Best's Credit Rating Effective Date

June 02, 2022

Analytical Contacts

Konstantin Langowski
Senior Financial Analyst
Konstantin.Langowski@ambest.com
+31 20 308 5431

Mathilde Jakobsen
Director-Analytics
Mathilde.Jakobsen@ambest.com
+31 20 308 5420

Information

Best's Credit Rating Methodology

Guide to Best's Credit Ratings

Market Segment Outlooks

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: Best's Financial Report.

Protector Forsikring ASA

AMB #: 091925 | **AIIN #:** AA-1420011

Best's Credit Ratings

Financial Strength Rating (FSR)	Issuer Credit Rating (ICR)
B++	**bbb+**
Good	**Good**
Outlook: **Stable**	Outlook: **Stable**
Action: **Affirmed**	Action: **Affirmed**

Assessment Descriptors

Balance Sheet Strength	**Strong**
Operating Performance	**Adequate**
Business Profile	**Neutral**
Enterprise Risk Management	**Appropriate**

Rating Rationale

Balance Sheet Strength: Strong

- Risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR), is expected to remain at the strongest level, supported by strong internal capital generation.
- Adequate reserving practices in place, underpinned by a track record of positive run-off developments in most years.
- Comprehensive and appropriate reinsurance in place, underpinned by a well-rated panel. A partly offsetting factor remains the moderate reinsurance dependence.
- Elevated investment risk exposure due to a relatively high asset allocation in equities and non-rated bonds, with the latter noted to be a common feature of the Nordic investment market.

Operating Performance: Adequate

- Protector has a five-year weighted average return on equity ratio (ROE) (2017-2021) of 19%, as calculated by AM Best.
- In 2021, the company achieved a combined ratio of 87% (2020: 95%), as calculated by AM Best, supported by corrective portfolio measures taken in prior years as well as by continued strong rate adjustment.
- Net investment income continues to be a significant driver of overall profitability, reflected by a five-year weighted average yield (including gains) of 4.5% (2017-2021), as calculated by AM Best. However, AM Best notes that the company's investment return is subject to volatility, due to exposure to higher-risk assets.

Business Profile: Neutral

- Strong foothold and expertise in the Norwegian commercial and public insurance market.
- Expansion into new markets supported strong growth, as evidenced by gross written premiums increasing from NOK 1.2 billion in 2011 to NOK 5.9 billion in 2021.
- Diversified underwriting portfolio and good geographical diversification, which have consistently improved with expansion.
- Product risk is assessed as moderate, but it is reducing as the company's business mix shifts towards short-tail lines, accelerated by loss portfolio transfers of long-tail business in 2021.

Enterprise Risk Management: Appropriate

- The company's enterprise risk management is considered to be appropriate given the scope of its operations as well as the size and complexity of its business.
- Risk management capabilities are viewed to be largely aligned with its risk profile.
- Conservative policies in place to manage risk exposure and risk correlations.
- Risk culture that is fully compliant with the Solvency II regulatory regime.
- Continued development of its enterprise risk management remains critical to support further successful expansion in new markets whilst maintaining appropriate control and governance over key risks.

Outlook

- The stable outlooks reflect AM Best's expectation that Protector will maintain its strong balance sheet, supported by risk-adjusted capitalisation at least at the very strong level, as measured by BCAR, underpinned by internal capital generation that should adequately support the company's growth forecasts.

Rating Drivers

- Positive rating actions could arise if the company demonstrates a track record of consistently strong operating performance.
- Negative rating actions could follow a deterioration in risk-adjusted capitalisation if AM Best did not believe that capital levels would be restored to a level supportive of the balance sheet strength assessment over a short time period.
- Negative rating actions could arise from a prolonged weakening of performance metrics below AM Best's expectations for the adequate assessment.

Key Financial Indicators

AM Best may recategorize company-reported data to reflect broader international reporting standards and increase global comparability.

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	64.4	50.0	43.9	42.2

Source: Best's Capital Adequacy Ratio Model - Global

Key Financial Indicators	2021 NOK (000)	2020 NOK (000)	2019 NOK (000)	2018 NOK (000)	2017 NOK (000)
Net Premiums Written:					
Non-Life	5,125,353	4,738,596	4,442,339	2,859,379	2,402,775
Composite	5,125,353	4,738,596	4,442,339	2,859,379	2,402,775
Net Income	1,232,110	979,204	-4,534	-295,400	476,717
Total Assets	19,246,276	16,750,251	14,742,205	12,832,053	12,272,127
Total Capital and Surplus	3,582,129	3,030,474	2,019,335	2,033,075	2,591,263

Source: BestLink® - Best's Financial Suite

Key Financial Indicators & Ratios	2021 NOK (000)	2020 NOK (000)	2019 NOK (000)	2018 NOK (000)	2017 NOK (000)	Weighted 5-Year Average
Profitability:						
Balance on Non-Life Technical Account	594,401	246,591	-163,029	45,257	150,022	...
Net Income Return on Revenue (%)	23.7	20.3	-0.1	-9.8	18.2	11.9
Net Income Return on Capital and Surplus (%)	37.3	38.8	-0.2	-12.8	19.6	19.0
Non-Life Combined Ratio (%)	87.3	94.8	103.8	98.6	93.6	95.2
Net Investment Yield (%)	2.2	1.7	2.4	2.1	2.6	2.2
Leverage:						
Net Premiums Written to Capital and Surplus (%)	143.1	156.4	220.0	140.6	92.7	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Protector Forsikring ASA's (Protector) balance sheet strength is characterised as strong by AM Best. The BCAR scores presented under the "Best's Capital Adequacy Ratio Summary" section of this report are based on the year-end 2021 audited financial statements.

Capitalisation

Protector's balance sheet strength is underpinned by risk-adjusted capitalisation at the strongest level, as measured by BCAR at year-end 2021.

AM Best expects the company to maintain its risk-adjusted capitalisation at the strongest level prospectively, underpinned by internal capital generation that should adequately support the company's growth forecasts. Prospective growth rates are expected to be similar to levels recorded in 2021 (around 8%). The company has recorded stronger growth levels in the past, reflected by a historical 5-year compounded average growth rate (CAGR) of approximately 12% (2017-2021), but has strongly focused on premium rate adequacy since 2019.

The company's capital and surplus increased by about 18% to NOK 3,582 million in 2021, driven by strong technical results and strong investment returns. The improved capital position provides a buffer to absorb some of the elevated investment risk exposure that can lead to short-term volatility in capital levels.

Balance Sheet Strength (Continued...)

Protector has undertaken a number of steps in recent years to decrease its capital requirements including a reduction in risk profile through changes to its product mix, with a greater focus on shorter tail business. In 2021, a reduction in capital requirements was also achieved by a loss portfolio transfer covering the majority of its long tail risks (Norwegian and Danish Workers Compensation risks).

Partly offsetting the decline in capital requirements for underwriting risk, was a return to higher investment risk. Protector increased its equity investments to 14% of total investment assets as of year-end 2021 from 13% in 2020 and 9% in 2019.

Capital Management:

The company manages its capital adequacy with reference to its Solvency II position and aims to maintain an SCR coverage ratio within a target range of 150% - 180%. The ratio is monitored by the company at least quarterly. As at end of 2021, Protector reported an SCR coverage ratio of 206%, post proposed dividend payments (year-end 2020: 190%). The increase in the SCR coverage ratio was largely driven by strong capital generation and moderated business growth.

The company's dividend policy is governed principally by the maintenance of its Solvency II SCR ratio target. Protector suspended its dividend payouts during 2017 to 2019 in order to support growth opportunities. The company is expected to pay out 20% to 80% of annual profits, conditioned to the maintenance of its Solvency II SCR ratio target. In 2021, the company recorded a 77% dividend pay-out rate (2020: 67%).

Financial flexibility:

The company's financial flexibility is adequate. Protector has a proven track record of issuing subordinated debt to support its operational growth. Protector has strengthened its capital position which increased the headroom available to raise more debt. The company has further capacity to issue Tier 1 restricted qualifying capital and Tier 2 qualifying capital under Solvency II.

As of May 2022, the company had subordinated debt formed of three issuances; 1) NOK 500 million with a maturity date of 2050 (callable, with interest rate of 3 months NIBOR + 350 basis points per annum) issued in 2020. 2) NOK 400 million with a maturity date of 2052 (callable March 2027, with interest rate of 3 months NIBOR + 275 basis points per annum) issued in February 2022; and 3) NOK 350 million of perpetual notes (callable Dec 2026, with interest rate of 3 months NIBOR +475 basis points per annum) issued in December 2021.

Protector has also demonstrated its ability to adjust dividend payments to support growth (2012, 2017, 2018 and 2019). As a publicly listed company it also has the potential to raise equity capital, if required. In addition, the company benefits from a variable reinsurance programme with 'capital relief' features that respond to a solvency trigger.

Adjusted debt leverage levels remained within AM Best's tolerances of a positive financial leverage assessment and a strong interest coverage in 2021.

Capital Generation Analysis	2021 NOK (000)	2020 NOK (000)	2019 NOK (000)	2018 NOK (000)	2017 NOK (000)
Beginning Capital and Surplus	3,030,473	2,019,335	2,033,073	2,591,261	2,268,200
Net Income	1,232,110	979,204	-4,534	-295,400	476,717
Currency Exchange Gains (Losses)	-27,365	2,752	980	-43	48,567
Change in Equalisation and Other Reserves	4,141	124	13	...	-1
Net Change in Paid-In Capital and Surplus	-3,656	...	...	...	...
Stockholder Dividends	-659,536	...	...	-259,105	-193,825
Other Changes in Capital and Surplus	5,963	29,058	-10,197	-3,640	-8,397
Net Change in Capital and Surplus	551,657	1,011,138	-13,738	-558,188	323,061
Ending Capital and Surplus	3,582,130	3,030,473	2,019,335	2,033,073	2,591,261
Net Change in Capital and Surplus (%)	18.2	50.1	-0.7	-21.5	14.2

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)

Liquidity Analysis (%)	2021	2020	2019	2018	2017
Liquid Assets to Total Liabilities	84.5	89.3	75.2	72.9	84.6
Total Investments to Total Liabilities	85.9	89.6	75.5	73.2	84.8

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

Protector manages its investments in-house with the intention of adding value by strategically selecting, weighting and rebalancing its holdings to outperform standard indexes. The company's portfolio includes a relatively high allocation to non-rated bonds (where credit quality is less clear) and to equities. However, the majority of investments are held in liquid fixed income or cash deposits.

As at year-end 2021, the company's investment portfolio comprised 68% (2020: 70%) fixed income instruments (including the impact of derivatives for currency hedging purposes), 14% (2020: 13%) listed equities, 17% (2019: 16%) cash and deposits, and 1% (2020: 1%) other (including non-listed equities and real estate). Prospectively, the split of invested assets by class is expected to remain similar. The company made some adjustments to its investment allocation limits in 2020, increasing its equity holdings limit to 15%.

Whilst Protector is domiciled in Norway and its reporting currency is NOK, it has operations in other countries which operate with non-NOK currencies (including SEK, DKK, GBP and EUR). Given the scale of operations in some of these countries, Protector does not always hold investments in local currencies to match applicable liabilities. Instead, the company holds investments in other currencies (NOK, USD, DKK and SEK) and then utilises forward derivative currency contracts to match the currency of these investments with actual liabilities. However, as the company executes its growth plans in the United Kingdom, it is expected that there will be a gradual increase in the holding of non-Nordic investments.

The company's liquidity position is viewed as adequate to support timely payment of its claims obligations. About 85% of investments are held in cash, deposits and fixed income securities (including derivatives which relate to bonds) at year-end 2021. The company has a strong allocation to liquid assets relative to technical provisions. At-year end 2021, liquid assets provided about 159% and 248% (2020: 160% and 202%) coverage of gross and net technical provisions, respectively.

Composition of Cash and Invested Assets	2021 NOK (000)	2020 NOK (000)	2019 NOK (000)	2018 NOK (000)	2017 NOK (000)
Total Cash and Invested Assets	13,460,605	12,299,606	9,608,533	7,909,527	8,210,538
Cash (%)	16.6	16.9	19.5	9.3	6.0
Bonds (%)	68.2	69.7	70.5	80.7	76.9
Equity Securities (%)	13.6	13.0	9.5	9.4	16.9
Real Estate, Mortgages and Loans (%)	...	...	0.1	0.2	0.2
Other Invested Assets (%)	0.7	0.4	0.3	0.3	...
Total Cash and Unaffiliated Invested Assets (%)	99.1	100.0	100.0	100.0	100.0
Investments in Affiliates (%)	0.9	...	...	...	...
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Protector's technical reserves are subject to review by both its internal actuary as well as its external actuarial function. As at year-end 2021, the company's held reserves were aligned with the actuarial audit’s best estimate. Although the company has a track record of positive run-off development patterns since inception in most lines of business, it reported increased volatility in its reserve development patterns during more recent periods. Its discontinued lines Change of Ownership and WC Norway and Denmark showed overall historical to date reserve losses which led to a significant de-risking of reserves through the exit of those lines and a consequent quota share loss portfolio transfer agreement with the DARAG Group in 2021.

Operating Performance

Protector's operating performance is underpinned by a track record of relatively strong investment returns and robust underwriting results in most of the past ten years, reflected by an average return on equity (ROE) of 25% (2012-2021). The company has reported strong underwriting performances in 2020 and 2021, following weaker operating results in 2018 and 2019.

Improved underwriting results were largely driven by various corrective measures taken to address adverse development patterns in a number of the company's books of business, including claims inflation above expectations in the Nordic markets and adverse claims development on change of ownership (COI) business in 2018 and 2019.

Protector's pre-tax profit was NOK 1,498 billion (USD 170 million) at year-end 2021, compared to NOK 1,156 billion (USD 135 million) at year-end 2020.

The company has demonstrated a relatively good balance of earnings between underwriting and investment operations in most of the past 10 years, with a tendency to earn a larger share through investment income.

Protector's strong operating profit in 2021 was underpinned by good technical results and a strong investment return, reflected by a combined ratio of 87.3% (2020: 94.8%) and a net investment return (including gains) of 6.8% (2020: 7.9%) (as calculated by AM Best).

Protector's strong claims development in 2021 was supported by robust results from its Nordic country segments which absorbed weaker technical results reported in the United Kingdom segment, driven by a high number of large claims. Prospective underwriting results are expected to benefit from the portfolio clean up undertaken in 2019 and 2020 and continued robust rate adjustments as well as continued focus on controlled top-line growth.

Going forward, the company expects to achieve combined ratios between 90%-92%. AM Best expects that the company will be able to achieve this target, as it has continued to clean up underperforming business and continued to increase rates in line with claims inflation.

The company's expense ratio is considered competitive compared to peers, reflected by a 5-year weighted average expense ratio of 7.9%. In 2021, the company reported an expense ratio of 9.9%. Protector's expense ratio has been modestly increasing in line with strong growth in the UK market, with business in that market having higher commission cost compared to business in the Nordic markets.

Historically the company's cost ratio was lower due to positive net contributions relating to inwards commissions from reinsurers and due to its historical focus on Nordic business with no broker commissions, except in Sweden.

Investment Performance:

The company has a track record of good investment yield, underpinned by a 5-year weighted average yield (including gains) of 4.5% (2017-2021) as calculated by AM Best. Protector aims to add value by strategically selecting, weighting and rebalancing its holdings to outperform standard indexes. The strong investment yield benefits from relative high yields that are earned from fixed interest holdings issued in the Nordic markets as well as bank deposits. The company invests around 85% of its investment holdings in those asset classes. The average yield of Protector's bond portfolio was about 2.0% (excluding gains) in 2021 (2020: 2.3%) [as reported by the company]. Additionally, the strong historic yield has been supported by a long term up-trending equity market over the past 10 years. Protector achieved an investment yield of 6.8% in 2021 (as measured by AM Best), supported by strong return on both equities and interest-bearing securities.

Prospective investment performance remains subject to volatility due to the company's elevated share of equity exposure.

Financial Performance Summary	**2021 NOK (000)**	**2020 NOK (000)**	**2019 NOK (000)**	**2018 NOK (000)**	**2017 NOK (000)**
Pre-Tax Income	1,498,335	1,156,217	23,457	-340,646	562,184
Net Income after Non-Controlling Interests	1,232,110	979,204	-4,534	-295,400	476,717

Source: BestLink® - Best's Financial Suite

Operating Performance (Continued...)

Operating and Performance Ratios (%)	2021	2020	2019	2018	2017
Overall Performance:					
Return on Assets	6.8	6.2	...	-2.4	4.5
Return on Capital and Surplus	37.3	38.8	-0.2	-12.8	19.6
Non-Life Performance:					
Loss and LAE Ratio	77.4	84.6	95.2	94.3	91.3
Expense Ratio	9.9	10.2	8.6	4.2	2.3
Non-Life Combined Ratio	87.3	94.8	103.8	98.6	93.6

Source: BestLink® - Best's Financial Suite

Business Profile

Protector has a good competitive market position in the Norwegian commercial and public insurance market, due to its strong foothold and expertise in that market. The company has grown rapidly over recent years, largely driven by its expansion efforts into new markets that also led to a better diversification of its business.

Protector was first established in 2004 as a Norwegian insurer and was subsequently listed on the Oslo Stock Exchange in May 2007. The company entered the Swedish insurance market in 2011, Denmark in 2012, and Finland and the United Kingdom in 2016. All operations outside of Norway are comprised of branches, reflecting the company's hub and spoke business model.

The company has no majority shareholder, with its largest single shareholder being Awilhelmsen Capital Holdings AS which held a 10.1% stake at year-end 2021. The 20 largest shareholders account for 64% of the overall shareholding.

Gross written premiums (GWP) reached NOK 5.95 billion in 2021 (about USD 676 million), having increased from NOK 5.5 billion in 2020 (USD 644 million). The company has grown rapidly since 2011, as evidenced by a five-year compound average GWP growth rate (CAGR) of 11.6% (2017-2021). Growth to-date has principally emanated from expansion in Sweden, Denmark and over the past three years the United Kingdom.

Prospective growth is expected to be in line with levels recorded in 2021 (about 8% of GWP), supported by a focus on adequate pricing in its Nordic markets as well as moderate non-rate driven growth in the United Kingdom.

The company’s product risk is assessed as moderate and the underwriting portfolio is well diversified by line of business. In 2021, GWP was split 69% commercial lines (workers compensation, group life, accident, health, property, motor, liability and cargo) and 31% public lines business (municipality insurance covering multiple product lines). Change of ownership insurance (covering substantial hidden defects for 5 years on houses, apartment and vacation homes in Norway), declined from 7% in 2019 to 3% in 2021 and has been discontinued as of 2022.

On a geographical basis diversification of GWP has continued to improve, as the company has expanded its books in the United Kingdom and Sweden. New business growth in the United Kingdom is expected to enhance diversification going forward. At year-end 2021, GWP was split 24% (2020: 24%) Norway, 30% (28%) Sweden, 15% (17%) Denmark, 27% (23%) UK and 3% (4%) Finland.

Protector's underwriting portfolio contained exposure to some longer tail lines of business, which increases the potential negative implications of any mis-pricing and/or reserving inadequacies over time. However, the company has continued to reduce its longer tail exposure over past years, as the company focuses more on short tail lines. The company’s Workers Compensation loss portfolio transfer has reduced risk to long tail business significantly.

In 2021, Protector's GWP was split 79% (2020: 76%) short-tail lines (1 year duration), 7% (11%) medium tail (2-5 years) and 14% (13%) long tail (> 5 years). Going forward, the company is aiming to further reduce its exposure to long tail risks.

The company’s only distribution channel for the sale of policies is through a number of selected brokers.

Business Profile (Continued...)

Geographical Breakdown of Gross Premium Written	2021 NOK (000)	2020 NOK (000)	2019 NOK (000)	2018 NOK (000)	2017 NOK (000)
Denmark	918,677	972,504	937,058	792,533	...
Finland	178,227	225,996	220,675	129,885	...
Norway	1,415,046	1,382,605	1,540,492	1,508,711	...
Sweden	1,820,475	1,607,425	1,549,544	1,350,348	...
United Kingdom	1,618,145	1,327,792	852,688	504,603	...
Total Europe	5,950,570	5,516,322	5,100,457	4,286,080	...
Total	5,950,570	5,516,322	5,100,457	4,286,080	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

Protector's enterprise risk management (ERM) is assessed as appropriate. The company benefits from a well-developed risk management framework and risk management capabilities that are largely matched to its risk profile.

Protector's risk management capabilities are generally viewed to be aligned with its profile. The adjustment in the company's business model relating to a reduction in its previously strong growth ambitions in multiple target markets has also somewhat lowered the company's relatively high risk profile.

The company’s risk appetite has been set by the Board of Directors and cascaded down throughout the organisation. A core part of Protector's risk management framework is its Solvency II model and its defined SCR coverage target of 150%-180%%. The company actively and regularly utilises its capital model to ensure that prospective underwriting growth does not weaken its capital position below its target and to determine future capital requirements.

Going forwards, continued advancement of Protector's ERM approach will be critical to support successful expansion in new markets, whilst maintaining appropriate control and governance over key risks.

Reinsurance Summary

Comprehensive reinsurance covers are in place to reduce the exposure to large single risk losses and adverse frequency losses, structured as a combination of both non-proportional and proportional covers on both a treaty and facultative basis.

Protector has a moderate dependence on reinsurance, which is a partially offsetting rating factor. However, the company benefits from a strong and diversified reinsurance panel.

The company has made various changes to its reinsurance structures over the past years in line with development of its business growth and capital situation. The company's 2021 reinsurance programme included covers for property risks (risk and catastrophe excess of loss (XoL) placements), casualty (XoL) and employee benefit classes (XoL). The company has also a variable reinsurance quota share in place, which has optional capital relief features that respond to a solvency trigger.

The company makes use of quota share loss portfolio transfers in order to manage discontinued business. Protector entered into a 50% retrospective quota-share reinsurance agreement, in order to manage the run-off development of its change of ownership (COI) business covering all historical business written until 1 July 2020. The company continued to write modest levels of COI business until the end of 2021 that was not covered by the agreement.

In 2021, Protector entered into a 70% quota-share loss portfolio transfer agreement, which covers all Workers Compensation (WC) risks from its Denmark and Norwegian books. The transferred net reserve size of both books was about NOK 1.7 billion. The agreement includes the historical portfolio as of 30th September 2020.

Both loss portfolio transfer covers (COI and WC) have been introduced to accelerate the de-risking of the company’s underwriting risk and to relieve capital.

Enterprise Risk Management (Continued...)

Environmental, Social & Governance

AM Best considers Protector's exposure to material environmental, social, and corporate governance (ESG) risks to be relatively moderate. The company is considered to have exposure to climate risk.

The company has started to formally develop ESG practices and principles as part of its corporate governance framework. However, ESG is presently not fully embedded into its investment policies, underwriting principles, business strategy or capital issuance initiatives. At present, ESG factors are unlikely to impact the credit quality of the company over the short-term.

Financial Statements

Balance Sheet	12/31/2021 NOK (000)	%	12/31/2021 USD (000)
Cash and Short Term Investments	2,235,398	11.6	253,941
Bonds	9,179,328	47.7	1,042,772
Equity Securities	1,824,416	9.5	207,254
Other Invested Assets	221,463	1.2	25,158
Total Cash and Invested Assets	13,460,605	69.9	1,529,125
Reinsurers' Share of Reserves	3,149,284	16.4	357,759
Debtors / Amounts Receivable	618,474	3.2	70,259
Other Assets	2,017,913	10.5	229,235
Total Assets	19,246,276	100.0	2,186,377
Unearned Premiums	1,575,464	8.2	178,973
Non-Life - Outstanding Claims	8,404,103	43.7	954,706
Total Gross Technical Reserves	9,979,567	51.9	1,133,679
Debt / Borrowings	1,384,664	7.2	157,298
Other Liabilities	4,299,916	22.3	488,470
Total Liabilities	15,664,147	81.4	1,779,447
Capital Stock	82,500	0.4	9,372
Retained Earnings	3,046,211	15.8	346,050
Other Capital and Surplus	453,418	2.4	51,508
Total Capital and Surplus	3,582,129	18.6	406,930
Total Liabilities and Surplus	19,246,276	100.0	2,186,377

Source: BestLink® - Best's Financial Suite
US $ per Local Currency Unit .1136 = 1 Norwegian Kroner (NOK)

Income Statement	Non-Life NOK (000)	Life NOK (000)	Other NOK (000)	12/31/2021 Total NOK (000)	12/31/2021 Total USD (000)
Gross Premiums Written	5,950,570	...	...	5,950,570	675,985
Net Premiums Earned	4,920,737	...	...	4,920,737	558,996
Net Investment Income	...	...	279,561	279,561	31,758
Realized capital gains / (losses)	...	...	620,595	620,595	70,500
Unrealized capital gains / (losses)	...	...	-21,830	-21,830	-2,480
Other Income	8,716	...	...	8,716	990
Total Revenue	4,929,453	...	878,326	5,807,779	659,764
Benefits and Claims	3,810,063	...	...	3,810,063	432,823
Net Operating and Other Expense	524,989	...	-25,608	499,381	56,730
Total Benefits, Claims and Expenses	4,335,052	...	-25,608	4,309,444	489,553
Pre-Tax Income	594,401	...	903,934	1,498,335	170,211
Income Taxes Incurred	...	...	...	266,225	30,243
Net Income before Non-Controlling Interests	...	...	...	1,232,110	139,968
Net Income/(loss)	...	...	...	1,232,110	139,968

Source: BestLink® - Best's Financial Suite
US $ per Local Currency Unit .1136 = 1 Norwegian Kroner (NOK)

Related Methodology and Criteria

Best's Credit Rating Methodology, 11/13/2020

Catastrophe Analysis in A.M. Best Ratings, 10/13/2017

Available Capital & Holding Company Analysis, 10/13/2017

Scoring and Assessing Innovation, 03/05/2020

Understanding Global BCAR, 07/22/2021

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit https://www.ambest.com/ratings/index.html for additional information or https://www.ambest.com/terms.html for details on the Terms of Use.