



To members of The Norwegian
Natural Perils Pool

Circular no. 2/2024

Date: 16.02.2024

New regulations for natural perils insurance per 01.01.2025

New rules on natural perils insurance come into force on 1 January 2025 after new regulations were adopted in a cabinet meeting on 26 January. The Amendment Act for the Natural Perils Insurance Act was adopted on 17 June 2022 No. 59.

One of the major changes involves the creation of a fund for the management of the natural perils capital and the fund is to be placed within and administrated by the Norwegian Natural Perils Pool. In the long term, with transitional arrangements, the fund will build up a capital of at least NOK 4 billion. Simply explained, this is done by transferring capital from the members to the fund in years with a surplus, where the natural perils premium is greater than the claims paid. In the event of a deficit year, the members can request deficit coverage from the central fund.

Starting from 2025, there will be transitional arrangements. Simply explained, these will be such that companies that have built up natural perils capital, in a year with a deficit, must first deduct from their own natural perils capital to cover the deficit. Eventually, the fund will transition to a permanent arrangement where all companies can request loss coverage from the pool. For more detailed regulations on the scheme and the transition scheme, [see Regulations on natural perils insurance from 01.01.2025](#) and [Act on amendments to the natural perils insurance act](#).

The changes in the regulations have been translated by the administration and is enclosed this circular. Should there be a discrepancy between the law and regulations (the links) and the translated version, the original version in Norwegian applies.

There are also several other changes, such as in the pool's tasks, board and committee structure and coverage for the companies' administration costs. The changes mentioned here are only an extract - see the regulations for a complete overview.



The Norwegian Natural Perils Pool will provide more information related to the changes later. The Norwegian Natural Perils Pool will, among other things, during the autumn of 2024 and spring of 2025 ask for the member's total sum insured against fire on 1 July, the balance of the members' natural perils capital and earned premium income. All figures must be reported in our new equalization system (Meteor), which will be put into use in the autumn of 2024 and will replace today's NINA system.

We will continue to update you with information throughout the year.

Best regards

The Norwegian Natural Perils Pool

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Managing Director