



Growth in life insurance

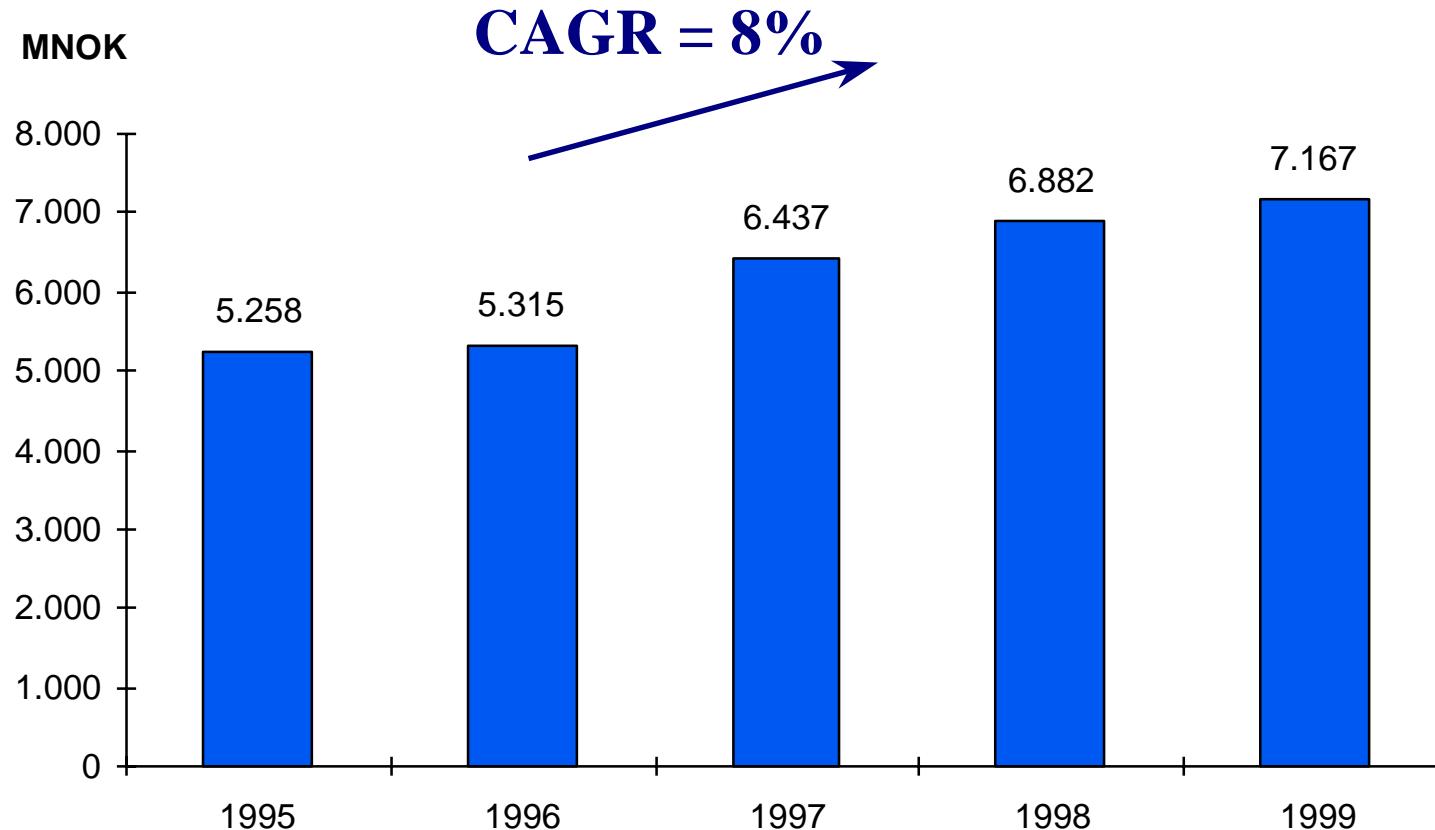
08.06.00

Espen Klitzing
Managing Director

Agenda

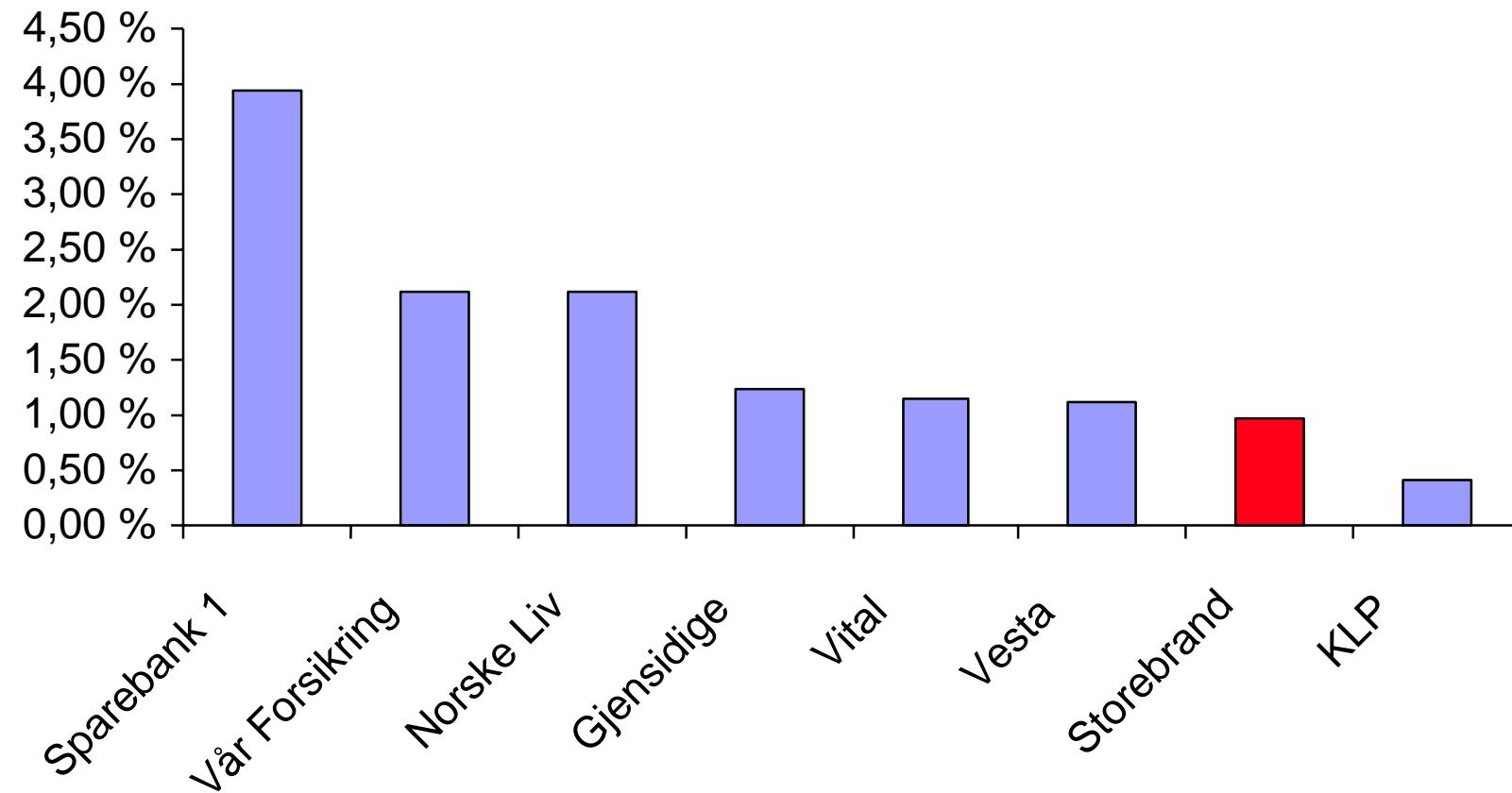
- **Financial background**
- **Growth from in-force business**
- **Growth from new business**
 - Group pension and defined contribution
 - Public sector
 - Unit linked
 - Risk products
 - Health insurance
 - International opportunities
- **Distribution channels**

Top line growth* - total written premium



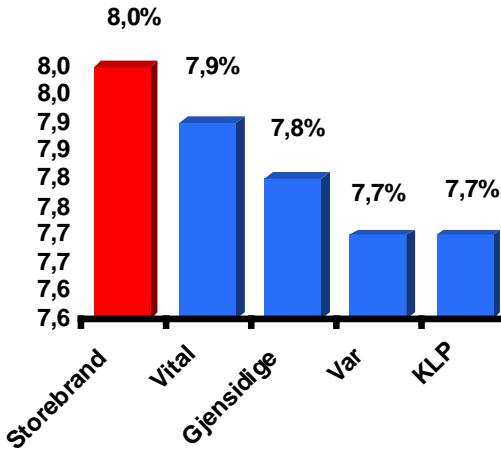
*Premium, all products

Operating costs in % of policyholders funds in 1999

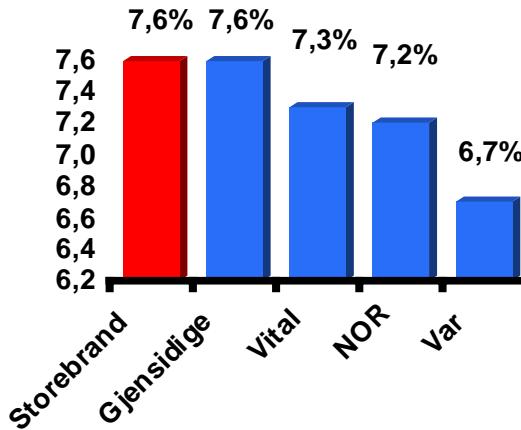


Net Return on Capital 1992-1998

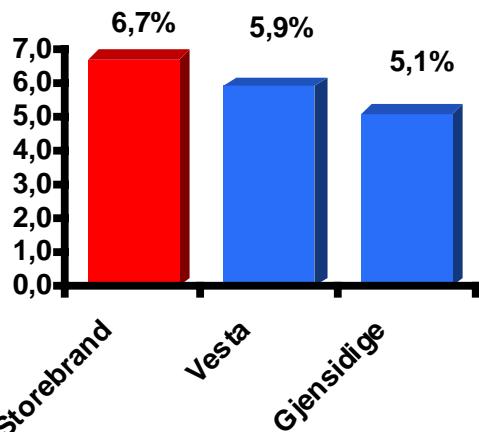
Group Pension



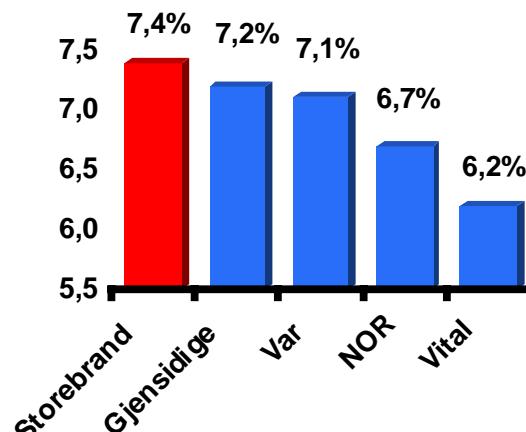
Individual Pensions - Traditional Products



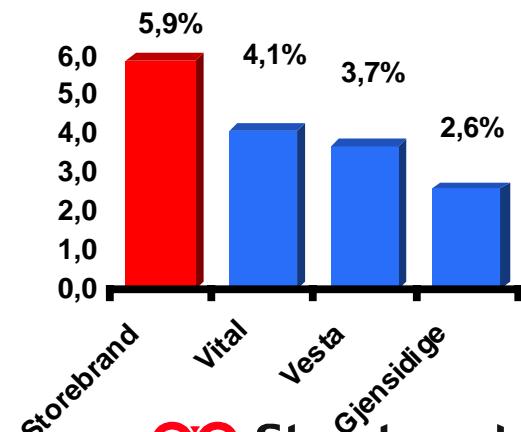
Individual Pensions - Livkonto



Individual Endowment - Traditional Products



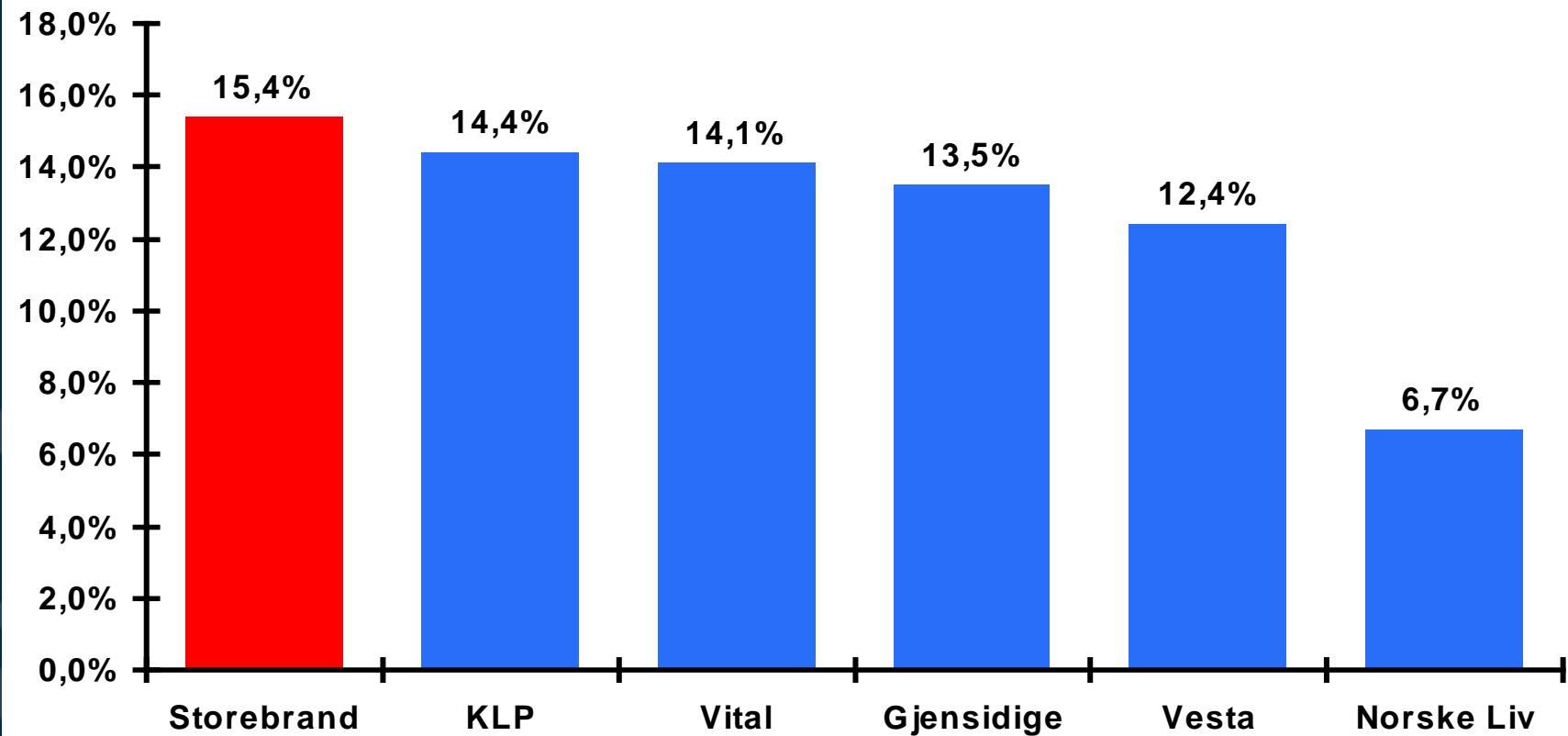
Individual Endowment - Livkonto



Source: NFF

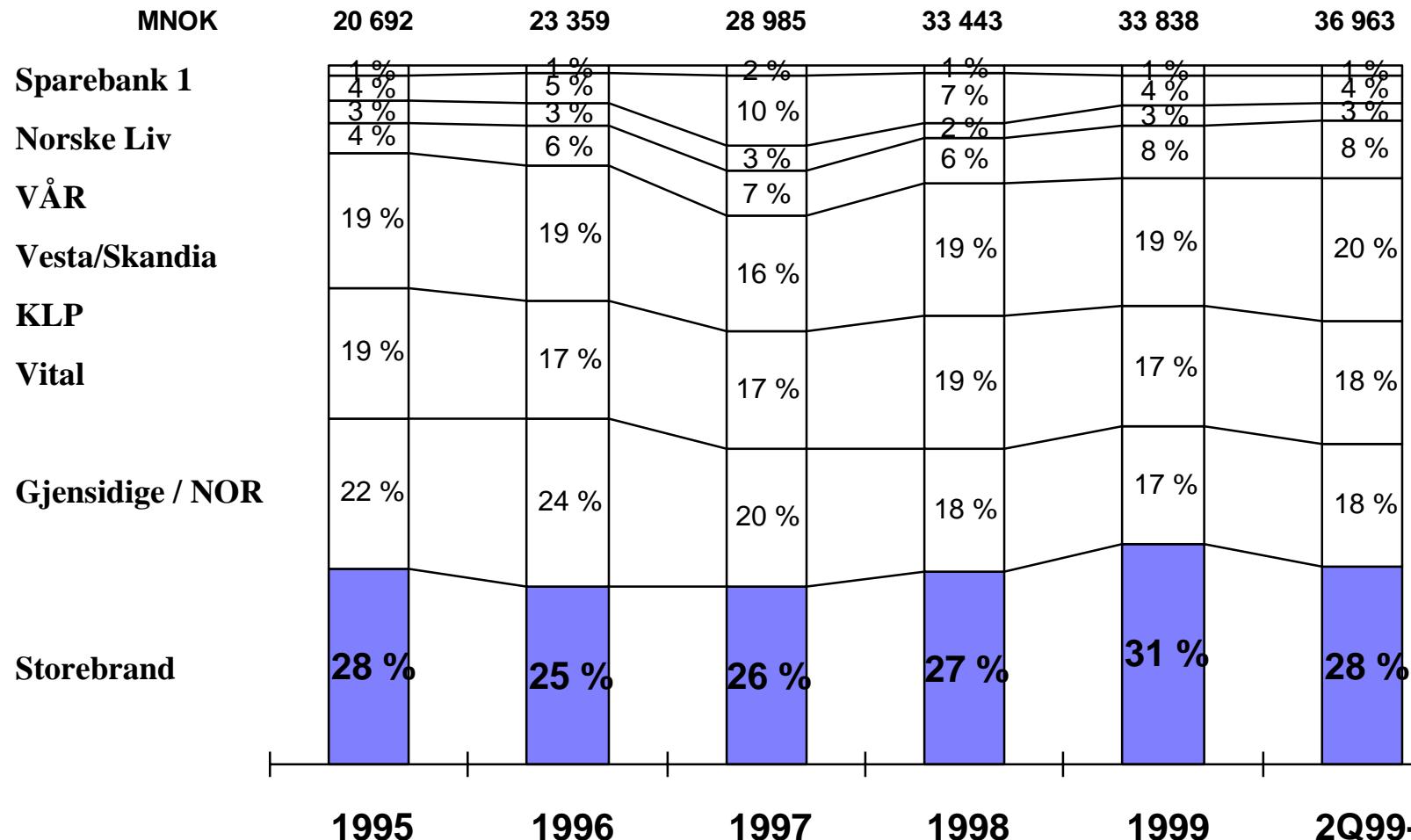
Buffer Capital as a % of Customer Funds

December 1999



Market shares - premium written* total

Including unit linked products



*Inc. reserves transferred

Agenda

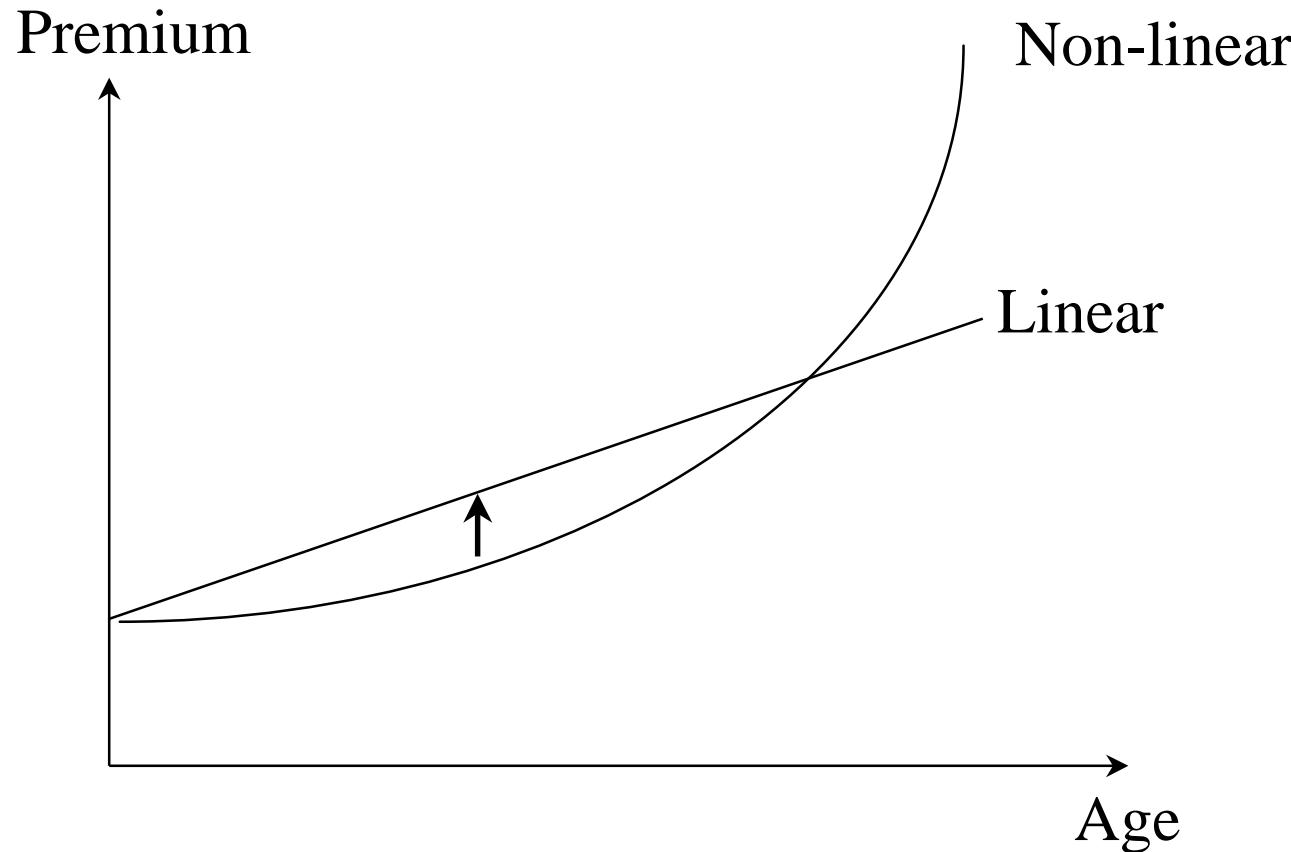
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Growth from in-force business

- 2-5% salary growth p.a.
- Pension regulation
- Organic growth in number of employees (1% annual growth)
- Transformation to linear earning of pension rights
- New regulations:
 - part time employees with more than 20% employment are included

Effect of linear premium - savings

Conceptual



After a salary increase, a larger part of the obligation must be paid up front

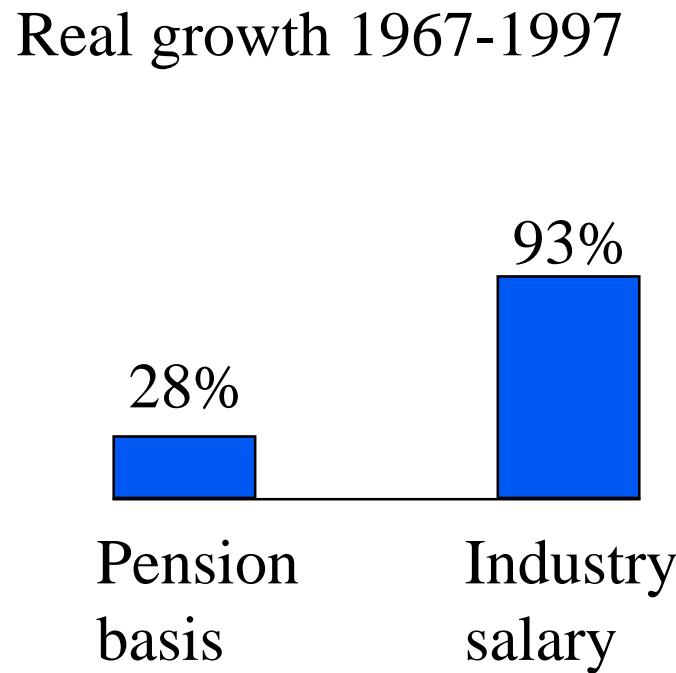
Agenda

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Increasing importance of pension schemes

- Reduced trust in the public pension schemes
- Pension has become an important issue during central salary negotiations
- Shift towards knowledge intensive industries with high pension scheme requirements
- Tight labor market makes a pension scheme a necessity for employers
- New regulations and products trigger public debates
- Increased focus due to new distributors

Underregulation of the state pension

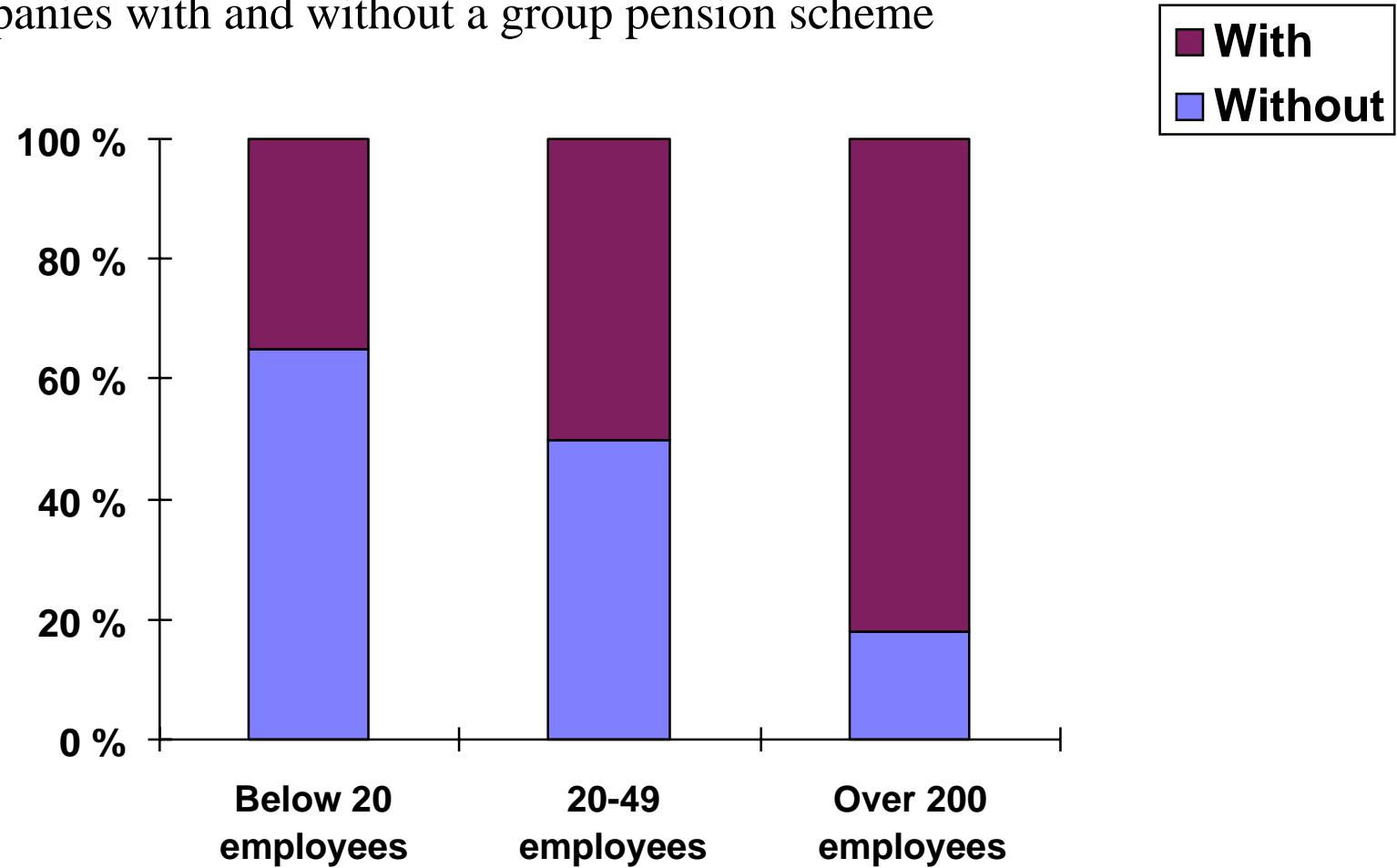


As the real value of the state pension erodes, the need for private savings increases.

Source: FNH

Significant potential for growth

Companies with and without a group pension scheme

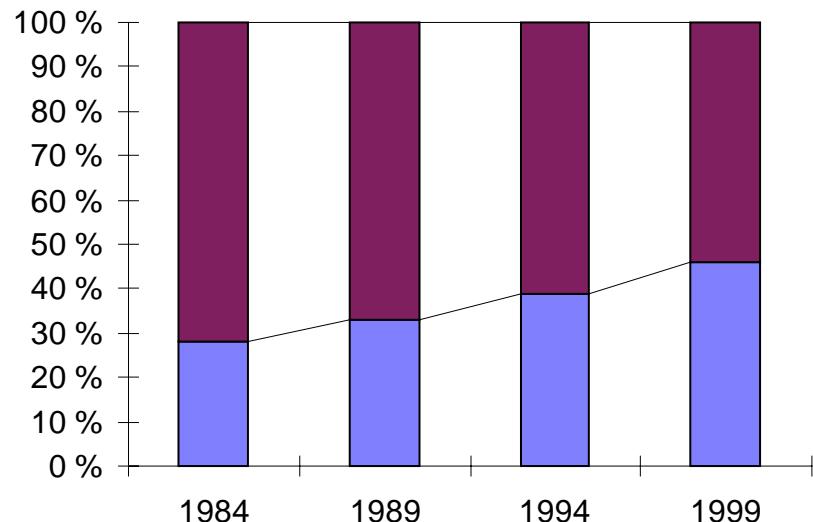


Source: FNH

Defined contribution

- Regulation expected to be passed by Parliament this fall and be effective from January 1, 2001.
- Product development and marketing started.
- Expect first sales early in 2001, but significant volume to come later.
- Storebrand's strong position in group pension will give a competitive advantage for this new product.
- The market will probably consist primarily of new business i.e. companies without a pension scheme today, but transformation regulations (from DB to DC) will also be important.

Transformation in the US*



Def. benefit
Def. contribution

New sales expected to occur in defined contribution, due to less expensive and more transparent products

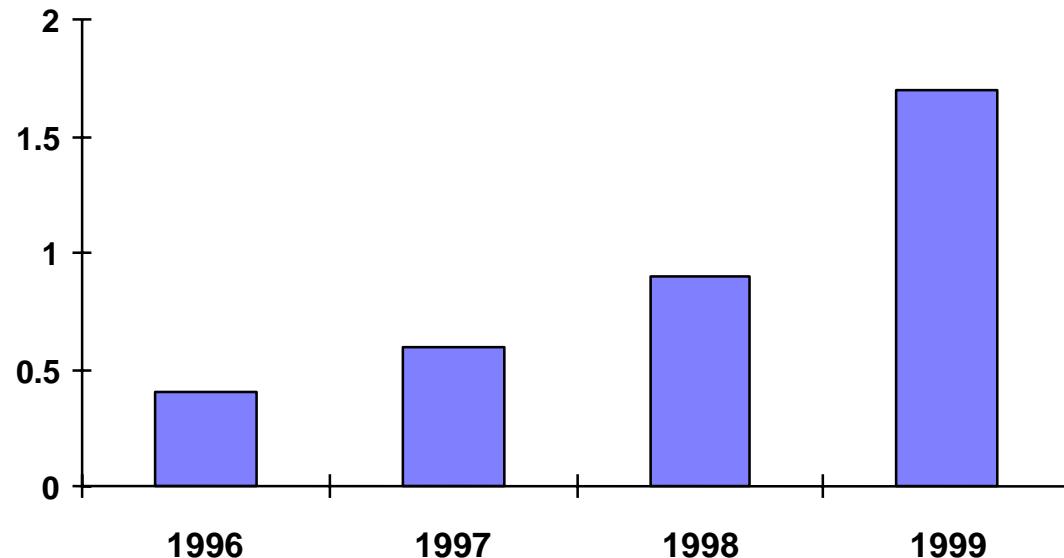
*Funds under management

Source: The Principal Financial Group and Access Research, Inc.

The public sector

Funds under management in Storebrand

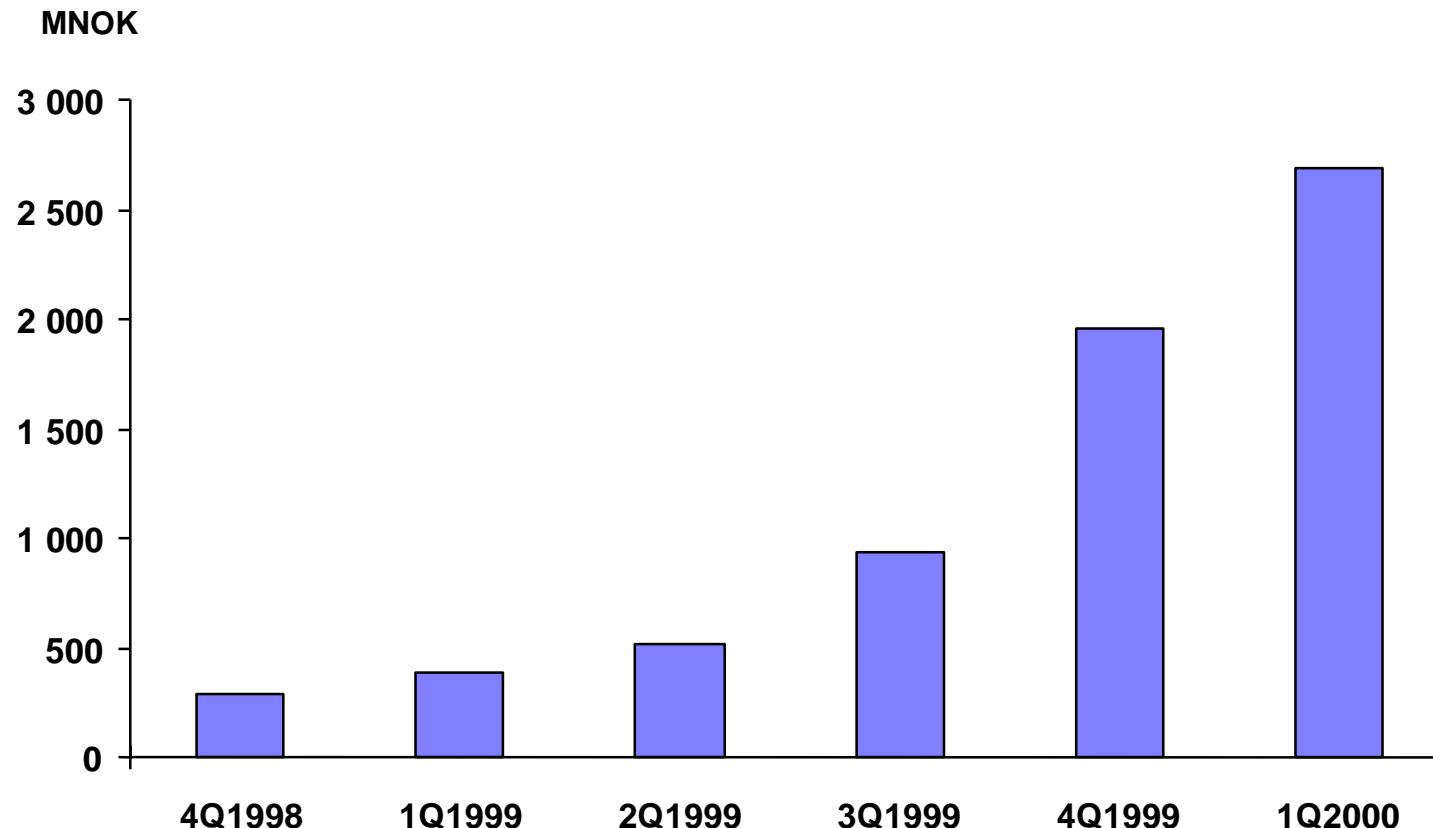
Billion NOK



Total potential =
100 billion NOK

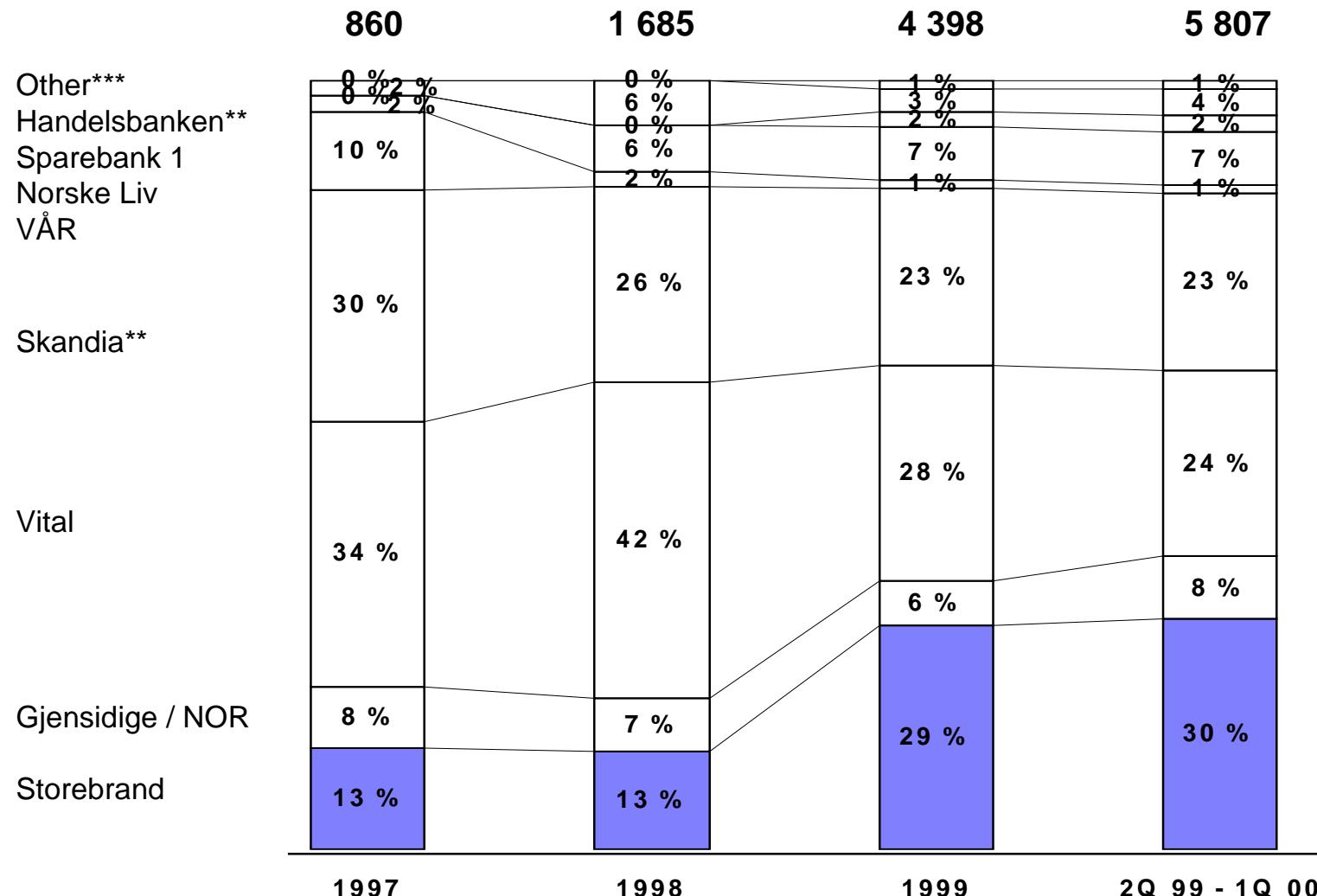
Unit Linked growth

Funds under management in Storebrand



Market share Unit Linked

MNOK



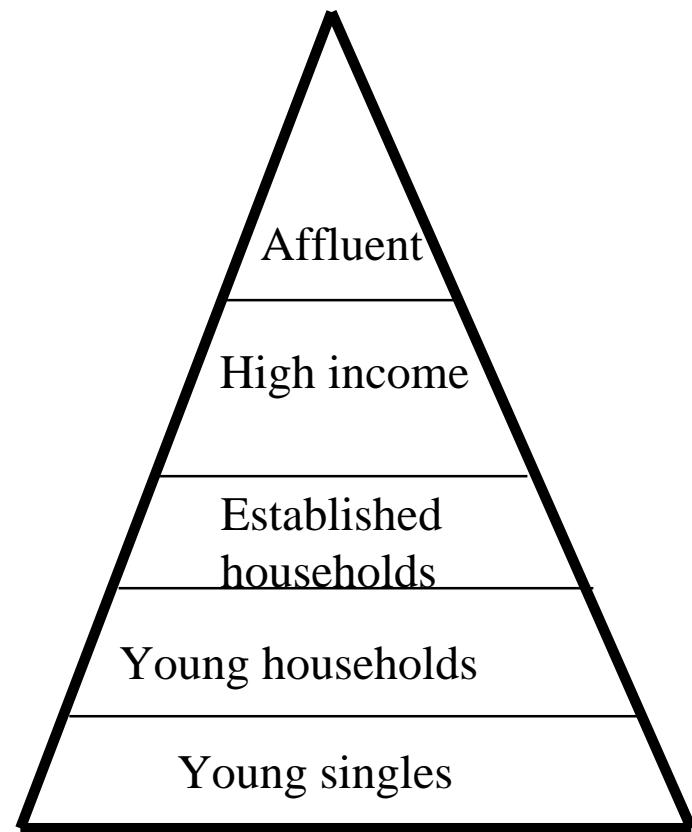
* Incl. transferred reserves

** Based on company information exchange

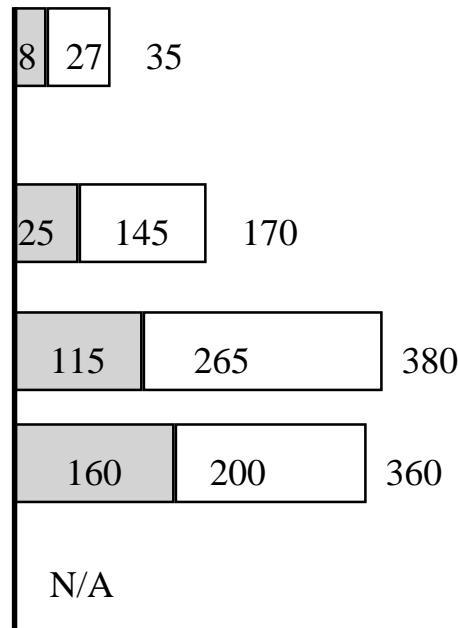
*** SEB and Commercial Union

Significant uncovered market for risk products

1 000 persons

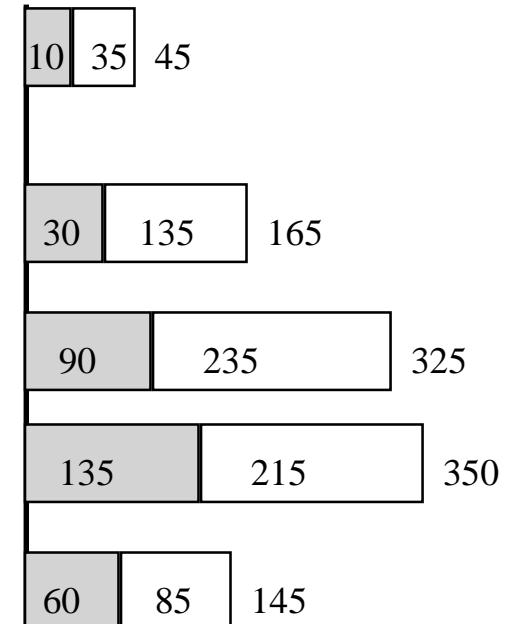


Death cover



ca. 950.000
persons

Disability cover

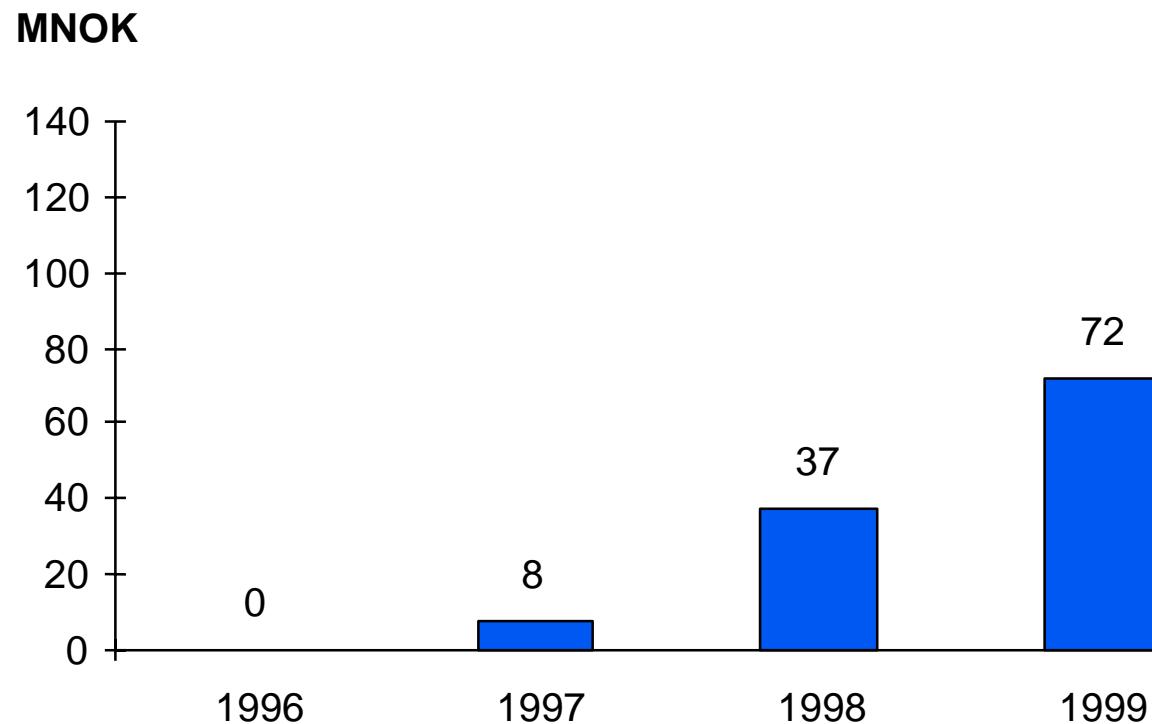


ca. 1.000.000
persons

Source: Market analyses

Risk products without profit sharing

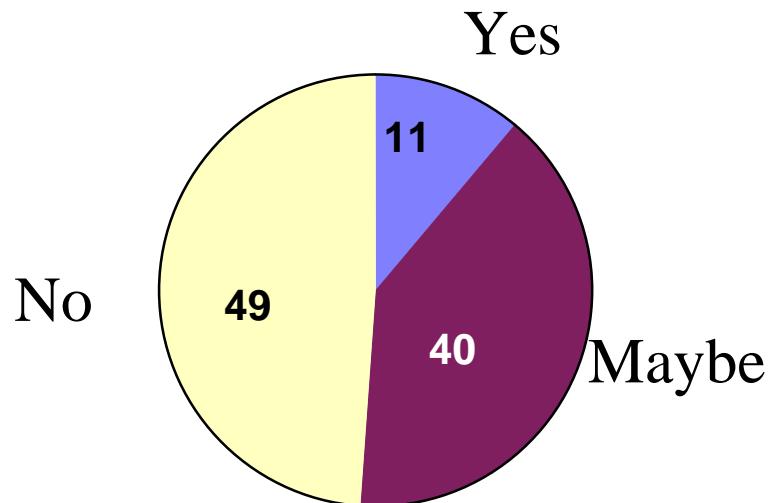
Premium income



Care products

Private

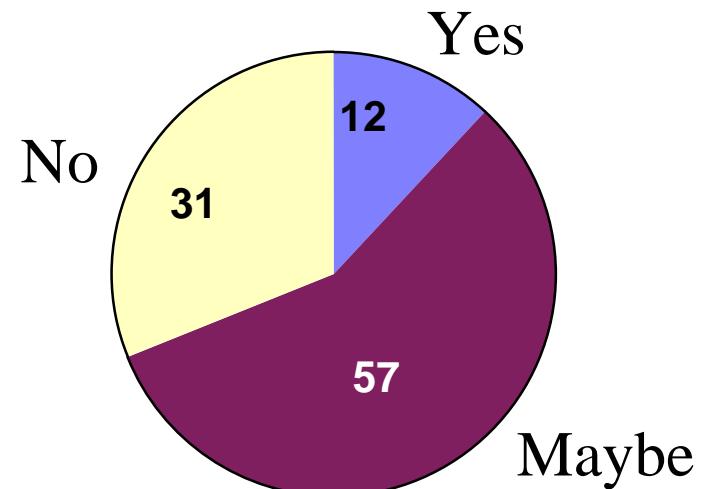
100% = 600 people



Would you buy a health insurance if offered one?

Commercial

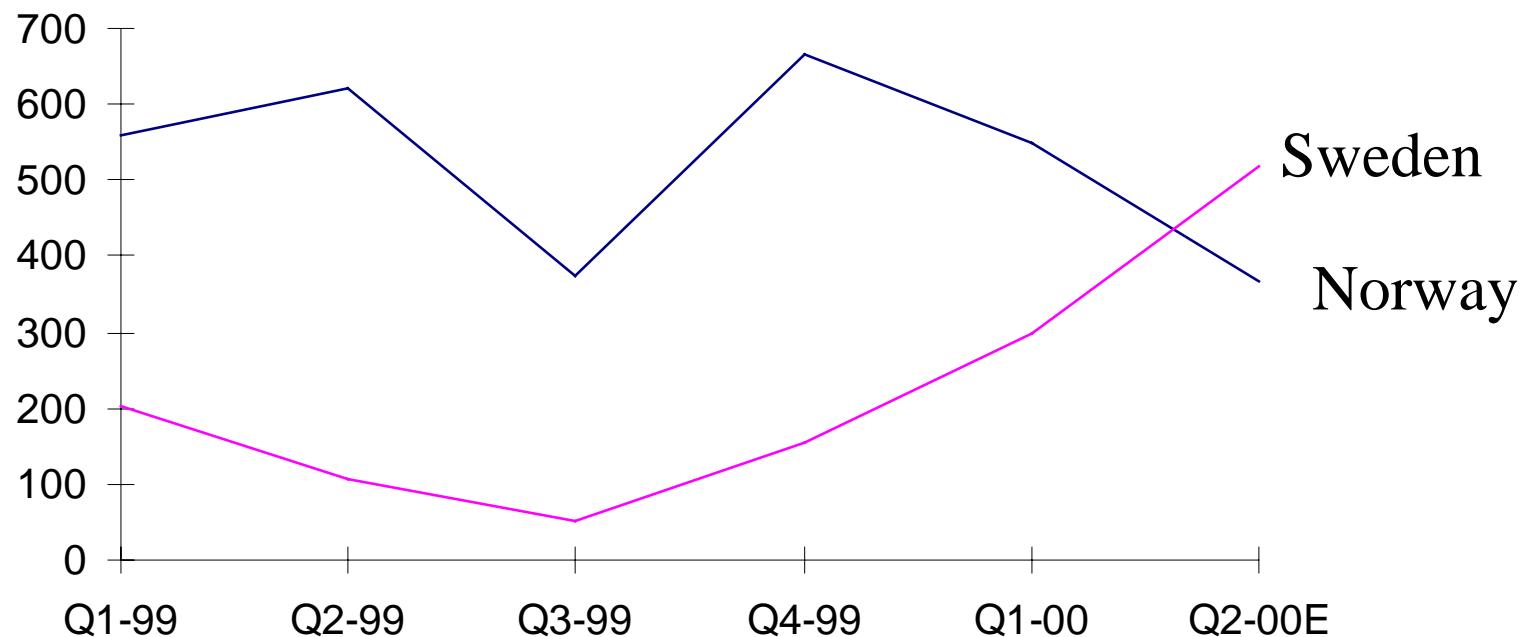
100% = 400 corporations



Would you buy the employees a health insurance if offered one?

Sales in Norway and Sweden

Number of health insurance policies



International opportunities

- Storebrand and SPP of Sweden are establishing a life company in Ireland to serve Scandinavian multi-national companies.
- Potential for new establishments or acquisitions in the Nordic countries
- Experience and skills from the Norwegian market might be valuable in other markets

Other products will increase volumes

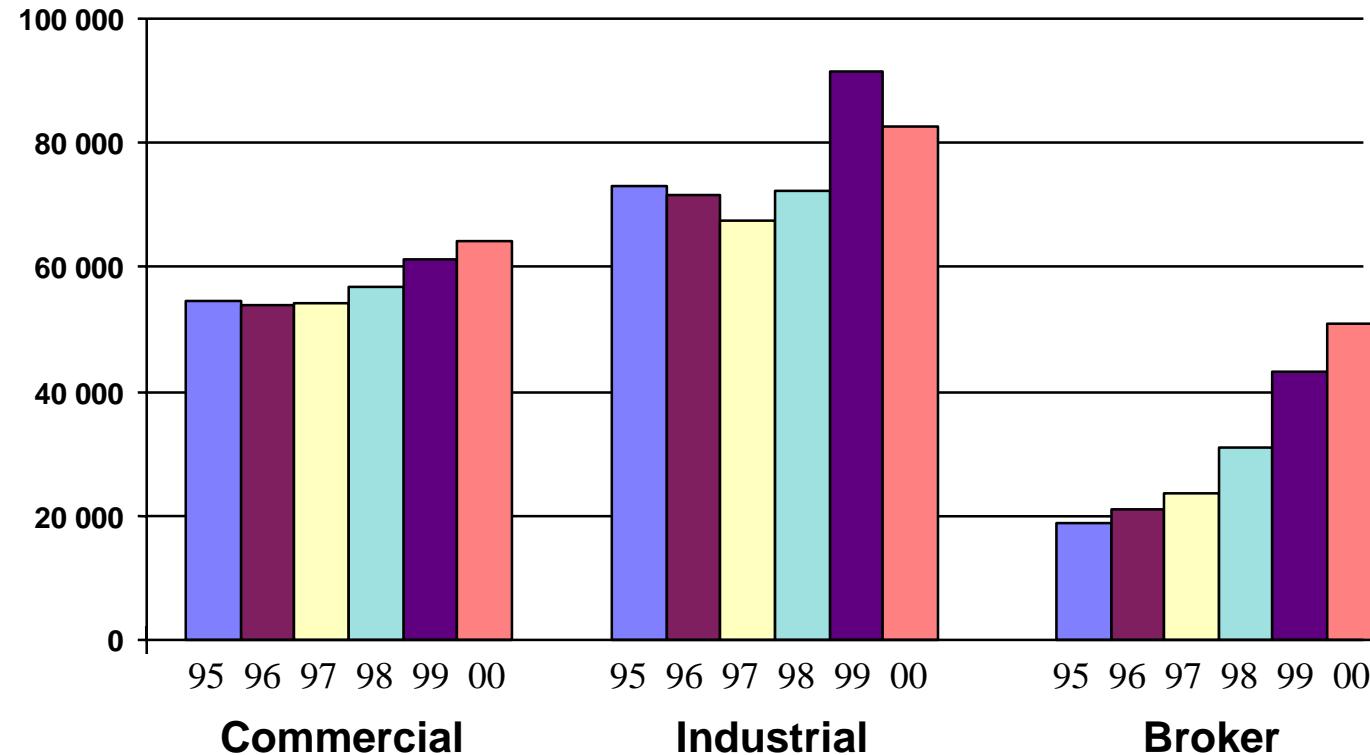
- Child insurance
- Care products
- Capitalization products
- Commoditizing of existing products

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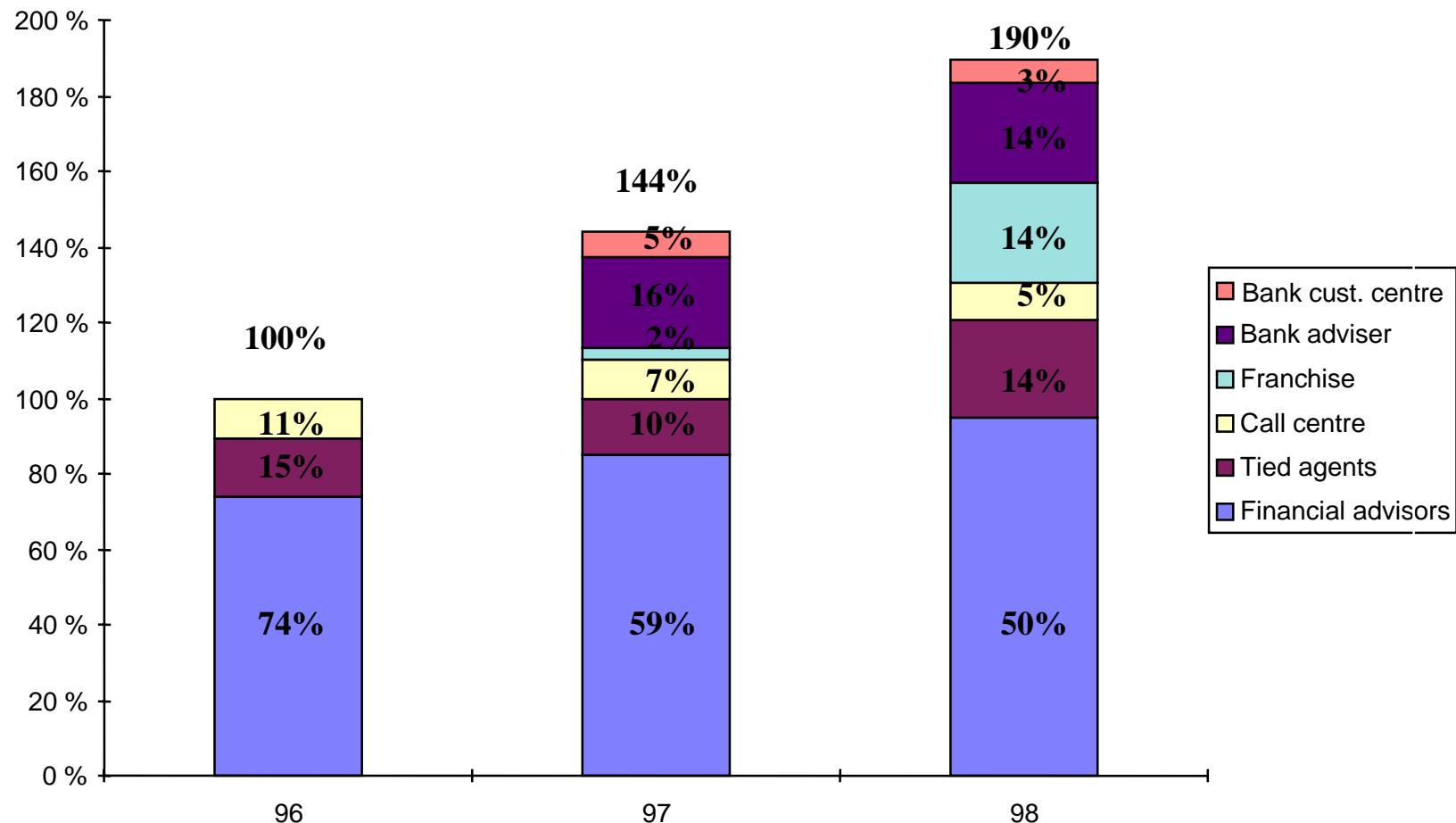
Distribution channels - corporate

Employees with a pension scheme



Distribution channels - private

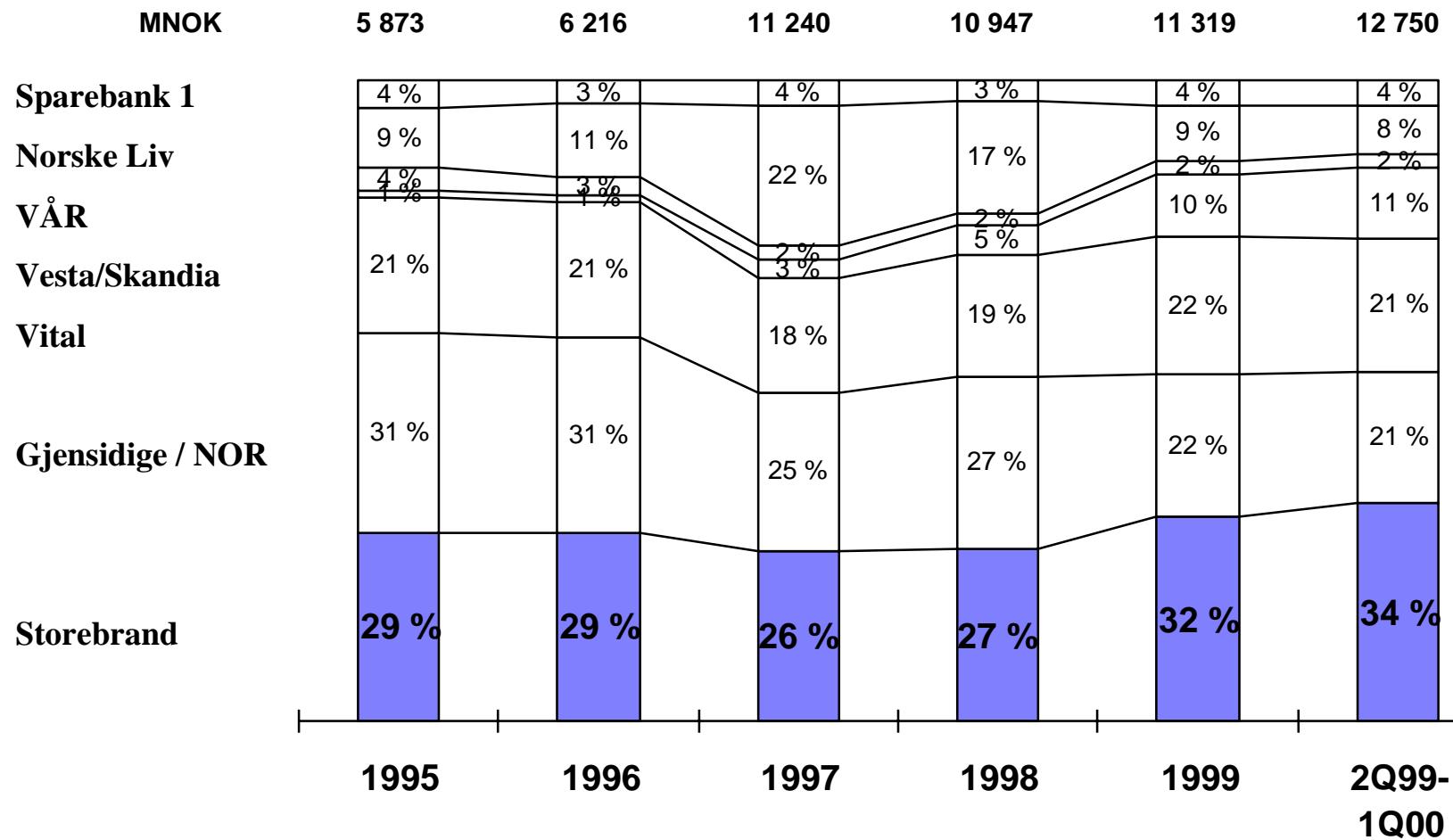
1996-1998



New distribution channels - private

- **Employee Benefit Management**
 - Potential 200.000 active employees, large product range
 - Pilot projects show positive results
 - Focus on efficient technical solutions
- **Internet**
 - Web enabling of products and processes
- **Brokers and advisors in the top segment**

Market share private - total premium



*Incl. transferred reserves

Source: Finansnæringens Hovedorganisasjon (FNH)