

Annual Report 2023

Norwegian Natural Perils Pool





A truly challenging year

2023 really brought home the challenges of climate change, with several weather-related disasters and record-high claims payouts. Extreme events were peppered throughout the year and really put us to the test at a time when we also had to prepare for new legislation and regulations and develop a new core IT system.

2023 brought a large number of natural disasters, and claims payouts hit record levels. Our figures suggest that natural perils claims alone ran to more than NOK 4.2 billion, resulting in a deficit for the scheme of more than NOK 2.4 billion for the year. This deficit will be covered by insurers' own reinsurance programmes or equity, and cannot therefore affect the industry's solvency margin. Insurers also reported very high numbers of other weather-related losses during the year that come under ordinary insurance cover.

The year began dramatically on 6 January when high winds caused a 60m tall crane to topple over onto Melhustorget shopping centre in Trøndelag. This was followed by a winter storm in western Norway and then a rockslide in April which damaged a major industrial facility in Halden, the single largest loss in the Pool's history. Storm Hans, the most costly event on record, struck in August. This was soon followed by extreme rainfall in south-eastern Norway, while Storm Babette hit southern Norway later in the autumn. The year closed with Storm Pia and Storm Geritt, which were luckily less severe than feared.

The Pool worked on raising awareness of the scheme during the year by building a clearer identity in the media and giving numerous presentations.

The Norwegian parliament has approved amendments to the Natural Perils Insurance Act which entail significant changes to how the scheme is administered. One of the main changes is the creation of a fund for the management of natural perils capital, and this fund is to be invested and managed by the Pool. There will also be changes to the Pool's board and committee structure.

We had a dialogue with the Ministry of Justice and Public Security during the year on the coming changes. We contributed by answering a number of technical and practical questions about how the scheme functions.

We took a number of steps to prepare for the new rules:

- We worked hard on the development of a new core IT system throughout the year.
- Several staff completed training in reinsurance.
- Skills and capabilities in modelling climate risks were built up.
- An additional resource was recruited with future asset management in mind.

We worked during the year on the assumption that the new rules would enter into force on 1 January 2025, and this was confirmed early in 2024. Preparations for the new rules will therefore continue and intensify during the course of this year.

I would like to thank the committees, and especially the reinsurance and claims committees, for their hard work during a busy year.

Finally, I would also like to thank all of the staff for their efforts in 2023. In a truly challenging year, everyone stepped up.

Ståle Solem Ingebrigtsen
Director

About the Pool

The Norwegian Natural Perils Pool administers the natural perils insurance scheme, which provides insurance cover for damage caused by natural disasters to anything covered by fire insurance, such as buildings, contents, machinery and installations. Policyholders claim on their own insurers, and the Pool equalises claims based on market share.

Regulation of the scheme

The Pool's activities are regulated by the Natural Perils Insurance Act of 16 June 1989 and the Rules for the Norwegian Natural Perils Pool issued by royal decree of 21 December 1979 and subsequently amended by the Ministry of Justice and Public Security.

All companies that write fire insurance in Norway and Svalbard are required by Norwegian law to be members of the Pool.

What the scheme covers

With a few exceptions, everything in Norway and Svalbard that is at risk from fire and is insured against fire is automatically also insured against natural perils. The exceptions that are not covered by the scheme are regulated by the authorities through the Natural Perils Insurance Act. The exceptions are natural damage to forestry and standing crops, goods in transit, motor vehicles and motor vehicle trailers, aircraft, ships and small boats and their contents, fishing gear on vessels or in the sea, equipment in the sea for the production of fish, fish in cages, nets or dams, and equipment for extracting oil, gas or other natural deposits on the seabed.

The calculation of the payout following natural damage depends on the ordinary insurance cover for the items damaged.

Equalisation of claims

The scheme equalises natural perils claims between insurers based on their market share.

Reinsurance

The scheme is also to ensure that reinsurance cover is obtained for natural perils insurance on behalf of member companies. This cover is to apply between an agreed level of retention and the overall limit of liability for a natural disaster, which is set at NOK 16 billion in the Regulation on Natural Perils Insurance. The Pool's board sets the retention each year, and it was unchanged from previous years at NOK 1.5 billion in 2023.

Premium

The premium is set by the board each year. The board starts from a risk-based premium calculated using recognised actuarial methods and principles. The calculations take account of all claims payments back to 1980, including adjustment and reinsurance costs. The premium also allows for the Pool's administrative expenses and the reimbursement of claims from members. On 13 June 2022, the board set a premium for 2023 of 0.0065% of the fire sum insured, in line with previous years. On 23 June 2023, the board set a premium for 2024 of 0.007% of the fire sum insured. The rise was due to the expected increase in climate risks as a result of climate change.

Fire sum insured

The total sum insured against fire at 1 July 2023 was approximately NOK 25,764 billion across 93 member companies.

Address

The Pool operates from offices at Hansteens gate 2 in Oslo.

An extreme year with numerous and costly natural disasters in Norway

2023 was the costliest year since the natural perils insurance scheme was launched in 1980. The flooding when Storm Hans hit large parts of south-eastern Norway in August caused widespread and severe damage, while a rockslide in April damaged a major industrial facility in Halden.

The year began dramatically on 6 January when a 60m tall crane toppled over onto Melhusorget shopping centre in Trøndelag in storm-force winds. A woman in her 50s from Trondheim was killed. The shopping centre was also without power, heat, water and ventilation for a long period afterwards, leading to further losses.

At the beginning of February, northern and western Norway were hit by a winter storm which caused damage to a number of properties and buildings.

In April, a rockslide damaged a major industrial facility in Halden. The flooding when Storm Hans hit large parts of south-eastern Norway in August caused widespread and severe damage. These two events pushed up natural perils claims for the year significantly.

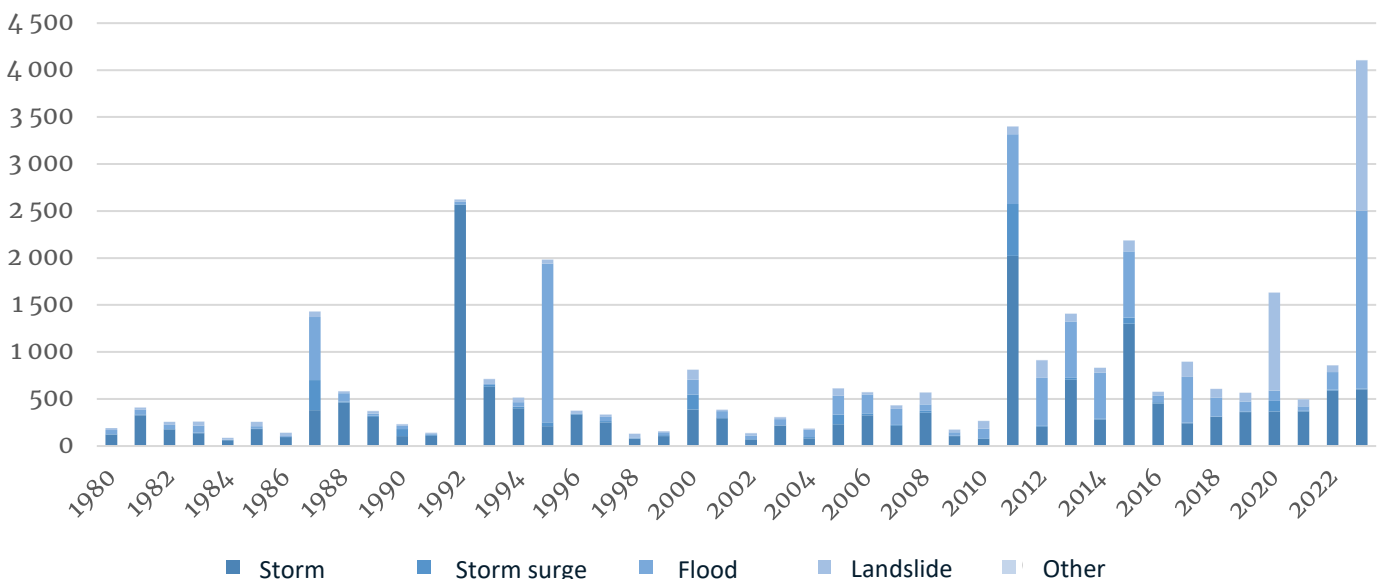
Storm Hans was quickly followed by extreme rainfall across south-eastern Norway at the end of

August, while Storm Babette hit southern Norway later in the autumn. The year closed with Storm Pia and Storm Geritt, which were luckily less severe than feared.

As at 30 April 2024, we estimate total claims payouts for 2023 at around NOK 4.2 billion¹, giving the scheme a deficit of more than NOK 2.4 billion¹ which will be covered by insurers' own reinsurance programmes or equity.

NOK 4.2bn

Annual claims payouts (inflation-adjusted to 2023 money)



¹ Including an estimate of losses incurred but not yet reported (IBNR).

Storm Hans among the greatest natural disasters of recent times

Storm Hans brought extreme rain to parts of southern Norway and parts of Sweden, Finland, the Baltic States, Denmark and neighbouring countries on 7–9 August 2023.

Storm Hans formed when the remains of the Storm Antoni and Storm Petar low-pressure systems merged over Eastern Europe on Sunday 6 August. The storm hit southern Norway from Monday 7 August to Wednesday 9 August, bringing extreme rainfall to large areas. On Thursday 10 August, the low-pressure system weakened and the rain eased.¹

The storm made its way across southern Norway from the east, which is highly unusual. Normally, bad weather comes from the west, which means that south-eastern Norway is protected by the mountains that divide the country's weather between east and west. The rainfall led to floods, which are unusual at that time of year. Heavy flooding is normally caused by the combination of rain and snowmelt during the spring.

The worst of the rain fell on 7–9 August. Mudslides were seen immediately after this rainfall, while flooding developed over a longer period of time. The Norwegian Water Resources and Energy Directorate (NVE) did not downgrade its flood and landslide warnings for more than a month after the event, which shows how long-lasting the effects on the main river systems were.

The extreme weather event led to extensive flood, landslide and storm damage to property and infrastructure. The consequences of the storm, especially in the lower parts of the river systems in the areas affected, lasted long after the storm had passed.

In Norway, the counties of Innlandet and Viken were hit hardest, but Vestland and Trøndelag in the west of the country were also affected.

Around 4,000 people were evacuated from their homes.

The event led to around 6,600 natural perils claims, in addition to claims resulting from surface water, sewage back-up and other damage not covered by the natural perils scheme.

¹ Source: Norwegian Meteorological Institute

The vast extent of the damage led to a shortage of resources for claims adjustment, cleanup and repairs, delaying support to those affected.

As at 30 April 2024, natural perils claims from Storm Hans that could be covered by the natural perils insurance scheme are estimated at NOK 1.94 billion.

The retention for the Pool's reinsurance cover is NOK 1.5 billion, which means that parts of the event will be covered by this reinsurance.

This does not include damage caused by surface water, sewage back-up, power outages and so on, damage reported to the Norwegian National Fund for Natural Damage Assistance, damage to infrastructure or damage to self-insured objects.

The total cost of the event is estimated at more than NOK 4 billion.

The Pool's staff participated actively in the daily meetings of the claims committee to deal with the consequences of the event, as well as liaison meetings with the authorities and emergency services.

In the wake of the event, the staff have had a dialogue with municipalities to help clarify relevant rules, e.g. on relocation.



Photo: NTB

The Pool contributes to DSB enquiry following Storm Hans

The Ministry of Justice and Civil Protection asked the Directorate for Civil Protection (DSB) to conduct a detailed enquiry into the Storm Hans event. The Pool contributed to the enquiry.

The Pool highlighted two main factors in its evaluation of Storm Hans. One was the need for consistent and early information for municipalities on the rules on natural perils insurance cover for those suffering losses. The other was the need to clarify the responsibility for costs in cases where an inhabitant is ordered to evacuate without there actually being any damage (partly regulated by the Civil Protection Act).

The Pool's purpose is set out in Section 2 of the Rules for the Pool:

“The Pool liaises between the participants and the Norwegian Agriculture Agency. It equalises the indemnification of natural damage between the companies and arranges reinsurance cover for Norwegian natural perils insurance.”

The Pool's evaluation began with the Pool's purpose and role as a liaison for different players, and the Pool's contingency plans and manual for major natural disasters. The most important players for which the Pool serves as a liaison following such an event are its member companies, the claims adjustment and restoration industry, the media, and relevant municipalities, county governors and emergency response managers at local authorities. Depending on the cause and complexity of the event and the need for information, the Pool also deals with the Norwegian Water Resources and Energy Directorate (NVE), the Norwegian Geotechnical Institute (NGI), DSB and the Norwegian Association of Local and Regional Authorities (KS).

Consistent and early information

Our review noted that rapid and accurate communication with the various players is particularly important following such events, and that it is important to have good levels of collaboration between public and private players. The evaluation found that there is much that works well, but that communication with the

municipalities could be improved. The Pool has seen that municipalities want a single point of contact for rapid clarification on indemnification, evacuation costs, restoration and orders banning building and division of property. Collaboration between public and private players should therefore be improved. In its evaluation, the Pool recommended the creation of permanent points of contact between the Pool, NVE, KS, DSB and others outside of actual disaster events so that the parties can learn about the different schemes and responsibilities. This would also provide a useful network for future events.

Responsibility for evacuation costs

Our review revealed a need to clarify responsibilities around costs for evacuation.

The Pool recommended that the Ministry of Justice and Civil Protection clarifies in the regulations who is responsible for covering costs when evacuation is ordered without there being any damage to the insured property.



Photo: Norwegian Natural Perils Pool

Dramatic rockslide at Norske Skog papermill in Halden on 27 April 2023

Norske Skog's Saugbrugs papermill in Halden was hit by a major rockslide on 27 April 2023, causing parts of the building to collapse. This caused major damage to building structures, cranes, machinery and equipment at the facility.

On 27 April 2023, parts of the hillside north of Norske Skog's Saugbrugs papermill suddenly collapsed onto a factory building.

The hill alongside the factory is around 50-60m high. The area was blasted around 1989/1990 to create space for a new building to house a new paper machine (PM6). Parts of the hillside collapsed onto a factory building at 4.30 a.m. on 27 April 2023. Luckily, nobody was injured in the event.

The rockslide damaged building structures, cranes, machinery and equipment associated with PM6. Police and geologists were called in.

The claims committee has concluded that the loss falls under the definition of a landslide, cf. the first paragraph of Section 1 of the Natural Perils Insurance Act. In this case, it was a matter of substantial movements of material – the collapse of the hillside – directly hitting insured objects. The collapse was in a slope cut into the hillside, but it was still “Mother Earth” that failed in this way. The cut has been there for more than 30 years, and there is currently nothing to suggest that anything had happened to or with the bank that would have given the policyholder reason to suspect that a collapse was imminent. A conclusion has yet to be drawn on why the rockslide occurred, but there is reason to assume that it was triggered by several decades of geological processes in the hillside.

Even if a loss is covered by the Natural Perils Insurance Act, the insurer processing the claim must always consider the sixth paragraph of Section 1 of the Act: “Natural damage indemnity may be reduced or voided where the occurrence or extent of the damage is due wholly or in part to poor construction in relation to the stress to which the object can be expected to be exposed, or to a lack of maintenance or attention, or where the

claimant can be blamed for failing to prevent the damage or limit its extent.”

The claims auditors who will be auditing the Halden rockslide will seek external legal advice on recovery if they find that this is necessary.

The Pool's board has on several occasions stressed the importance of insurers taking the matter of recovery seriously when it comes to natural perils claims. For example, the board has asked the claims committee to check that recovery assessments have been performed for all losses in excess of NOK 3 million. The Pool's staff follow this up monthly on the committee's behalf. The Pool's staff have the impression that member companies have good procedures for recovery, and that natural perils claims are no exception.

The board's goal is for all claims above NOK 20,000 to be audited by the Pool's audit team. Again, the overall impression is that member companies follow up work on recovery, as they do for other types of claims.

The estimated total loss at Halden is NOK 2.4 billion¹, of which the natural perils scheme will cover just over NOK 1.3 billion.



Photo: Norwegian Natural Perils Pool

¹ Source: Norske Skog, <https://www.norskeskog.com/investors/press-releases/english-press-releases/settlement-agreed-on-insurance-coverage-estimated-up-to-nok-2-4-billion-for-norske-skog-saugbrugs?PID=4684&M=NewsV2&Action=1>

Changes to Natural Perils Insurance Act include creation of new central fund

The Norwegian parliament has approved amendments to the Natural Perils Insurance Act which entail significant changes to how the scheme is administered. These include the creation of a fund for the management of natural perils capital, and adjustments to the Pool's board and committees.

Additional loss events

On 24 May 2022, the Storting approved an amendment to the Natural Perils Insurance Act extending the loss events covered to include meteorite strikes and tsunamis with effect from 1 January 2023.

Creation of a central natural perils fund

New rules for natural perils insurance enter into force on 1 January 2025 following the approval of a new Regulation on Natural Perils Insurance on 26 January 2024. The act amending the Natural Perils Insurance Act was passed on 17 June 2022.

One of the main changes means the creation of a fund for the management of natural perils capital, and this fund is to be invested and managed by the Pool. Subject to transitional arrangements, the fund is to gradually build up capital of at least NOK 4 billion. This is to be done by transferring capital to the fund in years with a surplus, i.e. when natural perils premiums exceed natural perils payouts. In years with deficits, insurers can ask that these are covered by this central fund.

There will be transitional arrangements from start-up in 2025. This means that, in years with a deficit, insurers that have built up natural perils capital must first draw on their own natural perils capital before such losses are covered by the central fund.

When the transitional arrangements come to an

end, all companies will be able to ask for coverage from the central fund in years with deficits. For more detailed information on the rules for the scheme and the transitional arrangements, see the Regulation on Natural Perils Insurance entering into force on 1 January 2025 and the amending act LOV-2022-06-17-59.

There will also be a number of changes to the Pool's board and committee structure.

Preparing for the new scheme

These coming changes required considerable efforts by the Pool's staff in 2023. Resources were put into analyses and preparations for the new scheme, which increases the staff's responsibilities over the current scheme. A number of steps were taken to prepare for the new rules:

- We worked hard on the development of a new core IT system throughout the year.
- Several staff completed courses in reinsurance.
- Skills and capabilities in modelling climate risks were built up.
- An additional resource was recruited with future asset management in mind.

The staff worked during the year on the assumption that the new rules would enter into force on 1 January 2025, which was confirmed early in 2024. Preparations for the new rules will therefore continue and intensify during the course of this year.



The Pool purchases reinsurance on behalf of member companies

The Norwegian Natural Perils Pool arranges reinsurance cover for natural perils on behalf of member companies as set out in Section 12 of the Rules for the Pool.

Reinsurance renewals involve interaction between the board, the reinsurance committee, the Pool's staff and reinsurance brokers. All parties have defined roles. The process normally begins with a start-up meeting in August/September and concludes with the signing of lines in December.

The limit for the reinsurance programme is to correspond to the limit of liability per event of NOK 16 billion and is unchanged from previous years. The reinsurance programme is to comply with the reinsurance principles approved by the annual meeting.

The reinsurance programme is to be placed with recognised companies with a satisfactory rating. The board sets minimum rating criteria for the Pool's reinsurers.

Diversification across reinsurers is an important way of spreading counterparty risk. Reinsurers' maximum risk exposure across the programme is determined by the board.

Reinsurance renewal in 2023

The Pool placed the reinsurance programme for 2024 in autumn 2023. Key features of the renewal were:

- Price adjustments in 2023 and improved results for reinsurers led to a more stable market in terms of pricing, structures and terms
- Sharp focus on data modelling and risk assessment
- Plenty of capacity available
- Focus on large individual losses
- Concerns about effects of climate change persist
- Increased geopolitical uncertainty

The programme was placed with assistance from Guy Carpenter as flag broker and Gallagher Re as co-broker.

The retention for the reinsurance programme is unchanged from 2021 and remains at NOK 1.5 billion in 2024.

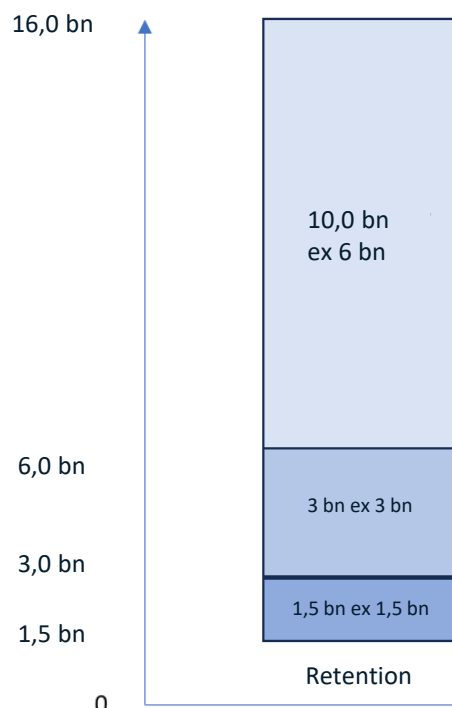
The reinsurance programme for 2024 has one full reinstatement. This means that if one or more events together exceed the retention and the reinsurance programme is activated, the programme will be reinstated based on the agreed terms for reinstatement.

The structure of the reinsurance programme for 2024 is as follows:

NOK 1,500,000,000 in excess of NOK 1,500,000,000 (i.e. cover from NOK 1.5bn to NOK 3bn)

NOK 3,000,000,000 in excess of NOK 3,000,000,000 (i.e. cover from NOK 3bn to NOK 6 bn)

NOK 10,000,000,000 in excess of NOK 6,000,000,000 (i.e. cover from NOK 6bn to NOK 16bn)



Claims auditing ensures correct settlement and so confidence in the scheme

To maintain confidence in the scheme, it is important for the Pool to check reported claims so that everyone knows that settlement is made correctly in accordance with the rules. The claims audit team aims to review 1,000 claims per FTE per year. The team had four FTEs and audited 4,193 claims in 2023.

When an insurer closes a claim in its systems, this is reported either automatically or manually to the Pool's claims reporting system NINA. The month after the claim is closed, it is added to the audit list and may be selected for auditing. Claims are selected at random by the system across all of the insurers that have settled claims.

All claims with payouts in excess of NOK 100,000 are reviewed, as are claims between NOK 20,000 and NOK 100,000 where the team has capacity.

The audit team has an ongoing dialogue with insurers on claims auditing through the dialogue function in NINA.

The team also spends much time updating and training members, and serves as an important technical resource for the Pool.

The Regulation on Natural Perils Insurance gives the claims committee the role of auditing member companies' claims. This responsibility has been delegated to the Pool's staff, specifically the audit team. The claims committee audits and quality-assures this work through an annual "audit of audit". In addition, the auditors carry out internal controls at least four times a year.

The claims committee's annual report on claims audited between 1 January and 31 December 2023 was considered by the board at its meeting on 5 February 2024. A total of 4,193 claims were reviewed in 2023. Errors were identified with a value of around NOK 52.7 million, giving a reversal rate of 7.9%.

The claims committee decided in 2023 that the audit team should carry out a pilot project paying particular attention to the four largest insurers. This work required extra efforts from both the audit team and the companies in question during

the year. Three meetings were held with each of the four largest insurers to monitor developments during the year. The year was rounded off with an evaluation which resulted in an evaluation report.

The second half of 2023 saw numerous claims relating to Storm Hans coming up for auditing. The audit team and the claims committee set some limits on the level of detail for these audits given the vast number of claims expected to come up for auditing in the course of 2024. Insurers settled 303 claims relating to this event in 2023, all of which were audited.

4,193 claims audited



Photo: NTB

The claims committee's composition and activities

The claims committee is to conduct the necessary checks on claims submitted by member companies. In practice, it is the claims auditing team that carries out these checks.

The committee is also to take the lead following major events where multiple companies and/or the Norwegian National Scheme for Natural Damage Assistance are involved in the same event, as set out in Section 17 of the Rules for the Pool.

The claims committee was particularly involved in the following events in 2023: the Melhustorget crane collapse, the Norsk Skog Saugbrugs rockslide, and Storm Hans.

The claims committee and the Pool's staff are still working on the audit of the claim for the Norsk Skog Saugbrugs rockslide.

In connection with Storm Hans, the claims committee produced and distributed extensive information to member companies in the form of *Communications from the claims committee*. It also held numerous meetings to clarify the rules with some of the municipalities that were hit hard.

In 2022 and the first half of 2023, the claims committee worked on a major project looking at how co-ordination should be achieved in future. The development of the IT system for co-ordinating events – koordinering.no – was completed back in 2013. The co-ordination scheme was set up in the 1990s and meant that when co-ordination was decided on, all claims reported to insurers would be handled by a single lead co-ordinator who would allocate them to adjustment resources. The aim was to divide claims between adjusters based on urgency and location. This

ensured efficient use of adjustment resources regardless of which insurer was liable for the loss. Co-ordination through a single lead co-ordinator had not been used since Storm Dagmar in 2011, at which point the Pool did not have its own IT system and so this was done manually.

Both the insurance industry and customer servicing have changed considerably in recent years, and there is reason to expect the rate of change to accelerate in future. As the industry evolves, so must the co-ordination function if it is to meet the expectations of the industry, policyholders and society in general.

Previously, it was loss adjusters who secured purchases and progress in the claim. Today, purchasing is largely handled by the insurers, and the adjuster's expertise is used for large, complex losses.

The board therefore decided in December 2023 that the current co-ordination scheme, including the IT system, would be discontinued from 1 January 2024. The claims committee is now to assess each individual event at emergency meetings and take into use the tools that can/must be used under the Regulation on Natural Perils Insurance and to ensure good claims management for all parties.

Training was provided for claims processors (basic and advanced training, certification and refresher courses) and claims adjusters, and presentations were given at seminars for relevant professional groups and member companies.

The claims committee had the following members at the end of 2023:

Name	Company
Espen Jensen, chair	Tryg Forsikring
Bjørn Sævil, deputy chair	Gjensidige Forsikring ASA
Jens Krog	Fremtind Forsikring AS
Johan Lunde Wilmann	If Skadeforsikring NUF
Yngve Høvik	Frende Forsikring

The reinsurance committee's composition and activities

The reinsurance committee advises the Pool's board on the purchase of collective reinsurance on behalf of participants. The committee is responsible for preparing information for reinsurers and for the wording of reinsurance contracts. In addition, the committee is to obtain quotations, draw up proposals for the reinsurance programme and recommend brokers. The committee is authorised to issue guidelines on the reinsurers to be used, and is responsible for approving these reinsurers before cover commences.

The Pool placed its reinsurance programme for 2024 in autumn 2023 with support from the reinsurance committee.

In June 2023, the Pool's board asked the reinsurance committee to prepare recommendations for the design of the reinsurance programme given the changes to the natural perils insurance scheme. The board asked the committee to look at both the structure of the programme and the level of the retention in the light of the guidance given by the authorities in the revised act, regulations and preparatory work. The committee's recommendations will be followed up in 2024.

Name	Company
Nina Klaveness Ek, chair	Fremtind Forsikring AS
Erik Nordblom	If Skadeforsikring AB
Henrik Nedahl	Tryg Forsikring, Danmark
Anita Gundersen	Gjensidige Forsikring ASA
Christoffer Skyrud	Protector Forsikring ASA



The terms committee's composition and activities

The terms committee is to make recommendations on underwriting guidelines for the calculation of premiums and prepare terms for settlement. It is also to give an opinion on individual cases where there is doubt about the interpretation of the guidelines.

In addition, the committee is to serve as a consultative body for the board when considering amendment of the underwriting guidelines and terms.

The terms committee had the following members at the end of 2023:

Name	Company
Ingunn Synnøve Skaalen, chair	Fremtind Forsikring
Renate Rein Danielsen	Gjensidige Forsikring ASA
Ina Vilde Løken	If Skadeforsikring NUF
Einar Brekken	Tryg Forsikring
Anders Trosvik	Eika



The liaison committee's composition and activities

The liaison committee consists of representatives of the Norwegian National Scheme for Natural Damage Assistance and the Norwegian Natural Perils Pool. The role of the committee is to handle matters of mutual interest to the two parties and exchange the necessary information. The Pool's Rules require the committee to meet at least every fourth month. Four meetings were held in 2023.

The liaison committee had the following members at the end of 2023:

Name	Organisation
Grete Mari Sand, head of section	Norwegian Agricultural Authority
Bjørnar Ansnes	Norwegian Agricultural Authority
Øivind Panzer Iversen	Chair of appeals board, deputy chair/judge at Møre og Romsdal District Court
Espen Jensen	Chair of claims committee
Ståle Solem Ingebrigtsen	Norwegian Natural Perils Pool
Synnøve Folkvord	Norwegian Natural Perils Pool



The valuation and indexing committee

The committee's purpose is to develop and monitor member companies' common templates and methods for valuing insured buildings, and to follow up and monitor the price index for new dwellings, the consumer price index and other relevant indices.

This means that the committee is to:

- Design/develop and maintain recommended common methods for premium/rebuild valuations, including necessary instructions.
- Prepare recommended index adjustments (conversion formulae, indices) for buildings, machinery, equipment, commercial effects and personal effects.
- Give professional opinions on individual cases on the valuation of buildings and contribute to practical collaboration between insurers when it comes to such valuations.
- Work on other relevant matters concerning the valuation of buildings, machinery and effects.
- Perform consequence analyses on proposed changes to common templates, valuation methods and index adjustments, putting them before the Pool's board where necessary.

The committee is to have up to seven members recruited from non-life insurers.

Name	Company
Ståle Bakke Trodahl, chair	Eika Forsikring
Marius Mikkelsen, deputy chair	Gjensidige Forsikring ASA
Lars Marthinsen	Fremtind Forsikring
Ina Vilde Løken	If Skadeforsikring NUF
Jan Erik Trøye Larsen	Tryg Forsikring
Steinar Eriksen	Jernbanepersonalets Forsikring
Ole Fredrik Haug	Protector Forsikring



Report of the board of the Norwegian Natural Perils Pool for 2023



Organisation, working environment and social responsibility

Organisation

The Pool is a member of the Finance Norway Insurance Services (FNF) alliance, which was set up to reduce the vulnerability of small units and ensure cost-effective operation. Other members include the Norwegian Motor Insurers' Bureau and the Norwegian Occupational Injury Insurers' Bureau.

FNF provides a number of central functions for members. These include IT operation and development, risk assessments, personnel administration, communication, legal services, finance, shared services and HR. For the Pool, FNF additionally provides co-ordination of reinsurance renewals, administration for the reinsurance committee, premium modelling, calculation of IBNR and statistics. Personnel policy and follow-up are also centralised.

The Pool had nine employees at the end of 2023, and the FNF alliance had 73.

External environment

The Pool is a primarily office-based operation and does not impact on the environment any more than is normal in the sector. In the alliance, the shared services unit is responsible for the operation of the building and works continuously with the owner and manager on identifying and implementing energy-efficient solutions.

Working environment

The working environment is considered to be satisfactory. Sickness absence in 2023 was 4.16%, around the same level as for the alliance (3.52%). This is well below the national average and around the average for the financial sector. Employees who fall ill are followed up in accordance with internal procedures and supported by the joint HR function for the alliance. Employees also have health insurance as part of the staff welfare programme. The sickness absence was not a result of occupational factors.

56% of the Pool's employees in 2023 were women, and 44% were men.

Social responsibility

To reduce the likelihood of corruption and bribery, we have stepped up security in payment procedures in the finance unit and introduced checklists for purchases and ethical guidelines.

Areas covered by social responsibility requirements are reviewed in annual risk reviews and staff appraisals.

Procedures have been established for reporting non-conformances and for whistleblowing. An agreement has been signed with a third party on handling whistleblowing reports where this is appropriate given the nature of the case.

The Pool has an important social responsibility when it comes to natural disasters.

Based on the account given in this document, we believe that we meet the requirements for social responsibility.

Transparency Act

Due diligence reports are published on FNF's website by the end of June each year.

Directors' and officers' liability insurance

The Pool's staff have taken out directors' and officers' liability insurance with AIG Europe SA for the Pool's board and director.

Acknowledgement

The board would like to thank the Pool's staff for a job well done in a very challenging year where they proved robust and capable of handling successive natural disasters while also undergoing a transformation to adapt to new rules.

The board's composition and activities

The board of the Norwegian Natural Perils Pool

The annual meeting on 12 June 2023 elected the following board:

Name	Personal deputy
Marianne Sundvall, chair Fremtind Forsikring AS	Roger Strand Fremtind Forsikring AS
Glenn Olsen, deputy chair If Skadeforsikring NUF	Svein Arne Aas If Skadeforsikring NUF
Jostein Damminger Tryg Forsikring	Trond Valdersnes Tryg Forsikring
Odd Arne Hoel KLP Skadeforsikring AS	Øivind Huse, Storebrand Skadeforsikring
Hans Olav Høiby Eika Forsikring	Tor Olav Langeland Frende Forsikring
Fredrik Øyan Protector Forsikring ASA	Merete Christensen Bernau Landkreditt SA
Øivind Skallerud Gjensidige Forsikring ASA	Truls Erik Aasen Gjensidige Forsikring ASA
Andreas Peterson Warren Finance Norway	Kari Mørk Finance Norway

The board held 15 ordinary and extraordinary meetings in 2023. Several extraordinary meetings were held during the year due to upcoming legislative changes, Storm Hans and the Halden landslide in April. The meetings were held partly in person and partly on Teams. No fees are paid to the board's members.

The board of the Norwegian Natural Perils Pool at the end of 2023 (1 of 2)



Marianne Sundvall holds an MSc in econometrics from Université des Sciences Sociales in Toulouse and an MSc in Management from BI Norwegian Business School. She has experience from the Norwegian Export Council, Gjensidige Forsikring, SpareBank1 Forsikring and Fremtind Forsikring where she headed Products and Pricing from inception in 2019. Marianne has 24 years of experience in non-life insurance, including 15 years as a manager in various roles in Products and Pricing and claims settlement. She chaired the Norwegian Motor Insurers' Bureau during the introduction of the motor insurance tax and charging for uninsured vehicles, has been on the board of Finance Norway Insurance Services (FNF) since 2019, and has been on the Pool's board since June 2022, taking over as chair in June 2023.



Andreas Peterson Warren holds an MSc in legal science from the University of Oslo and a BSc in economics and commercial law from BI Norwegian Business School. He has 12 years of experience from the Norwegian Financial Supervisory Authority, where he worked on supervision and public administration in various areas in the department for market supervision, including securities, mutual funds, infrastructure, anti-money laundering, debt collection and property brokerage. Andreas is head of non-life insurance in the Insurance and Pensions Department at Finance Norway. He has served as Finance Norway's representative on the Pool's board since June 2023.



Øivind Skallerud holds an MSc in economics. He has 14 years of experience from Accenture, where he worked nationally and internationally on everything from IT transformations to strategy development. He has been employed since 2013 by Gjensidige, where he is currently Product Director for Property & Liability. Previous positions at Gjensidige include head of Corporate & Business Development and head of Architecture & Leadership.



Jostein Wilhelm Damminger holds an MSc in economics from the Norwegian School of Economics, specialising in finance and international economics. He has 20 years of experience from the consulting industry, mainly at Accenture, where he worked for banks and insurers across the Nordics and Europe. Jostein is head of Pricing and Products for Norwegian household customers at Tryg, a role he has held since 2018. He has been on the Pool's board since 2019, serving as deputy chair in 2019-2021 and chair in 2021-2023.

The board of the Norwegian Natural Perils Pool at the end of 2023 (2 of 2)



Glenn Olsen holds an MSc in economics from the Norwegian School of Economics, specialising in accounts, organisation and strategy. He has experience from Andersen Consulting (Accenture) where he worked mainly in the public sector, and he has 33 years of experience in non-life insurance at Storebrand and If Skadeforsikring. Positions held at Storebrand and If include various management roles in Finance, Business Development and Claims, including a lengthy period as Nordic head of claims settlement. He is now CEO of If Services AB. Glenn sits on several boards. He has been on the board of Finance Norway Insurance Services (FNF) since 2013 and on the Pool's board since 2019.



Fredrik Haldor Øyan holds an MSc in risk management from Cass Business School and a BSc in management from the University of St Andrews. He has more than 18 years of experience in insurance and is currently Director P&C and Reinsurance Scandinavia for Protector Forsikring ASA.



Odd-Arne Hoel holds a law degree from the University of Oslo. He is currently head of Claims Settlement and Legal Affairs at KLP Skadeforsikring AS. Odd-Arne has 25 years of experience at the company, where his previous positions include head of Products and lawyer. He sat on the board of the Norwegian Pharmaceutical Insurance Pool and was its chair when the scheme was taken over by Norsk Legemiddelforsikring AS in 2004.



Hans Olav Høyby
Hans Olav is the acting CEO of Eika Forsikring.

Oslo, 28 May 2024

The board of the
NORWEGIAN NATURAL PERILS POOL

Marianne Sundvall, chair

Jostein Damminger

Glenn Olsen, deputy chair

Øyvind Skallerud

Merete Christensen Bernau

Hans Olav Høiby

Odd-Arne Hoel

Andreas Peterson Warren

Ståle Solem Ingebrigtsen, director



Norsk Naturskadepool

Norwegian Natural Perils Pool