



# Insr Transformed

September, 2018

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# Insr in brief



Norwegian company, listed Oslo Stock Exchange 2014



Non-life insurance; property & casualty; retail & SME  
Portfolio Q2 '18 NOK 1.40 bn



Currently operating in Norway and Denmark



Equity NOK 437 mn and balance sheet NOK 2.4 bn



Solvency ratio 161 %



Market Cap (share @ NOK 7.00) NOK 0.95 bn

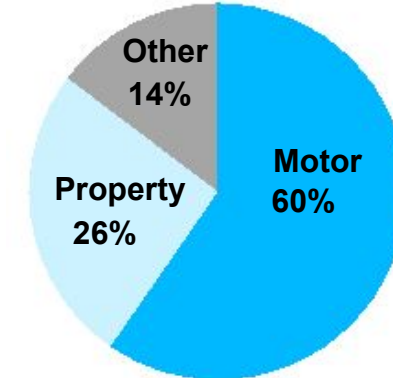
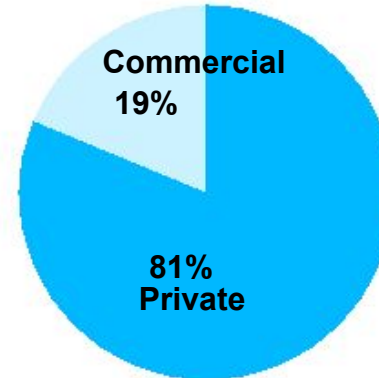
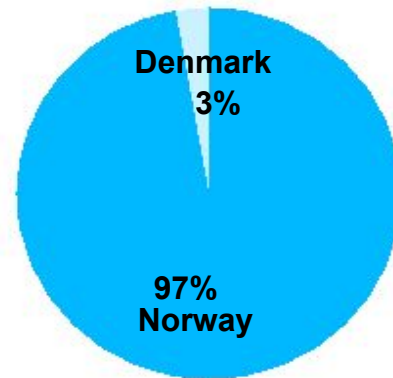


Approximately 150 colleagues

# Business

Partnerships & cooperation  
core business  
model

Wholesale &  
tied agents

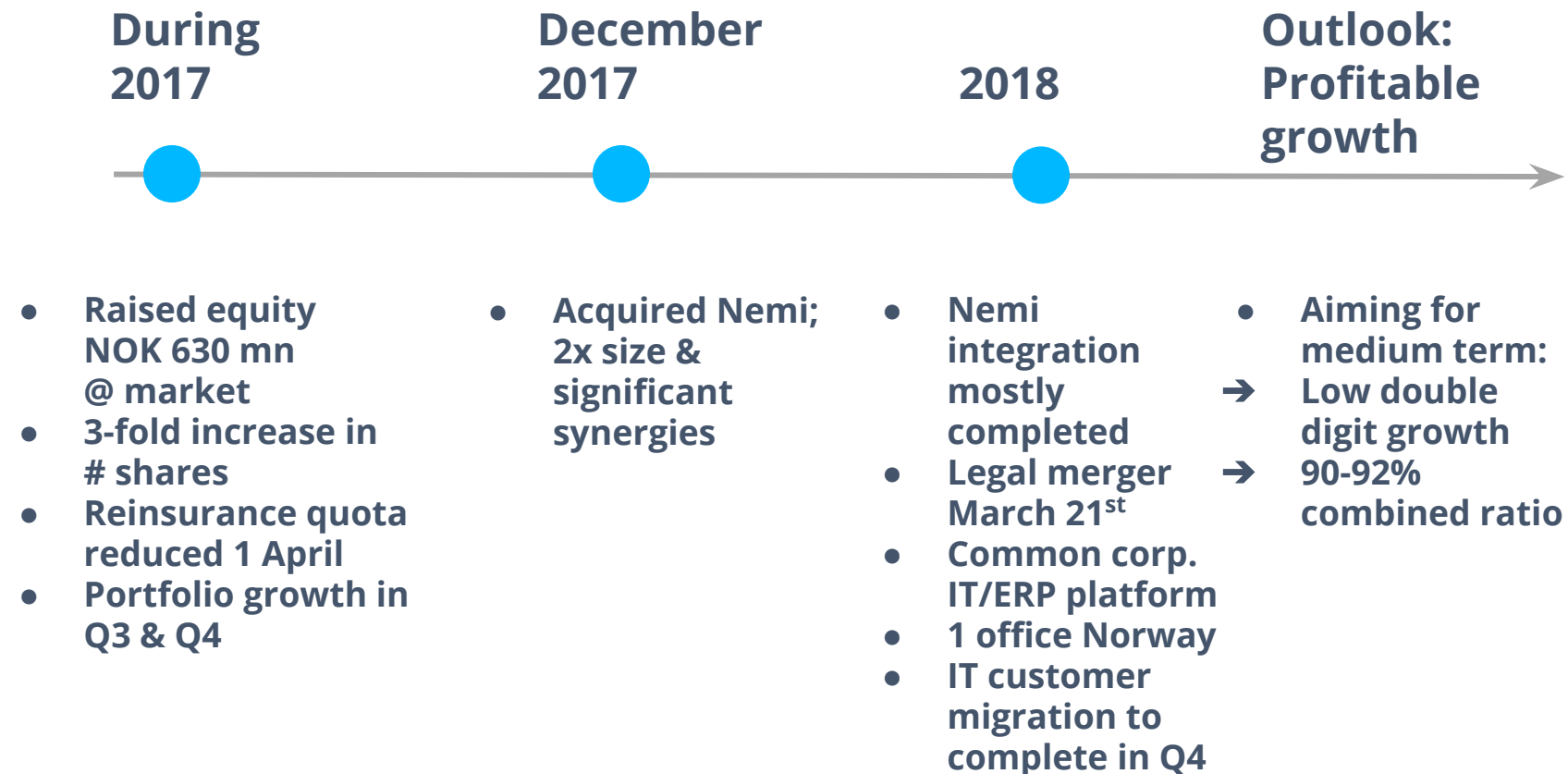


- Distribution strategy highly flexible, supports growth
  - No longer Vardia's costly customer acquisition model
- Wholesale partner types:
  - Associations, Companies (e.g. power & retail), Aggregators & Web services (e.g. finance & bank-sites)

# Total makeover

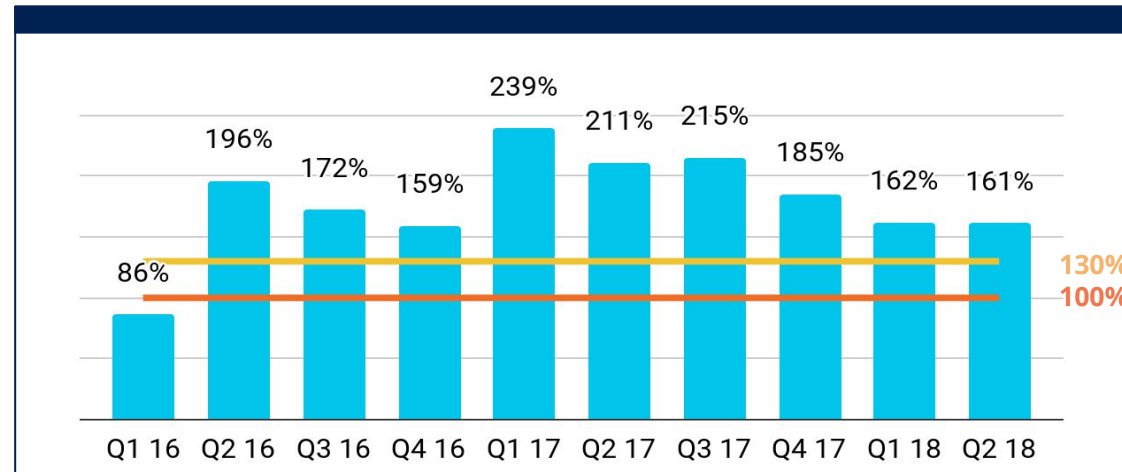
# Critical mass achieved

Company restructured 2015 - 2017



# Solid capital base & strong owners

SOLVENCY RATIO DEVELOPMENT\*



- Solvency ratio 161 %
  - Surplus capital above requirement NOK 155 mn
- Financial flexibility from reinsurance
  - Reduced to 50% quota from 01.01.2018 (from 75-80%); strong panel
- Proven ability of capital raising
  - 3x share capital @market in 2017 to reduce quota reinsurance & purchase Nemi
- Strong owners, including
  - Øresund - stock-listed investment co, history of supporting Insr
  - HDI/Talanx, one of Europe's largest insurers

# Experienced Management & BoD



## **Espen Husstad, CEO**

Espen Husstad has been CEO of Insr since Oct 2015. Husstad has extensive experience in the insurance industry. Before joining Insr, he was CEO of AON Norway from 2008. Husstad has also held several senior positions in If P&C. He has a doctorate in mathematics.



## **Ingvild Gråberg, EVP Insurance Delivery**

Ingvild Gråberg has been EVP Insurance Delivery since Jan 2018. Prior to this, she was EVP Corporate Services since 2016. Gråberg has 17 years experience in the insurance industry, including leader for Broadspire Norway Crawford & Company, and responsible for several products in Storebrand Life Insurance. She has a master from BI.



## **Bård Standal, CFO**

Bård Standal has been CFO of Insr since 2016. Prior to joining Vardia, Standal was SVP of Finance in the Orkla Group, SVP of Strategy at Statkraft and Legal director of Statoil Fuel & Retail. He has held management positions in If P&C including Head of Ifs agent distribution network. Standal has a master in law from the University of Oslo and an MBA from NHH.



## **Linda Mulehamn, EVP Corporate Insight**

Linda Mulehamn has been EVP Corporate Insight since Dec 2017. Before this, Mulehamn was Head of Price and Product in Nemi since 2015. She also has 15 years of insurance experience, mainly from analytics positions in If P&C. She has a master in industrial mathematics from NTNU, an actuarial degree from the University of Oslo, and an MBA from BI.



## **Cathrine Christiansen, EVP Wholesale**

Cathrine Christiansen has led the business to business sale in Insr since Jan 2017, and was included in the management team Dec 2017. Christiansen has more than 15 years experience from the insurance industry, much of the time managing commercial teams and developing strategy in Aon. She has a master in engineering from NTNU.



## **Terje Løyning, EVP Corporate Services**

Terje Løyning has been EVP Corporate Services in Insr since Jan 2018. Løyning has had a range of managerial roles in Nemi Forsikring since 2007. Prior to this, he worked as a lawyer, and he also has experience from Storebrand and from teaching at university level. He has law degree from the University of Oslo.

**Chairman of the Board of Directors:**  
**Board Members:**

**Åge Korsvold**

**Ragnhild Wiborg, Mernosh Saatchi, Øystein Engebretsen, Ulf Spång and Terje Moen**

# Company values

Transparent  
Accountable  
**Challenger**  
Collaborative

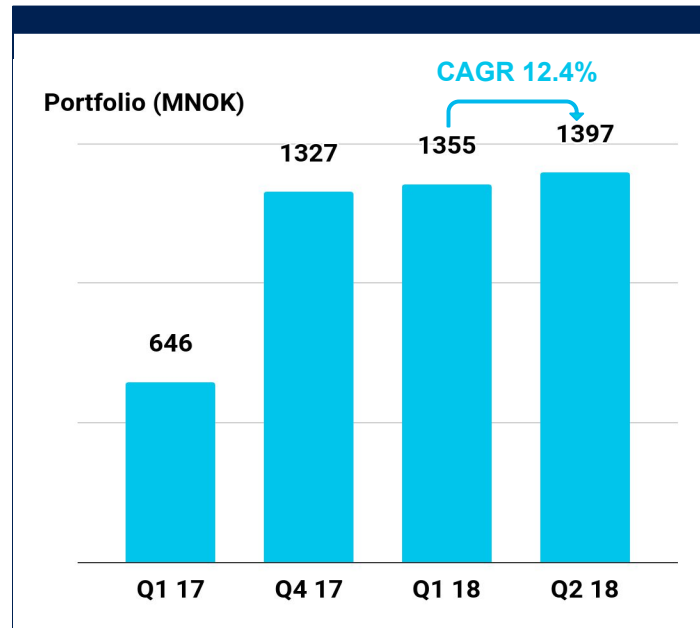


# Q2 2018 Highlights

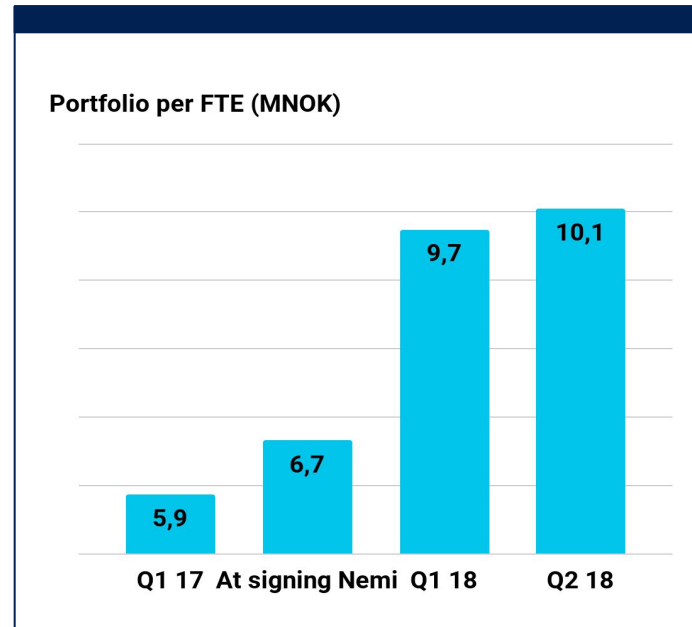


# Step change materializing

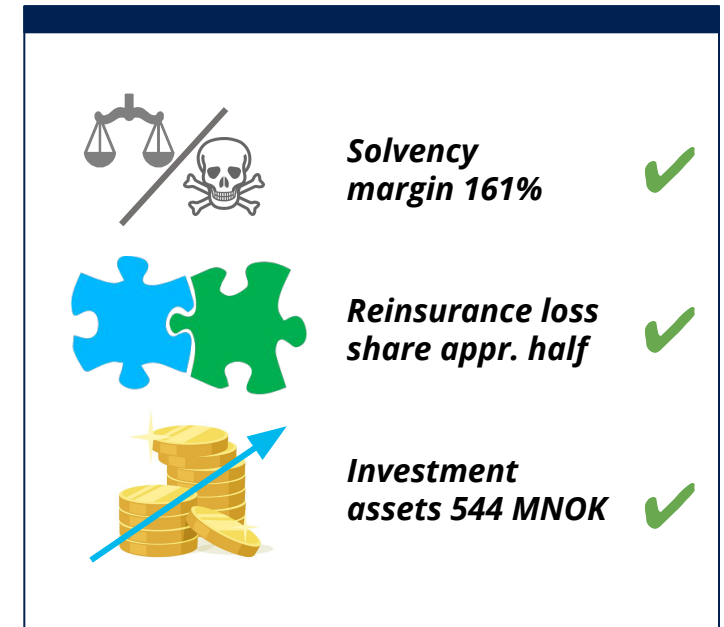
## LOW DOUBLE DIGIT GROWTH



## LEANER OPERATIONS\*



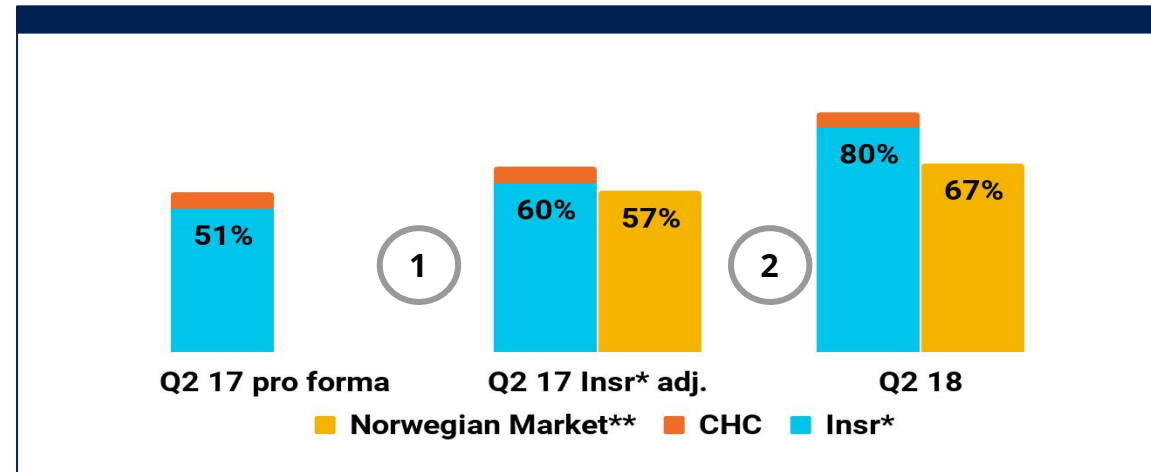
## EFFICIENT CAPITAL STRUCTURE



\*) Pro forma figures combining Legacy Insr and Nemi at signing of Nemi transaction

# Q2 18 Loss ratios worse across market

## GROSS LOSS RATIO



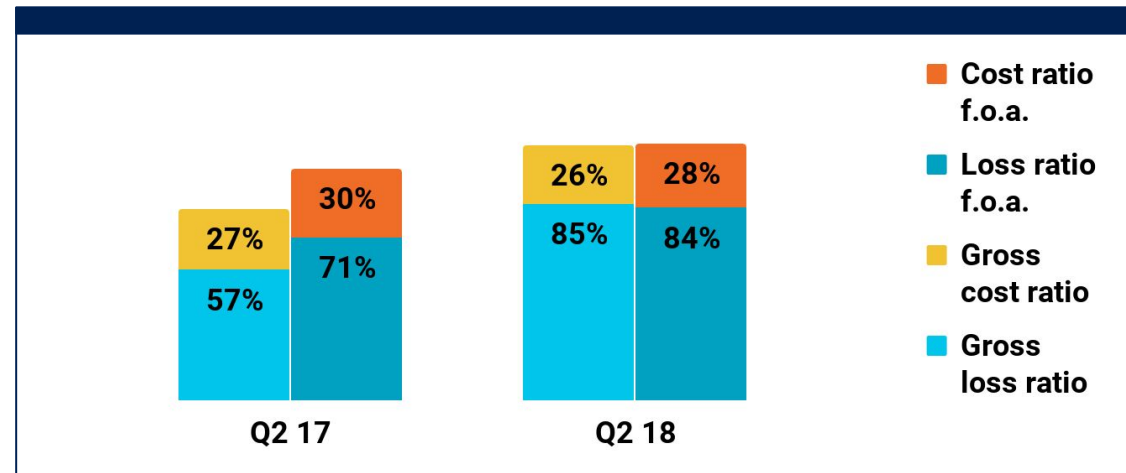
- 1 Higher run-off gains in Nemi Q2 2017
- 2 Adverse development in the whole market
  - Spill-over from harsh and late winter
  - Continued motor claims inflation

\*) Pro forma figures combining Legacy Insr and Nemi for Q2 '17, deducting claims handling costs (CHC)

\*\*\*) Weighted average of Sparebank 1 Skadeforsikring, Gjensidige Private and Commercial, If Norway (ex. claims handling cost)  
Not adjusted for run-off

# Reinsurers take around half the loss

COMBINED RATIO\*



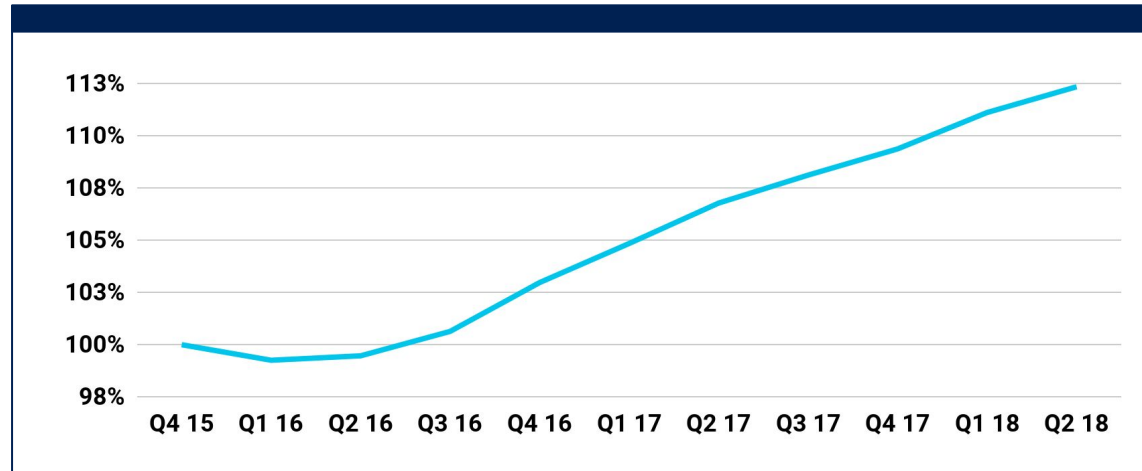
- Combined f.o.a. ratio in line with gross
  - Improved reinsurance contracts
  - Cost ratio approaching reinsurance commission
- Q2 17: Reinsurers got 56 MNOK profit, Insr only 1 MNOK\*\*
- Q2 18: Reinsurers share loss evenly with Insr

\*) Pro forma figures combining Legacy Insr and Nemi for Q2 '17

\*\*\*) Pro forma net underwriting result

# Well on the way with price measures

VARDIA PRIVATE MOTOR AVERAGE PREMIUM indexed to Q4' 15



- Proven track-record of significant price increases
- Repricing Nemi and partners similarly
- Additional churn not observed; clear sign of price increases in the whole market



# Strategy & Outlook

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insure

# Strategic Platform:

The regulated insurance company

Nemi fits multi-brand strategy



Being regulated is complex, expensive & capital intensive

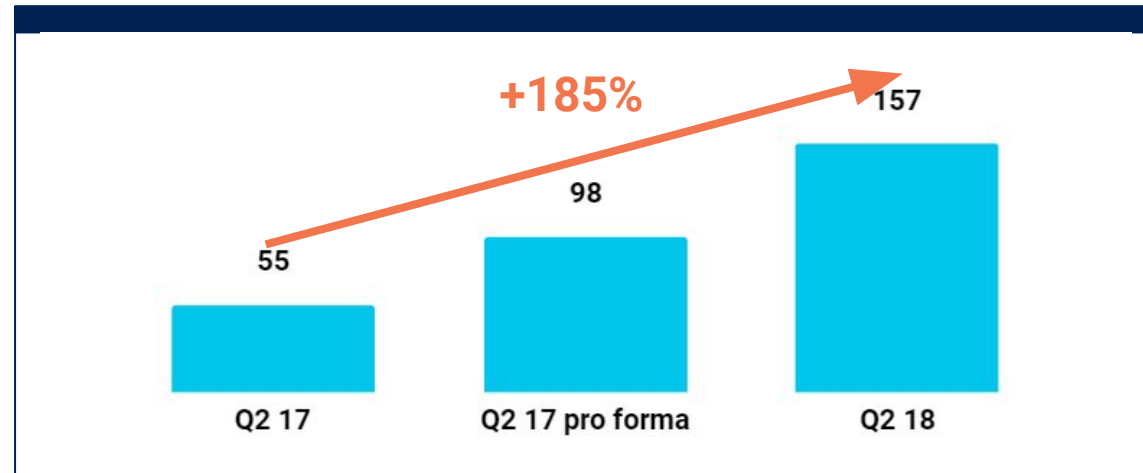
- Partners avoid this complexity and focus on end-consumer
- Insr is the insurance specialist & risk carrier
- Insr business model adapt to & accelerate value chain break-up

Wholesale distribution

- Plug and play insurance solutions; flexible insurance concepts & cooperation models
- Partners handle retail distribution

# Tripled own topline year on year

NET EARNED PREMIUM (MNOK)



Organic growth, financial restructuring and M&A:

- Wholesale strategy
- Revised reinsurance programme
- Nemi acquisition

# Continued progress

## MEDIUM TERM TARGETS

Portfolio growth	Low double digit
Gross combined ratio	90 - 92%
Solvency ratio	Above 130%

- Q2 key takeaways
  - Low double digit growth
  - Integration on track
  - Efficient capital structure
  - Harsh winter and underlying claims inflation still affecting results
  - Price increases in the market
- Outlook
  - Low double digit growth within reach already in 2018
  - Nemi integration to complete in Q4 2018



## Disclaimer

This presentation may contain forward-looking statements which are based on our current expectations and projections about future events. The terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. All statements other than statements of historical facts included in this presentation, including statements regarding our future financial position, risks and uncertainties related to our business, strategy and our plans and objectives for future operations, may be deemed to be forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this presentation, and we do not intend and do not assume any obligation to update any statements set forth in this presentation.

Established player in an industry with high entry barriers and attractive dynamics

Flexible and agile business model supporting challenger position

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Management with proven track record and extensive insurance expertise

Financially and operationally restructured; ready for disciplined growth