



Annual report on the Norwegian Natural Perils Pool for 2021

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 fire 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 91 member companies on 31 December 2021.

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

Claims in 2021

The quick-clay landslide in Gjerdrum on 30 December 2020 resulted in around 850 claims with an estimated value, including clean-up costs, of NOK 875 million.

Major events in 2021 included Storm Frank on 21-23 January, which hit Helgeland, Salten, Ofoten and Troms, leading to more than 900 claims with an estimated value of around NOK 56 million.

On 19-21 November, a storm in south-eastern Norway resulted in almost 1,700 claims with an estimated value of around NOK 140 million.

2021 reinsurance programme

The Pool purchases reinsurance cover for member companies and worked on placing the 2022 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 2022 programme agreed in autumn 2021 is NOK 251 million.

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 2021. Staff 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 2021 at the board meeting of 10 March 2022. This covered claims audited between 1 January and 31 December 2021. A total of 3 455 cases were reviewed. Errors with a value of around NOK 34 million were identified, giving a reversal rate of 6.2%.

The Pool's board elected at the 2021 Annual Meeting

Following the Annual Meeting on 17 June 2021, the board has had the following members:

Full members	Personal deputies
Jostein Damminge Tryg Forsikring	Trond Valdernesnes Tryg Forsikring
Glenn Olsen If Skadeforsikring NUF	Svein Arne Aas If Skadeforsikring NUF
Jan K. Kristoffersen Fremtind Forsikring AS	Roger Strand Fremtind Forsikring AS
Odd Arne Hoel KLP Skadeforsikring AS	Øyvind Huse Storebrand skadeforsikring
Hans Olav Høiby Eika Forsikring	Tor Olav Langeland Frende Forsikring
Fredrik Øyan Protector Forsikring ASA	Marianne Brinch van Meenen JBF Bank og Forsikring
Øyvind Skallerud Gjensidige Forsikring ASA	Truls Erik Aasen Gjensidige Forsikring ASA
Øyvind Flatner Finance Norway	Kari Mørk Finance Norway



The board held nine meetings in 2021 including a seminar and an extra meeting related to changes to the reinsurance principles. In addition, there was the annual meeting and five extraordinary meetings related to the Gjerdrum landslide. All meetings were held on Microsoft Teams due to Covid. No fees were paid to the board's members.

Changes to the Terms for Settlement through the Natural Perils Pool

The Pool's board decided in June 2021 to make some changes to sections 1.3 and 1.4 of the Terms for Settlement by removing the limits on the amounts that may be settled. Instead, the member company's own limits, if any, will apply, and the company can settle based on its own terms. This change was communicated to members in Circular No. 8/2021.

Composition and activities of the committees in 2021

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 Scheme for Natural Damage Assistance are involved in the same event.

The claims committee had the following members at the end of 2021:

Committee members
Espen Jensen, chair Tryg Forsikring
Pål Vermedal, deputy chair 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 2021

The committee spent a great deal of time during the year on meetings and various matters related to the Gjerdrum landslide on 30 December 2020.

Together with the Pool's staff, the committee contributed to 16 information meetings for local inhabitants affected by the disaster, helped the municipality deal with technical challenges, co-ordinated communication between the insurance industry and the municipality, and assisted with arranging and funding security around the homes evacuated.



The committee has formal responsibility for reviewing claims submitted to the Pool for settlement. The conclusion was that claims auditing is being carried out in accordance with the rules and guidelines issued for this function.

Courses

Two basic courses (online) and one advanced course (face to face) for claims processors were held during the year.

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 2021:

Name	Company	
Ingunn Synnøve Skaalen Chair	Fremtind Forsikring AS	
Simon Andre Olsen	Gjensidige Forsikring ASA	
Ina Vilde Løken	If Skadeforsikring NUF	
Einar Brekken	Tryg Forsikring	Elected at the board meeting of 17 May 2021
Anders Trosvik	Eika	

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 2021:

Name	Company	
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 2021.

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

Kai Terje Dretvik	Norwegian Agricultural Authority (chair)
Alexandra Sunde	Norwegian Agricultural Authority
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 385 953. The overspend is related to purchases of external legal expertise in connection with the Gjerdrum landslide on 30 December 2020 and various related matters.

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 2021.

The Pool's activities do not pollute the external environment. The working environment is considered satisfactory, with very low sickness absence of 1.02%. The Pool practises gender equality both when recruiting and otherwise. The Pool employs four women and three men. The board consists entirely of men.

The board would like to thank the Pool's staff for a job well done in 2021.

Oslo, 09.05.2022

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

Jostein Damminger

Jan K. Kristoffersen

Glenn Olsen

Øyvind Skallerud

Fredrik Øyan

Hans Olav Høyby

Odd-Arne Hoel

Øyvind Flatner

Geir R. Trulserud
Director