

## If P&C Insurance

2014 was a good year for If P&C with a solid insurance result and a positive growth. The combined ratio for 2014 was 87.7 per cent which is the best ever for the company. Profit before taxes increased to EUR 931 million.

---

The low interest rate environment has become the new normal for the property and casualty insurance industry, producing lower rates of return on insurers' investment portfolios. As a result, the industry's focus

on underwriting profitability has in general increased during the past years at the same time as competition remains intense in all markets.

## Focus on Underwriting

If P&C's focus areas remained very much unchanged during 2014, with focus on underwriting excellence and cost efficiency. The company also continued to focus on customer value by offering the best customer experience in all types of contacts. This work has led to an additional improvement in customer satisfaction levels. In addition, customer reviews of If P&C's claims handling process have improved further from an already high level.

If P&C's premium growth for 2014 was 1.7 per cent. Positively affected by strong new car sales, continued high activity together with partners and growing internet sales on the back of high digital focus during the past years. Several agreements were renewed during the year and new partnerships were signed.

Underwriting has always been fundamental to If P&C and work to further enhance the understanding of risks and to provide the optimal cover to every client continues.

Digitalization is of ever increasing importance and If P&C strives to be the leading company in the digital

channels with focus on developing better electronic interfaces as well as simplifying online sales processes. During the year internet sales in the private market continued to increase and approximately one third of claims are now filed online.

In 2014, If P&C continued to leverage its integrated Nordic organization to achieve operational and IT synergies. On-going investments including Nordic IT platforms, digital solutions and automated claims are expected to increase efficiency further. During the year BA Commercial became operational with one IT base system in all four Nordic countries.

Solvency II regulation is expected to come into effect as of the beginning of 2016. If P&C is well prepared and already compliant with the principles of Solvency II. The Financial Supervisory Authorities have granted If P&C a pre-approval to use the internal capital model to calculate solvency capital requirements. Standard & Poor's has affirmed the company's A-rating with a stable outlook and the Strong assessment of Enterprise Risk Management.