Europeiska ERV
Annual report 2015

Translation of the Swedish Annual Report

ANNUAL REPORT 2015

ERV FÖRSÄKRINGSAKTIEBOLAG (publ)

Company Reg. No: 502005-5447

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Management report 2015

ERV FÖRSÄKRINGSAKTIEBOLAG (PUBL)

Registration Number: 502005-5447

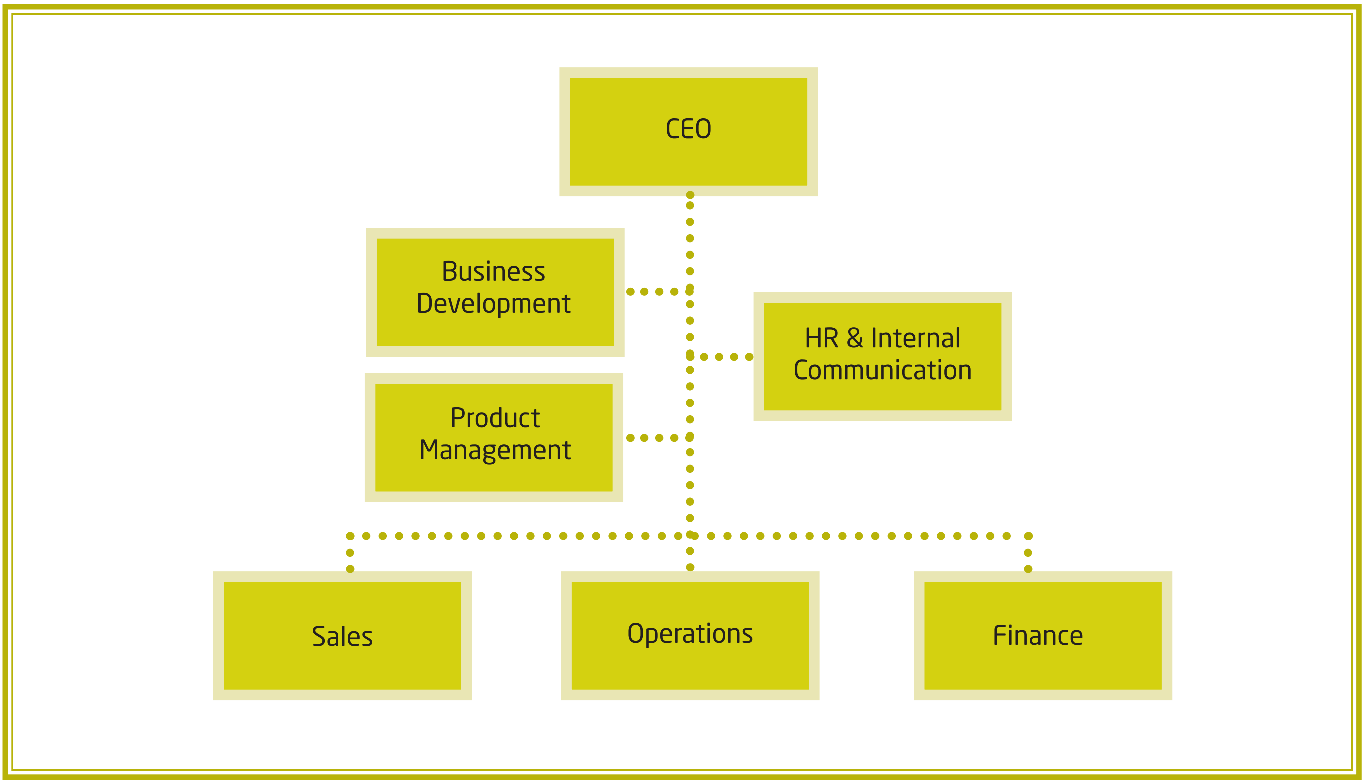
The Board of Directors and Chief Executive Officer of ERV Försäkringsaktiebolag (publ) hereby submit the Annual Accounts for 2015, the company's 95th year of operation.

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 Försäkringsaktiebolag (publ) is based in Sundbyberg, and is wholly owned by Europäische Reiseversicherung AG based in Munich.The Company is part of ERGO Versicherungsgruppe AG based in Düsseldorf, where the financial statements can be obtained. ERGO Versicherungsgruppe AG is part of Munich RE Group, based in Munich, where consolidated documents may be obtained.

ERV Försäkringsaktiebolag (publ) was formed in 1920 as a specialist company for travel, travel related insurance and transportation of goods. Today, in addition to private and corporate travel insurance, ERV provides specialty insurance for bank cards, and various product insurance in cooperation with retail chains.

Operational organization, 2015-12-31



Summary of Fiscal Year 2015

To ensure better profitability the Company's new management team since 2012 for the period until 2014 put in force the efficiency and turnaround Program "3-in-2". Overall the "3-in-2" Program fortunately continued to show overall good results, building on the improvements that have been achieved during 2013 and 2014. Whereas premium volume dropped also in 2015, claims costs and administrative costs were further reduced with success. A successful de-risking and restructuring of the insurance portfolio showed particular effect in the claims cost area. At the same time improved processes supported significant improved productivity at lower staff levels. This enabled ERV to book also in 2015 considerable restructuring costs for early retirement, for release of staff, for hiring selected new staff as well as for project costs for the follow-up Program to "3-in-2" named "E 20" which is running until 2018.

Sales of Card insurance and various types of Affinity insurance in total reduced slightly during the year. Premium income for Corporate Business continued to decrease overall due to extensive re-underwriting efforts. Also income in Leisure Travel Insurance has dropped significantly due to a product change in our Supplementing Leisure Business where we have stopped selling our Annual Product which we introduced to the market at the end of 2012 but which we could not place in the market successfully enough. Our new core product in Supplement is a traditional trip-by-trip product with adjusted features. Lower volume was further caused by loss of a large Travel account due to ever rising commission demands upon renewal which the company decided not to pay for sake of profitability reasons. We continued to re-underwrite our other Leisure Travel Products as well as our Corporate Travel Insurance Portfolio on single account basis. In consequence total gross premium has been reduced by 28 MSEK in 2015.

Claims ratio has continued to significantly decrease in 2015 to an impressive 44.5 % coming from 48.7 % in 2014, from 60.5 % in 2013 and even 69.5 % in 2012. As a result of the initiated re-underwriting measures practically our entire insurance portfolio except for Card Business has seen falling claims ratios during 2015 on aggregated level.

Final administration costs for 2015 came out 4.0 MSEK lower than plan and 1.2 MSEK below 2014. In this were, however, included 2.3 MSEK one-time costs for early retirement

of staff. Investment result was 2.9 MSEK but below Plan. In total ERV's result (after tax) in Local GAAP MSEK for 2015 is 7.8 MSEK. IFRS-result (after tax) is 1.2 MSEK.

The mentioned "3-in-2"-Program since 2012 built in particular on three focus areas which have been intended to deliver value to the Company's results within 2 years - that is by end of 2014 onwards. The three focus areas are material complexity reduction, tight cost management and securing intelligent, that is easy to sell and easy to administer growth. All three focus areas were secured by so-called roadmaps and monitored by a comprehensive steering and controlling approach. Nearing successful completion of the "3-in-2"-Program in 2014 and evidence of positive financial development in sink with the strategic ambitions, ERV started to look ahead and identified the next chapter of strategic work. Together with its sister company in Denmark, Europaeiske ERV, a joint 10-year strategic investment case for the entire Nordic region had been developed by early 2014. In executing the underlying strategy program it is intended to realize further efficiency gains and reduce administration and claims handling costs and leverage now on a joint Nordic level. The case has been accepted in February 2014 and will lead to a total of ca. 55 MSEK IT-investments into our operations in Sweden and Denmark during the next 5 years. Business Architectural optimization will re-engineer all processes as well as to improve development of easy-to-administer products on a modular product component approach named Insurance Modular Design (IMD). Lower production costs due to reduced operational complexity will improve ERV Nordics competiveness in pricing and lead to improved returns. These strategic targets are now managed and implemented through a joint Nordic Organization across Sweden and Denmark that came into effect from 01.05.2015. This new and joint Nordic Strategic Program has been given the name "E20" – inspired by the highway which connects Sweden and Denmark via Öresund Bridge. This next restructuring phase will run until mid of 2018. A number of preparatory sub-projects mostly with business architectural focus have been completed successfully in Fall 2014 and well into the first half of 2015. After a joint Nordic steering has been established with Nordic management responsibilities on steering levels 0,1 and 2, the implementation of E20's core program was initiated in 4 project streams in August 2015 and is well under way since then.

Tight cost control is effectuated along the entire value chain: Starting with focused re-underwriting of the entire product portfolio, as reported in previous years, ERV aims for lower claims costs. Further the re-underwritten Expatriate Product has been successfully continued to be sold to the Swedish Corporate Travel Insurance Market. Lastly we continued to sell our adjusted product range in Leisure Travel insurance which led to further price and term adjustments as well as to some minor product exits.

Further along the value chain, we continued to exercise cost control in claims handling with numerous measures of which better fraud control, further effectuated recourses, first steps towards introduction of auto claims as well as starting to renegotiate our international network's service levels and fee structure for 2016 are the lead examples.

Lastly we have endorsed tight cost control by improved cost monitoring across the entire company as well as an improved cost center structure. We reduced our marketing and IT-costs as well as other administrative costs by tighter travel cost management and renegotiating a number of supplier contracts.

Growth is highly welcome in ERV and we work hard for it. A new sales management has started to document this ambition since 2014. Meanwhile all our key functions have been defined and excellent staff has been hired or transferred to new positions. It is worthwhile noticing that with the new Nordic organization since May 2015 both sales departments in Sweden and Denmark have been organized in the same way including a Nordic Business Management Team that bridges information and relevant common steering across both sales departments whilst our sales forces remain local in their dedicated outside approach. In the area of Business Management we have defined a new Channel Management, a Bid Management and an Offering Management as new components to a modified state-of-the-art sales approach. ERV, stringently in 2015 featured only such specialty insurance products that are easy to sell and easy to administer. In addition the year 2015 has been used to sell our further pruned product range as well as to sharpen our market presence by leaving specific market segments or unprofitable contracts or to enrich our product range by partnering with strategic partners that will add more value to our products and offerings and therefore also make our offerings more customer friendly. And, as important as defining in which markets we are active it is to define in which markets we will not be offering any solutions and services.

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 know-how of local business and regulatory environments in the countries where we have insured clients. To serve these purposes ERV since 2013/14 has put considerable efforts in developing and selling the before mentioned new Expatriate Product. In addition we expect further tightened compliance requirements to be enforced by worldwide insurance regulators in the next years. Therefore we, together with our Headquarter and our sister company in Denmark, have in 2015 continued to invest heavily in our international business compliance solution. Next to a dedicated international team of up to 3 specialists that work full-time on regulatory, tax and consumer protection compliance, we, by means of market conferences, press releases and regular newsletters have started to communicate into the Nordic insurance markets about the relevance of business compliance as a necessity for doing proper international business. We have reached further milestones on this journey to excellence in 2015 and will materialize on this in 2016 and following years.

This notwithstanding, the Company's long term strategy remains unchanged in our aim that all insurance contracts shall be based on qualified risk selection, competent risk assessment and prompt, lean and cost effective service, leading to high customer satisfaction and long-term stability for customers, partners, shareholders and staff.

FINANCIAL RESULTS 2015

The net income before appropriations and tax totaled 1.2 MSEK, compared with 20.0 MSEK for 2014. Gross premium written decreased from 266.9 MSEK to 239.1 MSEK and net premium income earned decreased from 265.5 MSEK to 233.4 MSEK. Net claims incurred, including claims handling improved from 48.7 % to 44.5 %. Cost ratio rose from 47.9 % to 57.3 % in 2015. Net combined increased from 96.6 % to 101.7 %. Investment income decreased from 8.1 MSEK to 2.9 MSEK.

Investment assets decreased from 255.2 MSEK in 2014 to 217.8 MSEK for 2015 – a change to previous levels was especially triggered due to completed sale of our CAI-Portfolio during 2014. Technical provisions for own account during the year changed from 102.7 MSEK to 94.9 MSEK.

MARKETS AND PRODUCTS

The before mentioned "3-in-2" Program since 2012 built on complexity reduction, tight cost management and securing intelligent, that is easy to sell and easy to administer growth. Cost management has, next to administration costs at large, a second component, namely reduction of claims costs. In this sense claims costs are the expression of the risk exposure of an insurance portfolio. Certainly claims costs are prone to the general "change risk" that can hit any insurance portfolio during a year – natural catastrophes like the ash cloud event on Iceland or the Tsunami catastrophe in Thailand are examples of that kind of insurance risk materializing in our business area. In addition there are man-made catastrophes i.e. airplane accidents, fires in hotels or rising health care costs, to give a very wide range. The proper anticipation of this change risk, proper reflection of this reality of insurance risks in our products, or even more precise in our tariffs therefore is one key driver for managing claims costs. Therefore as part of our cost reduction roadmaps we initiated a thorough re-underwriting program named PReP with which was aimed to analyse the entire insurance portfolio in force in 2012/2013. As a consequence of PReP we analysed our Leisure, our Corporate and our Card & Affinity business segments and acted accordingly by either repricing our products, by adjusting terms & conditions where needed, by stopping sales of certain products or with certain clients, by going into run-off or lastly by even selling parts of our run-off portfolio. As matter of fact ERV applied all listed alternatives in recent years which we can see now has led to a dramatic improvement of our claims result. In fact our overall claims ratio came down by 25.0 % pts since 2012 and hence corresponding claims costs are much lower than before. This, together with lower administration costs, secured profitability even though the GWP-development is clearly negative.

After sustaining the product side this way in 2012-2014 – in 2015 we were able to see the consequences of this development now in its fourth year which we consider meanwhile as sustainable. In 2015 again claims costs came out 4.3 % pts lower than 2014.

The fundamental shift in product profitability formed the base for the "E20"-program in which we will create a common Nordic Product suite. This new generation product suite, next of being commonly "Nordic", will also be horizontally and vertically modular in accordance to our Insurance Modular Design (IMD). Thus standard components will be re-used in our Private as well as Corporate and/or Credit Card offerings. This approach will reduce handling costs and improve efficiency as underlying support and handling processes will be defined per general product component instead as per end-consumer or partner product. In addition we began in 2015 to develop next generation pricing features based on linear pricing models.

Within our product and market approach the so-called Business Compliance-approach continues to strike out. We have also used the year 2015 to further strengthen our Corporate insurance solution offerings by an increasing focus on compliance. We perceive it as part of our professional claim to be Sweden's market leader in Corporate travel insurance to anticipate, enriched by our professional experience as well as our worldwide network, future key industry trends. In this context it is self-evident that the need for waterproof compliant solutions has risen steadily over the last years and this trend will intensify even more so in the coming 2-4 years. Recent rulings of the European Court of Justice have confirmed that compliance is not only a challenge for the involved insurance companies. To the contrary but still widely unnoticed by professional buyers, eventually even the Insured parties themselves face obligations to ensure regulatory and tax compliance of the solutions they entertain for their respective staff abroad. They also can be made liable for failure to do so. It becomes more and more apparent that less specialized insurers face serious challenges and costs to enable appropriate compliance solutions and insurance facilities over the next years. Step-by-step ERV has since 2012 adjusted its structure to the foreseeable needs. We have continued in 2015 to invest heavily in highly skilled personnel, our dedicated international business compliance team as well as our various technical and financial monitoring features to enable again a trusted and bespoke benchmark solution to our customers. We have entered in a dialogue with the local regulators to have specific alternative protection solutions officially approved and we have further widened our global network to offer business compliant solutions (through trusted partnerships) even in countries where ERV Group stand alone or with our mother company MunichRE Group has no self-owned insurance facility available. We strongly believe that the next 2-3 years will see decisive changes in this area and we are satisfied that we were able to work on the needed strategic shift for the last 2 years now with high intensity which should eventually also lead to edging commercial results.

DISTRIBUTION AND CLAIMS HANDLING

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

Distribution via Internet continues to alter and change distribution at large. We will continue to develop new state-of-art 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. In the context of the "E20"-program we have began in 2015 to completely relaunch our web presence – with impressive results. Online sales improved by 20 % over the year.

Our new sales organization of new Key Account managers as well as dedicated staff for Offering, Bid and Channel Management started to get traction in 2015. A number of contacts to larger accounts were initiated of which we hope to see some new relationships materializing in 2016. In this context we also began to work on improving our offering strength in a Nordic sense, meaning for policy and claims handling solutions in Norway and Finland. These will be forthcoming in 2016. When it comes to improvement of existing offerings namely our Business Management unit has been working on replacing our existing VIP-Online solution by a new and technically fundamentally advanced Travel Risk alert and management service which has been developed together with GWS, a Lund-based Swedish (travel) risk information and technology firm. The website based VIP-portal was successfully relaunched end of 2015, whereas a Travel App will be launched during first quarter 2016.

Within the 3-in2-Program we have in 2014 continuously worked on the underlying process driven roadmaps and have checked on base of a Process Heatmap a multitude of handling processes mostly in our Claims and Customer Support/Administration departments. This has effectively led to significantly improved processes and workflows. With a significantly reduced number of staff our service KPI's have been improved. Thus it is obvious that our main targets of process improvement work have been achieved by the 3-in-2 Program, namely higher productivity at lower unit costs. This work continued in 2015 in the context of the "E 20"-Program where we have started to transform experiences from the last years looking forward to the new Nordic business architecture. A good many of our so-called Strategic Business Requirements (SBR's) for the successful transformation within the "E 20"-Program are dealing with process improvements for lean and efficient management of tasks but also creating higher customer satisfaction on basis of reduced handling times and higher first touch point resolution levels. It is the aim of the "E 20"-Program to leverage this on basis of a joint IT-System across both our Swedish and our Danish operation during 2016-2018.

EXPECTED FUTURE DEVELOPMENT 2016-

ERV´s perspective is that both Leisure and Corporate travel, including expatriates stationed abroad will support a long-term stable growth environment, which is mainly influenced by the fluctuations of the general economic situation. Supplemented with different Affinity and especially Card products the Company is expected to maintain a well diversified business also in 2016.

The long-term sales trend is expected to rise slightly in 2016, however it seems ambitious from today's perspective to meet this year's Budget fully as we during 2015 have lost a large Travel account. Efforts are ongoing to balance this lost business with new business in Cards and other Leisure business. We expect that the successful restructuring of our Sales Department will support these efforts during 2016 when all our new team members will increasingly gain traction.

For 2016, there is some continued uncertainty how the Swedish economy will deal with recent developments in Europe's economy and politics since Sweden's industry at large has performed quite well over the last 3 years. All in all, uncertainty is especially about low interest rates, financing of large budget deficits in various southern European countries, the Euro's future, consequences of the fiscal cliff in the US as well as undefined political situations for instance in Ukraine, Islamic Terror Attacks and also consequences of immense refugee waves that hit central and Northern Europe as consequence of the Civil War in Syria. As for the last 3-5 years it seems more and more difficult than before to anticipate future trends. It might well be that travelers for the year 2016 become less eager to leave their home countries for vacation. Yet the growing number of conflicts and risks on a worldwide scale prove the evident need and usefulness of next generation service and information such as ERV's Travel Risk App.

The Company is in the long run affected by many external factors that cannot be influenced like unemployment, interest rates, fuel prices, etc. These potentially influence people's and companies' consumption and thus ultimately may impact travel patterns and travel frequency.

The Company takes full responsibility of course for its product- and skills development, for work processes and customer service. The company has for decades now held the position as the leading travel insurance company in Sweden, creating many of the products and services several competitors have adopted. The Company will continue to drive this development very closely with the various stakeholders concerned. However, the Company will continue to screen large parts of the portfolio and re-underwrite significant business components where necessary.

In summary, the Company stands on a solid foundation and the position in the Swedish market remains very strong. The Company's strengthened management team, is determined to address the identified Nordic strategy and restructuring program "E 20" and will execute the defined milestones for 2016 accordingly.

INFORMATION ABOUT NON-FINANCIAL PERFORMANCE INDICATORS

The company has continued its work to develop various control and management tools 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. Also in 2015 we have conducted research on our brand awareness and continued with various customer- and employee satisfaction indexes.

INFORMATION ABOUT RISKS AND UNCERTAINTIES

In addition to the risks that are described in Note 2, the Company has a limited number of large cooperation- or customer contracts which at termination could lead to staff redundancies. Overall the company reduced its dependency on large accounts further in 2015.

FINANCIAL INSTRUMENTS

The Company applies a very strict and conservative investment policy. The company has chosen 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 established guidelines and instructions for the financial activities.

More information on financial instruments and the company's risk management can be found in Note 2.

RISK AND COMPLIANCE

In 2015 the decisions about staffing specialist support on matters concerning risk control and compliance were further continued. Our independent risk control function 2014 and first half of 2015 was supported together with ERGO Group. The compliance function on the other hand was supported with our mother ERV Group. The company's Risk and Compliance functions have with the Company's assistance gone through the company's processes and risks and noted cases where the company lacks documentation. We have acted on these matters and further improved our reporting standards on Risk Management and monitoring by Management and Board level. In early 2015 we hired a new independent Risk Manager function on Nordic level and by mid-year the new function started to become active. Impacts are becoming more and more visible and are in-line with the Solvency II-regulation valid from 01.01.2016.

SOLVENCY II

The Group operates several projects for the various elements of Solvency II. Group Parent company Munich RE ambition is to be at the forefront of Solvency II-implementation and preparations have since years been well advanced. The Group believed throughout 2015 being well prepared for Solvency II. We have during 2014 started to test various aspects of reporting (ORSA, ELC, ICS) and new reporting systems have been developed to meet the requirements. Work continued in 2015 on a detailed data level to conclude the next test and preparation levels including economic balance sheet. We supported Solvency II work in 2015 by hiring a Solvency II resource in Denmark and a dedicated consultant in Sweden. The efforts resulted to an in-time completion of all relevant S II standards by 01.01.2016. We have been in an individual dialogue with the Swedish FSA on our Solvency II readiness which proved to be very helpful. Further reporting detailing and work on processes and documentation will be continued in 2016.

WAGES AND COMPENSATION

More information about salaries and compensation can be found in Note 33.

Proposed Appropriation of Earnings (SEK)

Earnings at the disposal of the General Meeting of shareholders:

SEK

Profit brought forward from 2014	120 070
Fair value reserve	2 406 391
Result of the year	7 793 510
Total unappropriated earnings	10 319 971
The Board proposes, to be distributed to the shareholders	-7 000 000
to carry forward to new account	3 319 971

Five-year overview

Result (SEK Thousand)	2015	2014	2013	2012	2011
Insurance operations					
Gross premiums for own account	231 677	255 822	299 276	421 672	385 857
Net premiums earned	233 353	265 521	321 200	398 994	381 192
Net investment income of the insurance operations	0	1 057	2 061	3 322	3 287
Net claims incurred	-103 761	-129 361	-194 141	-277 249	-228 892
Net technical result, insurance operations	-3 249	12 520	-1 909	-11 930	-2 388
Profit for the year	7 794	15 927	1 594	-317	312
Economic Status					
Investment assets at current value	241 904	276 382	331 247	298 477	284 881
Technical provisions for own account	94 935	102 660	186 544	205 732	154 600
Shareholders' equity	22 480	32 040	13 712	13 442	16 291
Untaxed funds	124 950	133 357	133 357	133 357	141 057
Deferred tax liability	709	1 343	665	1 039	2 218
Deferred tax assets	-1 150	-1 174	-1 182	-1 244	-1 506
Total consolidation capital	146 989	156 566	146 552	146 594	158 060
Capital base	143 808	165 397	147 069	146 036	155 211
Required solvency margin	49 082	34 188	63 395	63 395	69 783
Key figures					
Claims ratio in percent, for own account [1]	44,5	48,7	60,5	69,5	60,0
Expense ratio in percent, for own account [2]	57,3	47,9	41,0	34,8	41,9
Combined ratio in percent, for own account[3]	101,7	96,6	101,5	104,3	101,9
Solvency ratio in percent[4]	63,4	65,2	49,4	35,1	41,4
Direct yield of investments in percent[5]	3,5	3,5	3,2	3,8	3,4
Total yield of investments in percent[6]	2,4	4,8	2,8	4,5	5,3

Statement of Income

Technical account of insurance operations (SEK Thousand)	Note	2015	2014
Premium earned (for own account)			
Premium income (before reinsurance ceded)	3	239 059	266 920
Reinsurance premiums ceded		-7 382	-11 098
Change in provision for unearned premiums and remaining risks		1 698	9 730
Reinsurers' share of change in provision for unearned premiums and remaining risks		-22	-31
Total premium earned (for own account)		**233 353**	**265 521**
Investment income allocated from non-technical account	4	**0**	**1 057**
Other technical income (after reinsurance ceded)	5	**813**	**2 375**
Claims incurred (for own account)			
Claims paid	6		
Gross		-112 380	-139 708
Reinsurers' share		2 570	7 737
Change in provision for outstanding claims			
Gross		6 554	6 777
Reinsurers' share		-505	-4 167
Total claims incurred (for own account)		**-103 761**	**-129 361**
Operating expenses	7	**-133 654**	**-127 072**
TECHNICAL RESULT OF INSURANCE OPERATIONS		**-3 249**	**12 520**

Non-technical account

Technical result of insurance operations		**-3 249**	**12 520**
Investment income	8	9 042	13 230
Investment expenses	9, 10	-6 174	-5 159
Unrealised losses on investments		0	-1 057
Result after investment income		**-381**	**19 534**
Other income	11	1 569	500
Other expenses	12	-	-5
Result before appropriations and tax		**1 188**	**20 029**
Appropriations			
Change in safety reserve		8 407	-
Result before tax		**9 595**	**20 029**
Tax on profit	13	-1 801	-4 102
RESULT FOR THE YEAR		**7 794**	**15 927**

Total Result For The Year

(SEK THOUSANDS)	2015	2014
Result for the year	**7 794**	**15 927**
Other total result		
Change in Fund for Current value of investments that may be sold	-2 354	2 401
Sum other total result	**-2 354**	**2 401**
Total result for the year	**5 440**	**18 328**
Tax related to above total result	-664	677

Balance Sheet

ASSETS (SEK THOUSAND)	Note	2015-12-31	2014-12-31
Intangible assets			
Other Intangible assets	14	**3 622**	**-**
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
Bonds and other fixed-income securities	16,17	215 714	253 195
Total investments		**217 752**	**255 233**
Reinsurers' share of technical provisions			
Provision for unearned premiums and remaining risks	18	153	175
Provision for claims outstanding	19	181	686
Total reinsurers' share of technical provisions		**334**	**861**
Receivables			
Receivables arising out of direct insurance operations	20	12 035	12 460
Receivables arising out of reinsurance operations		17	195
Other receivables	21	31 269	32 036
Total receivables		**43 321**	**44 691**
Other assets			
Fixed and tangible assets and inventories	22	581	511
Cash at bank		24 152	21 149
Current prepaid tax		5 066	2 708
Deferred tax assets		1 150	1 174
Total other assets		**30 949**	**25 542**
Prepaid expenses and accrued income			
Accrued interest income		4 058	4 684
Deferred acquisition cost	23	12 153	14 006
Other deferred expenses and accrued income	24	3 332	3 308
Total prepaid expenses and accrued income		**19 543**	**21 998**
TOTAL ASSETS		**315 521**	**348 325**

EQUITY, PROVISIONS AND LIABILITIES (SEK THOUSAND)	Note	2015-12-31	2014-12-31
Shareholders' equity			
Share capital (20.000 shares with par value of SEK 500 each)		10 000	10 000
Statutory reserve		2 160	2 160
Fair value reserve		2 407	4 761
Profit/loss brought forward		119	-808
Profit brought forward incl current year result		7 794	15 927
Total shareholders' equity		**22 480**	**32 040**
Untaxed reserves			
Equalisation reserve		**124 950**	**133 357**
Technical provisions (before reinsurance ceded)			
Provision for unearned premiums and remaining risks	25	56 647	58 345
Provision for claims outstanding	26	38 622	45 176
Total technical provision (before reinsurance ceded)		**95 269**	**103 521**
Provisions for other risks and charges			
Deferred tax liability	27	709	1 343
Total provisions for other risks and charges		**709**	**1 343**
Liabilities			
Liabilities arising out of direct insurance operations	28	16 670	24 330
Liabilities arising out of reinsurance operations		1 465	2 010
Other liabilities	29	27 330	28 479
Total liabilities		**45 465**	**54 819**
Accrued expenses and prepaid income			
Reinsurers' share of prepaid acquisition cost		35	29
Other accrued expenses and prepaid income	30	26 613	23 216
Total accrued expenses and prepaid income		**26 648**	**23 245**
TOTAL SHAREHOLDER'S EQUITY, PROVISIONS AND LIABILITIES		**315 521**	**348 325**
Pledged assets and contingent liabilities	31		
Pledged assets		218 572	256 301
Contingent liabilities		20 981	22 003
Commitments		None	None

Report on Changes in Sharholders' Equity

SEK Thousand	Restricted equity		Non-restricted equity		Total
	Share Capital	Statutory reserve	Fair value reserve	Retained earnings + Result for the year	
BF Balance 2014-01-01	10 000	2 160	2 360	-808	13 712
Result of the year				15 927	15 927
Other total result			2 401		2 401
CF balance 2014-12-31	**10 000**	**2 160**	**4 761**	**15 119**	**32 040**
BF balance 2015-01-01	10 000	2 160	4 761	15 119	32 040
Result of the year				7 794	7 794
Other total result			-2 354		-2 354
Dividend				-15 000	-15 000
CF balance 2015-12-31	**10 000**	**2 160**	**2 407**	**7 913**	**22 480**

Analysis of Result for Current Year 2015

(SEK THOUSAND)	Accident/ sickness	Home and House	Total
Technical Result of insurance operations			
Premium earned (for own account)	0	233 353	233 353
Investment income allocated from non-technical account	0	0	0
Other technical income (after reinsurance ceded)	0	813	813
Claims paid (for own account)	0	-109 810	-109 810
Change in provision for outstanding claims (for own account)	0	6 049	6 049
Operating expenses	-2 596	-131 058	-133 654
Technical Result of insurance operations	**-2 596**	**-653**	**-3 249**
Claims run off result (before reinsurance ceded)	0	-14 262	-14 262
Technical provisions (before reinsurance ceded)			
Provision for unearned premiums and remaining risks	0	56 647	56 647
Provision for claims outstanding	0	38 622	38 622
Technical provisions (before reinsurance ceded)	**0**	**95 269**	**95 269**
Reinsurers' share of technical provisions			
Provision for unearned premiums and remaining risks	0	153	153
Provision for claims outstanding	0	181	181
Total reinsurers' share of technical provisions	**0**	**334**	**334**
Premium earned (for own account)			
Premium income (before reinsurance ceded)	0	239 059	239 059
Reinsurance premiums ceded	0	-7 382	-7 382
Change in provision for unearned premiums and remaining risks	0	1 698	1 698
Reinsurer's share of change in provision for unearned premiums and remaining risks	0	-22	-22
Claims incurred (for own account)			
Claims paid, gross	0	-112 380	-112 380
Reinsurer's share	0	2 570	2 570
Change in provision for outstanding claims, gross	0	6 554	6 554
Reinsurer's share	0	-505	-505

Cash Flow Analysis Direct Method

(SEK THOUSAND)	2015	2014
Current business		
Premiums paid	240 251	250 065
Premiums paid to reinsurers	-7 204	-10 506
Claims paid	-120 040	-208 718
Claims paid from reinsurers	2 019	7 067
Operating expenses	-129 138	-107 418
Other payments	3 008	3 367
Paid tax	-4 768	1 267
Cash flow from current business	**-15 872**	**-64 876**
Investment business		
Direct yield*	2 868	8 071
Investments in financial investment assets	-91 826	-408 962
Sales of financial investment assets	126 965	460 707
Investments in intangible assets	-3 622	0
Sales of intangible assets	0	0
Investments in fixed and tangible assets	-510	-461
Sales of fixed and tangible assets	0	0
Cash flow from investment business	**33 875**	**59 355**
Finance business		
Dividend	-15 000	-
Cash flow from finance business	**-15 000**	**0**
Total cash flow	**3 003**	**-5 521**
Liquid assets at the beginning of the year	**21 149**	**26 670**
Liquid assets at the end of the year	**24 152**	**21 149**
*** Included in direct yield:**		
Paid interest income	4 784	5 819
Paid interest cost	-79	-22
Sum	**4 705**	**5 797**
****Included in liquid assets**		
Cash at bank	24 152	21 149
Sum	**24 152**	**21 149**

Notes to the Financial Report

Note 1: Accounting Principles

GENERAL INFORMATION

The annual report is submitted for fiscal year 2015 and refers 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 6th of April 2016. ERV Försäkrings-aktiebolag (publ) is a completely owned subsidiary of 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 accordance with the Swedish Annual Accounts Act for Insurance Companies (ÅRFL) and the Financial Supervisory Authority's regulations and general guidelines on annual accounts of insurance companies (FFFS 2008:26 and its amending regulations).

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 regularly 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 2015 the Company has not changed their accounting principles.

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. Changes in exchange rates are recognized in the income statement net under Investment income or Investment expenses.

INSURANCE AGREEMENTS – CLASSIFICATION

The Company issues insurance agreements which means 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 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 is 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 is 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 vary 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.

Reinsurer's 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 2015 amounts to 0.00 %.

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 Shareholder's Equity, and then the appropriate tax effect is also accounted to the total result or Shareholder's 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 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 the age of 62.

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

Note 2: Information on Risks

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. Continuous risk management is a competitive advantage and also increases the customer's confidence in the company.

For some years, the Company has started working on an internal control system (ICS), which aims to operational activities are made aware of the risks, identifies, monitors, measure, control and document them. In addition to this, the Company also has an independent actuary, a risk and compliance function and an internal auditor.

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.

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.

Internal control systems

The Company has reviewed its processes and identified risks within these processes, Risk Control Assessment (RCA). In all RCA is that described what kind of risk, who owns or is responsible for the risk, control made or to be made, consequences, etc. Monitoring is conducted annually and reporting shall be made by the Risk Management function to the Board.

Risk Management and Compliance

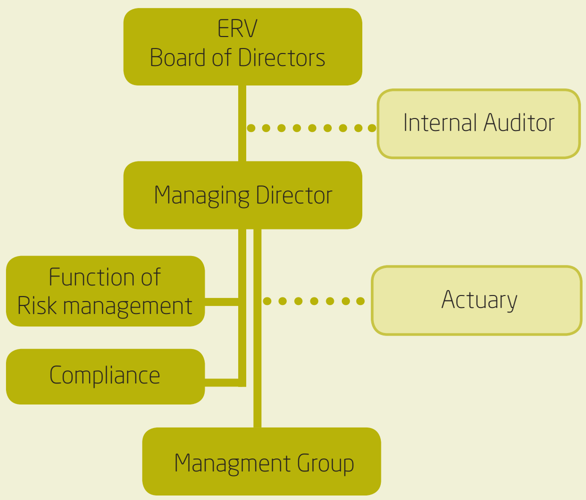
The Company has two separate functions in risk management and compliance where a person works solely on risk management function and another person working exclusively with the function compliance. Both people are employed in the Company Group and specialize in these issues and upcoming changes within the context of Solvency II.

The Company's independent Risk Management and Compliance function, shall with the Company's help go through all the Company's processes and its risks and note where the Company has no documentation about the risk of a process alternative where control of risk is not performed. Monitoring is done by the Board to ensure that documentation and control measures are in place and followed. The company regularly conducts training programs in combination with clear processes and job descriptions to ensure that risk control functions throughout the organization and that all employees understand their role and responsibilities.

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.

The Company's risk management organisation at Dec 31, 2015



Risks in 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 may also choose to reduce the underwriting risk by reinsuring part of the 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 to 2/3 with duration of one to two weeks and for 1/3 annual insurances.

Insurance contracts for Leisure Travel Insurance have during the year to 100% consisted of insurance where the insurance period was less than 1 year. For direct contract with the customer generally no renewals exists, instead insurance is linked to a specific trip. In agreement with the agent is a built right of the Company to terminate the dealership agreement if no time limit discussed or that Company declines renovation or change the terms and conditions applicable to resale contract at renewal.

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 carefully 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 the Company may accept per loss for various types of insurance risks, the Company's retention level, is set by a central underwriting department within the Company group and the Board of Directors is informed .

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 350 TEUR 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, the Company has primarily chosen to work with the business concepts of Leisure Travel Insurance, Corporate Travel Insurance, Card Travel Insurance and Other Insurance. The Company therefor sets its budget, its forecasts, outcome and rolling 12-months' comparisons, etc. on the basis of the selected business concepts.

Leisure Travel Insurance

The Company 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. The Company 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.

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. The Company monitors claim frequencies and cost developments very carefully.

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 regarding the objects insured.

Risk Exposure

The Company'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 regarding 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 the net exposure (retention level) of the Company.

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 the Company, 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
- requirements for regulatory documents.

Compliance risks

The risk that the laws, regulations and internal rules etc. are not followed is defined as compliance risk. To minimize this risk, the Company has appointed two people with a focus on regulatory compliance, one in risk management and the other in compliance.

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, 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 regarding 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 2 years. In the event of changes in interest rates in the market, the financial effect on the Company would be limited. The purpose of this cautious investment strategy is to protect the interests of policyholders regarding payments and to comply with the laws and regulations in Sweden. The company's internal policy for liability coverage also imposes stricter requirements, 120 % of the debt coverage, than the legal requirements for liability coverage. Register for liability coverage exists as the Company updates monthly.

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. The agreements with agents and representatives stated that the payments relating to insurance premiums, as an agent or representative received, is reporting means for the Company and shall be kept separate from their own and for account of the funds received.

In respect of reinsurance, the Company will not enter into reinsurance contracts unless the rating of the reinsurer is at least BBB-. Exceptions can be made if the company can reserve the right to bank guarantee, premium depot or similar solution.

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 is slightly longer than for technical liabilities and therefore the company has more liquidity to secure the technical obligations. The Cash Flow Analysis, see separate Financial Report in the Annual Report, illustrates the liquidity situation of the Company. Special liability coverage policy is prepared in the company setting the handling of liability coverage to be made. Records of the Company's investments and debts are kept and updated once per month. Specific written instructions from the CEO to the controllers.

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

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
2015					
Average claims cost	+10 %	42 484	42 147	5 888	17 958
Average number of claims	+10 %	42 484	42 147	5 888	17 958
Average premium increase	+2 %			13 762	25 730
2014					
Average claims cost	+10 %	49 694	48 814	15 705	26 765
Average number of claims	+10 %	49 694	48 814	15 705	26 765
Average premium increase	+2 %			24 839	31 690

Actual Claims compared with Previous Estimations

TSEK	2010	2011	2012	2013	2014	2015	Total
Estimated final claims cost at the end of claims year (gross)	309 248	270 589	292 619	203 019	145 509	121 407	1 342 390
One year later	299 959	263 522	276 890	158 952	132 091		–
Two years later	289 830	274 272	251 704	157 443			–
Three years later	293 424	262 336	251 830				–
Four years later	288 130	261 842					–
Five years later	288 485						–
Estimated final claims cost 2015-12-31	288 485	261 842	251 830	157 443	132 091	121 407	1 213 098
Accumulated claims paid	288 059	261 660	251 290	156 443	128 427	90 000	1 175 880
Provision for claims outstanding	426	182	541	1 000	3 664	31 406	37 219
Accumulated surplus/deficit	20 763	8 747	40 789	45 576	13 418	0	–
Surplus/deficit in % of initial claims cost	6,71 %	3,23 %	13,94 %	22,45 %	9,22 %	0,00 %	-
Reconciliation of balance sheet	**2010 +Prev. years**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Provision for claims outstanding before discounting	1 829	182	541	1 000	3 664	31 406	38 622
Discount effect							0
Total provision for claims outstanding accounted for in the balance sheet							**38 622**

Actual Claims compared with Previous Estimations

TSEK	2009	2010	2011	2012	2013	2014	Total
Estimated final claims cost at the end of claims year (gross)	291 218	309 248	270 589	292 619	203 019	145 509	1 512 202
One year later	278 324	299 959	263 522	276 890	158 952		–
Two years later	288 318	289 830	274 272	251 704			–
Three years later	290 810	293 424	262 336				–
Four years later	291 637	288 130					–
Five years later	293 117						–
Estimated final claims cost 2014-12-31	293 117	288 130	262 336	251 704	158 952	145 509	1 399 748
Accumulated claims paid	291 885	288 062	261 735	249 573	155 021	109 676	1 355 952
Provision for claims outstanding	1 232	68	601	2 131	3 932	35 833	43 797
Accumulated surplus/deficit	-1 898	21 118	8 253	40 915	44 067	0	–
Surplus/deficit in % of initial claims cost	-0,65 %	6,83 %	3,05 %	13,98 %	21,71 %	0,00 %	-
Reconciliation of balance sheet	**2009 +Prev. years**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Provision for claims outstanding before discounting	2 611	68	601	2 131	3 932	35 833	45 176
Discount effect							0
Total provision for claims outstanding accounted for in the balance sheet							**45 176**

types of market risks: 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 provisions are also affected by changes in market interest through the discounting used.

Sensitivity analysis - interest rate risk

The impact on interest income over the next twelve months at an interest rate increase of 1 percentage point at the balance sheet date amounted to -/+ 2.157 TSEK (previous year -/+ 2.532 TSEK) – given the interest-bearing assets and liabilities that exist at the balance sheet date.

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. The Company's amount insured is 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 has according to internal investment policies and guidelines a small part of investments 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 regarding the kinds of investment assets that shall apply, average life and what minimum rating the issuer must have.

At 31.12.2015 the Company has 217.7 MSEK 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 largest single effect is changes in the interest situation when assets are invested in interest-bearing securities.

The solvency ratio of the Company is shareholder's equity in relation to the Company's guaranteed commitments. The required solvency margin for the Company at 31.12.2015 is 49.082 TSEK.

Credit quality of classes of financial asset %

	AAA	AA	A	BB	BBB	No rating	Percent %
Bonds and other interest-bearing securities							
• Treasury bills	100						0
• Swedish State	100						53
• Swedish housing finance institutions	100						35
• Foreign State	100						11
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

Analysis of sensitivity attributable to interest rate risk

Assumption TSEK	Assets on the balance sheet date (fair value)	Changes in interest rates %	Effect on Share-holder's Equity	Effect on the result for the year
2015				
Treasury bills	0	+1 %	0	0
Bonds, Swedish governmental	116 386	+1 %	-1 164	-1 164
Housing Finance Institution, Swedish governmental	74 995	+1 %	-750	-750
Bonds, Foreign governmental	24 333	+1 %	-243	-243
Total			**-2 157**	
2014				
Treasury bills	0	+1 %	0	0
Bonds, Swedish governmental	160 718	+1 %	-1 607	-1 607
Housing Finance Institution, Swedish governmental	74 855	+1 %	-749	-749
Bonds, Foreign governmental	17 623	+1 %	-176	-176
Total			**-2532**	

Analysis of sensitivity attributable to interest rate risk

Assumption TSEK	Assets on the balance sheet date (fair value)	Changes in interest rates %	Effect on Share-holder's Equity	Effect on the result for the year
2015				
Treasury bills	0	-1 %	0	0
Bonds, Swedish governmental	116 386	-1 %	1 164	1 164
Housing Finance Institution, Swedish governmental	74 995	-1 %	750	750
Bonds, Foreign governmental	24 333	-1 %	243	243
Total			**2 157**	
2014				
Treasury bills	0	-1 %	0	0
Bonds, Swedish governmental	160 718	-1 %	1 607	1 607
Housing Finance Institution, Swedish governmental	74 855	-1 %	749	749
Bonds, Foreign governmental	17 623	-1 %	176	176
Total			**2 532**	

Analysis current maturities of assets, liabilities and technical provisions (kkr)

Assets	<3 months	3 months -1 year	1-5 years	>5 years
Bonds and other fixed-income securities	5 543	85 062	125 109	
Receivables	31 269			
Reinsurers' share of technical provisions	153		181	
Liabilities				
Liabilities regarding direct insurance	16 670			
Liabilities regarding reinsurance				
Other liabilities	26 190		1 140	
Technical provisions		56 647	38 622	

Notes

Notes 3 - 36

(SEK Thousand)

Note 3 Premium income

	2015-12-31	2014-12-31
	Gross	Gross
Direct insurance, Sweden	220 619	255 808
Direct insurance, Foreign	17 925	10 621
Reinsurance assumed	515	491
Total	**239 059**	**266 920**

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 0.00 % has been used which was the average interest rate of 90 days STIBOR for year 2015.

Note 5 Other technical income

	2015-12-31	2014-12-31
Brokering of insurance business	813	2 375
Total Other technical income	**813**	**2 375**

Note 6 Claims incurred

	Before reinsurance ceded	Reinsurers' share	For own account
Claims paid			
Claims paid	99 634	-2 570	97 064
Operating expenses for claims adjustment	12 746	-	12 746
Total	**112 380**	**-2 570**	**109 810**
Change in provision for outstanding claims			
Change in provision for incurred and reported claims	-4 266	505	-3 761
Change in provision for incurred but not reported claims	-2 288	0	-2 288
Total	**-6 554**	**505**	**-6 049**
Total Claims incurred	**105 826**	**-2 065**	**103 761**

(SEK Thousand)

Note 7 Operating expenses

	2015-12-31	2014-12-31
Acquisition costs	66 660	76 616
Change in deferred acquisition costs	1 853	-1 623
Management expenses	66 248	54 087
Commission and profit share from reinsurance operations	-1 114	-2 008
Change in deferred commission and profit share from reinsurance operations	7	0
Total operating expenses in insurance	**133 654**	**127 072**

Total oper. exp. categorized by functions

	Investment mgt	Acquisition	Claims adjustm.	Administration	Total
Cost of staff		11 838	8 415	43 734	63 987
Cost of premises				4 024	4 024
Depreciation				450	450
Acquisition costs incurred, for own account		49 474			49 474
Other	209	6 094	4 331	18 040	28 674
Total	**209**	**67 406**	**12 746**	**66 248**	**146 609**

The company has leased cars where contracts run for three years. The total cost for the lease payments were 31 TSEK (56 TSEK). Agreement according to amounts payable within one year is 58 TSEK (14 TSEK).

Auditors fee	2015-12-31	2014-12-31
Annual audit	909	1 088
Tax consultation	-	30
Total	**909**	**1 118**

Note 8 Investment income

	2015-12-31	2014-12-31
Interest income etc.		
Bonds and other fixed-income securities	8 628	10 259
Other interest income*	214	244
Gain on foreign Exchange currency rates, net	200	71
Gain on disposal of investments		
Bonds and other fixed-income securities	0	2 656
Total investment income	**9 042**	**13 230**
* Thereof from group companies	–	-

Note 9 Investment expenses

	2015-12-31	2014-12-31
Interest expenses etc.		
Other interest expenses	79	22
Investment management expenses*	209	255
Loss on disposal of investments		
Bonds and other fixed-income securities	5 886	4 882
Total investment expenses	**6 174**	**5 159**
* Whereof investment management fee TSEK 209 (255).		

(SEK Thousand)

Note 10 Net result per category of financial investment

	Finansiella instrument som kan säljas	Summa
Financial assets		
Bonds, the Swedish Government	2 742	2 742
Total	**2 742**	**2 742**

Note 11 Other income

	2015-12-31	2014-12-31
Revenue regarding claims service	1 569	500
Total other income	**1 569**	**500**

Note 12 Other expenses

	2015-12-31	2014-12-31
Expenses regarding claims service	-	5
Total other expenses	**0**	**5**

Note 13 Tax for the year

	Procent	2015-12-31	Procent	2014-12-31
Result before tax		9 595		20 029
Tax according to current rate (22.0 %)	-22 %	-2 111	-22 %	-4 405
Tax on non deductible costs (22.0 %)	-1 %	-99	0 %	-72
Not activated tax asset	5 %	464	2 %	383
Deferred Tax	-1 %	-55	0 %	-8
Total tax for the year	**-19 %**	**1 801**	**-20 %**	**4 102**

Note 14 Other Intangible assets

	2015-12-31	2014-12-31
Capitalized development costs and similar items*		
Accumulated capitalized development costs and similar items	-	-
Balance brought forward	0	-
Internally developed assets during the year	3 622	-
Disposal/sale of developed assets	-	-
Balance carried forward	3 622	0
Accumulated depreciation according to plan		
Balance brought forward	0	-
Depreciation for the year	0	-
Disposal/sale	-	-
Balance carried forward, accumulated depreciation	0	0
Total residual value according to plan	**3 622**	**0**

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

(SEK Thousand)

Note 15 Shares and participations in associated and affiliated companies

	Corp.identity 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	**2015**	**2014**	**2015**	**2014**
Bonds, Swedish governmental	116 386	160 717	115 559	159 114
Housing finance institution, Swedish governmental	74 995	74 855	72 600	71 606
Bonds, Foreign	24 333	17 623	24 470	16 372
Total shares and participations	**215 714**	**253 195**	**212 629**	**247 092**
Positive difference because the book value exceeds the nominal values	**3 085**	**6 103**		

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

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

	Total booked value	Total current value	Accrued acquisition value
Listed securities			
Bonds, Swedish Governmental	116 386	116 386	115 559
Mortgage bonds, the Swedish Governmental	74 995	74 995	72 600
Bonds, Foreign	24 333	24 333	24 470
Total	**215 714**	**215 714**	**212 629**

*All financial assets are classified as level 1

Note 18 Provision for unearned premiums and remaining risks

	2015-12-31	2014-12-31
Reinsurers' share		
Balance brought forward	175	206
Change in provision	-22	-31
Balance carried forward	**153**	**175**

Note 19 Provision for claims outstanding

	2015-12-31	2014-12-31
Reinsurers' share		
Brought forward incurred and reported claims	686	2 929
Change in incurred and reported claims	-505	-2 243
Brought forward incurred but not reported claims	0	1 923
Change in incurred but not reported claims	0	-1 923
Balance carried forward	**181**	**686**

(SEK Thousand)

Note 20 Receivables arising out of direct insurance operations

	2015-12-31	2014-12-31
Policyholders	4 411	4 326
Agents/brokers	7 624	8 134
Total receivables arising out of direct insurance operations	**12 035**	**12 460**

Note 21 Other receivables

	2015-12-31	2014-12-31
Receivables from associated companies	10 029	10 029
Receivables from group companies	3 137	3 628
Receivables from employees	5	6
Receivables from other companies	18 098	18 373
Total Other receivables	**31 269**	**32 036**

Note 22 Fixed and tangible assets and inventories

	2015-12-31	2014-12-31
Accumulated purchase value		
Balance brought forward	10 873	10 412
Acquisitions for the year	510	461
Balance carried forward, purchase value	**11 383**	**10 873**
Accumulated depreciation according to plan		
Balance brought forward	-10 362	-9 974
Depreciation for the year	-440	-388
Balance carried forward, accumulated depreciation	**-10 802**	**-10 362**
Total residual value according to plan	**581**	**511**

Note 23 Deferred acquisition cost

	2015-12-31	2014-12-31
Brought forward deferred acquisition cost	14 006	12 383
Depreciation for the year	-14 006	-12 383
Activation for the year	12 153	14 006
Carried forward deferred acquisition cost	**12 153**	**14 006**
The acquisition cost have a depreciation time up to one year		

Note 24 Other deferred expenses and accrued income

	2015-12-31	2014-12-31
Prepaid office rent	743	842
Prepaid employee benefits	115	117
Other deferred expenses	641	607
Accrued income	1 833	1 742
Total	**3 332**	**3 308**

(SEK Thousand)

Note 25 Provision for unearned premiums and remaining risks

	2015-12-31	2014-12-31
Balance brought forward	58 345	68 075
Written insurance during the period	239 059	266 920
Earned premiums during the period	-240 757	-276 650
Balance carried forward	**56 647**	**58 345**

Note 26 Provision for claims outstanding

	2015-12-31			2014-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
BF Incurred and reported claims	29 546	686	28 860	79 410	2 931	76 479
BF Incurred but not reported claims	15 630	0	15 630	44 117	1 921	42 196
Balance brought forward	**45 176**	**686**	**44 490**	**123 527**	**4 852**	**118 675**
Change in expected cost for claims PY	-14 262	0	-14 262	-41 924	-1 923	-40 001
Other adjustments	7 708	-505	8 213	-36 427	-2 243	-34 184
Balance carried forward	**38 622**	**181**	**38 441**	**45 176**	**686**	**44 490**
BCF Incurred and reported claims	25 280	181	25 099	29 546	686	28 860
BCF Incurred but not reported claims	13 342	0	13 342	15 630	0	15 630

Note 27 Provisions other

	2015-12-31	2014-12-31
Deferred tax concearning fund for unrealised gains	709	1 343
Total	**709**	**1 343**

Note 28 Liabilities arising out of direct insurance operations

	2015-12-31	2014-12-31
Agents / brokers	11 423	16 467
Policyholders	5 247	7 863
Total	**16 670**	**24 330**

Note 29 Other liabilities

	2015-12-31	2014-12-31
Accounts payable	24 649	24 581
Liabilities group company	861	1 857
VAT	680	860
Insurance tax	1 140	1 180
Other	-	1
Total	**27 330**	**28 479**

(SEK Thousand)

Note 30 Other accrued expenses and prepaid income

	2015-12-31	2014-12-31
Accrued expenses	17 348	14 430
Special payroll tax	8 138	7 841
Other expenses	1 127	945
Total	**26 613**	**23 216**

Note 31 Pledged assets and contingent liabilities

	2015-12-31	2014-12-31
Assets covered by policyholders' beneficiary rights*	218 572	256 301
Contingent liabilities	20 981	22 003
Totalt	**239 553**	**278 304**

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

Note 32 Associated companies

	Year	Purchase	Receivables	Liabilities
Euro-Center Holding A/S, Prague (affiliated company)	2015	5 057	10 029	-
	2014	4 262	10 029	-
Euro Alarm, Prague (group company)	2015	1 733	1 292	206
	2014	1 576	1 899	1 032
Europäische Reiseversicherung AG, Münich (group company)	2015	43	35	-
	2014	236	35	11
Europaeiske Rejseforsikring A/S, Copenhagen (group company)	2015	605	1 810	-
	2014	1 153	1 694	-
ERGO Versicherungsgruppe AG, Düsseldorf (group company)	2015	228	-	-
	2014	689		
IT ERGO Informationstechnologie GmbH, Düsseldorf (group company)	2015	619	-	-
	2014	824	-	-
MEAG Cash Management GmbH, Munich (group company)	2015	167	-	-
	2014	204	-	-
Münich Re (group company)	2015	2 634	-	655
	2014	3 379	-	814
Total 2015		**11 086**	**13 166**	**861**

Transactions with related parties are priced at market conditions. The company has reinsurance available within the group as Excess of Loss.

(SEK Thousand)

Note 33 Staff and salaries

	2015			2014		
	Men	Women	Total	Men	Women	Total
Board of directors and CEO	2	3	5	2	3	5
Other management officers	1	1	2	1	1	2
Office staff*	20	36	56	19	40	59

*recalculated to average full time employees

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

	Board and CEO		Management		Office staff	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Salaries and remuneration						
Basic salary and remuneration	3 545	3 116	1 690	1 706	33 161	33 164
Variable benefits	992	658	0	171	1 201	202
Other benefits	59	70	23	41	1 262	840
Social security costs	1 518	995	673	753	12 016	13 547
Pension expenses	306	284	555	621	8 683	7 302
Total	**6 420**	**5 123**	**2 941**	**3 292**	**56 323**	**55 055**

The salary and remuneration to the Board and the CEO is paid to the CEO with 3 545 TSEK. The bonus for the CEO was paid to 743 TSEK, which was earned in 2012-2014 and paid in 2015, of which 371 TSEK relates to bonuses for work in sister company in Denmark. The bonus for the CEO earned and reserved in 2015 amounts to 1 092 TSEK (refers to both Sweden and Denmark). The CEO is employed on fixed-term contracts and is covered by pension programs outside Sweden. The salary and remuneration to the Board and the CEO is paid to the former CEO with 250 TSEK, earned in 2011 but paid in 2015. To the former CEO is paid from 60 years of age a direct pension, which is funded through an endowment. To Regulatory Board, whose employment was outside the company, is no compensation paid. For other senior executives in the company's management compensation consists of base salary, benefits and pensions.

For other senior executives of the company's management a provision for bonus for 2015 of 245 TSEK has been made. Salary and remuneration for Office staff includes bonus of 1 201 TSEK, earned in 2014 and paid in 2015. Severance pay set aside in 2015 is amounted to 1 399 TSEK (including benefits, social security and pensions). Bonus targets for CEO is determined annually by the Company's Chairman and consists of a combination of a number of specified financial ratios and a number of operational objectives. Bonus targets for management are established annually by the CEO and usually consist of a number of established financial ratios. For further information please refer to the company's remuneration policy, available on www.erv.se.

Note 34 Additional information regarding the insurance operations

		Insurance classes				
	Total 2015	**Health**	**Accident**	**Property**	**Other financial loss**	**Transport**
Gross premium income	**239 059**	173 127	19 220	12 527	9 347	24 838
Gross premium earned	**240 757**	174 355	19 357	12 616	9 414	25 015
Gross claims incurred	**105 825**	76 639	8 508	5 545	4 138	10 995
Gross operating expenses	**134 768**	97 600	10 835	7 062	5 269	14 002
Reinsurance result ceded	**-4 225**	-3 060	-340	-221	-165	-439

Note 35 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 on Risks.

(SEK Thousand)

Note 36 Expected reclaimed timetable for assets and liabilities

Assets	Below 1 year	More than 1 year	Total
Intangible assets		3 622	**3 622**
Shares and participations in associated and affiliated companies		2 038	**2 038**
Bonds and other fixed-income securities	90 605	125 109	**215 714**
Reinsurerer's share of technical provisions			
-Provision for uneamed premiums and remaining risks	153	0	**153**
-Provision for claims outstanding	181	0	**181**
Receivables arising out of direct insurance operations	12 035		**12 035**
Receivables arising out of reinsurance operations	17		**17**
Other receivables	31 269		**31 269**
Fixed and tangible assets and inventories		581	**581**
Cash at bank	24 152		**24 152**
Current prepaid tax	5 066		**5 066**
Deferred tax		1 150	**1 150**
Accrued interest income	4 058		**4 058**
Prepaid expenses and accrued income			
-Deferred acquisition cost	12 153		**12 153**
-Other deferred expenses and accrued income	3 332		**3 332**
Total Assets	**183 021**	**132 500**	**315 521**

Liabilities			
Technical provisions (before reinsurance ceded)			
- Provision for uneamed premiums and remaining risks	56 647		**56 647**
- Provision for claims outstanding	38 622	0	**38 622**
Provisions for other risks and charges			
- Provision for tax		709	**709**
Liabilities arising out of direct insurance operations	16 670		**16 670**
Liabilities arising out of reinsurance operations	1 465		**1 465**
Other liabilities	27 330		**27 330**
Accrued expenses and prepaid income			
-Reinsurer's share of prepaid acquisition cost	35		**35**
-Other accrued expenses and prepaid income	26 613		**26 613**
Total Liabilities	**167 382**	**709**	**168 091**

Signatures

Sundbyberg April 6th, 2016

Richard Bader
Chairman

Oliver Wild

Gabriele Bayer

Johann von Hülsen
Chief Executive Officer

Cecilia Allerborg Schönnesson
Employee representative (FTF)

Our audit report was submitted on April 6th, 2016

KPMG AB
Gunilla Wernelind
Authorised Public Accountant

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Name of the company: Europeiska ERV | Reg. office: Sundbyberg, Sweden | Company Reg. No.: 502005-5447