL AND LIABILITIES		
PAID IN CAPITAL		
Share capital	33 000	33 000
Share premium	122 000	122 000
Total paid in capital	155 000	155 000
RETAINED EARNINGS		
Allocation to guarantee reserve	19 643	19 507
Other retained earnings	-2 563	4 717
Total retained earnings	17 080	24 224
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	265 567	195 253
Claims reserve gross	74 784	66 928
Security reserve	73 438	73 438
Total insurance liabilities gross	413 790	335 620
RESERVES FOR LIABILITIES		
Pension liabilities	3 454	3 454
Period tax liabilities	9 268	9 823
Deferred tax	-	1 573
Total reserves for liabilities	12 722	14 850
DEBT		
Due in respect of direct insurance	7 449	3 831
Allocation to dividends	41 161	41 161
Other debt	4 868	11 789
Debt to connected parties	347	100
Total debt	53 826	56 881
Accrued costs and deferred income	9 471	11 414
Total accrued costs and deferred income	9 471	11 414
Total equity capital and liabilities	661 888	597 988

Cash flow statement Storebrand Helseforsikring AS

(NOK thousand)	Q1	
	2015	2014
Cash flows from operations		
Net receipts - insurance	164 580	156 427
Net payments/claims insurance	-107 956	-83 709
Payment of income tax	-556	-1 732
Payments relating to operations	-33 372	-30 388
Net cash flow from operations before financial assets	22 696	40 598
Net receipts/payments - mutual funds	-1 580	669
Net cash flow from financial assets	-1 580	669
Net cash flow from operations	21 116	41 267
Cash flows from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-1 603	-603
Net cash flow from investment activities	-1 603	-603
Cash flows from financing activities		
Payment of dividends	0	-25 000
Net cash flow from financing activities	0	-25 000
Net cash flow for the period	19 513	15 664
-of which net cash flow in the period before financial asset	21 093	39 995
Net movement in cash and cash equivalents	19 513	15 664
Cash and cash equivalents at start of the period	48 296	19 563
Cash equivalents at the end of the period	67 808	35 227

Statement of change in equity

(NOK thousand)	Share capital	Share premium reserve	Total paid in capital	Translation differences	Guarantee scheme	Other equity	Total retained earnings	Total equity	
Equity 01.01.14	33 000	122 000	155 000	-6 930	17 397	19 199	29 667	184 667	
Profit						41 161	41 161	41 161	
Translation differences				-985			-985	-985	
Change in guarantee reserve					2 110	-2 110	0	0	
Change in pension experience adjustments						-4 458	-4 458	-4 458	
Share dividend						-41 161	-41 161	-41 161	
Equity 31.12.14	33 000	122 000	155 000	-7 915	19 507	12 632	24 224	179 224	
Profit						-8 904	-8 904	-8 904	
Translation differences				1 760			1 760	1 760	
Change in guarantee reserve					137	-137	0	0	
Equity 31.03.15	33 000	122 000	155 000	-6 155	19 643	3 592	17 080	172 080	

Notes

Storebrand Helseforsikring AS

Note 01 | Accounting principles

The accounts have been presented in accordance with the accounting principles applied in the 2014 Annual Accounts. A description of the accounting principles is given in the 2014 Annual Report.

Note 02 | Financial risks

There is no change in the risk picture compared to that described in the 2014 Annual Report

Note 03 | Capital requirements

Non-life insurance companies comply with the same capital adequacy rules as life insurance companies, banks and other financial institutions. The requirement is equity and subordinated loan capital (primary capital) equal to 8 per cent of the risk-weighted balance sheet.

SPESIFIKASJON AV KAPITALDEKNINGEN

(NOK thousand)	31.3.2015	31.12.2014
Share capital	33 000	33 000
Share premium account	122 000	122 000
Other equity	-4 187	4 717
Total equity	150 813	159 717
Intangible assets	-14 502	-12 868
Net primary capital	136 311	146 849
Calculation base by class of risk weighting	645 764	651 208
Risk weight 10%	98 017	98 166
Risk weight 20%	371 208	348 365
Risk weight 100%	176 539	135 719
Weighted assets in the balance sheet	260 582	215 209
Weighted interest rate and FX contracts	459	712
Risk weighted calculation base	261 041	215 920
Capital adequacy ratio	52.2%	68.0%

The minimum solvency margin is calculated as the greater of two measurements, based either on last year's premiums or the average of the last three year's claims received. The minimum requirement is calculated from the previous year's account, and applies for the whole of the next year.

SOLVENCY MARGIN

(NOK thousand)	31.3.2015	31.12.2014
Solvency margin	94 929	91 163
Solvensmargin kapital	169 358	179 896
Solvensmargin	178.4%	197.3%

SPECIFICATION OF SOLVENCY MARGIN CAPITAL

(NOK thousand)	31.3.2015	31.12.2014
Net primary capital	136 311	146 849
Counting security reserve	33 047	33 047
Solvency margin capital	169 358	179 896

Note
04

Tax Charge

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

(NOK thousand)	31.3.2015
Ordinary pre-tax profit	-12 000
Expected tax on income at nominal rate	3 240
Tax effect of:	
permanent differences	-144
Tax charge	3 096
Effective tax rate	25.8 %

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