

Personnel at If P&C

If P&C has more than 3 million customers. If P&C sells and renews close to 8 million insurances annually and handles 1.5 million claims. If P&C's success is entirely dependent on how well the company does in all of these customer interactions. First class customer focus through dedicated employees with professional insurance competence is therefore the main determinant of success.

The cornerstones of If P&C's HR Strategy are;
Competence Development & Innovation, Right Person

in the Right Place, Leadership the If way, and Employeeeeship & Performance Culture. HR plays a key role in ensuring that If P&C can attract the best employees, that competence building is strong and that both leadership and employeeeeship are first class. Employeeeeship refers to the employees' own responsibility for their development, customer service, and performance.

Competence Development and Right Person in the Right Place

In the mature insurance industry, having the industry's most competent employees is the main source of sustainable competitive advantage. If P&C's competence development unit - If Academy - supports the business units and ensures efficient planning and delivery of competence development across the company. During 2016 If Academy began a journey to ensure that all training activities derive from prioritized business goals. Senior competence partners have been appointed and are working in close cooperation with business leaders in setting the competence development agenda. To increase

efficiency, If Academy is centralizing its digital activities to a common hub where trainings for all of If P&C will be created.

Another key factor in ensuring the industry's most competent employees is recruitment. Recruiting employees with both the right skill set and the right motivation and attitude is essential. During 2016 HR has strengthened the emphasis on attitude, motivation and cultural fit in If P&C's recruitment processes.

Leadership

In contemporary business, leadership is multifaceted. Strong skills in traditional management must be complemented by abilities to help highly skilled specialists reach their full potential through nurturing their own motivation. Over the years, If P&C's leadership model has been developed to better reflect the increased importance of intrinsic motivation, where performance is based on the inner drive, motivation and commitment of the individual employee. In 2016, around 50 leaders attended more extensive Nordic leadership programs. This type of holistic leadership thinking can also be seen in the big drive to develop front line leadership in light of If P&C's strong focus on a first class customer orientation. During 2016 significant changes to front line leadership were discussed and implemented. The emphasis is on achieving a great holistic customer experience rather than certain sales targets. If

Academy has designed development programs for leaders to support a customer focused mindset and offered workshops where leaders have been able to develop crucial skills. Front line leaders are being taught to adopt a more coaching leadership style.

During 2016 a large number of strategic people development processes were initiated and HR was highly involved in supporting the business areas. Leaders were trained in driving change processes. Furthermore training programs for presentation techniques and sales coaching were delivered. In a development program aimed at customer centers, participants created a toolbox to support team leaders in creating a purpose-driven culture. Nearly 140 leaders have participated in change processes where leadership development has been a central part.

Leadership Model If P&C



Employee-ship

Great leadership is essential, but it is not enough. A modern, complex service organization like If P&C with competent and highly trained staff increasingly requires that individual employees take full responsibility for their own performance and development. At If P&C this is called Employee-ship. Implementing Employee-ship in If P&C and making it a

cornerstone of the company's culture is a key priority. To support this effort If P&C has developed an Employee-ship Model based on the If leadership model and is implementing it in the organization via intranet articles, workshops and presentations and also in development discussions, appraisals and employee surveys.

Case: Employee-ship in If P&C Finland in 2016

In Finland, HR has promoted Employee-ship through workshops held in several units. These workshops aimed at establishing a framework for the employees' responsibility for their own development and motivation. In the workshops, feedback culture was promoted by feedback exercises and self-reflection.

- One of the Employee-ship themes has been an initiative called Always the Right Age. HR has promoted that employees should not be seen, or see themselves, differently based on their age and that everyone is capable of taking responsibility for their own competence and motivation. All employees should be treated equally regardless of their age and supported throughout their careers. Everyone should be given the opportunity to work with full capacity until the pension age. The

company needs to recognize the different phases of the working life and support employees where needed.

- In 2016, Always the Right Age has been supported with a series of intranet articles presenting role models of different age and in different phases of their employment life (e.g. starting your career, changing position, taking care of children or parents, recovering from sickness, retiring).
- HR has conducted a survey regarding age-related myths. The results were presented on the intranet in order to start a discussion and to dispel myths around age.
- HR has also arranged seminars and workshops on intrinsic motivation for employees and leaders.

Well-Being and Equality

During 2016 HR has continued to work extensively with promoting health and reducing sick leave. During the year, If P&C's sick leave situation has been stable. Strong actions in Denmark have led to a clear improvement, while the situation in Sweden and Finland has deteriorated somewhat compared to 2015. Also in Norway, sickness absences have increased compared to 2015, but the situation has improved significantly compared to earlier years. In the Baltic countries, the number of sick leave days is very low,

but there are signs of increase, something that needs close observation in the future.

During the year If P&C has also focused on Gender Equality. The Equal Opportunities Advisory Board, started in 2015, has been active in hosting workshops in management teams and has proposed strengthening HR processes such as recruitment, succession planning and leader evaluation to further secure gender equality in the company.

Sickness Absences If P&C, 2016

	2016	Change compared to previous year (in percentage points)
Norway	4.7%	0.2%
Sweden	4.0%	0.1%
Finland	3.3%	0.4%
Denmark	2.7%	-0.7%
Estonia	2.6%	0.6%
Latvia	2.6%	0.5%
Lithuania	1.4%	0.6%

Sickness statistics are based on If P&C's internal reporting standards and may deviate from locally published statistics.

Case: Health Leadership in If P&C in 2016

In Denmark, management teams, union, and HR have cooperated closely around promoting health. Dialogue and closer follow up around the topic have resulted in clear improvements. In Sweden, a well-being pilot project was run in Business Area Private in 2016 and HR has also run mandatory training sessions to implement the new occupational health laws. In Norway, HR has been part of arranging "Health Days", where lectures on life style change, how to deal with addiction, and mini health checks were appreciated. In Finland, HR has utilized modern tools and ways of working, e.g. moved from

physical age group health checks to digital surveys. Based on the surveys, HR has been able to allocate needed actions more efficiently and coach employees where needed.

Personnel Structure

If P&C's number of personnel is virtually unchanged compared to 2015. Underneath the aggregate figure some changes to personnel structure can, however, be seen. As a result of strategic initiatives in Business Area Private, the number of employees in central Flagship Offices is growing and the number of employees in small branch offices is shrinking. Off-shoring of support services and IT development to the Baltics is also showing up as increased personnel in the Baltic countries. During previous years the off-

shoring has mainly concerned back office jobs, but in 2016 customer fronting roles have been added.

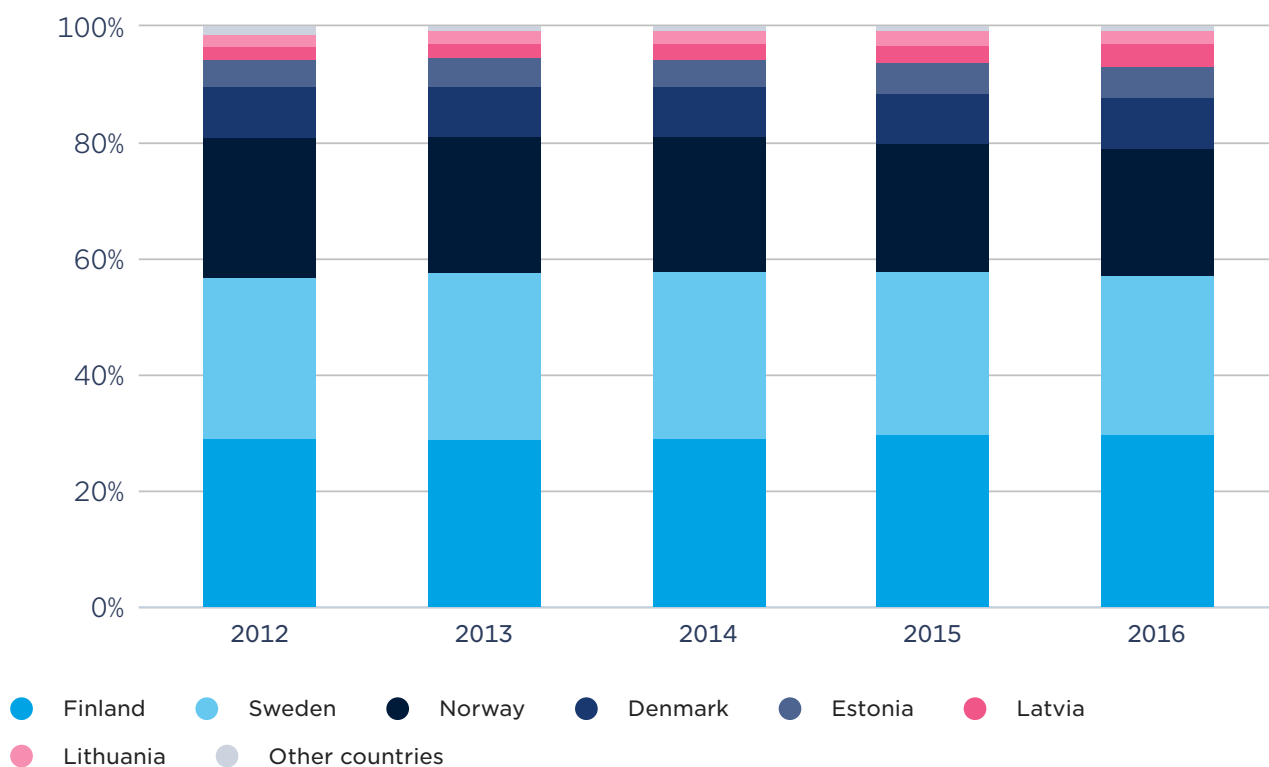
The increased focus on digitalization and on how to serve customers better is leading to major change initiatives in the business areas. HR is supporting in reorganizations, the building of Flagship Offices, the set-up of new units, the development of training activities and the design of remuneration systems.

Number of Personnel If P&C, 2015-2016

	31 Dec 2016		31 Dec 2015	
	FTE	of which temporary employees	FTE	of which temporary employees
Sweden	1,867	4.6%	1,845	5.7%
Finland	1,663	2.9%	1,734	3.4%
Norway	1,348	0.7%	1,366	1.1%
Denmark	547	1.6%	537	2.2%
Estonia	344	0.0%	323	0.0%
Latvia	250	3.5%	210	2.4%
Lithuania	155	8.4%	143	2.7%
Other countries	24	0.0%	41	2.4%
Total	6,200	2.8%	6,199	3.2%

Annual Distribution of Personnel by Country (FTE Average)

If P&C, 2012-2016

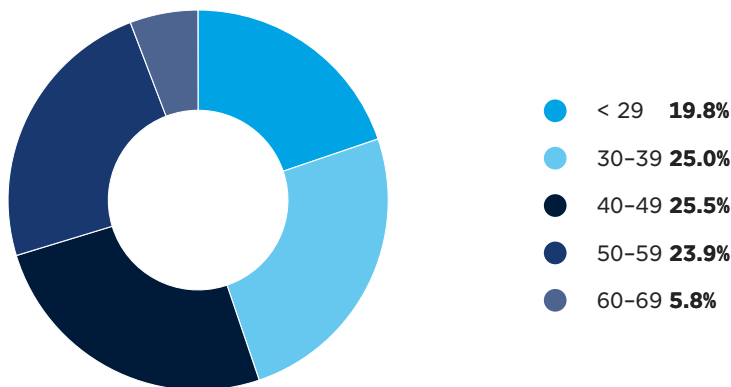


Personnel Turnover

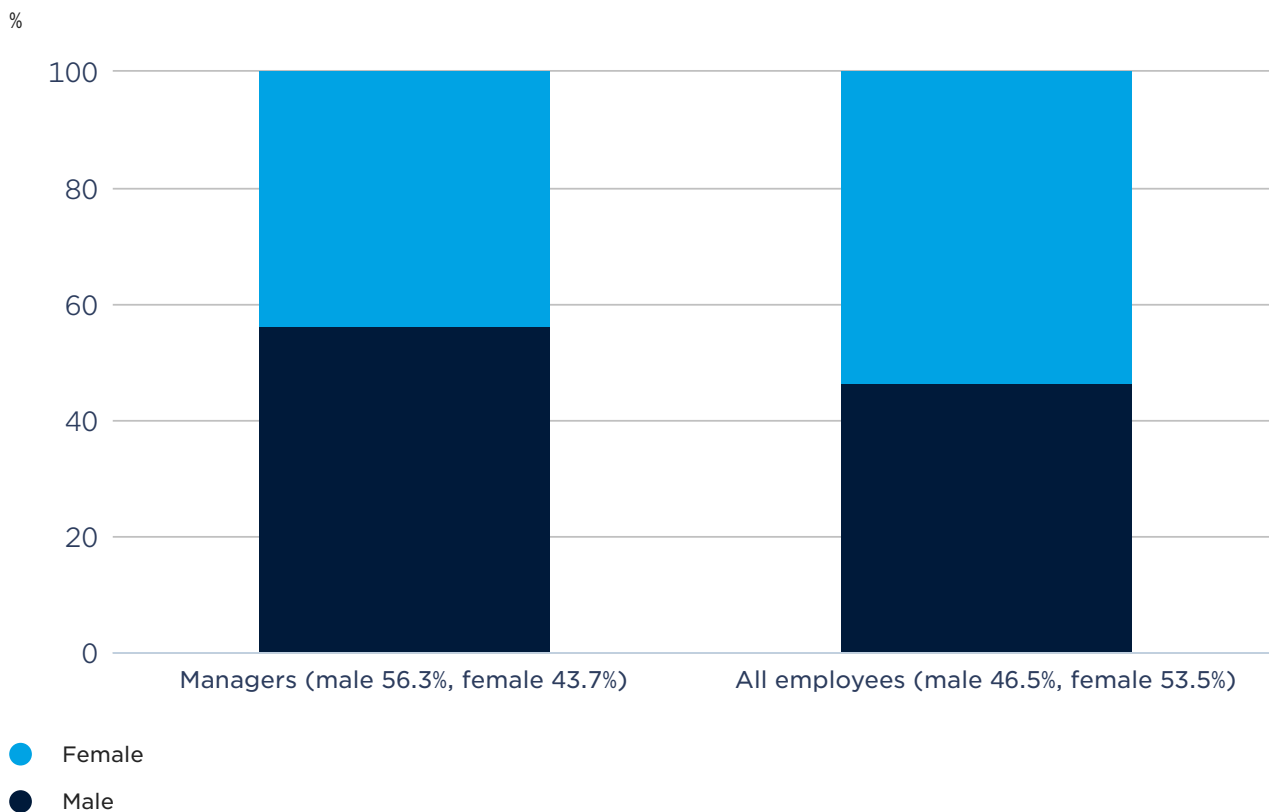
If P&C, 2015-2016

	2016	2015
Latvia	17.1%	12.8%
Estonia	13.3%	18.5%
Sweden	12.3%	8.9%
Norway	11.1%	8.4%
Finland	10.9%	10.7%
Denmark	9.6%	9.3%
Lithuania	8.1%	7.4%
Total	11.7%	9.9%

Age Structure If P&C, 2016



Gender Structure (Managers and All Employees) If P&C, 2016



Improved HR Services

HR strives to provide the leaders and employees of If P&C with great service. During 2016 HR invested in the implementation of a modern, fully integrated HR system that will improve service to the employees and leaders of If P&C through harmonized HR processes across country borders, better onboarding and

learning management, facilitated feedback discussions, improved compliance work, and enhanced work force analytics. During 2016 the new HR system went live in Finland, Norway and Sweden. Managers and employees are very satisfied.