



2013 was again a good year for If. The company has now exceeded its long-term profitability targets 37 times during the last 38 quarters. The only exception was the harsh winter of 2010, during which snow, ice and cold resulted in far more insurance claims than in a normal year. If's combined ratio for 2013 was 88.1 per cent, which is the best ever for the company. The technical result increased to EUR 601 million and pre-tax profits to EUR 929 million. The premium growth was a strong 2.9 per cent.

The result for 2013 was achieved in a period of very low interest rates. The low interest rate environment enables only a limited rate of return for insurance companies' investments, which are directed mainly to interest bearing debt instruments. Today, the industry is focusing more than ever on the profitability of the insurance business. This has been If's key strategic theme for more than a decade. With the industry now following the example set by If, the company has to perform more efficiently to maintain its competitive edge.

If's positive development is the result of a long-term strategy with a consistent focus on underwriting, meaning more efficient risk assessment and risk selection, and correct pricing of products, as well as, profitability and cost-effectiveness. Extensive work is currently being done to further strengthen the focus on underwriting. In order to improve efficiency, If is investing heavily in IT. An increasing number of customers are visiting If's Internet pages to get information, file claims or buy insurance. The number of visits increased by 15 per cent since 2012 and online sales to individuals rose by 18 per cent. IT investments are also strengthening Nordic cooperation within If. Tasks are coordinated in a way that the best expertise is available cost-efficiently.

One of If's primary goals is to deliver the best customer experience for everyone, despite the customer service channel chosen. This is particularly the case, when a customer has suffered a loss. Every claim case is followed up and the customer has the

opportunity to rate and comment on the service. Surveys show that those customers, who have had an insurance claim, are even more pleased with If than those who have never had a claim.

During the year, customer reviews of If's claims handling process have improved further from an already high level. Nine out of ten private customers give If the highest or the second highest rating.

Towards the end of 2012, If acquired Tryg's Finnish business, with a premium volume of approximately EUR 80 million and a market share of about two per cent. The business has now been successfully integrated into the operations of If. In 2013, If entered into a partnership agreement with Nordea in Finland, Sweden and the Baltic countries, where Nordea now sells If products at its branches and via the Internet.

It seems that the repeatedly delayed EU reform of the regulatory system for the insurance industry, Solvency II, will be implemented in 2016. The Directive will provide a common European approach that will ensure financial stability and promote fair and efficient financial markets in Europe. Solvency II is very much in line with If's approach to risk management and we are already working in accordance with the Directive.

The beginning of the year saw two changes in the management team of If. Morten Thorsrud was appointed Head of Business area Private and Niclas Ward took over as Head of Business area Industrial.