

Following Norwegian granting of licence:

Ready for launching of if... the Nordic property and casualty insurance company

The Nordic property and casualty insurance company if..., which is being established by Sweden's Skandia, Norway's Storebrand and Finland's Pohjola will soon be a reality now that the Norwegian Ministry of Finance has issued a licence to Storebrand allowing it to be part of the Nordic P&C merger. Everything is now in place for starting up the Nordic company in Norway and Sweden. The Finnish authorities are still considering Pohjola's application for a licence, and the Finnish part of if... will therefore fall into place later.

Bo Ingemarson, Chief Executive Officer of if... is extremely pleased that the Norwegian authorities have now given Storebrand permission to enter into the P&C insurance merger.

"This allows us to put into effect the plans we have been working on since the co-operation between Skandia and Storebrand in the field of property and casualty insurance was made public on 22 February 1999. Pohjola became part of the Nordic co-operation on 23 June, and the Finnish authorities have therefore had less time to deal with the application for a licence than have their Norwegian counterparts.

We have prepared for a situation with the necessary licences not being issued in all countries simultaneously. Our plans are therefore arranged in a manner that allow us to start in Denmark, Norway and Sweden first. We have completed all our planning for the integration of Pohjola's P&C business into if... and as soon as the Finnish authorities have given their permission, if... will be a reality also in Finland.

Our intention is to have if... offer the best international product standards and customer service. We will achieve this by building on the best of the competence to be found in our three companies. We will immediately begin our brand building and if... will be recognised as having the following fundamental values: Forward looking, reliable, engaged and easy to relate to", says Ingemarson.

Intensive planning for the integration of the three companies' P&C business continued through to the beginning of November, when it was completed. Ingemarson adds that the planning of the integration was thorough and demanding, but the process was nevertheless carried out in an effective manner. This has gone on while the day-to-day operations of the three companies continued without interruption.

"The sound commercial basis on which the co-operation between the three equal parties started earlier this year has been further consolidated through the planning of the merger. The commercial arguments in favour of the merger have set deep roots and our estimates of annual cost synergies of SEK 540 million over a three-year period have become even more solid", says Ingemarson.

Concerning the conditions set by the Norwegian authorities, the applicants confirm that if... will accept supervision from The Banking, Insurance and Securities Commission of Norway according to agreement between the Norwegian and Swedish supervisory authorities.

Åge Korsvold, Chairmen of the Board of if..., says that the approval of the Norwegian authorities is an important and gratifying event. "We can now establish if... initially on the basis of Skandia's and Storebrand's P&C companies, and we know that Pohjola will fall quickly and naturally into place in the merged company as soon as the Finnish authorities have granted a licence. We have carried out an extremely successful merger process where we have built on the best cutting-edge competence in each of the companies. if... will be a major Nordic P&C insurance company with a sound home base for further growth. Furthermore, our marine and energy plans will also establish if... at the very top of the world in this field.

The if... integration process has fully confirmed that the merger is the right move and that it builds a rational Nordic strategy and a sound commercial base. The company's expressed goal to grow further in the Nordic region by gaining a better footing in Denmark still applies", says Korsvold.

Premium written by if... will amount to approximately SEK 23 billion per year and it will thus be the largest Nordic property and casualty insurance by far – about twice the size of the second largest player in the P&C market. 45% of the premium written by if... will come from Private insurance, 35% from Commercial, 15% from Industrial, 3% from Marine and Energy insurance and 2% from other areas. With about 3 million policyholders, if... will have a market share of about 20% in the Nordic property and casualty insurance market. The market share in Sweden is 19 per cent, in Norway 39 per cent, in Finland 26 per cent and in Denmark 5 per cent.

Ownership stakes in if...are as follows: Skandia 42 per cent, Storebrand 33 per cent and Pohjola 25 per cent. Each of them has one third of the votes.

if... is now establishing its head office in Stockholm, but competence and development centres are being established at various places in the Nordic region which will have pan-Nordic profit centre responsibilities. Industrial insurance will be managed from Stockholm/Helsinki by Veli Kalle Tavakka, Private insurance from Oslo by Knut W. Francke, while Commercial insurance will be managed from Stockholm by Jan Svensson. In the field of Marine and Energy, if... plans to establish a management company in association with the Norwegian company Assuranceforeningen Gard. Its administrative centre will be located in Arendal, while the marine and energy business will be managed from Bergen and Oslo respectively.

In addition to the above executives for the business areas and CEO Bo Ingemarson, the group management team includes Tom Rathke, CFO and Marine and Energy, Kjell Rune Tveita (Acting), IT, Kerstin Ryer, Human Resources, Mikkel A. Berg, Marketing/trade mark, and Tom Melbye Eide, Legal Counsel.

if... will have 5,270 employees, with 1,540 of them in Sweden, 2,270 in Norway, 1,105 in Finland and 355 in Denmark..

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