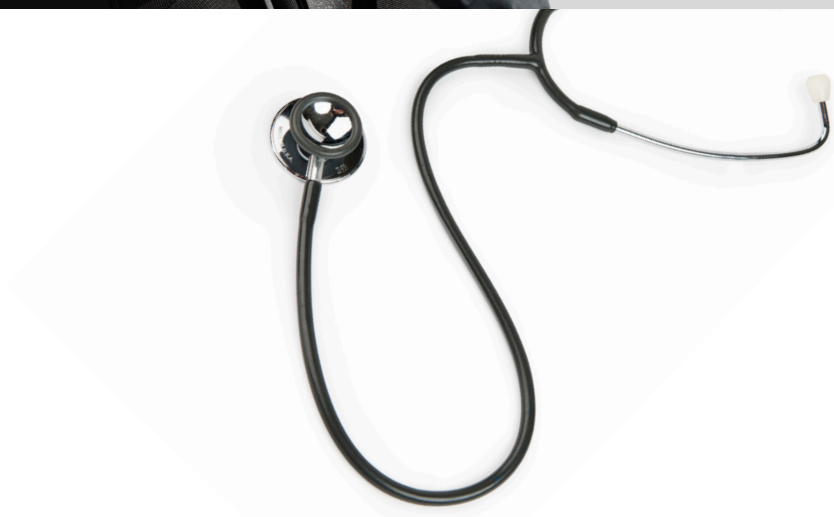




Interim Report 3rd quarter 2013
Storebrand
Helseforsikring AS



Interim Report Storebrand Helseforsikring AS

As at 30 September 2013

Profit before tax is NOK 22.3 million (NOK 21.2 million) in 3rd quarter and a profit of NOK 36.3 million (NOK 47.6 million) so far this year.

Premiums earned totalled NOK 112.2 million (NOK 93.3 million) in 3rd quarter, and NOK 314.1 million (NOK 268.2) so far this year. This is an increase of 20 per cent compared to the equivalent period in 2012. Measured by annual premiums, Storebrand Helseforsikring holds a market-leading position in Norway. There continues to be high demand for health insurance in the market, and it is becoming seen by companies as one of several important tools to reduce absence through illness.

Cost of claims amounted to NOK 69.5 million (NOK 52.5 million) in 3rd quarter, and NOK 211.9 million (159.5) so far this year. The claims ratio for own account stood at 62 per cent (56 per cent) in 3rd quarter, and NOK 67 per cent (59 per cent) year to date. The underlying risk development is satisfying.

Insurance-related operating costs came to NOK 23.5 million (NOK 22.0 million) in 3rd quarter, and NOK 74.7 million (NOK 67.5 million) so far this year. The net cost ratio for own account ended up at 21 per cent (24 per cent) in 3rd quarter year to date. The increase is temporary and reflects non-recurring costs related to additional efficiency measures in operations. The net cost ratio is expected to decrease further ahead. On accumulated basis the net cost ratio is 24 per cent (25 per cent).

The net financial items amounted to NOK 4.7 million (NOK 4.7 million) in 3rd quarter, and NOK 13.1 million (9.7 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 82.0 per cent as at 30 September 2013 down from 93,0 per cent at the beginning of the year. The decrease is due to increased calculation basis after allocating funds to assets under management and profits made so far this year does not count as primary capital as long as it has not been revised.

The solvency margin requirement is 100 per cent and the solvency margin is estimated to be 231.7 per cent as at 30 September 2013, down from 257,5 per cent at the beginning of the year due to increased earned premiums without counting profits made so far this year as primary capital.

Income statement Storebrand Helseforsikring AS

NOK thousand	Q3		01.01.-30.09.		Full year 2012
	2013	2012	2013	2012	
TECHNICAL ACCOUNTS					
PREMIUMS					
Gross premiums written	76,378	66,324	333,383	288,645	386,528
- Reinsurers' share	-295	-516	-857	-1,492	-2,028
Gross change in reserve for unearned premiums	36,096	27,539	-18,376	-18,905	-17,754
Premium income for own account	112,180	93,347	314,150	268,249	366,747
Allocation of investment return transferred from the non-technical accounts	1,289	-97	3,349	3,527	3,555
CLAIMS EXPENSES					
Gross claims paid	-67,547	-51,170	-208,375	-157,420	-230,170
Gross change in claims reserve	-1,976	-1,330	-3,552	-2,121	-3,598
Claims expenses for own account	-69,523	-52,500	-211,927	-159,541	-233,391
INSURANCE RELATED OPERATING COSTS					
Sales costs	-10,939	-8,547	-32,885	-27,302	-36,535
Insurance related administration costs	-12,521	-13,507	-41,811	-40,190	-54,005
Insurance related operating costs for own account	-23,461	-22,054	-74,697	-67,492	-90,540
Other insurance related operating cost					
Balance on the technical account before allocations to security reserve	20,485	18,696	30,876	44,743	46,371
Change in security reserve	-1,372	-2,295	-4,107	-3,452	-5,846
Technical profit	19,114	16,402	26,768	41,292	40,525
NON-TECHNICAL ACCOUNTS					
NET INCOME FROM FINANCIAL ASSETS					
Interest and dividend etc from financial assets	2,789	3,032	8,629	8,979	12,003
Change in value on investments	2,059	-1,953	2,189	-2,188	-1,488
Realised gain and loss on investments	-63	3,658	2,657	3,277	828
Management expenses linked to investment, included interest cost	-98	-11	-298	-318	-439
Net income from investments	4,687	4,726	13,177	9,750	10,905
Allocation of investment return transferred to the technical accounts	-1,289	97	-3,349	-3,527	-3,555
Other income / other cost	-233	-31	-277	107	-12
Non-technical profit	3,166	4,792	9,550	6,330	7,338
Profit from ordinary activities	22,279	21,194	36,319	47,622	47,863
Tax	-5,621	-7,516	-9,425	-14,600	-13,056
Profit/loss for the year	16,658	13,678	26,894	33,022	34,807
Other result elements:					
Re-Statement differences	-2,106	-962	-5,974	-329	1,211
Total comprehensive for the period	14,552	12,715	20,920	32,693	36,017

Statement of financial position Storebrand Helseforsikring AS

	30.09	31.12
NOK thousand	2013	2012
ASSETS		
Deferred tax assets		
Intangible assets	12,260	11,697
Total intangible assets	12,260	11,697
FAIR VALUE FINANCIAL ASSETS		
Bonds and other securities - fixed yield	386,025	368,494
Financial derivatives	2,412	-
Other financial assets	4,370	3,107
Total financial assets	392,807	371,600
RECEIVABLES		
Receivables due from insurance customers	96,810	89,420
Receivables arising from reinsurance business		
Receivables to connected parties		
Other receivables	10,772	4,395
Total receivables	107,582	93,815
OTHER ASSETS		
Fixed assets	1,415	1,421
Cash and bank	21,197	33,490
Other tax assets	5,060	5,060
Total other assets	27,672	39,972
Prepaid costs and accrued income	0	50
Total prepaid costs and accrued income	0	50
Total assets	540,321	517,133

Statement of financial positions

Storebrand Helseforsikring AS (cont.)

	30.09	31.12
NOK thousand	2013	20112
EQUITY CAPITAL 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
RETAINED EARNINGS		
Allocation to guarantee reserve	16,954	14,786
Other retained earnings	36,244	17,492
Total retained earnings	53,198	32,278
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	175,737	149,171
Claims reserve gross	43,386	37,980
Security reserve	58,653	51,976
Total insurance liabilities gross	277,776	239,128
RESERVES FOR LIABILITIES		
Pension liabilities	18,840	18,840
Deferred tax	13,293	13,656
Total reserves for liabilities	32,133	32,496
DEBT		
Due in respect of direct insurance	6,892	12,135
Allocation to dividends	-	27,000
Other debt	2,730	1,733
Financial derivatives		
Debt to connected parties	182	422
Total debt	9,805	41,291
Accrued costs and deferred income	12,408	16,940
Total accrued costs and deferred income	12,408	16,940
Total equity capital and liabilities	540,321	517,133

Cash flow analysis Storebrand Helseforsikring AS

NOK thousand	Q3	
	2013	2012
Cash flows from operations		
Net receipts - insurance	319,893	284,117
Net payments compensation and insurance benefits	-208,375	-157,420
Payment of income tax	-9,787	-9,787
Payments relating to operations	-99,674	-52,913
Net payments received relating to securities	0	107
Net cash flow from operations before financial assets	2,056	64,103
Net receipts/payments - mutual funds	-8,956	-60,811
Net cash flow from financial assets	-8,956	-60,811
Net cash flow from operations	-6,899	3,292
Cash flows from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-4,131	-1,654
Net cash flow from investment activities	-4,131	-1,654
Net cash flow for the period	-11,030	1,638
-of which net cash flow inn the period before financial asset	-2,074	62,449
Net movement in cash and cash equivalents	-11,030	1,638
Cash and cash equivalents at start of the period	36,597	36,849
Cash equivalents at the end of the period	25,567	38,487

Changes to equity Storebrand Helseforsikring AS

NOK thousand	Share capital	Share premium account	Restatement differences	Admin and guarantee scheme	Other equity	Total equity
Equity at 01.01.2011	33,000	122,000	-1,029	12,475	-25,451	140,995
change to the accounting policies:						
Change to the accounting policies:					37355	37,355
Release of administration reserve to free equity			-89			-89
Allocation to ULAE				1,060	-1,060	0
Equity at 31.12.2011	33,000	122,000	-1,118	13,535	10,844	178,261
Profit/loss for the year					34,807	34,807
Re-statement differences			1,211			1,211
Change in administration- and guarantee reserve				1,251	-1,251	0
Equity at 31.12.2012	33,000	122,000	93	14,786	17,400	187,278
Profit/loss for the year					26,894	26,894
Gain/loss on exchange when converting branch office			-5,974			-5,974
Change in administration- and guarantee reserve				2,168	-2,168	0
Share issue						0
Equity at 30.09.2013	33,000	122,000	-5,881	16,954	42,125	208,198

Notes Storebrand Helseforsikring AS

NOTE 1 - ACCOUNTING PRINCIPLES

The accounts have been presented in accordance with the accounting principles applied in the 2012 Annual Accounts. A description of the accounting principles is given in the 2012 Annual Report.

NOTE 2 - FINANCIAL RISKS

There is no change in the risk picture compared to that described in the 2012 Annual Report.

NOTE 3 - 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 capital adequacy:

NOK thousand	30.09.2013	31.12.2012
Share capital	33,000	33,000
Share premium account	122,000	122,000
Other equity	15,324	17,492
Total equity	170,324	172,492
Intangible assets	-17,320	-16,757
Net primary capital	153,004	155,736
Calculation base by class of risk weighting	520,589	500,376
Risk weight 0%	0	35,042
Risk weight 10%	103,167	7,282
Risk weight 20%	302,308	364,054
Risk weight 50%	0	
Risk weight 100%	115,114	93,998
Weighted assets in the balance sheet	185,892	167,537
Weighted interest rate and FX contracts	617	
Risk weighted calculation base	186,509	167,537
Capital adequacy ratio	82.0%	93.0%

Solvency margin capital:

NOK thousand	30.09.2013	31.12.2012
Solvency margin demand	77,415	69,575
Solvency margin capital	179,398	179,125
Solvency margin	231,7%	257,5%

Specification of solvency capital :

NOK thousand	30.09.2013	31.12.2012
Net primary capital	153,004	155,736
Counting security reserve	26,394	23,389
Solvency capital	179,398	179,125

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.

NOTE 4 - TAX

Reconciliation of expected and actual tax charge

NOK thousand	30.09.2013
Ordinary pre-tax profit	36,319
Expected tax on income at nominal rate	-10,169
Tax effect of:	0
permanent differences	744
write-down of deferred tax assets	0
Change in technical insurance reserves posted to equity	0
Tax charge	-9,425
Effective tax rate	-26.0 %



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