

## Sampo Group's Annual Report 2013

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3 Claims incurred 3 Claims incurred

### 3 Claims incurred

#### P&C insurance

EURm	2013				2012	
	Gross	Ceded	Net	Gross	Ceded	Net
<b>P&amp;C insurance</b>						
<b>Claims cost attributable to current-year operations</b>						
Claims paid	-1,718	21	-1,697	-1,694	30	-1,665
Change in provision for claims outstanding (incurred and reported losses)	-715	19	-696	-894	166	-727
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-633	13	-620	-622	13	-609
Claims-adjustment costs	-4	0	-4	2	-	2
Change in claims provision for annuities	-7	0	-7	-9	-	-9
<b>Total claims cost attributable to current-year operations</b>	<b>-3,078</b>	<b>53</b>	<b>-3,025</b>	<b>-3,218</b>	<b>209</b>	<b>-3,009</b>
<b>Claims costs attributable to prior-year operations</b>						
Claims paid	-1,274	165	-1,108	-1,426	139	-1,288
Annuities paid	-77	0	-77	-20	-0	-20
Change in provision for claims outstanding (incurred and reported losses)	915	-140	775	938	-100	837
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	508	-18	489	647	-44	603
<b>Total claims cost attributable to prior-year operations</b>	<b>71</b>	<b>7</b>	<b>79</b>	<b>139</b>	<b>-6</b>	<b>133</b>
<b>Insurance claims paid</b>						
Claims paid	-2,991	186	-2,805	-3,121	168	-2,952
Annuities paid	-129	-	-129	-42	-	-42
<b>Total claims paid</b>	<b>-3,120</b>	<b>186</b>	<b>-2,935</b>	<b>-3,163</b>	<b>168</b>	<b>-2,995</b>
<b>Change in provision for claims outstanding</b>						
Change in provision for claims outstanding (incurred and reported losses)	199	-121	79	44	66	110
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-126	-5	-131	25	-31	-6
Change in claims provision for annuities	45	0	45	13	-0	13
Claims-adjustment costs	-4	-	-4	2	-	2
<b>Total change in provision for claims outstanding</b>	<b>114</b>	<b>-126</b>	<b>-12</b>	<b>84</b>	<b>35</b>	<b>119</b>
<b>P&amp;C insurance, total</b>	<b>-3,006</b>	<b>60</b>	<b>-2,946</b>	<b>-3,079</b>	<b>203</b>	<b>-2,876</b>

The provision for annuities is valued in accordance with normal actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future investment return into account. To cover costs for the upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return is added to the annuity results. Provisions for incurred but not reported losses pertaining to annuities in Finland are discounted. The provisions in 2013

amounted to EURm 282 (289). The non-discounted value was EURm 453 (513). The exchange effect on the discounted provisions was an increase of EURm 9. The acquired businesses increased the the provision by some EURm 9. The real decrease EURm 15 is partly explained by the model adjustment for Motor Third Party Liability and Workers' Compensation insurances.

**Interest rate used in calculating the technical provisions of annuities (%)**

	2013	2012
Sweden	1.19%	0.18%
Finland	2.50%	3.00%
Denmark	2.00%	2.00%

**Life insurance**

	Claims paid		Change in provision for claims outstanding		Claims incurred	
EURm	2013	2012	2013	2012	2013	2012
<b>Insurance contracts</b>						
<b>Life insurance</b>						
Contracts with discretionary participation feature (DPF)	-50	-77	-0	-3	-50	-80
Other contracts	-0	-0	-0	-1	-0	-1
Unit-linked contracts	-160	-155	0	4	-160	-152
<b>Total</b>	<b>-211</b>	<b>-233</b>	<b>0</b>	<b>0</b>	<b>-210</b>	<b>-233</b>
<b>Pension insurance</b>						
Contracts with discretionary participation feature (DPF)	-344	-346	24	51	-320	-296
Unit-linked contracts	-12	-10	-16	-10	-29	-20
<b>Total</b>	<b>-357</b>	<b>-357</b>	<b>8</b>	<b>41</b>	<b>-349</b>	<b>-315</b>
<b>Assumed reinsurance</b>	-1	-1	-1	0	-2	-1
<b>Insurance contracts total, gross</b>	<b>-568</b>	<b>-590</b>	<b>7</b>	<b>41</b>	<b>-561</b>	<b>-548</b>
Reinsurers' share	3	4	-1	0	2	4
<b>Insurance contracts total, net</b>	<b>-565</b>	<b>-586</b>	<b>7</b>	<b>41</b>	<b>-559</b>	<b>-545</b>
<b>Investment contracts</b>						
<b>Capital redemption policies</b>						
Contracts with discretionary participation feature (DPF)	-1	-1	-	-	-1	-1
Unit-linked contracts	-172	-123	-	-	-172	-123
<b>Investment contracts, total</b>	<b>-173</b>	<b>-124</b>	<b>-</b>	<b>-</b>	<b>-173</b>	<b>-124</b>
<b>Life insurance, total</b>	<b>-738</b>	<b>-710</b>	<b>7</b>	<b>41</b>	<b>-731</b>	<b>-669</b>

**Claims paid by type of benefit**

EURm	2013	2012
<b>Insurance contracts</b>		
<b>Life insurance</b>		
Surrender benefits	-10	-8
Death benefits	-21	-26
Maturity benefits	-9	-33
Loss adjustment expenses	-0	-0
Other	-10	-10
<b>Total</b>	<b>-50</b>	<b>-77</b>
<b>Life insurance, unit-linked</b>		

Surrender benefits	-115	-89
Death benefits	-34	-27
Maturity benefits	-12	-40
Loss adjustment expenses	0	-0
<b>Total</b>	<b>-160</b>	<b>-155</b>
<b>Pension insurance</b>		
Pension payments	-319	-320
Surrender benefits	-20	-19
Death benefits	-5	-7
Loss adjustment expenses	-0	-0
<b>Total</b>	<b>-344</b>	<b>-346</b>
<b>Pension insurance, unit-linked</b>		
Surrender benefits	-9	-8
Death benefits	-4	-2
Other	-0	-0
<b>Total</b>	<b>-12</b>	<b>-10</b>
Assumed reinsurance	-1	-1
<b>Insurance contracts total, gross</b>	<b>-569</b>	<b>-590</b>
Reinsurers' share	3	4
<b>Insurance contracts total, net</b>	<b>-565</b>	<b>-586</b>
<b>Investment contracts</b>		
<b>Capital redemption policy, with-profit</b>		
Surrender benefits	-0	-0
Loss adjustment expenses	-0	-0
<b>Total</b>	<b>-1</b>	<b>-1</b>
<b>Investment contracts</b>		
<b>Capital redemption policy, unit-linked</b>		
Surrender benefits	-170	-123
Loss adjustment expenses	-2	-0
<b>Total</b>	<b>-172</b>	<b>-123</b>
<b>Investment contracts total, gross</b>	<b>-173</b>	<b>-124</b>
<b>Claims paid total, gross</b>	<b>-741</b>	<b>-714</b>
<b>Claims paid total, net</b>	<b>-738</b>	<b>-710</b>
Elimination items between segments	-	4
<b>EURm</b>	<b>2013</b>	<b>2012</b>
<b>Group, total</b>	<b>-3,677</b>	<b>-3,541</b>