



BI INTERNATIONAL  
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## Sustainability in Non-life Insurance

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## Introduction

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. It has about 3800 employees and offers insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway Gjensidige also offers banking, pension and savings. Gjensidige has provided insurance services for 200 years.

Gjensidige is committed to sustainability and reduction of climate change. So how can an insurance and banking company contribute to a sustainable development of society? Your task will be answering this question.

Sustainability is the study of how natural systems function remain diverse and produce everything it needs for the ecology to remain in balance<sup>1</sup>. It also acknowledges that human civilisation takes resources to sustain our modern way of life. Our main concern today is the increase of CO<sub>2</sub> emission. This has given rise to global warming and climate change with potential of ecological, physical and health impacts. An increase in extreme weather events, such as floods, storms, drought and heatwaves are already happening. But in a broader perspective, sustainability is about balancing between competing needs; the need to move forward technologically and economically and the need to protect our environment. The UN General Assembly's Open Working Group on Sustainable Development Goals has proposed a set of Goals that consider economic, social and environmental dimensions to improve people's lives and protect the planet for future generations<sup>2</sup>.

## Gjensidige's Sustainability Policy

*Gjensidige's mission is to safeguard life, health and property. We have a longterm approach and a focus on reducing the risk of damage and injury. When misfortune strikes we shall choose sustainable solutions for the good of the customer and society at large.*

### Requirements and methology

*Gjensidige shall comply with the requirements set out in the Oslo Stock Exchange's guidelines for reporting of corporate responsibility, as well as Finans Norge's "Roadmap for green competition within the finance industry". Gjensidige shall also comply with the U.N. global compact principles and integrate the U.N. sustainability goals, focusing on those areas that are most relevant to our business model.*

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<sup>1</sup> <https://www.environmentalscience.org/sustainability>

<sup>2</sup> <https://sustainabledevelopment.un.org/content/documents/4538pressowg13.pdf>

Gjensidige has specified three areas of special priority:

1. ***Climate and the environment*** Gjensidige's business operations shall cause a minimal amount of negative impact on the natural environment. We will work to reduce our own and our business partners' Co2 intensity, and ensure sustainable operations.
2. ***Responsible investments*** shall be governed by integrating strong ESG requirements into all of our investment.
3. Contribute to a ***safer society*** by risk reducing activities in close co-operation with the Gjensidige foundation:
  - a. *by promoting knowledge of the impact of climate change, reduce car accidents and fire*
  - b. *having highly engaged employees*

## **Your task**

Your task will be to suggest practical projects for the implementation of Gjensidige's Sustainable Policy in accordance with suggestions supplied by Finance Norway's "*Roadmap for green competition within the finance industry*". (More about this later)

- The projects must be profitable for Gjensidige.
- Projects must comply to Gjensidige's Sustainability Policy

Restrict your solution non-life insurance.

## Gjensidige

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. It has about 3800 employees and offers insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway Gjensidige also offers banking, pension and savings. Gjensidige has provided insurance services for 200 years. Gjensidige's annual report for 2017 is available online.<sup>3</sup>

## History

*For 200 years, we have safeguarded life, health and assets for our customers. It started with the mutual fire insurers. Forty years later, Ole Jacob Broch founded the life insurance company Gjensidige. Broch was a passionate enthusiast, and he shaped the company together with – and for – the customers. This has left its mark on the organisation and our culture. The commitment to the individual customer has contributed to good customer experiences and sound performance for two centuries. This is our history. The power to make changes through different phases of Norwegian society and business and industry forms the basis for our present and future competitiveness.*

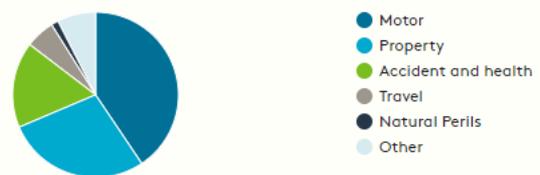
Follow the link below for a comprehensive description of Gjensidige's history. (Gjensidige's website: <https://www.gjensidige.no/group/about-us/the-history>)

## Non-life Insurance<sup>4</sup>

Gjensidige offers both general private and commercial insurance in the Norwegian market. The products are primarily sold through dedicated distribution channels, but also in cooperation with a number of partners in the private market. Gjensidige is the market leader in the private general insurance market. The main products are:

- Motor insurance
- Property insurance
- Accident and health insurance
- Travel
- Natural perils
- Other

Distribution gross earned premiums private, %



The Commercial segment offers a wide range of general insurance products to the commercial, agricultural and municipal markets in Norway. Sales primarily take place through dedicated distribution channels, and only 20 per cent of the premium volume is brokered business. Gjensidige is market leader in general insurance for the commercial and agricultural markets. Most of the customer portfolio consists of small and medium-sized enterprises and agricultural customers.

<sup>3</sup> [https://www.gjensidige.no/group/annual-report/\\_attachment/338368?\\_ts=161a7f3e994](https://www.gjensidige.no/group/annual-report/_attachment/338368?_ts=161a7f3e994)

<sup>4</sup> <https://www.gjensidige.no/group/about-us/business-areas>

The main products are:

- Motor insurance
- Property insurance
- Accident and health insurance
- General liability insurance
- Coastal and marine/transport insurance
- Natural perils
- Other

Distribution gross earned premiums, %



## Denmark

The Group's operations in Denmark offers general insurance products to the private, commercial and municipal markets. Gjensidige has its own distribution channels in this market, as well as distribution through a number of partners and brokers.

## Sweden

The Group distributes insurance products to the private, commercial and municipality markets. Gjensidige has a challenger position in the Swedish general insurance market, which is consolidated and dominated by a few, large, companies. Insurance is mainly distributed under the Gjensidige brand, but also under white label and co-branding.

## The Baltics

Gjensidige's goal is to be one of the leading insurance companies in the Baltic states. The market is relatively immature, and a significant proportion of both the private and the commercial segments is still uninsured.

Distribution gross earned premiums, %



Denmark



Distribution gross earned premiums, %



The Baltics



Projects within this sector must comply with Gjensidige's sustainability policy:

*Gjensidige's mission is to contribute to society by securing life, health and property. We have a longterm approach and a focus on reducing the risk of damage and injury, and when misfortune strikes we shall choose sustainable solutions for the good of the customer and society at large.*

## Finance Norway: Roadmap for Green Competitiveness in the Financial Sector<sup>5</sup>

Finance Norway<sup>6</sup> is the industry organisation for the financial industry in Norway. Finance Norway represents 240 financial companies with 50,000 employees. Membership in Finance Norway is open to all banks, insurance companies and other financial institutions operating in Norway, as well as fintech and other technology companies offering relevant services in the financial sector.

In 2015, world leaders agreed on ambitious targets to reduce greenhouse gas emissions. The following year, a number of industry groups in Norway produced sectoral roadmaps for green competitiveness. In the wake of this work, the financial sector too is uniting behind common goals for its role in the transition to a low-carbon future, through its own roadmap. This roadmap is the result of collaboration between Finance Norway's members.

The roadmap makes seven general recommendations that apply to the whole financial sector. The roadmap then divides the financial sector into three industries:

- Banking
- Non-life insurance
- Investment

The roadmap then makes industry specific recommendations for each of these industries. Below are the recommendations for non-life insurance:

AGAINST THIS BACKGROUND AND IN ADDITION TO THE GENERAL RECOMMENDATIONS, IT IS RECOMMENDED THAT THE INDUSTRY:

- **Exchanges claims and climate data with local and other authorities.** A framework that standardises and simplifies the exchange of data will be valuable not only for the industry but also for local and other authorities. This will contribute to better planning and more robust local environments.
- **Steps up loss prevention efforts.** The industry has played a key role in fire and road safety. Similar preventive work on climate-related social changes could prevent or reduce payouts in the longer term.
- **Draws up climate criteria for rebuilds after natural disasters.** The industry's knowledge of high-risk areas is important. When combined with the construction sector's knowledge of climate-smart materials and solutions, this could lead to homes being rebuilt in such a way that the risk of future damage is reduced, energy and maintenance costs are lower, and the housing stock greener.
- **Develops products that stimulate climate-smart behaviour, a sharing economy and circular solutions.** A combination of new consumer behaviours and new technology is opening up market opportunities for insurance products that promote change. Examples are motor insurance policies that reward climate-friendly driving, lower premiums for electric cars, home insurance policies that incentivise energy savings, and insurance solutions that also cover car-sharing schemes.

<sup>5</sup> [https://www.finansnorge.no/contentassets/6e938f41d8a44a4984f87444a18ce320/roadmap/roadmap-for-green-competitiveness-in-norwegian-financial-sector\\_digital.pdf](https://www.finansnorge.no/contentassets/6e938f41d8a44a4984f87444a18ce320/roadmap/roadmap-for-green-competitiveness-in-norwegian-financial-sector_digital.pdf)

<sup>6</sup> <https://www.finansnorge.no/en/about-finance-norway2/>

## Summary and conclusion

Gjensidige is committed to sustainability and reduction of climate change.

To quote from Gjensidige's Sustainability Policy:

*“Gjensidige shall comply with the requirements set out in the Oslo Stock Exchange's guidelines for reporting of corporate responsibility, as well as Finans Norge's “Roadmap for green competition within the finance industry”. Gjensidige shall also comply with the U.N. global compact principles and integrate the U.N. sustainability goals, focusing on those areas that are most relevant to our business model.”*

Your task is to identify practical projects that will allow Gjensidige to contribute to a sustainable development of society. Restrict the projects to non-life insurance:

- Practical projects
- Projects must be profitable for Gjensidige
- Projects must comply to Gjensidige's Sustainability Policy

*“Gjensidige's sustainability policy applies to the whole of the Gjensidige Group and establishes our principles for taking account of the environment, climate, social conditions and corporate governance in all of our activities.*

*Products and services that meet the needs of the present without compromising the ability of future generations to meet their own needs.”*

Gjensidige is looking forward to your solutions.

Good luck!