

Sampo Group's **Annual Report 2013**

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Underwriting Risks Underwriting Risks

Underwriting Risks

The book value (technical provisions) and economic value of insurance liabilities are dependent on (i) the size and timing of future claims payments including expenses and (ii) the interest rates used to discount these claims payments to current date. In this section the focus is mainly on the first component and hence on the underwriting risk. Discount rate risk and its effect on technical provisions are also described in this section. The interest rate risk affecting the economic value of liabilities is covered later in [ALM risk section](#).