



# Q3 2016 PRESENTATION

9 November 2016

---

Espen Husstad, CEO  
Bård Standal, CFO

insr

## 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

i n s r  
u r e

Management with proven track record and extensive insurance expertise

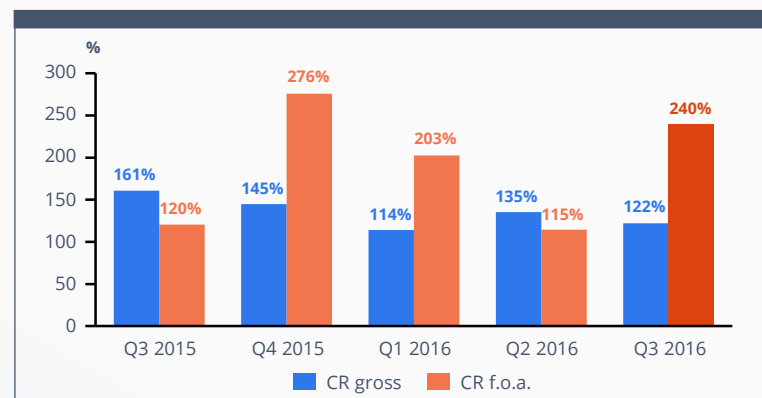
Financially and operationally restructured; ready for disciplined growth

# Highlights

- Q3'16 loss from operations at MNOK 59.1, including negative non-recurring items of MNOK 59.5
- Solvency ratio at 172%, well above regulatory requirement
- Cost cutting measures proceeding according to schedule
- Pricing measures and portfolio pruning progressing as planned
- Name changed to Insr Insurance Group ASA, reflecting transformation to a wholesale insurer with selective distribution set-up

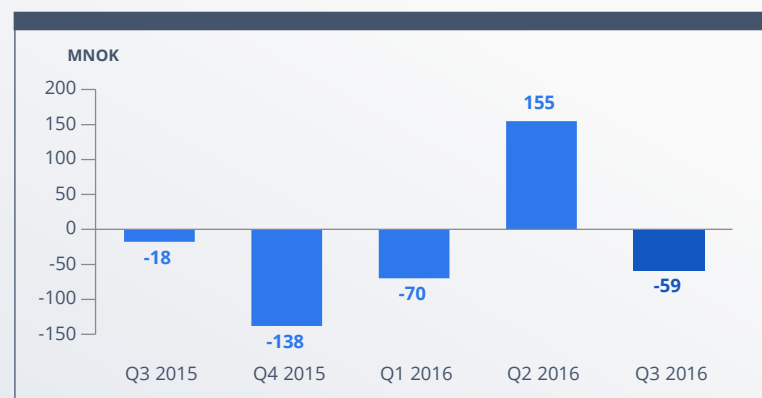
# Q3'16 impacted by turnaround process

## COMBINED RATIO



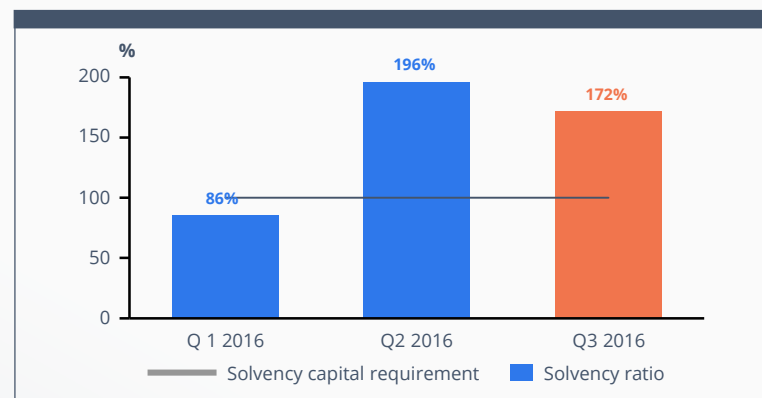
- Focus on restructuring – crucial measures implemented during Q3'16
- Earnings impacted by non-recurring items and controlled decline in sales activities

## PROFIT/LOSS FROM OPERATIONS

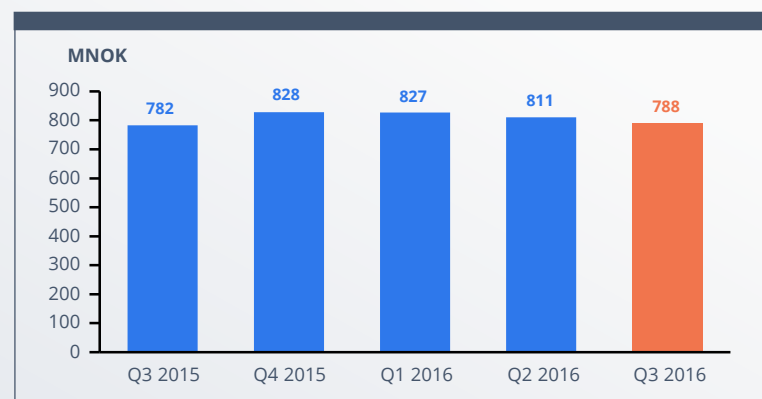


# Adequate solvency and controlled portfolio development

## SOLVENCY RATIO<sup>1</sup>



## PORTFOLIO



- Solvency ratio significantly above target of 130%
- Solvency capital requirement stable at MNOK 131
- Portfolio development reflecting pruning and sales capacity adjustments according to plan

<sup>1)</sup> Solvency ratio is calculated and reported for Insr Insurance Group ASA.

A wide-angle photograph of a sunset over a large body of water. The sky is a mix of orange, yellow, and light blue, with some clouds. The water is calm, reflecting the colors of the sky. In the distance, two people are on paddleboards. The overall mood is peaceful and serene.

# Financial review

---

i n s r

# Q3'16 earnings impacted by restructuring activities

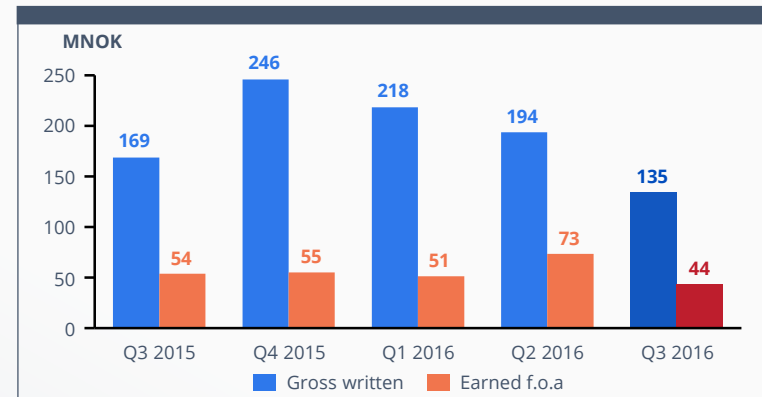
MNOK	Q3 2016	Q3 2015 <sup>1</sup>	YTD 2016	YTD 2015 <sup>1</sup>
Gross premiums written	134.6	168.6	546.7	600.8
Gross premiums earned	201.8	201.5	615.7	569.6
Premiums earned f.o.a.	43.8	53.9	168.3	154.8
Gross incurred claims	-160.4	-270.3	-527.6	-549.9
Claims incurred f.o.a.	-40.7	-52.8	-139.3	-136.7
Technical result	-60.5	-7.5	-122.2	-100.6
<b>Profit/loss from operations</b>	<b>-59.1</b>	<b>-17.8</b>	<b>17.7</b>	<b>-138.7</b>

1) Numbers have been restated and are excluding Sweden.



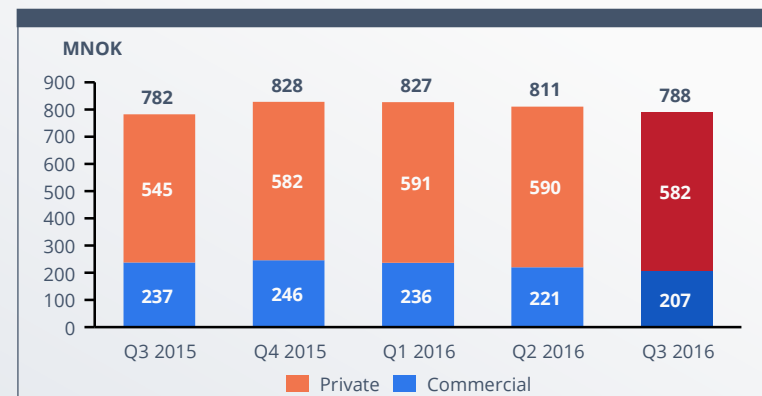
# Focus on profitability - controlled decline in sales activities

PREMIUMS - GROSS WRITTEN & EARNED F.O.A.



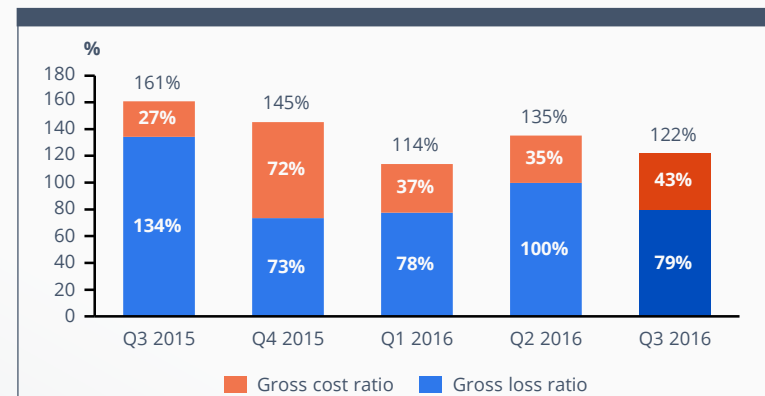
- Premiums impacted by shift in strategic focus
- Planned reduction in Norwegian sales activities
- Revised customer targeting

PORTFOLIO BY CUSTOMER SEGMENT



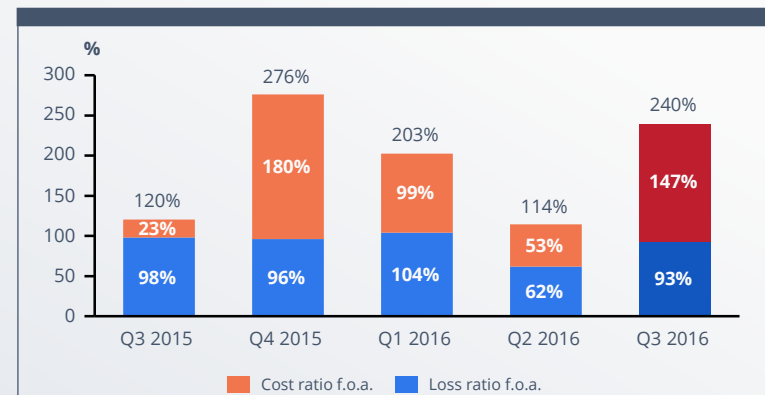
# Combined ratio impacted by restructuring items

## GROSS COMBINED, COST AND LOSS RATIO



- Lower claims ratio due to maturation of the insurance portfolio and lower risk exposure
- MNOK 59.5 non-recurring items incurred in Q3'16

## COMBINED, COST AND LOSS RATIO F.O.A.



A wide-angle photograph of a sunset over a large body of water. The sky is a mix of orange, yellow, and light blue, with some clouds. The water is calm, reflecting the colors of the sky. In the distance, two people are on paddleboards. The overall mood is peaceful and serene.

# Strategic update

i n s r

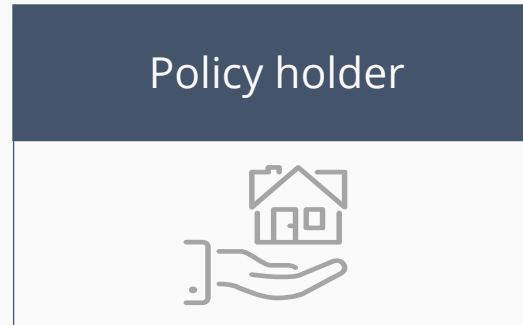
# Repositioning Insr for profitable growth



# Establishing strategic flexibility

Strategic objective	Completed/ongoing measures
Restoring solvency	<ul style="list-style-type: none"><li>✓ Swedish portfolio divested</li></ul>
Efficient distribution channels	<ul style="list-style-type: none"><li>✓ Norwegian distribution acquired</li><li>✓ Molde, Sortland and Hamar sales offices closed</li><li>✓ Replaced in-house sales with external agency in Porsgrunn</li></ul>
Lean organisational structure	<ul style="list-style-type: none"><li>✓ New exec. management</li><li>✓ Co-location of corp. centers</li><li>✓ Staff reduction in Porsgrunn</li></ul>
Competitive cost base	<ul style="list-style-type: none"><li>✓ New IT vendor</li><li>✓ Increased internal claims handling</li></ul>
New market positioning	<ul style="list-style-type: none"><li>✓ Pricing and pruning measures</li><li>✓ Shift in customer segmentation, targeting and positioning</li></ul>

# Focused insurance platform for disciplined, profitable growth



- Consumers and SMEs



- Partners will handle retail distribution
- Partner segments:
  - Associations and NGOs
  - Insurance brokers and agencies
  - Retailers and banks
  - Startups with a disruptive agenda
- Vardia as the in-house retail brand



- Focus on underwriting and risk assessment
- Plug & play insurance solutions without challenging the partners retail relations
- Good strategic fit with Solvency II framework
- Seamless connectivity to distributors

**Focus on  
disruptive  
startups -  
entered  
into  
agreement  
with Tribe  
(tribe.no)**

*Tribe*

Tribe  
Venneforsikring  
@tribevenneforsikring

## Summary & outlook

- Restructuring program on track
- Q3'16 earnings negatively impacted by ongoing turnaround process
- Cost cutting and pricing measures proceeding according to schedule
- Revised strategy has resonated well – encouraging growth opportunities with Tribe and other potential partners
- Material non-recurring restructuring cost also in Q4'16
- Portfolio decline to continue during the next quarters
- Maintaining target of solvency ratio above 130% through 2017



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

Flexible and agile business model supporting challenger position

i n s r  
u r e

Management with proven track record and extensive insurance expertise

Financially and operationally restructured; ready for disciplined growth

i n s r . i o

---

i n s r