

CHANGES IN IF'S NORWEGIAN PENSION PLAN

Knut Arne Alsaker, 13 Aug 2015



Relax, we'll help you.

BACKGROUND

- A reformation of the Norwegian pension system started in 2011
- Fundamental changes of the statutory pension system (Folketrygden)
- Amended occupational pension laws implemented in 2014
- The Board of If P&C Insurance decided on the proposed plan amendments on 7 May 2015



Relax, we'll help you.

DECIDED AMENDMENTS OF THE PENSION PLAN

- Transfer of employees born in 1958 and later from DB to DC
- Increase of contribution rates in DC for employees with DC today and for employees who will be transferred from DB to DC
- Termination of responsibility for indexation of pension payments
- Implementation 1 January 2016



Relax, we'll help you.

COMPARISON OF PENSION BENEFITS

Previous pension plans

- Defined contribution plan for all new employees since 2006
- Contribution rate 5% from 1 G to 6 G and 8% from 6 G to 12 G
- Defined benefit plan for earlier employed personnel
- Benefit received about 70% of the pensionable salary up to 12 G, together with the Folketrygd
- Indexation of pension payments, normally equal to change in CPI

Pension plans from 2016

- Defined contribution plan for the vast majority of employees
- Contribution rate 7% from the first krone to 7.1 G and 25.1% from 7.1 G to 12 G
- Defined benefit plan only for those employees born in 1957 and earlier that were employed before 2006
- About the same benefit level as before, but no indexation of pension payments paid by If



Relax, we'll help you.

CONSEQUENCES OF THE AMENDMENTS

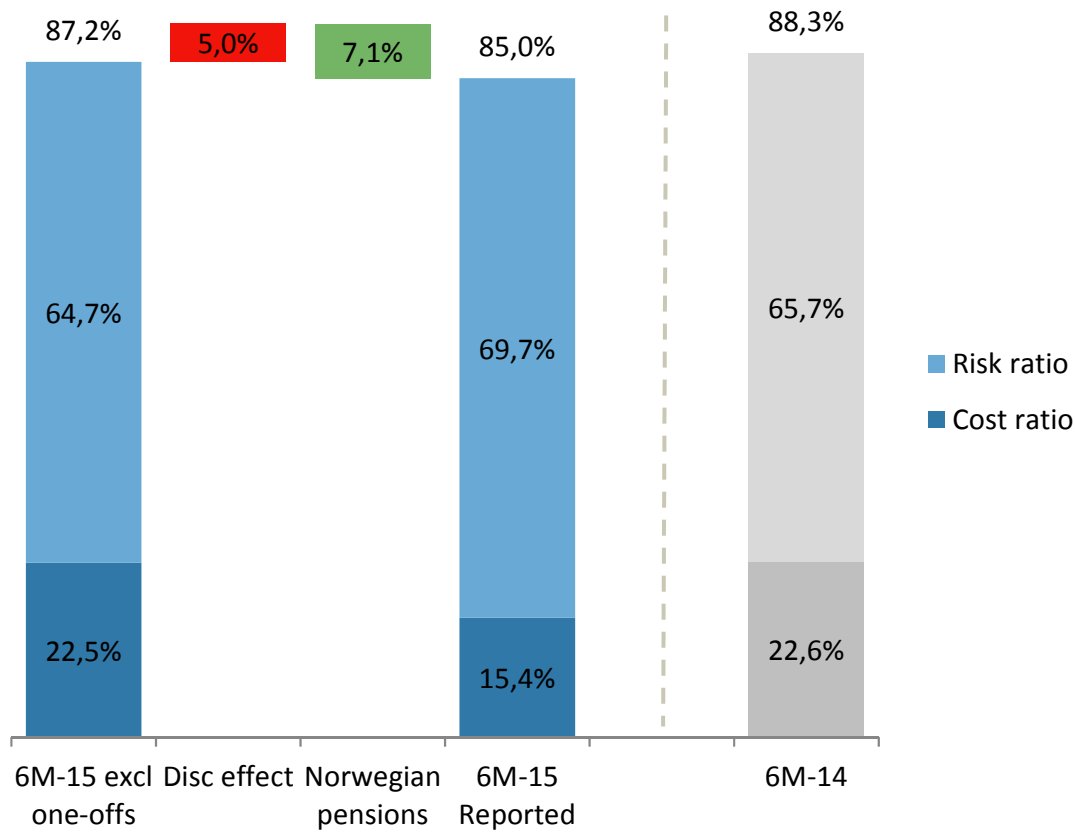
- Risk transfer from If to its employees/retirees and redistribution of pension costs
- Most employees will be covered by a competitive defined contribution pension plan
- Significant increase in predictability and stability of pension costs
- A positive non-recurring effect of EUR 155 million in 2015 due to immediate reduction of the defined benefit obligation



Relax, we'll help you.

COMBINED RATIO – IF TOTAL 6M-15

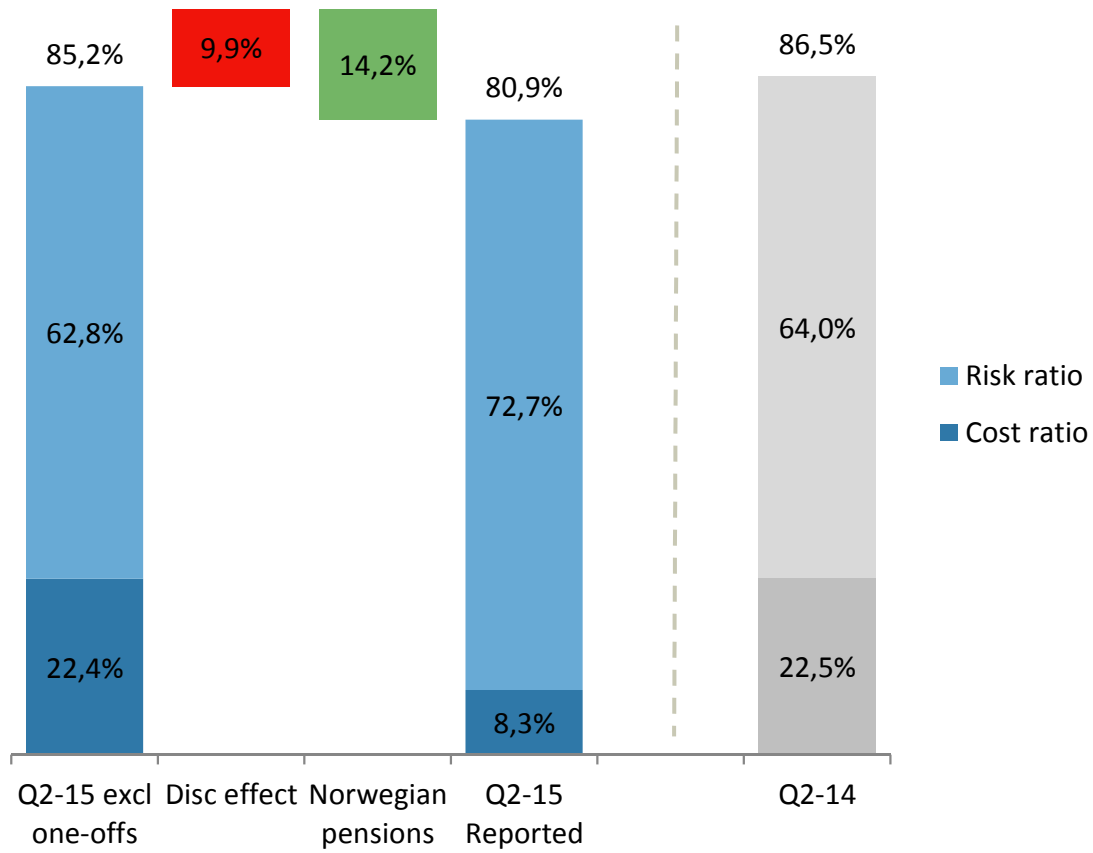
Spec of One-off effects



Relax, we'll help you.

COMBINED RATIO – IF TOTAL Q2-15

Spec of One-off effects



Relax, we'll help you.