ERV
Annual report 2011

Former Europeiska
Translation of the Swedish Annual Report

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CEO’s Message

”Our promise is a suit that we are already wearing, but that also allows us to grow. Our promise to the market remains the same; we understand what we insure. As long as we understand what we are insuring, we can insure anything”.

ERV Försäkringsaktiebolag (publ), formely known to you for many years as Europeiska Försäkringaktierbolaget (publ) changed into its new name on February1, 2012.This name did not come out of the blue but symbolizes the fact that we live in a constantly changing environment and as a response to the ERV Groups ambition to create a uniform brand and international platform, more about this below. There are also other changes to be noted; The former CEO of the company Kenneth Sandén retired by the end of 2011, thus it is for me as the new CEO as of Jan 1, 2012 the first time I have the privilege to address you in this context and format.

Also, I am not completely new to this company as I have been the former chairman of the Board of ERV Sweden in the last few years where I from my base in Munich have been responsible for the ERV Group´s international business operation. Even though I of course also have many things to learn about the specifics in the Swedish travel insurance market I certainly hope my international background while taking up this position should benefit the Company.

It is at this point in time too early to speculate about changes that are more or less to be expected with a new CEO on board. But the world around us continue to change and of course ERV as a company must as before address and meet these changes as professionally and as rapid as ever before.

But as you all know, ERV as a company is not exactly new to this market but rather the opposite. ERV Sweden has for many years now been the leading travel insurer in the Swedish market and of course it is my intention to maintain and secure ERV´s position also in the years to come. Some of my thoughts are at this point in time, based on the ERV Groups ambition to become ”...the leading internationally capable niche insurer enhancing quality of life with customized and quick solutions relating to travel and other special risks” as follows;

- Our growth strategy continues to focus also on development in our (travel-) specialist areas and we will even more explore growth opportunities where our ”specialist” approach and experience of new products and services is beneficial and can create a competitive advantage. This applies in our international markets where we have selected regions of Europe, Australia, Asia and the Americas as well in our domestic Swedish markets and market segments.

- We will continue to act as a leading specialist travel insurance company but I also foresee an increasing growth in products with little or no travel-related content, e.g. personal accident insurance, affinity- and card insurances as well as various types of other more specialized insurance products.

- By simultaneously identifying and then offering differentiated insurance solutions in new combinations and packages, in existing as well as new niches, we can use our existing business model and know-how to create growth in ”new” specialist areas. Common denominator for our travel- and other niche insurance activities is our ability to sell and develop business through traditional partners like brokers or direct business as much as with non-traditional sales partners, i.e. medium and large affinity networks, both local and cross border.

- I also foresee that our growth ambitions must be very much integrated with a continued focus on cost efficiency ultimately also leading to improved profitability. Improved internal efficiency in terms of effective, efficient and easy processes are also critical success factors for ERV Sweden going forward. This means further investments in new technology but also a growing need to maximize the use of group synergies in all areas. The Groups ambition to create a strong joint global brand name, "ERV" underlines this.

- We must also focus on the client perspective of our value chain with a strong customer focus. We have for many years maintained a very strong focus on client satisfaction, and by client in this context we include cooperation partners, tour operators, travel agents, brokers and other intermediaries and last but not least, the individual policy holder!

We must continue to perform strongly in our specialist areas, and maintain our position as a leader in the travel sector. During 2011 ERV insured more than 2 ,5 million Leisure travellers, 1.5 million business travellers/expatriates, 0,6 million school- and pre school children and had more than 0,5 million all-risk policy holders.

In the 2008 annual report, we stated that "our promise is a suit that we are already wearing, but that also allows us to grow. Our promise to the market remains the same; we understand what we insure. As long as we understand what we are insuring, we can insure anything."
We have repeated this statement every year since then, and I see no reason why we should not repeat this again. It is of course also a huge challenge to combine profitable growth and improved efficiency in a relatively small but competitive domestic market with a high dependency on the general travel cycle, particularly in the Leisure travel segment. But I am personally convinced that most challenges can be met by strong focus, dedication and personal commitment.
Our experience over the past few years makes us cautiously optimistic in our assumptions for 2012. After 92 years of business we are eagerly looking forward to continued improvement and growth with the help of all of you who see us as a competent and trustworthy specialist insurer with the customer at the center.

Finally, I would like to thank, in particular, our customers and partners for their continued confidence in ERV.
I would also like to thank all my colleagues at ERV Sweden for their fantastic dedication in 2011 as it has been another tough year, which has demanded lots of work efforts from everybody.

Last but not least I would also on behalf of myself but also on behalf of the shareholders as well as of all the employees at ERV in Sweden give a special thank you to Kenneth Sandén who retired as CEO at year end. Under his close to 11 years in command the company has grown substantially and successfully. Without his strong personal commitment and dedication in all these years I do not believe that we would have the very strong position in the Swedish market that we do have. The years have also seen Kenneth contributing a lot of his outstanding experience to ERV internationally. Here Kenneth served and still serves as Chairman of the Board of our Euro Centers, the Group's worldwide cost containment and assistance network as well as on the Board of the European Travel Insurance Group, our Strategic Travel Business Alliance. We wish him all the best in the years to come.
Personally I am also very much looking forward to the years to come in this new position and it is my very personal wish that you also in the future continue to see ERV as your preferred provider and partner.

ERV - because we understand what we insure.

Sundbyberg, March 1, 2012

Johannes von Hülsen
Chief Executive Officer

Management Report 2011

ERV Försäkringsaktiebolag (publ) (formerly the Europeiska Försäkringsaktiebolaget (publ)). Organization number 502005-5447

The Board of Directors and Chief Executive Officer of ERV Försäkringsaktiebolag (publ) hereby submit the Annual Accounts for 2011, the company's 91st year of operation.

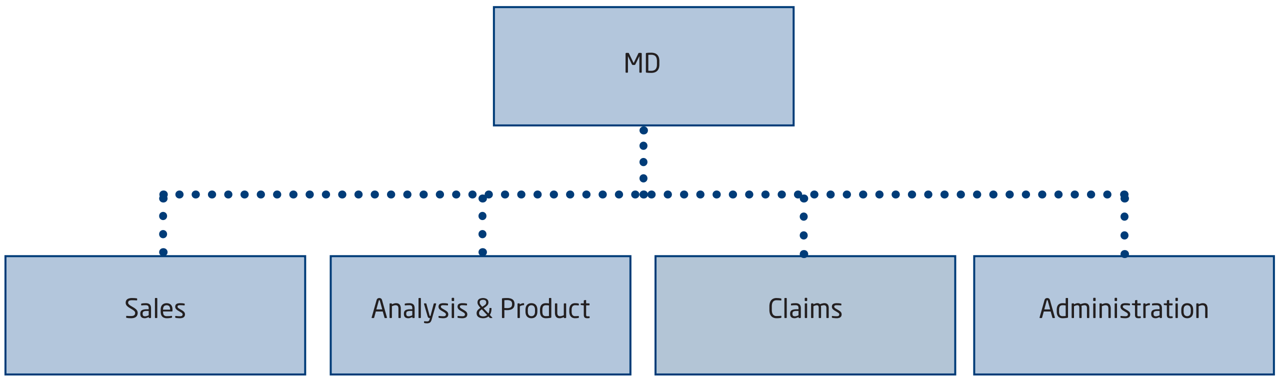
Note that the Europeiska Försäkringsaktiebolaget (publ) has been renamed to ERV Försäkringsaktiebolag (publ) on February 1, 2012.

ERV apply the so-called statutory IFRS. This means that the approved international accounting standards (International Financial Reporting Standards, IFRS) applicable to the restrictions imposed by law or regulation, the regulations and guidance on annual reports of insurance companies (FFFS 2008:26, 2009:12 and 2011:28) and The Council for Financial reporting (RFR 2).

ERV Insurance Company (publ) is based in Sundbyberg, a wholly owned subsidiary of the European International Holding A / S based in Copenhagen, that in turn is wholly owned by Europäische Reiseversicherung AG based in Munich.The company is part of ERGO Versicherungsgruppe AG based in Duesseldorf, where the financial statements can be obtained. ERGO is part of Munich Re Group, based in Munich, where consolidated documents may be obtained.

ERV was formed in 1920 and is a specialist company in the travel insurance. In addition to private and corporate travel insurance ERV provides accident insurance, specialty insurance for bank cards, and various product insurance in cooperation with retail chains.

Operational organization, 2011-12-31



Summary of Fiscal Year 2011

At the beginning of 2011 it was expected that the global financial crisis would have limited impact on the Swedish economy, continued growth in Swedish exports, increased private consumption, low interest rates and falling unemployment, which was expected to benefit the Company's operations. During the first half of 2011, this seemed to compare well, such as increasing of the Swedish travel sales by about 7%. This trend weakened slightly during the early autumn, which meant that the increase in the second half was just below 4%. This reflects quite accurately how the growth of the company's sale of private insurance was developed during the year.

Sales of Card insurance, group accident insurance and various types of Affinity insurance rose slightly during the year.

The company's premiums are paid mainly in Swedish kronor and the claims costs are often paid in local currency of the country where the claims occurs. In 2011 the Swedish krona has strengthened gradually during the year which reduced the company's claim costs abroad.

Premiums written for corporate business declined during the year and the main reason is that one of its major customers made a substantial reduction in number of insured expatriate staff. As in previous years, the Company's Card insurance business and Accident insurance business increases due to a combination of premium adjustments and increased new sales. Overall, the Company's sales decreased by about 2.5% over the previous year.

The effect of reduced sales, despite the improved claims performance and good cost control resulted in a decrease in profit before tax in 2011 compared to the previous year.

The strong internationalization of the company's business continues. This puts further demands on services relating to the settlement of claims and assistance activities, but also additional knowhow in the form of knowledge of local business and regulatory environment in the countries we have insured clients.

The Company's process-oriented organization that came into force in late 2010 has continued to evolve during the year in accordance with the previously developed efficiency strategy.

The digital development continues in full force and the Company has in many areas set aside substantial resources to keep pace with this development. Here, as examples are a brand new website "europeiska.se" with several new features to support increased sales and information online, improved possibilities to file a claim via the Internet ("Claims on Line"), and more.

Digitalization also affects the customer side of the communication and the Company's very early presence online through social media has claimed new successes, for example by ERV for the second consecutive year was voted "Best Press Room" in the banking and insurance sector of MyNewsdesk.

ERV Group's efforts toward increased internationalization have also materialized through the development of a common strategic platform for all companies within the Group, "The Strategy Map". A common group identity is created by all the companies gradually changing its name to ERV and in Sweden the company changed its name to ERV Försäkringsaktiebolag (publ) on February 1, 2012.

The company's weaker results before tax in 2011 means a continuing effort to create opportunities for growth and efficiency in order to achieve long-lasting performance improvements. The preconditions for this are very good, but should also be considered in light of increased competition in virtually all product areas.

Until the expected implementation (2013-2014), the Company will also participate in the Group's work on adaptation to the future solvency rules ("Solvency II").

Company's long term strategy remains unchanged where all insurance contracts shall be based on a qualified risk selection, competent risk assessment and prompt service, leading to customer satisfaction and long-term stability for customers, partners, shareholders and staff.

As part of the strategy which is increasingly integrated with the Group's internationalization, general strategies and goals and increased efforts will be put into continuous product- and concept development in close cooperation with customers as well as partners and shareholders.

FINANCIAL RESULTS 2011

The net income before appropriations and tax totaled -0,180 MSEK, compared with 6.0 million for 2010. Gross premiums written decreased from 470.4 MSEK to 458.5 MSEK and net premium income earned fell from 388.9 MSEK to 381.2 MSEK. Net claims incurred, including claims handling fell from 59.6% to 54.4%. Net combined ratio increased from 99, 8% to 101.5%. Investment income increased from 3.0 MSEK to 5.8 MSEK.

Investment assets increased from 237.6 MSEK in 2010 to 242.8 MSEK. The technical provisions for own account during the year increased from 150.7 MSEK to 154.6 MSEK.

MARKETS / PRODUCTS

Leisure Travel Insurance

The market for leisure travel has typically had a strong correlation with the economic situation in general. In recent years, however, this relationship seems to have declined somewhat, which among other things, confirmed by SIFO studies that indicate that for most people, holiday trips remain an important and prominent place in the private economy, even in times of lower economic growth. The development in 2011 and also for 2012 seems to indicate a continued strong traveling even in times of increased uncertainty about the personal economic development. Sales of Leisure travel insurance rose by over 4% and the largest increase coming mainly from tour operators and their sales through customer service and the web.

As in previous years customers continues toward additional web bookings, more short trips, and increased purchases of cheap tickets from low cost airlines. This also affects sales volumes negatively but is offset by a certain increase in individual travels to new and more distant destinations.

In 2011 we did not see any major disasters or incidents affecting travellers like 2010 which was affected by, for example, ash clouds and winter storms. The radical changes in North Africa had a very limited claims cost impact as most travelers we rebooked to other destinations and the Japanese tsunami in Fukushima mainly affected the local population.

As the interest in Leisure travelling appears to remain very strong and ERV have therefore increased the pace of the dialogue with customers, partners and sister companies to among others develop products for a more frequent personal traveling. Examples are for example release of annual insurance and improved web functionality in general.

The market position in the domestic market continues to be very strong but with a continued and increasing competition primarily from the major non-life insurance companies.

Corporate Insurance

The Corporate portfolio has for several years grown in volume and with relatively stable profitability. For the first time in many years portfolio reduced lightly despite an increase in Card- and Accident insurance. This is primarily due to reduced insurance purchases from one of our larger clients, but also that we have lost customers to competitors because of our more stringent profitability requirements and waiver of highly price-driven offers or negotiations. Although, the result for the portfolio is still in line with last year, indicating a more qualified risk assessment and cost efficiency.

The ambition is that in carefully selected areas in the corporate segment continue to offer interesting product concepts within the Company's areas of expertise. We believe that a very close cooperation with major companies, organizations and brokers through a focus on quality service and efficient processes create the conditions for continued growth.

For Card insurance we continue to see a strong demand for more customized products and qualified claims administration. This year we have seen a continued increase in volume. The Company believes that this demand will also increase in future years. As confirmation of the company's strong position in this field it has been decided that the ERV will be the base for the Group's growth ambitions by placing the Group's new competence center for these activities in Sweden.

Other non-travel related insurance

The Company's other insurance portfolio includes cooperation with Stjärnurmakarna, Din Guldsmed, Hörsam and others. This portfolio has been expanded this year by signing several new contracts that will contribute to continued stable earnings.

Non-insurance-related contracts

The Company's other contracts that generate revenue but which are not insurance consist of investment income, advertising sales and commission income from sales by agents of various products related to travel safety.

DISTRIBUTION AND CLAIMS HANDLING

ERV continues to sell its products and services through a wide variety of distribution channels. The external channels covering the majority of the Swedish tour operators, most travel agents and insurance brokers in the Swedish market. The Company's own channels include both its own sales force and increased telephone sales via its own customer service via telephone and the web.

ERV has by selling through multiple channels a unique know-how to sell both new and existing products and services across the entire available market. The Internet development is continuing and the Company will continue to develop new web-based alternatives to the services offered. An increasing number of claims are reported through the web solution that was launched a few years ago, this service has now been further improved, for example to facilitate the insurance claims reporting on the spot from the major tourist destinations.

The company was ordered in 2009 by the Tax Board to pay full VAT on all costs for the purchase of service and support services from abroad. The Company has continued to pay VAT also during 2011. The Company has appealed this decision to the Administrative Court to get a clarification if and to what extent these services should be subject to VAT. The Administrative Court´s ruling is expected during 2012.

The strategy is to continue to closely monitor the rapid market changes and to adjust the Company's product and service offerings. This, together with flexible processes is expected to continue to attract demanding customers. Several new major products and concepts are planned to be launched during the coming years.

EXPECTED FUTURE DEVELOPMENT 2012 -

ERV´s view is like before that that both Leisure and Corporate travel, including expatriates stationed abroad is a long-term stable growth environment, which is mainly influenced by the fluctuations of the general economic situation. Supplemented with different Affinity products and Accident insurance, the Company has a relatively more diversified business than in previous years resulting in a relatively lower sensitivity to economic cycles.

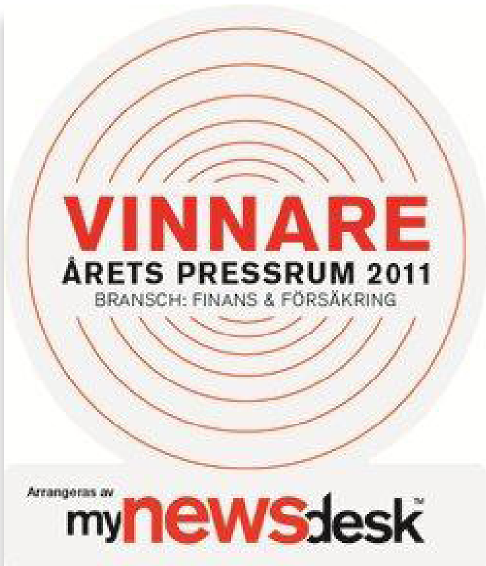
The long-term sales trend over time is expected to

Change of company name

In February 2012 Europeiska was renamed to ERV. ERV is an abbreviation for Europäische Reiseversicherung, the german translation for Europeiska Travel Insurances. The company name is new but everything else is business as usual. We continue to be the best in Sweden to help travellers before, after and during the trip.

ERV Sweden wins
"The best pressroom award" again

For the second year in a row Europeiska won "The best press room" in the finance and insurance category, an award organized by MyNewsdesk News Exchange Site. MyNewsdesk praise companies which optimize the use of their PR webpages by producing high-quality press material and making it easily accessible and thereby achieving a high profile and level of perception for their press releases.



continue but may slow down temporarily during various economic downturns. For 2012, there is of course at this moment in time a somewhat greater uncertainty than normal if and how the global financial turmoil may affect the Swedish economy. All in all, uncertainty about interest rates, financing of large budget deficits in different countries, the euro's future, the presidential election in the U.S., etc. it is more difficult than usual to predict the future, the only thing that seems certain is that the uncertainty will remain for a long time to come.

The Company is of course also in the long run effected by many external factors that cannot be influenced like unemployment, interest rates, fuel prices, etc. which greatly affects people's and companies' consumption and thus ultimately also including travel.

The Company can always influence and take responsibility for is of course product- and skills development, work processes and customer service. The company has for years taken a position as the leading travel insurance company, creating many of the products and services that several competitors have adopted. The Company will continue to drive this development very closely with the various stakeholders concerned. However, we will more clearly than before price- and risk adjust our products in a better and more appropriate manner and refrain from providing products and services that do not meet the long-term profitability criteria.

This means that quality, including "compliance" and profitability has greater priority than premium volume, although this may in short term reduce revenues as the price pressure is expected to continue. Ultimately, it is reasonable to imply less volatility in earnings and therefore more stable profitability, which is a prerequisite for continued product- and concept investments, technological development and a sustainable stable market position.

In summary, the Company stands on a solid foundation and the position in the Swedish market remains very strong. The Company's staff will do their utmost to meet customers, partners and owners' future expectations.

INFORMATION ABOUT THE NON-FINANCIAL PERFORMANCE INDICATORS

The company has continued its work to develop various control and management tool for the analysis of different supply and quality parameters, such as continuous monitoring of response times on the phone, claims balances and processing times for various insurance products, and more. This year we have also conducted

Campaigns

Before the autumn break 2011 Europeiska launched a campaign at Arlanda airport, the largest airport in Sweden, to strengthen the brand awareness and increase interest in the products. The campaign also was the first to include a QR code, which leads directly into the purchase flow on the website and makes it easier for the customer to buy insurance on the spot.

research on brand awareness and continued with various customer satisfaction- and employee satisfaction indexes.

INFORMATION ABOUT THE RISKS AND UNCERTAINTIES

In addition to the risks that are described in Note 2 as the Company has a limited number of large cooperation- or customer contracts which at termination could lead to staff redundancies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company applies a very strict and conservative investment policy. The company has chosen, by far, to meet the debt coverage requirements applicable to insurance companies based on specific provisions of the FSA and others. In order to limit and control risks assumed in the operations, the Company's Board of Directors that is ultimately responsible for the internal control of the Company, established guidelines and instructions for the financial activities.
More information on financial instruments and risk management can be found in Note 2.
Every year there is also extensive work with the review, documentation and monitoring in the context of the Company´s compliance work.

WAGES AND COMPENSATION

More information about salaries and compensation can be found in Note 32.

Launch of new website

In September 2011 Europeiska launched a new website, which has the purpose to make it easier for the customer both in purchasing of insurance and making claims. The new site is also better search optimized then the previous one, making it easier to navigate both for new and old customers. Since the social media has become the main communication channel, Facebook, Blog and Twitter are now more visible to give the customer updated and relevant information on the front page. Another new feature is a database with travel safety information for all countries in the world, called "Landsguiden" (the land guide). The guide also contains information from the Swedish Foreign Ministry and VIP online.

The Swedish website, Europeiska.se on "Top 100 best websites"-list

This year Europeiska was appointed to the Swedish "Top 100 best website"-list, the most respected website ranking in Sweden presented by the magazine Internet world. The sites are selected by a jury who among other things estimate design, content quality, navigation and openness to social media.

Proposed Appropriation of Earnings

SEK

Earnings at the disposal of the General Meeting of shareholders

Loss brought forward from 2010	-2 397 204
Fund for current value	6 216 201
Profit for the year	312 393
Total unappropriated earnings	4 131 390
The board propose,	
to be distributed to the shareholders	0
to carry forward to new account	4 131 390

Five-Year Overview

Result (SEK Thousand)	2011	2010	2009	2008	2007
INSURANCE OPERATIONS					
Gross premiums written	458 448	470 418	441 991	457 336	450 632
Net premiums earned	381 192	388 936	345 110	368 254	358 786
Net investment income of the insurance operations	3 287	1 050	644	5 769	4 481
Net claims incurred	-228 892	-247 147	-237 692	-217 092	-204 240
Net technical result, insurance operations	-2 388	3 227	-34 835	11 460	16 190
Profit for the year	312	0	-5 472	9 713	0
ECONOMIC STATUS					
Investment assets at current value	284 881	271 033	238 117	278 889	243 906
Technical provisions for own account	154 600	150 710	133 321	124 441	125 580
Shareholders' equity	16 291	9 453	10 968	28 825	16 414
Untaxed funds	141 057	141 057	136 813	152 813	152 813
Return of deferred tax on unrealised gains	2 218	-111	430	2 408	-1 169
Total consolidation capital	159 566	150 399	148 212	184 046	168 058
Capital base	157 429	149 511	146 176	175 336	163 891
Required solvency margin	69 783	70 402	64 396	66 679	61 369
KEY FIGURES					
Claims ratio in percent, for own account[1]	60,0	63,5	68,9	59,0	56,9
Expense ratio in percent, for own account[2]	41,9	36,3	41,6	39,7	40,0
Combined ratio in percent, for own account[3]	101,9	99,8	110,6	98,7	96,9
Solvency ratio in percent %[4]	41,4	38,4	42,5	50,4	46,7
Direct yield of investments in percent[5]	3,4	4,1	4,0	4,0	3,0
Total yield of investments in percent[6]	5,3	6,6	2,4	2,4	0,8

Since 2007 the company applies to a limited IFRS.

1 Net claims incurred in percent of Net premiums earned.
2 Expenses according to FFFS 2008:26 encl 4 9 § in percent of Net premiums earned.
3 The total of Net claims incurred and Expenses in percent of Net premiums earned.
4 Consolidation capital in percent of premiums written (for own account).
5 Investment income according to FFFS 2008:26 encl 4 11 § a-c in relation to the average value of Financial Investment Assets, Financial Investment Assets for which the policy holders carry the risk and Cash in bank and at hand.
6 Investment income according point 5 above decreased by expenses for estate and land acc to encl 4, 19 § in relation to the average value of Financial Investment Assets for which the policy holders carry the risk and Cash in bank and at hand.

Statement of Income

(SEK Thousand)	Note	2011	2010
TECHNICAL ACCOUNT OF INSURANCE OPERATIONS			
Premium earned (for own account)			
Premium income (before reinsurance ceded)	3	458 448	470 418
Reinsurance premiums ceded		-72 591	-78 588
Change in provision for unearned premiums and remaining risks		-5 474	-4 898
Reinsurers' share of change in provision for unearned premiums and remaining risks		809	2 004
Total premium earned (for own account)		**381 192**	**388 936**
Investment income allocated from non-technical account	4	**3 287**	**1 050**
Other technical income (after reinsurance ceded)	5	**1 597**	**1 365**
Claims incurred (for own account)			
Claims paid			
Gross	6	-272 556	-270 030
Reinsurers' share		42 889	36 872
Change in provision for outstanding claims			
Gross		3 870	-27 764
Reinsurers' share		-3 095	13 775
Total claims incurred (for own account)		**-228 892**	**-247 147**
Operating expenses	7	**-159 572**	**-140 977**
Technical result of insurance operations		**-2 388**	**3 227**
NON-TECHNICAL ACCOUNT			
Technical result of insurance operations		**-2 388**	**3 227**
Investment income	8	11 648	9 596
Investment expenses	9,10	-5 841	-6 588
Investment income allocated to technical account		-3 287	-1 050
Result after investment income		**132**	**5 185**
Other income	11	287	897
Other expenses	12	-599	-42
Result before appropriations and tax		**-180**	**6 040**
Appropriations			
Change in safety reserve		0	-4 244
Result before tax		**-180**	**1 796**
Tax for the year	13	492	-1 796
Result for the year		**312**	**0**

Total Result for the Year

(SEK Thousands)	2011	2010
Result for the year	312	0
Other Total result		
Change in Fund for Current value of investments that may be sold	6 526	-1 516
Sum other total result	**6 526**	**-1 516**
Total result for the year	**6 838**	**-1 516**
Tax related to above total result	1 798	-399

Balance Sheet

(SEK Thousand)	Note	2011-12-31	2010-12-31
ASSETS			
Intangible assets			
Other Intangible assets	14	**2 137**	**888**
Investments			
Investments in group companies and associated companies			
Shares and participations in associated and affiliated companies	15	2 038	2 038
Other financial investment assets			
Shares and participations		0	4 198
Bonds and other fixed-income securities	16,17	240 720	231 384
Total investments		**242 758**	**237 620**
Reinsurers' share of technical provisions			
Provision for unearned premiums and remaining risks	18	14 366	13 557
Provision for claims outstanding	19	29 915	33 010
Total reinsurers' share of technical provisions		**44 281**	**46 567**
Receivables			
Receivables arising out of direct insurance operations	20	47 719	43 583
Receivables arising out of reinsurance operations		3 476	3 067
Other receivables	21	22 716	30 774
Total receivables		**73 911**	**77 424**
Other assets			
Fixed and tangible assets and inventories		957	1 206
Cash at bank		42 123	33 414
Current prepaid tax		5 829	4 966
Deferred tax		1 506	111
Total other assets		**50 415**	**39 697**
Prepaid expenses and accrued income			
Accrued interest income		3 536	5 038
Deferred acquisition cost	23	10 980	10 843
Other deferred expenses and accrued income	24	4 129	2 814
Total prepaid expenses and accrued income		**18 645**	**18 695**
TOTAL ASSETS		**432 147**	**420 891**

Balance Sheet

(SEK Thousand)	Note	2011-12-31	2010-12-31
EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
Share capital (20.000 shares)		10 000	10 000
Reserve fund		2 160	2 160
Fund for unrealised gains		6 216	-310
Profit/loss brought forward		-2 397	-2 397
Profit brought forward incl current year result		312	0
Total shareholders' equity		**16 291**	**9 453**
Untaxed reserves			
Equalisation reserve		**141 057**	**141 057**
Technical provisions (before reinsurance ceded)			
Provision for unearned premiums and remaining risks	25	81 482	76 007
Provision for claims outstanding	26	117 399	121 270
Total technical provision (before reinsurance ceded)		**198 881**	**197 277**
Provisions for other risks and charges			
Provision other	27	-	445
Provision for tax	27	2 218	-
Total provisions for other risks and charges		**2 218**	**445**
Liabilities			
Liabilities arising out of direct insurance operations	28	35 999	37 969
Liabilities arising out of reinsurance operations		1 908	1 545
Other liabilities	29	16 871	19 547
Total liabilities		**54 778**	**59 061**
Accrued expenses and prepaid income			
Reinsurers' share of prepaid acquisition cost		4 973	4 694
Other accrued expenses and prepaid income	30	13 949	8 904
Total accrued expenses and prepaid income		**18 922**	**13 598**
TOTAL SHAREHOLDER'S EQUITY, PROVISIONS AND LIABILITIES		**432 147**	**420 891**
Pledged assets and contingent liabilities			
Pledged assets	36	245 358	251 626
Contingent liabilities		none	none
Commitments		none	none

Report on Changes in Shareholder's Equity

(SEK Thousand)	Restricted equity		Non-restricted equity		
	Share Capital	Reserve fund	Fund for current value	Retained Earnings + Result for the year	Total
BF Balance 2010-01-01	10 000	2 160	1 206	-2 397	10 968
Result of the year				0	0
Other total result			-1 516		-1 516
Dividend				-	
CF balance 2010-12-31	**10 000**	**2 160**	**-310**	**-2 397**	**9 453**
BF balance 2011-01-01	10 000	2 160	-310	-2 397	9 453
Result of the year				312	312
Other total result			6 526		6 526
Dividend				-	
CF balance 2011-12-31	**10 000**	**2 160**	**6 216**	**-2 085**	**16 291**

Analysis of Result for current year2011

(SEK Thousand)	Accident/ sickness	Home and House	Total
Technical Result of insurance operations			
Premium earned (for own account)	40 817	340 376	381 192
Investment income allocated from non-technical account	352	2 935	3 287
Other technical income (after reinsurance ceded)	0	1 597	1 597
Claims paid (for own account)	-10 494	-219 173	-229 667
Change in provision for outstanding claims (for own account)	-22 158	22 933	775
Operating expenses	-17 090	-142 481	-159 572
Technical Result of insurance operations	**-8 573**	**6 186**	**-2 387**
Claims run off result (before reinsurance ceded)	1 050	16 082	17 132
Technical provisions (before reinsurance ceded)			
Provision for unearned premiums and remaining risks	-7 685	89 167	81 482
Provision for claims outstanding	-48 067	165 466	117 399
Total technical provisions (before reinsurance ceded)	**-55 752**	**254 633**	**198 881**
Reinsurers' share of technical provisions			
Provision for unearned premiums and remaining risks	0	14 366	14 366
Provision for claims outstanding	0	29 915	29 915
Total reinsurers' share of technical provisions	**0**	**44 281**	**44 281**
Premium earned (for own account)			
Premium income (before reinsurance ceded)	41 423	417 025	458 448
Reinsurance premiums ceded	0	-72 591	-72 591
Change in provision for unearned premiums and remaining risks	-607	-4 867	-5 474
Reinsurer's share of change of in provision for unearned premiums and remaining risks	0	809	809
Claims incurred (for own account)			
Claims paid, gross	-10 494	-262 062	-272 556
Reinsurer's share	0	42 889	42 889
Change in provision for outstanding claims, gross	-22 158	26 028	3 870
Reinsurer's share	0	-3 095	-3 095

Cash Flow Analysis Direct Method

(SEK Thousand)	2011	2010
Current business		
Premiums paid	466 507	460 454
Premiums paid to reinsurers	-77 136	-64 107
Claims paid	-272 158	-256 632
Claims paid from reinsurers	43 531	35 788
Operating expenses	-158 882	-138 768
Other payments	2 787	2 293
Paid tax	7	-6 857
Cash flow from current business	**4 656**	**32 171**
Investment business		
Direct yield*	5 808	3 008
Investments in financial investment assets	-338 234	-178 889
Sales of financial investment assets	339 618	158 804
Investments in intangible assets	-2 290	-475
Sales of intangible assets	0	0
Investments in fixed and tangible assets	-852	-308
Sales of fixed and tangible assets	0	35
Cash flow from investment business	**4 050**	**-17 825**
Finance business		
Loan goup companies and associated companies	0	0
Dividend	0	0
Cash flow from finance business	**0**	**0**
Total cash flow	**8 707**	**14 346**
Liquid assets at the beginning of the year	**33 416**	**19 070**
Liquid assets at the end of the year	**42 123**	**33 416**
*** Included in direct yield:**		
Paid interest income	**5 822**	**4 465**
Paid interest cost	**-8**	**-155**
Dividend	**151**	**93**
Sum:	**5 964**	**4 403**

Notes to The Financial Report

Note 1

GENERAL INFORMATION
The annual report is submitted for fiscal year 2011 and refer to ERV Försäkringsaktiebolag (publ), registration number 502005-5447, located in Sundbyberg, Sweden. The address to the main office is: Löfströms allé 6A, S-172 13 Sundbyberg, Sweden. The annual report will be distributed at the Annual general board meeting the 15 th of March 2012. ERV Försäkringsaktiebolag (publ) is a completely owned subsidiary of European International Holding A / S, registration number 17154575, based in Copenhagen, that in turn is wholly owned by Europäische Reiseversicherung AG, München, HRB 42 000. The company is a part of ERGO Versicherungsgruppe AG, HRB 42039, located in Düsseldorf. ERGO is part of Munich Re Group based in Munich, where the consolidated accounts reports can be received.

ACCOUNTING PRINCIPLES
The Annual Accounts have been prepared in conformity with FFFS (2010:2043) and (2008:26) the Swedish Annual Accounts Act for Insurance Companies (ÅRFL), and in accordance with the general guidelines and binding regulations of annual report in Insurance companies (FFFS 2011:28) from the Swedish Financial Supervisory Authority (FI).

The company applies a limited IFRS, which means the general International Accounting Standards that have been adapted with the limitations that follows from the guidelines from Rådet för finansiell rapportering (RFR 2) and FFFS (2008:26, 2011:28, and 2009:12). This implies that all of the European Union approved IFRS and statements are exercised as far as possible within the framework of Swedish law and with consideration to the relations between accounting and taxation.

ESTABLISHMENT OF THE INSURANCE COMPANY'S FINANCIAL REPORTS
All financial reports in the annual report are presented in the operational currency of the company that is SEK.
If nothing else is stated all the amounts are rounded off to nearest thousand SEK. All Assets and Liabilities are accounted to acquisition value with exception for certain financial assets and liabilities valued to actual value.
In order to establish Financial Reports; in accordance with limited IFRS; it is required that the board of the company makes judgements, estimates, and assumptions that effects the application of the accounting principles and the accounted amounts of assets, liabilities, income and costs. The result of these estimates and assumptions are then used to assess the accounted values of assets and liabilities that are not clearly visible from other sources.

On a regulary basis a review of the estimates and assumptions are made and possible changes are accounted for in the actual period when the change is made, alternatively during the actual period and future periods.

CHANGE OF ACCOUNTING PRINCIPLES
During year 2011 the company have not changed the accounting principles.
All the agreements have been classified as insurance agreements in accordance with the IFRS 4.

CLASSIFICATION
Investments are consisted in all essentials of amounts that are expected to be recovered or paid later than twelve months counted from the balance day. Technical provisions, other assets and liabilities are consisted of amounts that are expected to be recovered or paid within twelve months calculated from the balance day.

FOREIGN CURRENCY
Transactions in foreign currency are recalculated to the operational currency at the exchange rate of the transaction day. The operational currency for the company is SEK and when valuating assets and liabilities in foreign currency the closing rate of the balance day is used.

INSURANCE AGREEMENTS - CLASSIFICATION
The company issues insurance agreements which mean contracts that transfers substantial insurance risk from the insured to the company and where the company agrees to compensate the insured or another beneficiary if a pre agreed insured incident occurs.

THE ACCOUNTING OF INSURANCE AGREEMENTS
Insurance agreements are accounted in accordance with FFFS (2011:28) and IFRS 4. The application of IFRS 4 means that the company continues with the accounting principles for insurance contracts according to IFRS 4.25.

Premium income
The premium income is accounted according to the inception day principle. This means that t only the insurance agreements for which the company's responsibility has begun during the financial year are accounted as premium income(indirect and direct premium). With gross written premium income means the contractual premium for the whole insurance period after deductions of discounts.

Premium Revenues
The part of the Premium income that are referring to the period of insurance are reported as Premium Revenues, that is " pro rata temporis". The aim of Premium Revenues is that the revenues have to be taken up as income at the time when the claim expenses are accounted. Since the company do not have insurance agreements that have the duration period that are extended one year, the company have considered that "pro rata temporis" functions as a qualitative application.

Technical provisions
Technical provisions consist of provisions for unearned premiums and remaining risks and provisions for claims outstanding and correspond to obligations arising from applicable insurance agreements.

Provisions for unearned premiums and remaining risks
For non-life insurance and non-life reinsurance the provisions for unearned premiums are accounted strictly time proportional, so called pro rata temporis calculation. If the premium level is estimated to be inadequate to cover the expected claims- and operational expenses, then the provisions for unearned premiums must be strengthened with a so-called premium deficiency reserve.

Provisions for claims outstanding
Provisions for claims outstanding are calculated to correspond to the future insurance agreement obligations and therewith cover the expected costs for open claims, inclusive claims that have occurred but not yet reported to the company, so called IBNR-provisions. Provisions for claims outstanding have been strengthened with reserves for incurred but unknown claims and expected inflationary factors. The estimation of the need of provisions for claims outstanding are done for all claims by statistical methods. The basic assumptions of these methods are grounded on historical outcome. The major claims and for the claims with complex responsibility circumstances there are made individual estimate.

Deferred acquisition costs
Sales costs with a clear connection to the signing of insurance agreements are activated as an asset, deferred acquisition costs, and it is depreciated in a way corresponding to the allocation of not unearned premiums. Costs that varies for both indirect and direct business and related to acquisitions or renewal of insurance agreements are the base for activation. Examples of direct assignable sales cost are salaries, sales commissions and other costs for own sales personal and underwriting.

Operating expenses
Operating expenses are classified per function as acquisition, claims adjustment, administration and investment management costs. Operating expenses for claims adjustment are accounted as part of claims incurred in the Profit & Loss report, and operating expenses for investment management are accounted as a part of the investment costs.

Reinsurers' share of technical provisions
Amounts accounted as premium for ceded reinsurance are the amounts that during the financial year have been paid out or been booked as a debt to insurance companies that have received reinsurance in accordance to contractual reinsurance agreements, including portfolio premiums. Deductions are made for amounts credited due to change of the reinsurers' share in proportional reinsurance agreements.

Reinsurers' share of technical debts consist of the share of provisions for unearned premiums and remaining risks as well as of the share of provisions for claims outstanding covered by the reinsurer in accordance with the reinsurance agreement.

ACCOUNTING OF INVESTMENT YIELD
Investment income allocated from non-technical account
From the investment income allocation is made to the technical result based upon average technical provisions for own accounts after deduction of net assets in the claim insurance business. The allocated investment income is calculated from an interest rate that corresponds to the interest on government bonds with duration that essentially meet with the duration for the technical provisions (or other method). The interest rate for year 2011 amounts to 2,45%.

Yield, income
This is income from investment portfolio of the company which includes dividend on shares and participations, interest income, currency gains (net), returned write downs and realised gains on sales of investments.

Yield, costs

These are costs relating to the investment portfolio of the company that includes the portfolio management fees, interest costs, currency losses (net), depreciations and write downs and realised losses on sales of investments.

Realised and unrealised change in value

For investments valuated to amortisation cost value forms the realised result at a sale as the difference between booked value and sales value. For investments valuated to market value at a sale the realised result is the difference between acquisition value and market value. For interest bearing investments the acquisition value will be booked to amortised cost value and for other investments the acquisition cost is equal to historical acquisition cost. At a sale of investments the earlier unrealised change in value is reversed from "fund for realised value" in the balance sheet and the realised result is seen in the profit and loss account as realised result. The company is applicable the principles of market value in the accounts of investments that corresponds the regulations of IFRS. The company is reporting "Fund for real value" in equity and not of the Profit & Loss report, accordingly to the internal accounting principles within Munich Re.

TAXES

Income taxes consist of current tax and deferred tax. Income taxes are shown in the profit and loss account except when the underlying transaction is accounted directly to total result or Shareholders' Equity, and then the appropriate tax effect is also accounted to the total result or Shareholders' Equity.

Current tax is tax to be paid or received for the current year, with application to the tax rates that are decided or in practise decided at balance sheet day, including tax adjustments from previous years.

Deferred tax is calculated according to balance sheet accounts principle based on temporary differences between accounted and fiscal values of assets and liabilities. The valuation in deferred tax is based upon how underlying assets and liabilities may be realised or adjusted.

Deferred tax is calculated with application on tax rates and tax rules that are decided or in practise decided at the balance day. Deferred tax regarding temporary differences on losses is only accounted for if they are likely to be utilized. The value of deferred tax should therefore be reduced when it is no longer able to be utilized.

INTANGIBLE ASSETS

Intangible assets consist mainly of the development cost of the company's own development and acquired computer software that can be deemed to be of essential financial value for the operation during the next coming years. Intangible assets are accounted at acquisition cost with deduction of write-downs and accumulated depreciations. The depreciation time is decided at the time of completion and the financial lifetime expectancy. If the real value of the assets after depreciation is estimated to be below the booked asset value, the asset will be accounted to the lowest value.

INVESTMENT ASSETS

Loans receivables and outstanding customer receivables

Loans receivables and outstanding customer receivables are financial assets that are not derivatives have fixed ascertainable payments and that are not noted on an active market. These assets are valuated to accrued acquisition cost. Accrued acquisition cost is determined by the effective interest rate that was calculated at the time for acquisition. Customer- and loans receivables are accounted to the expected amount to be received, i.e. after deduction of doubtful debts.

Financial assets available for sale

The category of financial assets available for sale includes financial assets not classified in any other category as well as financial assets that the company initially chose to classify to this category.

Assets in this category are valuated to market value where the unrealised change in value is accounted to "funds for realised value" in the Shareholders' Equity in the Balance Sheet but excluding changes in value caused by write downs (see accounting principles) or by currency gains/losses on monetary items accounted in the Profit and Loss account.

Furthermore, the interest on interest bearing instrument are accounted in accordance with effective interest model in the Profit and Loss account including dividends on shares.

For these instruments possible transaction costs will be part of the acquisition value when accounted the first time and will thereafter be part of the recurring valuation to market value in the fund for realised value until the instrument expires or is sold. At a sale of the investment the accumulated gain or loss will accounted in the Profit and Loss statement and not as previously in the Shareholders' Equity.

Tangible assets

Tangible assets are accounted as assets in the Balance Sheet if it is likely that this leads to a future financial advantage for the company and the acquisition value for the asset can be calculated in a reliable way.

Tangible assets are accounted to acquisition value after deduction for accumulated depreciations and possible write-downs with addition for possible write-ups.

The accounted value for a tangible asset is removed from the Balance Sheet when expiring or sold or when no future financial advantages are expected from the use, expiration or sale of the asset.
Gains or losses occurring at the sale of an asset are the difference between the sales price and the accounted value with deductions for direct sales expenses. Gains and losses are accounted as other income/costs.

Depreciations according to plan is based on the asset's historic cost. Depreciations are made linear over the period of fixed assets are used and accounted for as a cost in the Profit and Loss account.

The following depreciation periods applies:

Data equipment	3 years
Other fixed assets	5 years

WRITE-DOWN OF TANGIBLE- AND INTANGIBLE ASSETS

Write-down test for tangible- and intangible assets and shares in associated companies

If there is an indication for a write-down, the recovery value is estimated in accordance with IAS 36. For other intangible assets with uncertain usage time and tangible assets not yet completed for use, the recovery values are calculated annually. If not possible to adopt material independent cash flows to an individual asset the assets shall when assessed for write-downs be grouped to the lowest level where an material independent cash flow can be identified – a so called cash generating unit.

A write-down is accounted when an assets or the cash generative unit's (group of units) booked value exceeds the recovery value. Write-down of assets assignable to a cash generative unit (group of units) is primarily distributed to goodwill. Thereafter a proportional write-down is made of the remaining assets belonging to the unit (group of units).

The recovery value is the highest of real value after direct sales costs and usage values. When assessing the usage value, future cash flows are discounted with a factor of the risk free interest rate and the risk that is associated with the specific asset.

Reversal of Write-downs

A write-down will be reversed if there is an indication that a write-down is no longer needed and there is a change of the assumptions of the original basis for calculation of the recovery value. A reversal is only made to the extent that the asset's accounted value after a reversal does not exceed the accounted value that would have been accounted with deduction for appropriate depreciation, if no write-down would have been made.

OTHER PROVISIONS

Pensions and similar debts

The company's pension plans for occupational pensions are in accordance with the general Insurance company's union agreements and are secured by insurance contracts. The pension plan for the company's employees is deemed to be a defined benefit plan that comprehends several employers. The company has also made the assessment that the UFR 6 pension plans are relevant also for the company's pension plan.
The company is lacking enough information to enable an accounting in accordance with IAS 19 and accounts the pensions in accordance with UFR 6 i.e. pension plans as defined contribution plans.
The company's obligations concerning the fees for the defined contribution plans are accounted as a running cost in the Profit and Loss statement during the time period the employees have carried out services to the company.
According to the FTP collective agreement, employees born in 1955 or earlier are entitled to early retirement at 62 years age.

CONTINGENT LIABILITY

A contingency is accounted for when there is a possible liability originating from occurred events and whose existence is confirmed only by one or several uncertain future events or when there is a liability not accounted as a debt or provision due to that it most likely not will require an outflow of resources.

APPROPRIATIONS AND UNTAXED RESERVES

Fiscal legislation in Sweden gives companies possibility to reduce the taxable income through allocation to untaxed reserves. The company use the following untaxed reserve;

Equalisation reserve

The Equalisation reserve consists of a collective security conditioned strengthening of the technical provisions. The accessibility is limited to coverage of losses related to the technical result of insurance operations.

Notes to The Financial Report

Note 2: Risks and risk management

The Company's earnings depend partly on insurance operations and associated insurance risks, and partly on investment activities and associated financial risks. Risk and risk management are therefore a central part of the operations of an insurance company. The note below describes the Company's risk management organisation and gives quantitative and qualitative information regarding insurance risks and financial risks.

RISK MANAGEMENT

The aim of the Company's risk management organisation is to identify, measure and control all risks that the Company is exposed to, both insurance risks and financial risks. An important objective is also to ensure that the Company has adequate solvency in relation to these risks. ERV's risk management organisation is structured as follows:

The Board of Directors

The main responsibility for handling the risks that the Company is exposed for lies with its Board of Directors. The Board of Directors establishes the applicable guidelines as regards risk management, risk reporting, internal controls and follow-up. The Board of Directors has in separate instructions and within stipulated frameworks delegated the responsibility for risk management and risk control to other functions in the Company.

Internal auditor

The contracted independent auditor executes his audit of the Company on behalf of the Board of Directors and reports directly to the Board.

Actuary

The contracted independent actuary supervises the technical provisions and calculations as well as secures the quality of certain parts of the Quarterly reports to the FSA.

Compliance officer

With the support of the Company's Management Group, the Company's Compliance Officer has established "risk assessment documentation", listing the Company's total risks, their probabilities and consequences. The documentation is examined annually by the Company's Management Group, and the necessary updating is made. All changes and any updates are then reported to the Board of Directors.

Risk and Compliance Forum

The Company has during the year established a risk- and compliance function aiming at identifying the Company´s risks and securing that relevant risk documentation and policies are issued. During the year the Company has also, supported by the parent company reviewed and documented all the Company´s processes and risks. In those cases where risk documentation about a certain process has been missing or alternatively it has been found that measurement or follow up is not possible, this has been noted accordingly. The Company also works continuously to secure that documentation and measurements are established and subject to regular follow ups.

Through recurring training programmes and clear process and work descriptions, it is ensured that risk controls are functioning throughout the entire organisation, and that all employees understand their roles and their responsibilities.

RISKS IN THE INSURANCE OPERATIONS

Insurance risks consist both of underwriting risks and risks connected with provisions to reserves. The significance of these concepts and the Company's general methods for handling both these types of risks are described below.

Underwriting Risks

The underwriting risk is the risk that the estimated premium and other income in the insurance do not equate with the actual claim costs and operating costs connected with the insurance. There are various methods for reducing underwriting risks, for example, the portfolio can be diversified over time, and/or between different types of insurance risk.

The Company's main method used for controlling underwriting risks is the group- and underwriting guidelines, rules and procedures, internal guidelines and the business plan which is established annually, and confirmed by the Board of Directors. In the plan, it is determined what insurance classes or product areas of insurance shall be underwritten, and what geographic markets and sectors the Company intends to underwrite contracts in. The plan also stipulates quantitative limits as regards the maximum exposure permitted within various risk areas (limits). The business plan is implemented in the organisation through insurance guidelines to the Company's underwriters. The guidelines set the insurance classes, sizes, geographic areas and sectors within which the Company is willing to expose itself to risk. In this way, an appropriate division is established within sums insured. The insurance contracts for Corporate- and Affinity business usually run for one year, with a built-in right for the Company to refuse extension or to change terms and conditions in renewal agreements. The Company's Leisure Travel Insurance has primarily included short term contracts with duration of one to two weeks. From 2012 it is expected that the Company´ sales of Leisure insurances to a larger extent will be sold as annual travel insurances.

Reserve Allocation Risks

The reserve allocation risk, i.e., the risk that the technical reserves will not be sufficient to cover claims that occur, is primarily managed by means of advanced actuarial methods and careful continual examination of reported claims. Risk limitation is also carried out through reinsurance. Through reinsurance, the size of exposure can be handled, and thus the Company's equity protected. Reinsurance is purchased partly as a share of the total risk that the Company is exposed to within various areas, and partly as an upper limit as regards the size of the risk permitted within the area. Reinsurance can also be purchased on a facultative basis for major individual insurance contracts: The maximum net cost that Europeiska may accept per loss for various types of insurance risks, the Company's retention level, is set by the Board of Directors.

Average amounts insured and average claims costs are relatively moderate, for which reason individual claims have a rather limited effect on earnings. The cumulative risk in the case of major claims, where many policyholders may be affected, for example, in the case of a major aircraft accident, are on the other hand, not negligible, and all claims are reinsured with a retention level for the Company of a normal maximum of 2,0 MSEK per claim.

Risk Management in Property and Casualty Insurance

The Company underwrites property and casualty insurance with the classifications of Home and House, within which we have the following insurance classes; Sickness, Accident, Goods Transport, Fire and Natural Forces, Other Property and Casualty Loss, Public Liability, Other Economic Loss, Legal Cover and Assistance. For coordination of the Company's pricing and follow-up, Europeiska has primarily chosen to work with the business concepts of Leisure Travel Insurance, Corporate Travel Insurance, Card Travel Insurance and Other Insurance. The Company therefore sets it budget, its forecasts, outcome and rolling12-months' comparisons, etc., on the basis of the selected business concepts.

Leisure Travel Insurance

Europeiska regularly follows up changes in loss frequencies and average losses. Factors that affect risks include destination and duration of travel. The purpose of the trip, the nature of the trip and the customer's age are also parameters of importance. Private travel business is relatively short-term; claims are reported and adjusted very quickly as a rule. A large proportion of the premium volume in the private travel segment is generated via tour operators and travel agencies, which involves some credit risk.

Corporate Travel Insurance

A considerable part of the risk within the corporate segment is related to medical treatment costs abroad, which applies to business travellers, and above all to personnel stationed abroad. Europeiska works with guidelines and UW policies, which, among other things, cover medical risk assessment. Disbursements are also affected by the fact that our clients are in a large number of countries around the world, which involves some currency risk and also an uneven price trend in medical treatment costs. This business is also more long-term compared with other operational sectors.

Group Accident Insurance

The risks within this segment are based on group accident insurance for children within the Swedish public school system. As the final assessment of a claim with a risk of a permanent medical disability sometimes only can be made when the claimant has reached adulthood, this means that the company cannot close the claim and make a final financial assessment until a long period of time has passed. To handle this risk the company monitors the claims very closely and sets premium reserves in close cooperation with among others, the company 's actuary.

Card-related Travel Insurance

The risk related to Card-related Travel Insurance is affected by such things as travel frequency and card-use frequency connected to the specific cardholders. The spread of risk is very good in those cases in which the insurance applies to all cardholders in a particular insurance programme. Europeiska monitors claim frequencies and cost developments very carefully, and is able to conclude that travel frequency and card use have increased during the last few years, and this has automatically brought with it higher claim frequencies.

Miscellaneous Insurance

This area primarily includes Watch and Jewellery Insurance, i.e., risks which are not connected to travel. The business is analysed on the basis of such things as claim frequency and price developments as regards the objects insured.

Risk Exposure

ERV's cumulative exposure for the various product areas is determined in relation to identified concentrations of risk, which are recurrently assessed and valued.

The total aggregated risk that the Company is willing to take is determined in relation to risk concentrations within the property and casualty insurance area. The Company monitors these exposures both as regards the underwriting of contracts and monthly by examining reports with major concentrations of risks. In order to produce such reports and identify risk concentrations on a continual basis, various statistical methods are used, as well as stress tests and simulations. Simulations of losses in various scenarios can also be used in order to measure the efficiency of the reinsurance programme and ERV's net exposure (retention level).

The reinsurance contracts are connected with some credit risk. This is also discussed in the section on financial risks below. The credit rating of the reinsurers is regularly reviewed in order to ensure the reinsurance cover decided upon is maintained.

Operational Risks

The operational risks that occur are primarily risks connected with telecommunications and data systems in operational interruptions, and from a quality point of view, for follow up of activities. Additionally, there are always risks resulting from considerable dependence connected with persons who have key competence and risks connected with irregularities, both external and internal. Within Europeiska, work is continually ongoing to identify and limit all conceivable risks. The Company has also produced documentation and routines for applying the Swedish Financial Supervisory Authority's general advice on the guidance and control of financial companies.

The establishment of good internal control is a continually ongoing process within the Company, which covers such things as

- requirements for appropriate routines and instructions
- clearly defined divisions of responsibility and work as regards the employees
- IT support with built-in mechanical checks and controls
- authorisation system
- internal information and reporting system for satisfying such things as the executive management's requirements for information on such things as risk exposure, and
- routines for information security.

Sensitivity regarding Risks Attributable to Insurance Contracts

The sensitivity analysis given below has been produced through measuring the effects on gross and net provisions, profit before tax and shareholders' equity based on assumptions regarding possible changes in some central respects. The effects have been measured assumption for assumption, with other assumptions being constant. No attention has been paid to any correlations between assumptions. Note that changes in the assumptions below are non-lineal. The method used for measuring sensitivity has not been changed compared with the previous period.

Financial Risks

In the insurance company's operations, various types of financial risk arise, such as credit risks, liquidity risks,

Analysis of sensitivity attributable to insurance contracts

Assumption (TSEK)	Change in assumption %	Technical provisions gross	Technical provisions net	Result before tax and appropriations	Equity capital
2011					
Average claims cost	+10 %	129 139	96 298	-8 994	9 795
Average number of claims	+10 %	129 139	96 298	-8 994	9 795
Average premium increase	+2 %			6 371	21 119
2010					
Average claims cost	+10 %	133 050	96 784	-2 481	3 173
Average number of claims	+10 %	133 050	96 784	-2 481	3 173
Average premium increase	+2 %			12 430	14 163

market risks and operational risks. In order to limit and control risk taking in operations, the Company's Board of Directors, which is ultimately responsible for internal controls within the insurance company, has established guidelines and instructions as regards finance operations.

According to existing policy, investment assets shall be invested in interest-bearing instruments. The majority of assets during the financial year were invested in bonds with an average life of about 5-6 years. In the event of changes in interest rates in the market, the financial effect on the Company would be limited.

Credit Risks in Insurance Management

Agents and representatives collect a considerable proportion of premium income within Leisure Travel insurance. Settlement is normally monthly and is carefully monitored; various types of measure have been taken to further reduce these risks. Among other things, unpaid invoices are passed onto a credit service company, which manages reminders and collection. There have not been any established customer losses during the year.

Credit Risks in Financial Management

The insurance company has as its policy in financial management only to permit investments in securities of very high credit worthiness. The credit and counterparty risks in this area of the business are therefore considered to be very small or insignificant.

Liquidity Risks

A liquidity risk is the risk of the Company having difficulty in fulfilling the commitments associated with insurance liabilities and financial liabilities. A liquidity risk can also be expressed as the risk of loss or impaired earning ability as a result of the payment commitments of the Company not being fulfilled at the correct time. Liquidity risks arise when assets and liabilities have different maturities.

The strategy of the Company in handling liquidity risks is intended, to the greatest possible extent, to match expected receipts and disbursements with one another (so-called "asset-liability management" or ALM). Liquidity is constantly monitored. The duration for Financial assets are lower than for technical liabilities and therefore have the company more liquidity to secure the technical obligations. The Cash Flow Statement, see the separate Financial Report in the Annual Report that illustrates the liquidity situation of the Company.

Market Risks

A market risk defines as the risk that the actual value of cash flow or future cash flows from a financial instrument fluctuates on account of changes in market prices. There are three types of market risk: currency risk, interest risk and other price risks. In financial operations, the most important market risks consist of currency risks, interest risks and share price risks (price risks). In the case of the Company, the interest risk constitutes the dominant market risk.

Interest Risk

The Company is exposed to interest risk through the risk of the market value of the Company's fixed-interest assets falling when market interest rates rise. The degree of interest risk or price risk increases with the life of the asset. The technical reserves are also affected by changes in market interest through the discounting used.

Geographic concentration of technical reserves

TSEK	Leisure travel insurance	Corporate travel insurance	Card travel insurance	Other	Total
2011					
Sweden, technical provisions gross	3 895	38 983	1 894	32 219	76 991
Sweden, reinsurers' share of technical provisions	0	13 160	0	-	13 160
Sweden, technical provisions net	3 895	25 822	1 894	32 219	63 830
Europe, technical provisions gross	11 438	30 068	151	0	41 657
Europe, reinsurers' share of technical provisions	0	10 151	0	-	10 151
Europe, technical provisions net	11 438	19 917	151	0	31 506
The world, technical provisions gross	17 880	62 115	238	0	80 233
The world, reinsurers' share of technical provisions	0	20 970	0	-	20 970
The world, technical provisions net	17 880	41 145	238	0	59 263
Total, technical provisions gross	33 213	131 166	2 283	32 219	198 881
Total, reinsurers' share of technical provisions	0	44 281	0	-	44 281
Total, technical provisions net	33 213	86 885	2 283	32 219	154 600
2010					
Sweden, technical provisions gross	3 583	10 341	369	64 152	78 445
Sweden, reinsurers' share of technical provisions	0	5 122	0	-	5 122
Sweden, technical provisions net	3 583	5 219	369	64 152	73 323
Europe, technical provisions gross	15 140	30 555	103	0	45 798
Europe, reinsurers' share of technical provisions	0	15 133	0	-	15 134
Europe, technical provisions net	15 140	15 422	103	0	30 665
The world, technical provisions gross	19 801	53 118	115	0	73 034
The world, reinsurers' share of technical provisions	0	26 310	0	-	26 310
The world, technical provisions net	19 801	26 808	115	0	46 724
Total, technical provisions gross	38 524	94 014	587	64 152	197 277
Total, reinsurers' share of technical provisions	0	46 565	0	-	46 565
Total, technical provisions net	38 524	47 449	587	64 152	150 712

Actual Claims compared with Previous Estimations

TSEK	2006	2007	2008	2009	2010	2011	Total
Estimated final claims cost at the end of claims year (gross)	153 978	251 528	258 592	291 218	309 248	257 367	1 521 931
One year later	153 459	248 166	254 072	289 532	286 913		-
Two years later	151 994	246 668	251 132	288 318			-
Three years later	152 612	247 747	252 491				-
Four years later	152 507	247 913					-
Five years later	152 794						
Estimated final claims cost 2011-12-31	152 794	247 913	252 491	288 318	286 913	257 367	1 485 796
Accumulated claims paid	152 913	245 424	250 791	286 818	259 585	172 840	1 368 371
Provision for claims outstanding	-119	2 489	1 700	1 500	27 328	84 527	117 425
Accumulated surplus/deficit	1 184	3 615	6 101	2 900	22 335	-	
Surplus/deficit in % of initial claims cost	0,77%	1,44%	2,36%	1,00%	7,22%	-	
Reconciliation of balance sheet	**2006 + prev. years**	**2007**	**2008**	**2009**	**2010**	**2011**	**Total**
Provision for claims outstanding before discounting	-145	2 489	1 700	1 500	27 328	84 527	117 399
Discount effect							0
Total provision for claims outstanding accounted for in the balance sheet							**117 399**

Credit quality of classes of financial asset %

	AAA	AA	A	BB	BBB	No rating	Percent %
Bonds and other interest-bearing securities							
• Treasury bills	100						22
• Swedish State	100						62
• Swedish housing finance institutions	100						15
Shares and participations							0
Shares and participations in associated and related companies						100	1

Credit risk in claims on reinsurers %

	AAA	AA	A	BB	BBB	No rating	Percent %
			100				100

Currency Risk

Currency risk arises as a result of assets and liabilities in the same foreign currency not being equivalent to one another in terms of value. The exposure of the Company to currency risk is marginal with respect of the fact that the strategy for handling currency risks is, as far as possible, to match insurance liabilities in foreign currencies with equivalent assets.

ERV's amounts insured are usually expressed in SEK. A major proportion of claims are, however, paid in foreign currencies, which consequently increases the sensitivity of the Company for changes in exchange rates. However through effective claims settlement the currency risk is limited.

Share Price Risk

Share price risk is the risk that the market value of a share investment falls as a result of macroeconomic factors. Primarily the share price risks are countered through diversification of the insurance company's share portfolio. The company have accordingly to internal investments policies and guidelines few part of investment in share funds.

Capital/Solvency

The goal of the Company is to manage its capital in the best possible way. This is done primarily through ensuring that the Company fulfils the requirements of the Swedish Financial Supervisory Authority in having sufficient cover for its liabilities and thereby ensuring that the Company can fulfil its commitments in relation to the policyholders. The Company has chosen to outsource the management of its capital to a capital management company. Also, the Board of Directors has stipulated clear frameworks to the capital management company. These frameworks are guidelines as regards the kinds of investment assets that shall apply, average life and what minimum rating the issuer must have.

At 31.12.2011, the Company had MSEK 242,8 at its disposal for management as investment assets. Of this, 99% was in the form of bonds and other interest-bearing paper, and 1% in shares in associated companies and related companies. The solvency ratio of the Company is equity in relation to the Company's guaranteed commitments.

The largest single effect is changes in the interest situation when assets are invested in interest-bearing securities. The required solvency margin for ERV at 31.12.2011 was TSEK 69 783.

Erforderlig solvensmarginal för ERV per 2011-12-31 är TSEK 69 783.

Notes to The Financial Report

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(TSEK)

Note 3 Premium income

	2011-12-31	2010-12-31
	Gross	Gross
Direct insurance, Sweden	458 005	469 885
Reinsurance assumed	443	533
Total	**458 448**	**470 418**

Note 4 Investment income allocated from non-technical account

Of a total amount based on a calculation of the average technical provisions for own account, after deduction for net receivables arising out of insurance operations has been allocated from the total investment income to the insurance operations. In the calculation, an interest rate of 2,45% has been used which was the average interest rate of 90 days STIBOR for year 2011.

Note 5 Other technical income

	2011-12-31	2010-12-31
Brokering of insurance business	1 597	1 365
Total Other technical income	**1 597**	**1 365**

Note 6 Claims incurred

	Before re-insurance ceded	Reinsurers' share	For own account
Claims paid			
Claims paid	250 189	-42 889	207 300
Operating expenses for claims adjustment	22 367	-	22 367
Total	**272 556**	**-42 889**	**229 667**
Change in provision for outstanding claims			
Change in provision for incurred and reported claims	1 120	3 754	4 874
Change in provision for incurred but not reported claims	-4 990	-659	-5 649
Total	**-3 870**	**3 095**	**-775**
Total Claims incurred	**268 686**	**-39 794**	**228 892**

(TSEK)

Note 7 Operating expenses

	2011-12-31	2010-12-31
Acquisition costs	113 161	104 552
Change in deferred acquisition costs	-138	214
Management expenses	66 975	61 138
Commission and profit share from reinsurance operations	-20 705	-25 613
Change in deferred commission and profit share from reinsurance operations	279	686
Total operating expenses in insurance*	**159 572**	**140 977**

Total oper. exp. categorized by functions

	Investment mgt	Acquisition	Claims adjustm.	Administration	Total
Cost of staff		18 098	14 427	42 788	75 313
Cost of premises				5 248	5 248
Depreciation				1 951	1 951
Acquisition costs incurred, for own account		64 538			64 538
Other	213	9 961	7 940	16 987	35 102
Total	**213**	**92 597**	**22 367**	**66 975**	**182 152**

The company has operating leases for cars for a 3 year period. Liable within one year is TSEK 550 and within five years TSEK 961.

Auditors fee	**2011-12-31**	**2010-12-31**
Annual audit	312	450
Internal audit	-	78
Tax consultation	-	-
Consultation other	35	65
Total	**347**	**593**

Note 8 Investment income

	2011-12-31	2010-12-31
Dividends		
Dividents international shares	151	93
Interest income etc.		
Bonds and other fixed-income securities	8 488	9 400
Other interest income*	870	103
Gain on foreign Exchange currency rates, net	0	-
Gain on disposal of investments		
Bonds and other fixed-income securities	2 139	0
Total investment income	**11 648**	**9 596**
* Thereof from group companies	-	-

(TSEK)

Note 9 Investment expenses

	2011-12-31	2010-12-31
Interest expenses etc.		
Other interest expenses	8	155
Investment management expenses*	494	652
Loss on foreign currency exchange rate, net	677	1 740
Loss on disposal of investments		
Foreign shares	1 089	72
Bonds and other fixed-income securities	3 573	3 970
Total investment expenses	**5 841**	**6 588**
* Whereof investment management fee TSEK 213 (204).		

Note 10 Net result per category of financial investment

	Financial investment that can be sold	Total
Financial assets		
Shares	-938	-938
Bonds, the Swedish Government	7 055	7 055
Non financial assets	184	184
Total	**6 301**	**6 301**

Note 11 Other income

	2011-12-31	2010-12-31
Resdagboken (The Travel Diary)	0	675
Disposal of assets	287	222
Total other income	**287**	**897**

Note 12 Other expenses

	2011-12-31	2010-12-31
Expenses for Resesäkerhetsbutiken (The Travel Security Shop) and Resdagboken (The Travel Diary)	599	7
Disposal of assets	0	35
Total other expenses	**599**	**42**

Note 13 Tax for the year

	2011-12-31	2010-12-31
Result before tax	-180	1 796
Tax according to current rate (26,3%)	47	-472
Tax on non deductible costs (26,3%)	-1 070	-1 324
Not activated tax asset	9	-
Deferred Tax	1506	0
Total tax for the year	**492**	**-1 796**

(TSEK)

Note 14 Other Intangible assets

Capitalized development costs and similar items*	2011-12-31	2010-12-31
Accumulated capitalized development costs and similar items		
Balance brought forward	21 021	20 546
Internally developed assets during the year	2 290	475
Disposal/sale of developed assets	0	0
Balance carried forward	**23 311**	**21 021**
Accumulated depreciation according to plan		
Balance brought forward	-20 133	-18 940
Depreciation for the year	-1 041	-1 193
Disposal/sale	0	0
Balance carried forward, accumulated depreciation	**-21 174**	**-20 133**
Total residual value according to plan	**2 137**	**888**

*The assets refer mainly to an own developed insurance system. The depreciation of the year is accounted in operating expenses.

Note 15 Shares and participations in associated and affiliated companies

	Corp. Id. No	No	Owner share	Acq. Cost	Book value	Domicile
Euro-Center Holding A/S	A/S 174224	4	16,67%	2 015	2 015	Copenhagen
European Assist. Holding GmbH	139284	1	10,00%	23	23	Munich
Total shares and participations in associated companies				**2 038**	**2 038**	

Note 16 Shares and participations

	Current value		Accrued acquisition cost	
All listed Securities	**2011**	**2010**	**2011**	**2010**
Treasury bills	51 941	8 977	51 951	8 978
Bonds, Swedish governmental	151 901	186 856	144 101	187 305
Housing finance institution, Swedish governmental	36 878	35 551	36 234	35 539
Total shares and participations	**240 720**	**231 384**	**232 286**	**231 821**

Bonds and other interest-bearing securitites are accounted to market value.

Note 17 Financial assets and liabilities
Information of booked values per category of Financial instruments

	Total booked value	Total current value	Accrued acquisition value
Listed securities			
Treasury bills	0	0	0
Bonds, Swedish Governmental	51 941	51 941	51 951
Mortgage bonds, the Swedish Governmental	151 901	151 901	144 101
	36 878	36 878	36 234
Total	**240 720**	**240 720**	**232 286**

* All financial assets are classified as level 1

(TSEK)

Note 18 Provision for unearned premiums and remaining risks

	2011-12-31	2010-12-31
Reinsurers' share		
Balance brought forward	13 557	11 553
Change in provision	809	2 004
Balance carried forward	**14 366**	**13 557**

Note 19 Provision for claims outstanding

	2011-12-31	2010-12-31
Reinsurers' share		
Brought forward incurred and reported claims	19 211	11 630
Change in incurred and reported claims	-3 753	7 581
Brought forward incurred but not reported claims	13 799	4 971
Change in incurred but not reported claims	658	8 828
Balance carried forward	**29 915**	**33 010**

Note 20 Receivables arising out of direct insurance operations

	2011-12-31	2010-12-31
Policyholders	40 512	34 581
Agents/brokers	7 207	9 002
Total receivables arising out of direct insurance operations	**47 719**	**43 583**

Note 21 Other receivables

	2011-12-31	2010-12-31
The amount includes receivables from associated companies	17 751	9 906

Note 22 Fixed and tangible assets and inventories

	2011-12-31	2010-12-31
Accumulated purchase value		
Balance brought forward	10 296	10 527
Disposal of assets	-1 343	-539
Acquisitions for the year	852	308
Balance carried forward, purchase value	**9 805**	**10 296**
Accumulated depreciation according to plan		
Balance brought forward	-9 090	-8 568
Disposal of assets	1 343	504
Depreciation for the year	-1 101	-1 026
Balance carried forward, accumulated depreciation	**-8 848**	**-9 090**
Total residual value according to plan	**957**	**1 206**

(TSEK)

Note 23 Deferred acquisition cost

	2011-12-31	2010-12-31
Brought forward deferred acquisition cost	10 843	11 057
Depreciation for the year	-10 843	-11 057
Activation for the year	10 980	10 843
Carried forward deferred acquisition cost	**10 980**	**10 843**
*)The acquisition costs have a depreciation time up to one year.		

Note 24 Other deferred expenses and accrued income

	2011-12-31	2010-12-31
Prepaid office rent	1 020	990
Prepaid employee benefits	437	437
Other deferred expenses	2 672	1 387
Total	**4 129**	**2 814**

Note 25 Provision for unearned premiums and remaining risks

	2011-12-31	2010-12-31
Balance brought forward	76 007	71 108
Written insurance during the period	458 448	470 418
Earned premiums during the period	-452 973	-465 519
Balance carried forward	**81 482**	**76 007**

Note 26 Provision for claims outstanding

	2011-12-31			2010-12-31		
	Gross	Ceeded	Net	Gross	Ceeded	Net
BF Incurred and reported claims	81 861	19 211	62 650	66 180	11 629	54 551
BF Incurred but not reported claims	39 409	13 799	25 610	24 187	4 972	19 215
Balance brought forward	**121 270**	**33 010**	**88 260**	**90 367**	**16 601**	**73 766**
Change in expected cost for claims PY	-17 132	-1 905	-15 227	-11 175	7 151	-18 326
Other adjustments	13 261	-1 190	14 451	42 078	9 258	32 820
Balance carried forward	**117 399**	**29 915**	**87 484**	**121 270**	**33 010**	**88 260**
BCF Incurred and reported claims	82 981	15 458	67 523	81 861	19 211	62 650
BCF Incurred but not reported claims	34 418	14 457	19 961	39 409	13 799	25 610

(TSEK)

Note 27 Provisions other

	2011-12-31	2010-12-31
Pensions and other similar obligations	-	445
Deferred tax concerning fund for unrealised gains*	2 218	-
Total	**2 218**	**445**

Note 28 Liabilities arising out of direct insurance operations

	2011-12-31	2010-12-31
Agents / brokers	7 656	4 424
Policyholders	28 343	33 545
Total	**35 999**	**37 969**

Note 29 Other liabilities

	2011-12-31	2010-12-31
Accounts Payable	12 414	13 681
VAT	2 413	4 034
Employee withholding taxes	1 013	964
Insurance tax	758	425
Other	273	443
Total	**16 871**	**19 547**

Note 30 Other accrued expenses and prepaid income

	2011-12-31	2010-12-31
Accrued expenses	7 021	7 242
Special payroll tax	6 928	1 662
Total	**13 949**	**8 904**

Note 31 Associated companies

	Year	Purchase	Receivables	Liabilities
Euro-Center Holding A/S (affiliated company)	2011	20 574	17 751	-
	2010	19 419	9 906	-
Euro Alarm Prag (group company)	2011	2 781	845	-
	2010	1 581	530	-
Europäische Versicherung AG, Munchen (group company)	2011	3 543	345	-
	2010	4 694	3 297	-
Münich RE	2011	-	-	-
	2010	4 128	-	982
Total 2011		**26 898**	**18 941**	**-**

The company has reinsurance available within the group as X/L and quota share.
The quota share reinsurance relates only to corporate business.

(TSEK)

Note 32 Staff and salaries

	2011			2010		
	Men	Women	Total	Men	Women	Total
Board of directors and CEO	2	3	5	2	4	6
Other managment officers	2	2	4	2	5	7
Office staff*	26	61	87	22	61	83

*recalculated to average full time employees of the year

Salaries, remuneration and social expenses have been paid as follows:

	Board and CEO		Management		Office staff	
Salaries and remuneration	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Basic salary and remuneration	2 009	1 843	3245	4 892	36 795	32 256
Variable benefits	280	338	-	90	75	356
Other benefits	11	11	47	83	1 179	1 022
Social security costs	635	689	1034	1 591	11 554	11 905
Pension expenses	3795	5 075	727	1 526	5 523	4 734
Total	**6 730**	**7 956**	**5053**	**8 182**	**55 126**	**50 273**

The salaries and remuneration for the Board and CEO, Kenneth Sandén (CEO), includes a bonus to CEO of 176 TSEK that are related and earned during year 2010 and paid out 2011. The rest part of the earned renumeration, not been payed out, 264 TSEK that will be paid out year 2014, accordingly to the Salary and renumeration policy of the company.
CEO have 1 years notice of cancellation. Upon dismissal of the CEO by the company, the severance payment amounts to 2 years salary. The retirement age for the CEO is 60 years. At this time and onwards pension will be paid of 70 % of his salary.
Regarding the Board of directors, whose employment are outside of the company, no renumeration has been paid.
For other key directors of the company's management salaries and remuneration consist of basic salary, variable wages,other benefits and pension. The salaries and remuneration for other key directors of the comapny´s management consist of bonus 70 TSEK that have been earned during year 2010 and paid out 2011. The rest amount of earned renumeration, that are not been payed out, 105 TSEK that will be paid out year 2014, accordingly to the Salary and renumeration policy of the company. The salaries and remuneration for the office staff of the company, are included in bonus of 352 TSEK that have been earned during year 2010 and paid out 2011.
The bonus targets for the CEO are yearly set by the Chairman of the Board and are a combination of a number of fixed financial goals and a number of operational goals. The bonus targets for the management are yearly set by the CEO and are normally based on a number of fixed financial goals.
Further information can be found in the Company´s Remuneration policy which is available on www.erv.se (former www.europeiska.se).

Note 33 Additional information regarding the insurance operations

		Insurance classes				
	Total 2011	**Health**	**Accident**	**Property**	**Other finan-cial loss**	**Transport**
Gross premium income	458 448	262 739	72 491	21 159	69 054	33 005
Gross premium earned	452 974	259 602	71 625	20 907	68 229	32 611
Gross claims incurred	268 686	153 985	42 485	12 401	40 471	19 344
Gross operating expenses	179 998	103 158	28 462	8 308	27 112	12 959
Reinsurance result ceded	-11 562	-6 626	-1 828	-534	-1 741	-832
Claims ratio, gross%	59	34	9	3	9	4

(TSEK)

Note 34 Important estimates and judgements

The company has no other important estimates and judgements than the ones already mentioned in note 1, Accounting Principles and note 2, Information about Risks.

Note 35 Expected reclaimed timetable for assets and liabilities

The liabilities that are expected to be adjusted after more than twelve months are some claims reserves, mainly accident and assault. On the asset side the Company have the reinsurance that are expected to be reclaimed after more than twelve months connected to the above mentioned claims reserves. The Companys' investments have an average duration of five to six years.

Note 36 Pledged assets

	2011-12-31	**2010-12-31**
Assets covered by policyholders' beneficiary rights*	245 358	251 626

*In the event of insolvency, the policyholders have preferential rights to the registered assets corresponding to the amounts stated for respective year.

Signatures

Sundbyberg, February 28, 2012

Richard Bader
Chairman

Ulrike Timmer

Julia Ricks

Johann von Hülsen
Chief Executive Officer

Christine Sundh
Employee representative (FTF)

Our audit report was submitted on February 28, 2012

KPMG AB
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Authorised public accountant

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