



## Annual report on the Norwegian Natural Perils Pool for 2020

The activities of the Norwegian Natural Perils Pool have their legal basis in Act No. 70 of 16 June 1989 on Natural Perils Insurance and the Rules for the Norwegian Natural Perils Pool issued by royal decree of 21 December 1979 as subsequently amended by the Ministry of Justice and Public Security.

The Norwegian Natural Perils Pool equalises natural perils claims between insurers that write fire insurance in Norway. Participation in the Pool is compulsory for companies that write this class of insurance in Norway. The Pool obtains reinsurance cover from the retention to the applicable limit for natural perils insurance on behalf of member companies.

The Pool had 88 member companies on 31 December 2020.

The Pool is managed by Finance Norway, Hansteens gate 2, 0202 Oslo.

### Claims in 2020

2020 looked like being a relatively “quiet” year for claims up until 30 December, when there was a major quick-clay landslide in Gjerdrum municipality. This tragic event took ten lives and caused severe trauma for the approximately 1 000 inhabitants affected.

The event is currently expected to result in around 800 claims with an estimated value of around NOK 800 million. These figures are uncertain, however, since part of the residential area is still evacuated, so we do not have an overview of losses there.

The Pool’s office, claims committee and board have all been busy following this event. We have taken part in around 16 information meetings with those affected, as well as meetings with the municipality and the Norwegian Water Resources and Energy Directorate. Many issues remain unresolved, and we are working hard to find solutions to them.

Other major events in 2020 included a storm flood on 9-12 February when Storm Elsa hit Agder, Vestlandet and Trøndelag. This resulted in around 1,100 claims with an estimated value of around NOK 71 million.

Shortly afterwards, there was another storm flood/storm event on 15-17 February, which had already been named Storm Dennis in Northwest Europe. The storm caused particularly severe damage in the UK and brought strong winds to southeast and southwest Norway. We are aware of more than 600 claims so far with an estimated total value of around NOK 40 million.



### **2020 reinsurance programme**

The Pool purchases reinsurance cover for member companies and worked on placing the 2021 programme during the autumn.

The programme was placed with assistance from the brokers AON Benfield (flag broker) and Guy Carpenter (co-broker).

In the light of the Pool's Reinsurance Principles, the retention for the reinsurance programme was kept at NOK 1.5 billion for 2021.

Structure of the Pool's reinsurance programme in 2021:

Limit:

NOK 2 000 000 000    xs    NOK 1 500 000 000  
NOK 12 500 000 000    xs    NOK 3 500 000 000

The gross reinsurance premium for the 2020 programme agreed in autumn 2019 was NOK 230 million, a decrease of NOK 8 million on the year before.

### **NINA claims reporting system**

The Pool's claims reporting system NINA (the database for all financial equalisation in the Pool's activities) was in use throughout 2020. The office also worked during the year on quality assurance and ensured that the system was operating properly.

### **Claims auditing**

The claims audit team is to review around 3 000 claims each year. Dialogue with companies takes place through a chat function in the NINA system. The team also spends much time updating and training members, and serves as an important technical resource for the Pool.

The claims committee presented its audit report for 2020 at the board meeting of 10 March 2021. This covered claims audited between 1 January and 31 December 2020. A total of 3 636 cases were reviewed. Errors with a value of around NOK 40 million were identified, giving a reversal rate of 6.2%.

### **The Pool's board elected at the 2020 Annual Meeting**

Following the Annual Meeting on 10 June 2020, the board has had the following members:

<b>Full members</b>	<b>Personal deputies</b>
Tor Erik Silset Gjensidige Forsikring ASA	Truls Erik Aasen Gjensidige Forsikring ASA
Glenn Olsen If Skadeforsikring NUF	Thorbjørn Rønning If Skadeforsikring NUF
Jan K. Kristoffersen Fremtind Forsikring AS	Nils Tore Nilsen Fremtind Forsikring AS
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	Vidar Østli Codan Forsikring
Jostein Damminger Tryg Forsikring	Ragnar Kayser Tryg Forsikring
Øyvind Flatner Finance Norway	Kari Mørk Finance Norway

The board held seven meetings in 2020, six of which took place online using Microsoft Teams. No fees were paid to its members.

### **Composition and activities of the committees in 2020**

#### **Claims committee**

The claims committee is to conduct the necessary checks on claims submitted by member companies. The committee is also to provide the necessary co-ordination following major events where multiple companies and/or the Norwegian National Fund for Natural Damage Assistance are involved in the same event.

The claims committee had the following members at the end of 2020:

<b>Committee members</b>
Espen Jensen, chair from June 2020 Tryg Forsikring
Pål Vermedal, deputy chair from June 2020 Gjensidige Forsikring ASA
Jens Krog Fremtind Forsikring AS
Erik Moskvil KLP Forsikring
Johan Lunde Wilmann If Skadeforsikring NUF

#### **Key activities led by the claims committee in 2020**

The committee prepared the supporting documentation for the board's decision to raise the threshold for when natural perils claims are to be assessed by a loss adjuster from NOK 50,000 to NOK 100,000 with effect from 1 January 2021.

The committee carried out two checks on the work of the claims audit team. The conclusion was that claims auditing is being carried out in accordance with the rules and guidelines issued for this function.



The loss adjustment report template was revised and will be published early in 2021. The committee contributed to the production of four new video courses. These provide a brief, general introduction to the handling of losses caused by storms, floods, landslides and storm floods, and have been published on the Pool's website.

### Courses

Both basic and advanced courses for claims processors were planned for 2020 but were cancelled due to the pandemic.

Certification courses for natural perils adjusters were carried out online over two days in October.

### Terms committee

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 2020:

Name	Company	
Jostein Kalvenes Chair	Tryg Forsikring AS	
Simon Andre Olsen	Gjensidige Forsikring ASA	
Ina Vilde Løken	If Skadeforsikring NUF	Elected at board meeting of 10 June 2020 (but did not participate until 2021 due to maternity leave)
Ingunn Synnøve Skaalen	Fremtind Forsikring AS	
Anders Trosvik	Eika	Elected at the board meeting of 6 May 2020

### Reinsurance committee

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 committee has five members.

The reinsurance committee had the following members at the end of 2020:

Name	Company	
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Nina Klaveness Ek Chair	Fremtind Forsikring AS	
Anna-Kitty Ekstam	If Skadeforsikring AB	
Jacob Loft Lietmann	Tryg Forsikring Denmark	
Anita Gundersen	Gjensidige Forsikring ASA	
Christoffer Skyrud	Protector Forsikring ASA	

### **Liaison committee**

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 Rules for the Pool require the committee to meet at least every fourth month. Three meetings were held in 2020.

The liaison committee had the following members at the end of 2020:

Kai Terje Dretvik	Norwegian Agricultural Authority (new chair)
Alexandra Sunde	Norwegian Agricultural Authority (newly appointed)
Trine Buttingsrud Mathiesen	Chair of appeals board, Advokatfirmaet Buttingsrud DA (lawyers)
Espen Jensen	Chair of claims committee
Geir Trulserud	Norwegian Natural Perils Pool
Synnøve Folkvord	Norwegian Natural Perils Pool

### **The pool's development, results and continued operation**

The income statement shows a loss for the year of NOK 787,953. Since the Pool has no equity, the loss will be set against the retained profit/loss payable to members. Despite the loss, the Pool's cash position is satisfactory.

In the board's opinion, the financial statements provide a true and fair view of the Pool's assets and liabilities and of its financial position and results. The board confirms that the Pool is a going concern and that the financial statements have been prepared on this basis. There have been no events since the balance sheet date material to an assessment of the Pool's position.

### **Organisation, working environment and board of directors**

The Pool had seven employees at the end of 2020.

The Pool's activities do not pollute the external environment. The working environment is considered satisfactory, with very low sickness absence of 2.1%. The Pool practises gender equality both when recruiting and otherwise. The Pool employs four women and three men. The board consists entirely of men.



**Oslo, 12 May 2021**

**The board of the  
NORWEGIAN NATURAL PERILS POOL**

Tor Erik Silset  
Chair

Jostein Damminger  
Deputy chair

Glenn Olsen

Jan K. Kristoffersen

Fredrik Øyan

Hans Olav Høiby

Odd-Arne Hoel

Øyvind Flatner

Geir R. Trulserud  
Director