



# Interim report 2015

Storebrand Helseforsikring AS

# Interim Report Storebrand Helseforsikring AS

As at 30 June 2015

Profit before tax is NOK 13.3 million (NOK -2.4 million) in 2nd quarter and a profit of NOK 1.3 million (NOK 4.9 million) so far this year.

Premiums earned totalled NOK 136.9 million (NOK 119.0 million) in 2nd quarter. This is an increase of 15 per cent compared to the equivalent period in 2014. So far this year, the earned premiums for own account totalled NOK 265.4 million (NOK 235.2 million). Measured by annual premiums, Storebrand Helseforsikring holds a market-leading position in Norway. Health-related insurance are growing, and the company has success in 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 102.4 million (NOK 99.4 million) in 2nd quarter, and NOK 218.8 million (NOK 185.9 million) so far this year. The claims ratio for own account stood at 75 per cent (83 per cent) in 2nd quarter, and 82 per cent (79 per cent) year to date. The underlying risk development is satisfying.

Insurance-related operating costs came to NOK 21.8 million (NOK 21.7 million) in 2nd quarter, and NOK 45.1 million (NOK 45.5 million) so far this year. The net cost ratio for own account ended up at 16 per cent (18 per cent) in 2nd quarter, reflecting improved efficiency in the operations of the company. On accumulated basis the net cost ratio is 17 per cent (19 per cent).

The net financial items amounted to NOK 2.3 million (NOK 2.4 million) in 2nd quarter, and NOK 2.3 million (NOK 4.0 million) so far this year. The company has maintained a conservative investment profile, with most of the funds placed in interest and credit.

The capital adequacy requirement is 8 per cent of risk-weighted balance sheet and the company's capital adequacy ratio was 56.6 per cent as at 30 June 2015 down from 68.0 per cent at the beginning of the year. The decrease was mainly due to a higher proportion of high risk weighting of assets from year-end.

The solvency margin requirement is 100 per cent and the solvency margin is estimated to be 185.7 per cent as at 30 June 2015, down from 197.3 per cent at the beginning of the year due to increased earned premiums without counting profits made so far this year as primary capital.

Lysaker, 27th August 2015  
The Board of Storebrand Helseforsikring AS

# Statement of Comprehensive income

## Storebrand Helseforsikring AS

(NOK thousand)	Q2		2015	1.1. - 30.6.		Full year 2014
	2015	2014		2014		
<b>TECHNICAL ACCOUNTS</b>						
PREMIUMS						
Gross premiums written	137 658	122 899	339 736	302 940	507 342	
- Reinsurers' share	-433	-327	-834	-942	-1 773	
Gross change in reserve for unearned premiums	-306	-3 529	-73 547	-66 758	-18 780	
<b>Premium income for own account</b>	<b>136 919</b>	<b>119 043</b>	<b>265 354</b>	<b>235 241</b>	<b>486 788</b>	
Allocation of investment return transferred from the non-technical accounts	119	1 474	1 637	2 807	5 170	
CLAIMS EXPENSES						
Gross claims paid	-88 480	-92 153	-196 498	-175 996	-338 023	
- Reinsurers' share	132	9	193	143	885	
Gross change in claims reserve	-14 001	-7 220	-22 516	-10 022	-20 417	
<b>Claims expenses for own account</b>	<b>-102 350</b>	<b>-99 365</b>	<b>-218 820</b>	<b>-185 875</b>	<b>-357 554</b>	
INSURANCE RELATED OPERATING COSTS						
Sales costs	-9 159	-6 434	-20 296	-18 642	-36 801	
Insurance related administration costs	-12 616	-15 303	-24 804	-26 896	-36 634	
<b>Insurance related operating costs for own account</b>	<b>-21 775</b>	<b>-21 737</b>	<b>-45 100</b>	<b>-45 538</b>	<b>-73 435</b>	
<b>Balance on the technical account before allocations to security reserve</b>	<b>12 913</b>	<b>-584</b>	<b>3 070</b>	<b>6 634</b>	<b>60 969</b>	
Change in security reserve	-2 089	-2 413	-2 974	-2 754	-9 296	
<b>Technical profit</b>	<b>10 823</b>	<b>-2 997</b>	<b>96</b>	<b>3 880</b>	<b>51 672</b>	
<b>NON-TECHNICAL ACCOUNTS</b>						
NET INCOME FROM FINANCIAL ASSETS						
Interest and dividend etc from financial assets	2 460	2 811	5 138	5 545	11 312	
Change in value on investments	909	3 142	-721	-587	321	
Realised gain and loss on investments	-927	-3 464	-1 861	-752	-437	
Management expenses linked to investment, included interest cost	-108	-100	-211	-196	-411	
<b>Net income from investments</b>	<b>2 334</b>	<b>2 389</b>	<b>2 346</b>	<b>4 010</b>	<b>10 785</b>	
Allocation of investment return transferred to the technical accounts	-119	-1 474	-1 637	-2 807	-5 170	
Other income / other cost	244	-288	477	-218	-89	
<b>Non-technical profit</b>	<b>2 459</b>	<b>627</b>	<b>1 186</b>	<b>985</b>	<b>5 526</b>	
<b>Pre tax profit</b>	<b>13 282</b>	<b>-2 369</b>	<b>1 282</b>	<b>4 865</b>	<b>57 198</b>	
Tax	-3 420	647	-323	-1 290	-16 037	
<b>Profit before other comprehensive income</b>	<b>9 863</b>	<b>-1 722</b>	<b>959</b>	<b>3 576</b>	<b>41 161</b>	
Other result elements:						
Translation differences	-1 824	552	-63	2 486	-985	
Change in pension experience adjustments					-6 471	
Tax on other comprehensive income					2 013	
<b>Comprehensive income</b>	<b>8 039</b>	<b>-1 170</b>	<b>896</b>	<b>6 062</b>	<b>35 718</b>	

# Statement of financial position

## Storebrand Helseforsikring AS

(NOK thousand)	30.6 2015	31.12 2014
<b>ASSETS</b>		
Intangible assets	13 361	12 868
<b>Total intangible assets</b>	<b>13 361</b>	<b>12 868</b>
<b>FAIR VALUE FINANCIAL ASSETS</b>		
Bonds and other securities - fixed yield	437 194	408 335
Financial derivatives	2 676	2 870
Other financial assets	1 230	2 287
<b>Total financial assets</b>	<b>441 100</b>	<b>413 492</b>
<b>RECEIVABLES</b>		
Receivables due from insurance customers	153 168	118 517
Other receivables	11 634	5 865
<b>Total receivables</b>	<b>164 801</b>	<b>124 382</b>
<b>OTHER ASSETS</b>		
Fixed assets	600	705
Cash and bank	29 714	46 008
<b>Total other assets</b>	<b>30 314</b>	<b>46 713</b>
Prepaid costs and accrued income	1 144	533
<b>Total prepaid costs and accrued income</b>	<b>1 144</b>	<b>533</b>
<b>Total assets</b>	<b>650 721</b>	<b>597 988</b>

# Statement of financial position

## Storebrand Helseforsikring AS (continue)

(NOK thousand)	30.6 2015	31.12 2014
<b>EQUITY CAPITAL AND LIABILITIES</b>		
PAID IN CAPITAL		
Share capital	33 000	33 000
Share premium	122 000	122 000
<b>Total paid in capital</b>	<b>155 000</b>	<b>155 000</b>
RETAINED EARNINGS		
Allocation to guarantee reserve	20 177	19 507
Other retained earnings	4 942	4 717
<b>Total retained earnings</b>	<b>25 119</b>	<b>24 224</b>
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	268 086	195 253
Claims reserve gross	89 340	66 928
Security reserve	76 082	73 438
<b>Total insurance liabilities gross</b>	<b>433 508</b>	<b>335 620</b>
RESERVES FOR LIABILITIES		
Pension liabilities	3 454	3 454
Period tax liabilities	13 990	9 823
Deferred tax	1 896	1 573
<b>Total reserves for liabilities</b>	<b>19 340</b>	<b>14 850</b>
DEBT		
Due in respect of direct insurance	3 123	3 831
Allocation to dividends		41 161
Other debt	2 853	11 789
Debt to connected parties	625	100
<b>Total debt</b>	<b>6 602</b>	<b>56 881</b>
Accrued costs and deferred income	11 152	11 414
<b>Total accrued costs and deferred income</b>	<b>11 152</b>	<b>11 414</b>
<b>Total equity capital and liabilities</b>	<b>650 721</b>	<b>597 988</b>

# Cash flow statement Storebrand Helseforsikring AS

(NOK thousand)	Q2	
	2015	2014
<b>Cash flows from operations</b>		
Net receipts - insurance	303 543	273 916
Net payments/claims insurance	-196 305	-175 853
Payment of incom tax	-1 111	-3 463
Payments relating to operations	-53 135	-52 919
<b>Net cash flow from operations before financial assets</b>	<b>52 993</b>	<b>41 680</b>
Net receipts/payments - mutual funds	-25 632	-6 594
<b>Net cash flow from financial assets</b>	<b>-25 632</b>	<b>-6 594</b>
<b>Net cash flow from operations</b>	<b>27 361</b>	<b>35 086</b>
<b>Cash flows from investment activities</b>		
Net receipts/payment - sale/purchase of fixed assets	-3 550	-1 947
<b>Net cash flow from investment activities</b>	<b>-3 550</b>	<b>-1 947</b>
<b>Cash flows from financing activities</b>		
Payment of dividends	-41 161	-25 000
<b>Net cash flow from financing activities</b>	<b>-41 161</b>	<b>-25 000</b>
<b>Net cash flow for the period</b>	<b>-17 351</b>	<b>8 139</b>
-of which net cash flow inn the period before financial asset	49 442	39 733
<b>Net movement in cash and cash equivalents</b>	<b>-17 351</b>	<b>8 139</b>
Cash and cash equivalents at start of the period	48 296	19 563
<b>Cash equivalents at the end of the period</b>	<b>30 945</b>	<b>27 702</b>

## 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
<b>Equity 01.01.14</b>	<b>33 000</b>	<b>122 000</b>	<b>155 000</b>	<b>-6 930</b>	<b>17 397</b>	<b>19 199</b>	<b>29 667</b>	<b>184 667</b>
Profit						41 161	41 161	41 161
Translation differences				-985			-985	-985
Change in guarantee reserve					2 110	-2 110		
Change in pension experience adjustments						-4 458	-4 458	-4 458
Share dividend						-41 161	-41 161	-41 161
<b>Equity 31.12.14</b>	<b>33 000</b>	<b>122 000</b>	<b>155 000</b>	<b>-7 915</b>	<b>19 507</b>	<b>12 632</b>	<b>24 224</b>	<b>179 224</b>
Profit						959	959	959
Translation differences				-63			-63	-63
Change in guarantee reserve					670	-670		
<b>Equity 30.06.15</b>	<b>33 000</b>	<b>122 000</b>	<b>155 000</b>	<b>-7 978</b>	<b>20 177</b>	<b>12 921</b>	<b>25 119</b>	<b>180 119</b>

# Notes

## Storebrand Helseforsikring AS

### Note 01 | Accounting principles

The accounts have been presented in accordance with the accounting principles applied in the 2013 Annual Accounts. A description of the accounting principles is given in the 2013 Annual Report.

### Note 02 | Financial risks

There is no change in the risk picture compared to that described in the 2013 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.

#### SPECIFICATION OF THE CAPITAL ADEQUACY:

(NOK thousand)	30.6.2015	31.12.2014
Share capital	33 000	33 000
Share premium account	122 000	122 000
Other equity	5 676	4 717
Total equity	160 676	159 717
Not counting interim result	-959	
Intangible assets	-13 361	-12 868
<b>Net primary capital</b>	<b>146 355</b>	<b>146 849</b>
<b>Calculation base by class of risk weighting</b>	<b>634 684</b>	<b>582 250</b>
Risk weight 10%	103 002	98 166
Risk weight 20%	355 048	348 365
Risk weight 100%	176 634	135 719
FX contracts	68 269	68 959
Risk weighted calculation base	258 615	215 920
<b>Capital adequacy ratio</b>	<b>56,6 %</b>	<b>68,0%</b>

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)	30.6.2015	31.12.2014
Solvency margin demand	97 275	91 163
Solvency margin capital	180 592	179 896
<b>Solvency margin</b>	<b>185,7%</b>	<b>197,3%</b>

#### SPECIFICATION OF SOLVENCY MARGIN CAPITAL

(NOK thousand)	30.6.2015	31.12.2014
Net primary capital	146 355	146 849
Counting security reserve	34 237	33 047
<b>Solvency margin capital</b>	<b>180 592</b>	<b>179 896</b>

Note  
04

#### Tax Charge

##### RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

(NOK thousand)	30.6.2015
Ordinary pre-tax profit	1 282
Expected tax on income at nominal rate	-346
Tax effect of:	
permanent differences	23
<b>Tax charge</b>	<b>-323</b>
<b>Effective tax rate</b>	<b>25,2 %</b>



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