

# Investing in the growth market of the future

Peter Hermann, CEO  
Danske Bank Forsikringsseminar 2023



**Topdanmark** 

# Profitability, focus and the future market



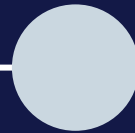
## Strong foundation



- Q1 2023
- Profitable growth



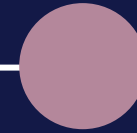
## Focused business



- A clear objective
- 100% P&C
- Megatrends

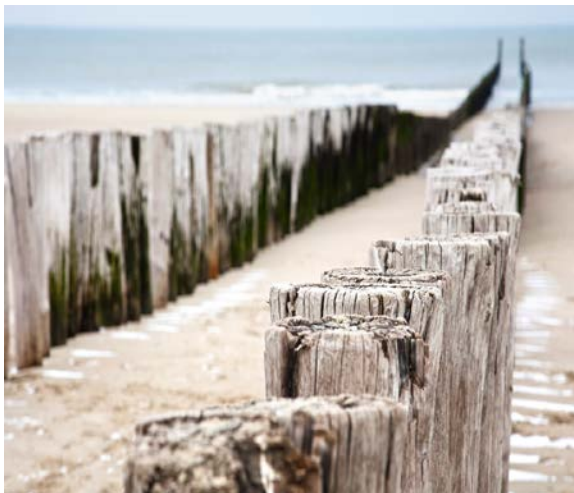
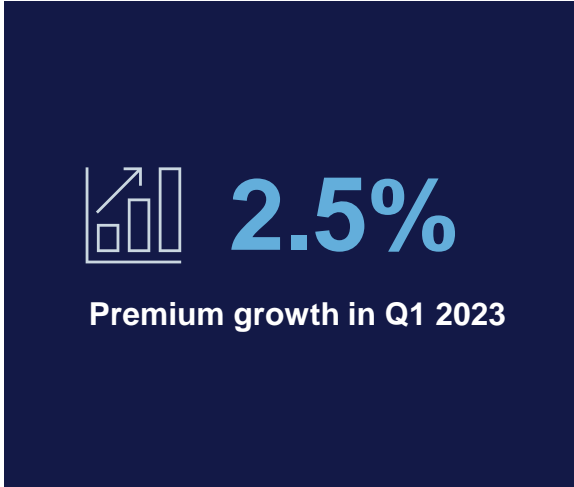


## Technology & Health

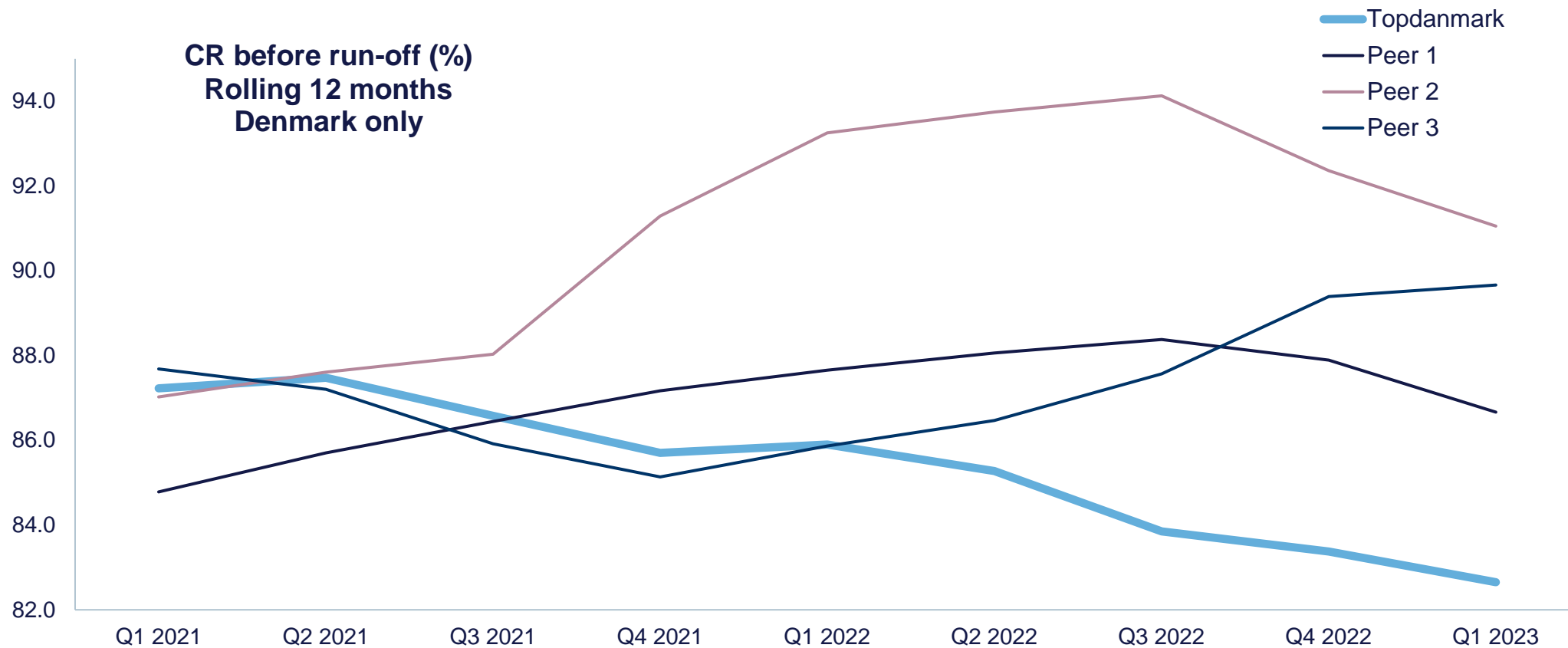


- Strategic capability
- Creating loyalty

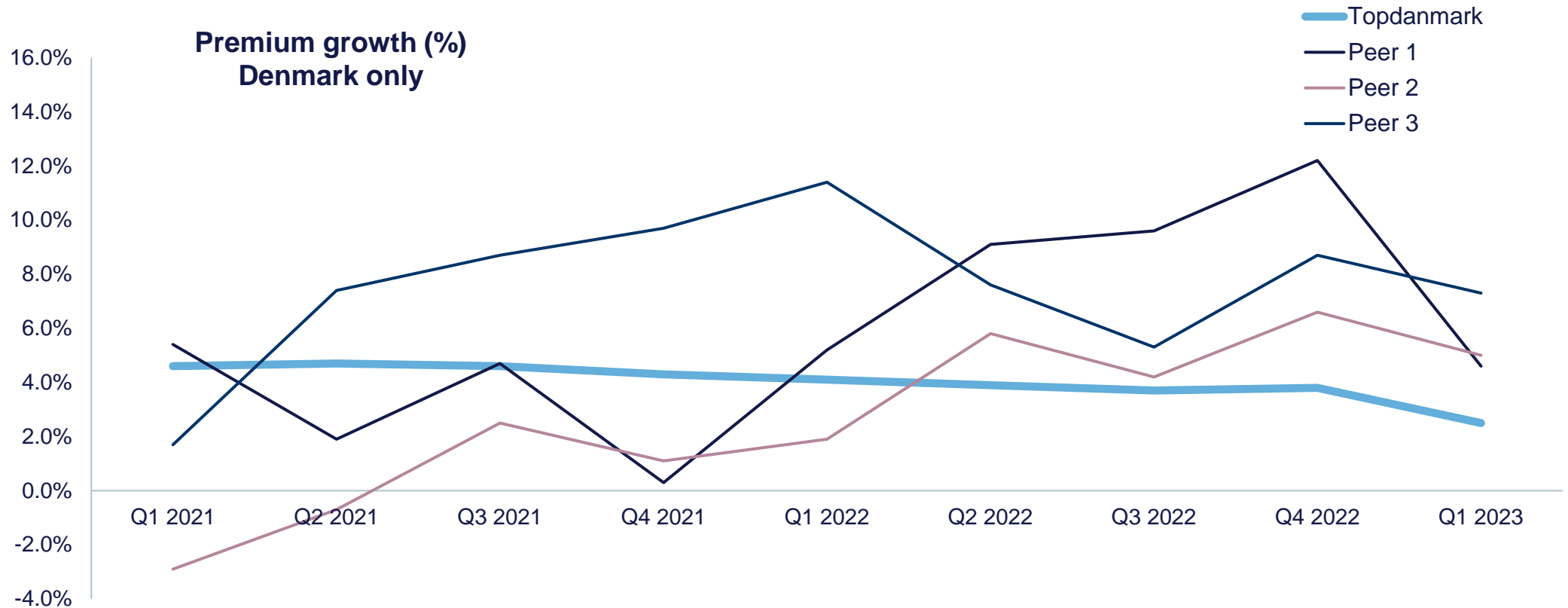
# A great start to the year from a financial perspective



# The strongest profitability in the market – and a clear trend...



# ... on the other hand, slightly less growth than our peers



Note: Local currency premium growth.

# Profitability, focus and the future market



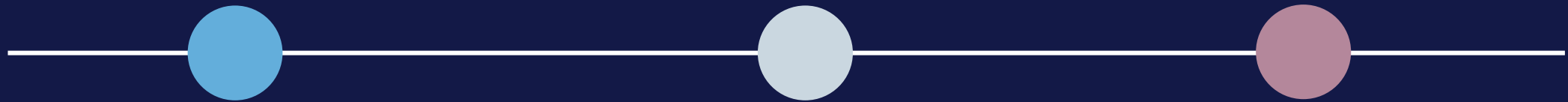
**Strong foundation**



**Focused business**



**Technology & Health**



- A clear objective
- 100% P&C
- Megatrends

# Topdanmark is 100% property and casualty insurance



100% P&C



Strategic divestment of  
Topdanmark Liv

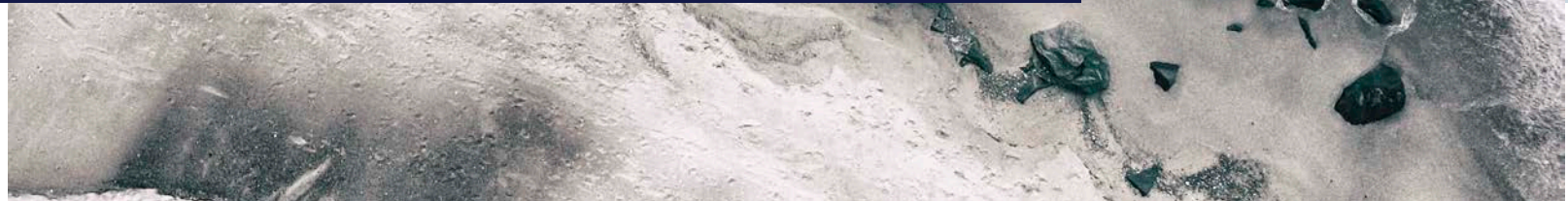
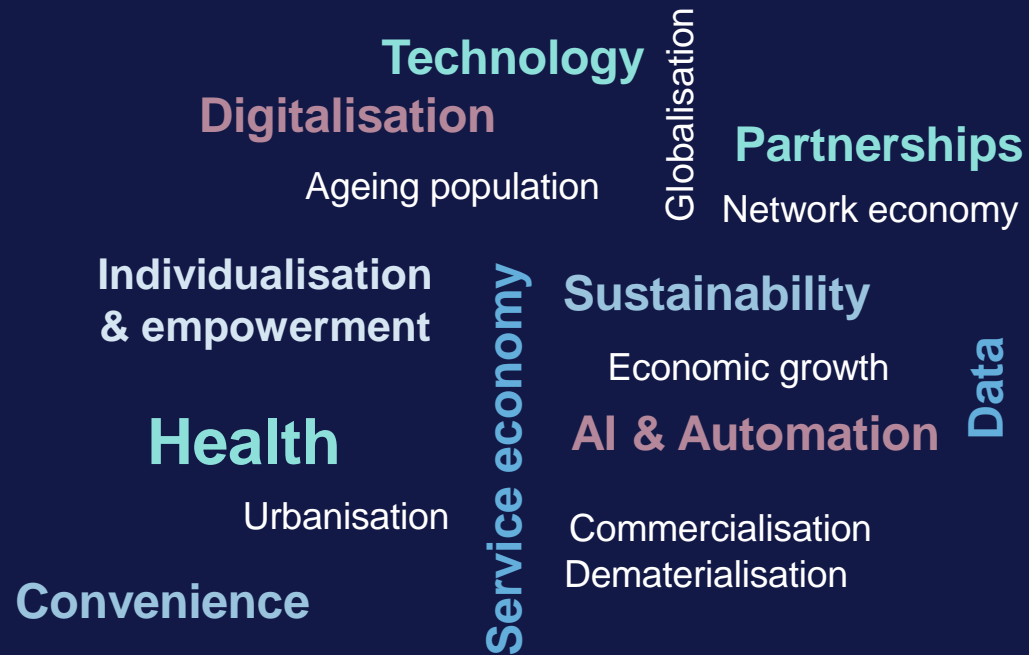
Main focus of  
Topdanmark's strategy is  
to **grow within our core  
business** to create more  
shareholder value

The divestment of  
Topdanmark Liv was a  
**strategic decision** to  
become a **100% P&C  
insurance company**

1 December  
2022



# We don't know what the future will bring, but we believe in some things more than others...





# ... and here we need to succeed to continue to help the Danes and the society we are part of ...

Some things are more important than others:



# Profitability, focus and the future market



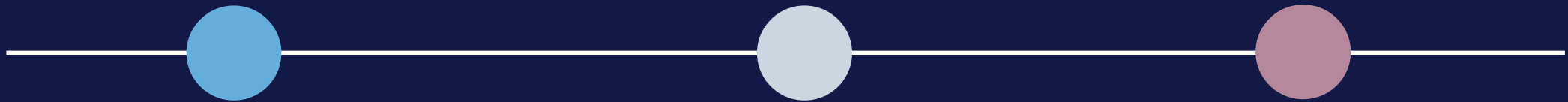
**Strong foundation**



**Focused business**



**Technology & Health**



- Strategic capability
- Creating loyalty

... and examples of where we need to succeed to continue to help the Danes and the society we are part of...

## TECHNOLOGY

Open and modern technology  
Shared systems and processes

Technology focusing on customer needs is the key word in bringing our strengths and expertise within P&C insurance to the next level.

## HEALTH

Supplement the public healthcare system

Maintain relevance and customer intimacy

Meet the Danes' needs within health, and further strengthen the position in a growing market.

# Technology and digitalisation improves the customer experience, processes and products



**Underwriting**  
(House)

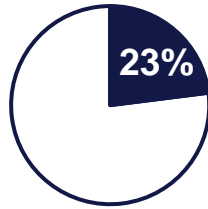


**Loss adjustment**  
(Auto)



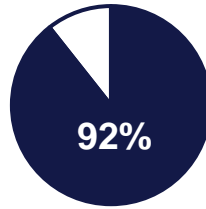
**Fraud**  
(selected for screening)

**ML assessment  
of claims**

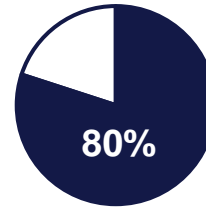


**ML recommen-  
dations**  
(% of assessed claims)

**86%**



**28%**



**4%**

**360,163**

assessments via **Machine Learning** models the last 12 months

**+86%**

**Topdanmark invests massively in  
simplification and efficiency  
improvements of the business**

Guidewire

Salesforce

Machine Learning

IoT (Leakbot)

Voice- and Chatbot

... and examples of where we need to succeed to continue to help the Danes and the society we are part of...

TECHNOLOGY

HEALTH

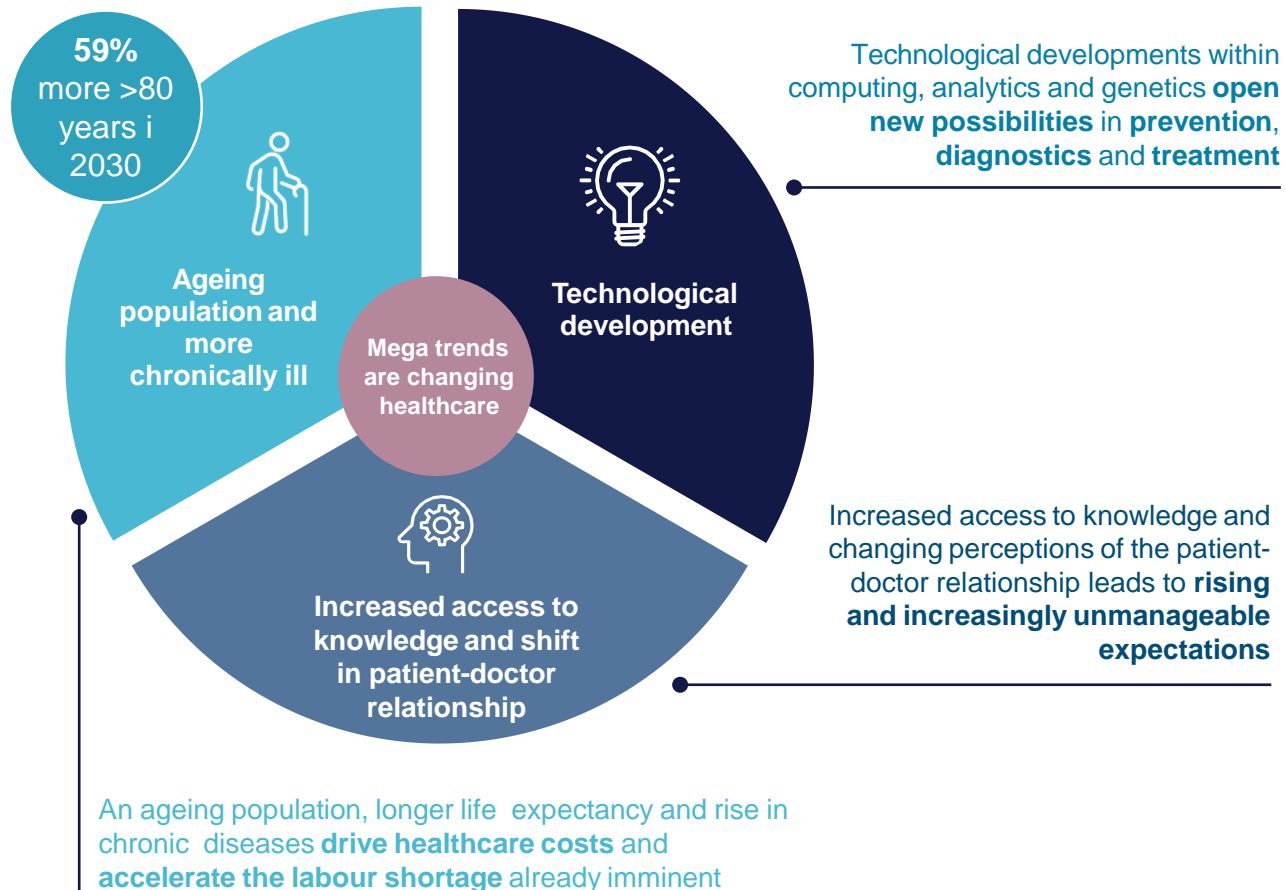
Supplement the public healthcare system

Maintain relevance and customer intimacy

Meet the Danes' needs within health, and further strengthen the position in a growing market.

# Health as a concept has become more present and explicit

Demography, technological advances and rising patient expectations increase the demand for cross-sectoral efforts



## Supplement the public healthcare system

### Healthcare reform 2023

A consistent, close and strong healthcare system

**Across** regions, municipalities, practices and **private players**.

”

**Broad political support** to set the direction for an ambitious and necessary transformation, and lift the healthcare system by DKK 6.8 billion over the next eight years with a healthcare reform.

**Magnus Heunicke**  
Minister for Health  
May, 2022

”

If we are to prepare our healthcare system for the future, it is absolutely crucial that we strengthen **treatment options outside hospitals**.

**Sophie Løhde**  
Minister for the Interior and Health  
March, 2023



# Oona Health – at a glance



**+500,000**

insured persons in  
Denmark



**+14,000**

corporate customers  
in Denmark



**+97%**

renew their  
insurance every  
year



**2012**

founded



**+20%**

average yearly  
growth



**612.6m**

Premium income  
in 2022



# Prevention and treatment

## Health experts all around

Topdanmark 



Largest supplier of health insurances in Denmark



Hand-picked network of the best therapists and specialists within improved health

The preferred supplier of healthcare schemes



Denmark's leading specialist in health promotion



Health insurance in Sweden

# Healthcare services

(Oona Health)

Health insurance

**PrimaCare**  
Therapist network



Claims handling  
for third-parties

Collective  
schemes

## New products and services

**Family360:** A personal nurse in the event of critical illness

**HealthSenior** Customised for the needs of seniors

**HealthFlex:** Digital and including basic cover

**CriticalIllness** Examination and treatment abroad.

# Market

(Players)

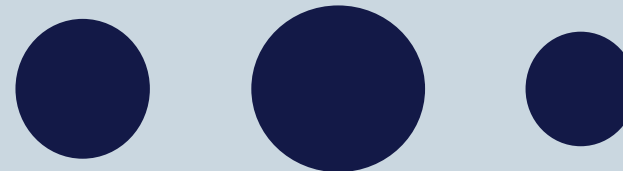
Pension

P&C

Specialists



Premium volume in the market for health insurance



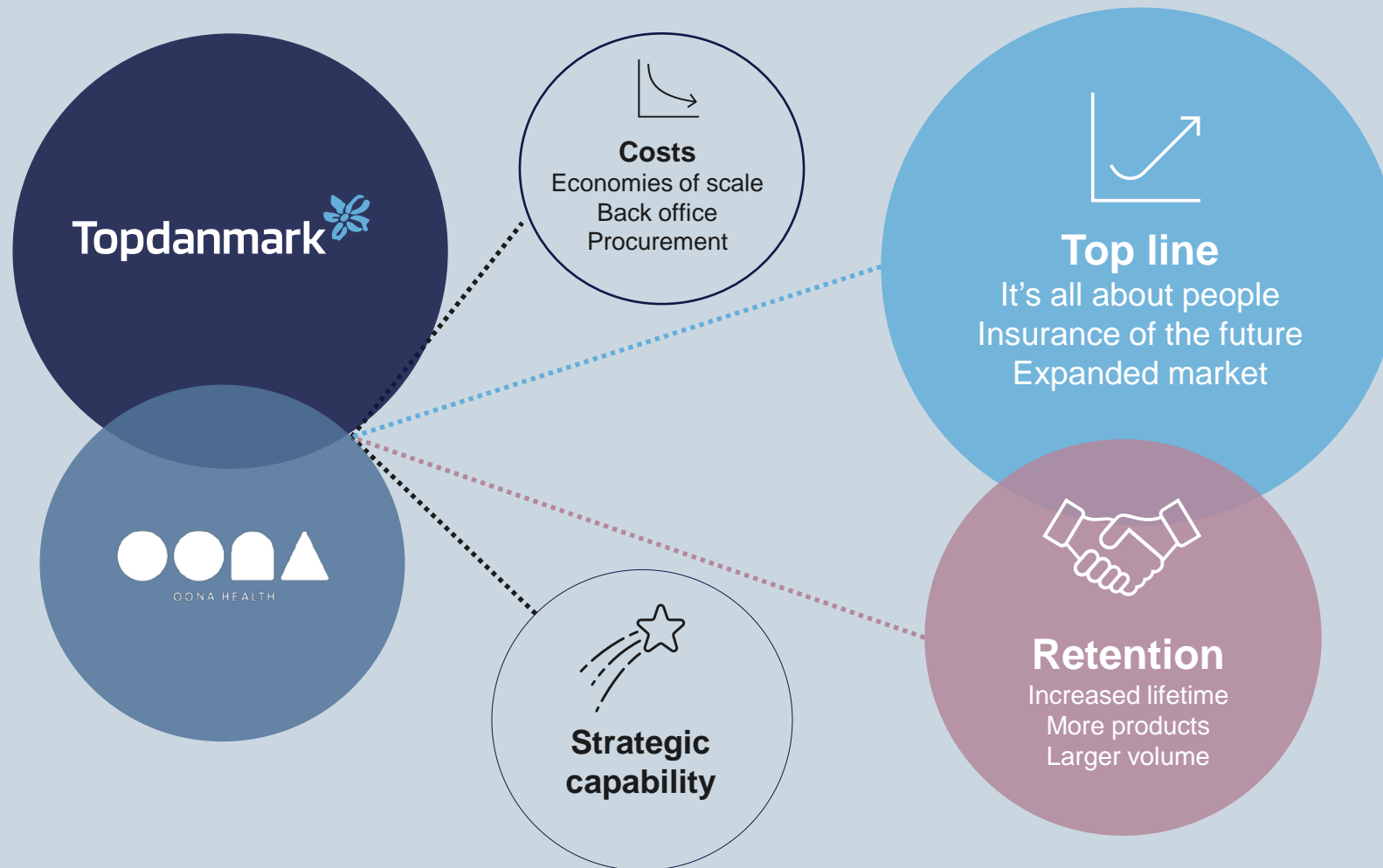
# Market

(Health insurance)



# Growth across Oona Health and Topdanmark

Growth and retention as primary synergies



## Health

- Expert in health
- Form a whole
- Main product
- New product category
- New services
- Diversified risk
- Optimised pricing structure



+10% higher  
operating  
EPS

Positive  
impact on  
premium  
growth

Positive  
impact on  
combined  
ratio

Marginal  
impact on  
SCR

## Financial impact on Topdanmark Group KPIs (2024E)

Oona Health to **continue as a separate entity** post completion of the acquisition with management and certain key employees to be minority shareholders

**Strong synergy potential** in the transaction, primarily **driven by top-line** synergies (with limited expected cost synergies)

Assuming closing as at 31 December 2023, limited impact on 2023E financials

# Key take-aways



## HEALTH(Y) BUSINESS

Strong start to 2023

Best-in-class profitability

Focus on profitable growth



## INVESTING IN THE FUTURE

Technology focusing on customer  
needs

Ready to grow

Platform of the future



## STRATEGIC CAPABILITY

Health as a growth market

Offer on Oona Health

Customer retention



A photograph of an offshore wind farm with several white wind turbines in a row on the ocean under a cloudy sky. The word "Questions?" is overlaid in a large, dark blue font on the right side of the image.

# Questions?

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