

## **Insr: Q4 and Preliminary 2018 results: Set for profit in 2019. Standal appointed Deputy CEO**

*Oslo, February 27<sup>th</sup>, 2019*

Insr Insurance Group ASA (OSE:INSR) announces results for the fourth quarter of 2018 and preliminary full year results.

A presentation of the results by the Group's senior management will take place today at 08:30 CET - see details below.

### **Fourth quarter 2018**

Net result for the quarter, including other comprehensive income, was a loss of NOK 13.9 million (pro forma loss of NOK 173.5 million in Q4 2017). Gross combined ratio was 111.1% (151.0%). Net combined ratio was somewhat lower than the gross ratio at 109.1% (246.0%).

Net loss ratio was below gross due to reinsurers picking up most of two large reserve increases on claims from 2014 and 2015.

Costs remained higher than they will be going forward, as substantial extra efforts were required to migrate and still run two business processes.

Net underwriting result for the quarter was a loss of NOK 17.4 million (loss of NOK 176.2 million).

### **Preliminary Full Year 2018**

Net underwriting result for 2018 was a loss of NOK 74.6 million (loss of NOK 246.6 million pro forma 2017). Continuing motor claims inflation and the harsh and long winter worsened the loss ratio. Costs were in line with the administration's expectations for a year merging the even-sized operations of Nemi and Insr.

The total loss was NOK 70.4 million (loss of NOK 277.4 million).

Gross premium written was NOK 1 486.2 million (NOK 1 339.6 million), gross premium earned NOK 1 455.8 million (NOK 1 341.0 million), and net premium earned NOK 708.0 million (NOK 418.4 million).

The 15% portfolio growth through 2018 is very satisfactory given the organisation's focus on integration. The reduced reinsurance cession allows a 66% net premium growth over pro forma retained premium in 2017.

Espen Husstad, CEO of Insr Insurance Group, comments: *"For 2018, the company recorded for the first time ever a positive operating cash-flow, and the solvency capital spending is rapidly coming to an end. This, in combination with the strong customer interest in our value proposition, means that we are all set for profit in 2019."*

### **Bård Standal appointed Deputy CEO**

Insr's CFO, Bård Standal, has been appointed Deputy CEO. As Deputy CEO, Standal will take on the responsibility for building the Insr digital platform and future partner ecosystem. This work will be instrumental in the further development of Insr's successful wholesale and ecosystem strategy.

Standal will stay on as CFO, combining the two roles, pending successful recruitment of a successor. Insr has appointed an advisor to assist with the recruitment.

Espen Husstad comments: *"It is with great pleasure I see that we have gained enough momentum to take our operating and strategic platform to the next level. As Deputy CEO, Bård will be able to fully focus on this important work, which I expect will add significant profitable growth over the next years."*

## **Financial Highlights Q4 2018:**

*(Figures in brackets = pro forma figures for same period prior year unless otherwise stated)*

- Premium earned for own account (net) was NOK 204.1 million (NOK 124.2 million pro forma and NOK 94.5 million reported)
- Net result was a loss of NOK 13.9 million (pro forma loss of NOK 173.5 million)
- Gross loss ratio of 83.2% (76.6%)
- Gross cost ratio of 28.0% (74.4%)
- Net combined ratio was 109.1% (246.0%) and gross combined ratio 111.1% (151.0%)
- The solvency ratio was 164% compared to 147% at the end of Q3

## **FY 2018:**

- Net premium earned was NOK 708.0 million (NOK 418.4 million pro forma and NOK 255.4 million reported)
- Net result was a loss of NOK 70.4 million (pro forma loss of NOK 277.4 million)
- Gross loss ratio of 80.9% (70.9%)
- Gross cost ratio of 27.3% (41.1%)
- Net combined ratio was 111.2 % (161.2%) and gross combined ratio 108.3% (112.0 %)

## **Outlook**

The medium term target of low double digit growth was reached already for 2018, despite the focus for the year being laying the foundation for future profitable growth. The ongoing price increases will improve loss ratios into 2019. Insr is all set for profitability in 2019.

After fully integrating Nemi into Insr, in Norway, the whole Insr organisation now runs on one IT platform in one office. Further work to make the platform more efficient and attractive will continue into 2019. Cost synergies will gradually materialize in the financials and allow a sustainable cost level.

Insr will continue building strong partnerships to deliver excellent and innovative risk mitigation and services to the insured. Going forward, we will also focus on further developing the Insr insurance ecosystem, where interactions, not only between Insr and partners, but also between the partners, are designed to create value.

Insr targets a gross combined ratio in the medium term of 90-92%, and aims for low double digit portfolio growth.

The company will optimize capital management with a sustainable solvency margin above 130% going forward.

## **Presentation details**

Espen Husstad (CEO) and Bård Standal (CFO) will present the results on February 27<sup>th</sup> at 08:30 CET:

(1) Through participative webcast:

<http://webtv.hegnar.no/presentation.php?webcastId=97605481>

(2) In Vika Atrium Conference Centre, Munkedamsveien 45, Oslo.

The interim report and webcast presentation for the fourth quarter of 2018 are attached to this release. The webcast presentation is not intended to be a stand-alone presentation and should be read in conjunction with management's comments and the quarterly report.

## **For further information, please contact:**

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*Insr Insurance Group ASA was established in 2009 and is an independent insurance group listed on the Oslo Stock Exchange, with headquarters in Oslo. Insr has a license for all groups of non-life insurance, except for credit and guarantee insurance. The Company's main focus is on the market for property and casualty insurance for the retail and small & medium sized enterprise segments in Norway and Denmark. Insr distributes its products mainly through insurance agents and partners.*

*This information is subject of the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.*