



Interim Report 1th quarter 2013
Storebrand
Helseforsikring AS



Interim Report Storebrand Helseforsikring AS

As at 31 March 2013

Profit before tax is NOK 7.5 million (NOK 13.0 million) in 1 quarter.

Premiums earned totalled NOK 98.9 million (NOK 85.6 million) in 1. quarter. This is an increase of 15 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 71.4 million (NOK 53.0 million) in 1. quarter. The claims ratio for own account stood at 72 per cent (62 per cent) in 1. quarter. The underlying risk development is satisfying.

Insurance-related operating costs came to NOK 24.8 million (NOK 21.9 million) in 1. quarter. The net cost ratio for own account ended up at 25 per cent (27 per cent) in 1. quarter, and reflects the increased efficiency in the company.

The net financial items amounted to NOK 5.6 million (NOK 2.4 million) in 1. quarter. 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 79.7 per cent as at 31. March 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 245 per cent, 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.

Lysaker, 8. May 2013

The Board of Storebrand Helseforsikring AS

Profit and loss account Storebrand Helseforsikring AS

NOK thousand	01.01.-31.03.		Full year
	2013	2012	2012
TECHNICAL ACCOUNTS			
PREMIUMS			
Gross premiums written	151,094	126,672	386,528
- Reinsurers' share	-186	-476	-2,028
Gross change in reserve for unearned premiums	-52,013	-40,553	-17,754
Premium income for own account	98,895	85,643	366,747
Allocation of investment return transferred from the non-technical accounts	4,230	3,589	3,555
CLAIMS EXPENSES			
Gross claims paid	-70,411	-53,726	-230,170
Gross change in claims reserve	-951	691	-3,598
Claims expenses for own account	-71,362	-53,034	-233,391
INSURANCE RELATED OPERATING COSTS			
Sales costs	-10,566	-10,544	-36,535
Insurance related administration costs	-14,189	-11,389	-54,005
Insurance related operating costs for own account	-24,756	-21,934	-90,540
Other insurance related operating cost		-802	
Balance on the technical account before allocations to security reserve	7,007	13,462	46,371
Change in security reserve	-875	717	-5,846
Technical profit	6,132	14,179	40,525
NON-TECHNICAL ACCOUNTS			
Interest and dividend etc from financial assets	2,962	3,023	12,003
Change in value on investments	1,681	-1,148	-1,488
Realised gain and loss on investments	1,105	500	828
Management expenses linked to investment, inkluded interest cost	-103		-439
Net income from investments	5,644	2,375	10,905
Allocation of investment return transferred to the technical accounts	-4,230	-3,589	-3,555
Other income / other cost	-21		-12
Non-technical profit	1,392	-1,214	7,338
Pre tax profit	7,524	12,965	47,863
Tax	-2,000	-3,343	-13,056
Profit before other comprehensive income	5,524	9,622	34,807
Other result elements:			
Re-statement differences	-3,229	735	1,211
Total comprehensive income for the period	2,295	10,358	36,017

Statement of financial position Storebrand Helseforsikring AS

	31.03	31.12
NOK thousand	2013	2012
ASSETS		
Deferred tax assets		
Intangible assets	11,907	11,697
Total intangible assets	11,907	11,697
FAIR VALUE FINANCIAL ASSETS		
Bonds and other securities - fixed yield	397,914	368,494
Financial derivatives	2,167	
Other financial assets	194	3,107
Total financial assets	400,275	371,600
RECEIVABLES		
Receivables due from insurance customers	110,600	89,420
Other receivables	8,366	4,395
Total receivables	118,966	93,815
OTHER ASSETS		
Fixed assets	1,637	1,421
Cash and bank	35,427	33,490
Other tax assets	3,060	5,060
Total other assets	40,123	39,972
Prepaid costs and accrued income	33	50
Total prepaid costs and accrued income	33	50
Total assets	571,304	517,133

Statement of financial position Storebrand Helseforsikring AS (cont.)

	31.03	31.12
NOK thousand	2013	2012
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	15,633	14,786
Other retained earnings	18,941	17,492
Total retained earnings	34,574	32,278
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	205,680	149,171
Claims reserve gross	39,891	37,980
Security reserve	54,169	51,976
Total insurance liabilities gross	299,739	239,128
RESERVES FOR LIABILITIES		
Pension liabilities	18,840	18,840
Deferred tax	8,762	13,656
Total reserves for liabilities	27,602	32,496
DEBT		
Due in respect of direct insurance	10,236	12,135
Other debt	27,000	27,000
Financial derivatives	7,334	1,733
Debt to connected parties	309	422
Total debt	44,879	41,291
Accrued costs and deferred income	9,510	16,940
Total accrued costs and deferred income	9,510	16,940
Total equity capital and liabilities	571,304	517,133

Cash Flow analysis Storebrand Helseforsikring AS

NOK thousand	2013	2012
Cash flows from operations		
Net receipts - insurance	127,828	114,022
Net payment compensation and insurance benefits	-70,411	-53,726
Payment of income tax	-4,894	
Payments relating to operations	-27,084	-19,146
Net payments received relating to securities		225
Net cash flow from operations before financial assets	25,440	41,375
Net receipts/payments - mutual funds	-25,943	-43,112
Net cash flow from financial assets	-25,943	-43,112
Net cash flow from operations	-503	-1,737
Net receipts/payment - sale/purchase of fixed assets	-473	-414
Net cash flow from investment activities	-473	-414
Net cash flow for the period	-976	-2,151
-of which net cash flow in the period before financial asset	24,967	40,961
Net movement in cash and cash equivalents	-976	-2,151
Cash and cash equivalents at start of the period	36,597	36,849
Cash equivalents at the end of the period	35,621	34,698

Changes to equity Storebrand Helseforsikring AS

NOK thousand	Share capital	Share premium account	Re-statement differences	Admin and guarantee scheme	Other equity	Total equity
Equity at 01.01.11	33,000	122,000	-1,029	12,475	-25,451	140,995
change to the accounting policies:					37,355	37,355
Release of administration reserve to free equity			-89			-89
Allocation to ULAE				1,060	-1,060	
Change in claims settlement cost 2010, booked in profit and loss account						
Equity at 31.12.11	33,000	122,000	-1,118	13,535	10,844	178,261
Re-statement differences			1,211			1,211
Change in administration- and guarantee reserve				1,251	-1,251	
Dividend					-27,000	-27,000
Equity at 31.12.2012	33,000	122,000	93	14,786	17,400	187,278
Profit/loss for the year					2,295	2,295
Re-statement differences			-3,229			-3,229
Change in administration- and guarantee reserve				-14,786	14,786	
Share issue						
Equity at 31.03.2013	33,000	122,000	-3,136	0	34,481	186,345

Notes to the accounts for 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 capital adequacy

NOK thousand	31.03.2013	31.12.2012
Share capital	33,000	33,000
Share premium account	122,000	122,000
Other equity	16,645	17,492
Total equity	171,645	172,492
Intangible assets	-14,967	-16,757
Net primary capital	156,678	155,736
Calculation base by class of risk weighting	546,456	500,376
Risk weight 0%		35,042
Risk weight 10%	85,068	7,282
Risk weight 20%	342,427	364,054
Risk weight 50%	33	
Risk weight 100%	118,928	93,998
Weighted assets in the balance sheet	195,937	167,537
Weighted interest rate and FX contracts	562	
Risk weighted calculation base	196,499	167,537
Capital adequacy ratio	79.7%	93.0%

Solvency margin

NOK thousand	31.03.2013	31.12.2012
Solvency margin demand	73,890	69,575
Solvency margin capital	181,054	179,125
Solvency margin	245.0%	257.5%

Specification of solvency margin capital

NOK thousand	31.03.2013	31.12.2012
Net primary capital	156,678	155,736
Eligible share of security reserves	24,376	23,389
Solvency margin capital	181,054	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	31.03.2013
Ordinary pre-tax profit	7,524
Expected tax on income at nominal rate	-2,107
Tax effect of:	
permanent differences	107
write-down of deferred tax assets	
Change in previous years	
Tax charge	-2,000
Effective tax rate	26.6 %



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