



Göteborgs
Stad

Försäkrings AB Göta Lejon Resumé 2023



2023 in brief...

Total Sum Insured (TSI):

SEK 385 billion

Earned premiums:

SEK 124.7 million

Profit before appropriations and tax:

SEK 42.7 million

Solvency ratio:

218 per cent

Combined ratio:

78

Number of employees:

15

Number of clients:

55

Client visits:

246

Risk surveys:

35

About Göta Lejon

Försäkrings AB Göta Lejon is a company owned by the City of Gothenburg. Its mission is to generate commercial benefits to society by being responsible for all types of insurance coverage for the City of Gothenburg, except pensions and insurances connected with collective agreements. The company is also the City's expert body for insurance and risk management issues, and it develops these areas by providing active support to the various City operations. Göta Lejon is a nonprofit organisation.

Göta Lejon's clients comprise all of the administrations and companies belonging to the City of Gothenburg. The company's account managers meet with and maintain regular contact with clients. Göta Lejon identifies, structures, insures and reinsures the City's risks. The company works proactively with risk management issues in its key role as a catalyst for the entire city. This happens, for example, via risk surveys, follow-up on recommendations, communication initiatives, risk seminars, trainings on both insurance and claims and also customised support to clients regarding both insurance and risk management.

For the risks that it insures, Göta Lejon obtains reinsurance on the reinsurance market. Claims handling is outsourced to independent loss adjusting companies.

Preface

The reinsurance market recovered in 2023 but remained tough, particularly for risks with large exposures. The market's reinsurance capital decreased globally due to major natural catastrophes, but price and inflation increases slowed down. There was a slight decline in the number of reinsurers interested in offering reinsurance to the City of Gothenburg. Over time, it is a trend that could lead to higher premiums for reinsurance and difficulty obtaining full coverage. Because of this, Göta Lejon will be engaging more with reinsurers so that they are more knowledgeable about the City's operations.

Loss prevention efforts are now more important than ever. During 2023, a total of 35 risk surveys were conducted at the City's largest entities. The surveys result in recommendations that the reinsurance companies expect the City's companies and administrations to remedy in order to lower the risk of losses. The requirements on documented measures to reduce the risk of loss have become more stringent.

Göta Lejon has also started informing its companies and administrations of the risks associated with timber buildings. Despite the climate benefit of lower emissions, there is a higher risk of total loss from fires with these types of buildings. The City of Gothenburg must manage these risks, because ignoring them would limit our access and options for insurance.

In 2023, Göta Lejon achieved a profit before appropriations and tax of SEK 42.7 million, which far exceeded the budget. This is mainly attributable to lower claims costs than what was budgeted, along with a higher yield on capital. Overall, it has strengthened the company's financial position and the solvency ratio has increased. Because of that, Göta Lejon could lower the premiums for 2024, even though insurance values have increased. The total sum insured (TSI) for Göta Lejon is now SEK 385 billion.

As part of its efforts to improve control, Göta Lejon has created a strategic map showing the impact pathways that contribute to a successful fulfilment of its mission. The map makes it easier for management to prioritise activities and streamline operations.

Early last year, Göta Lejon moved its offices to the renovated premises at the Göteborg Energi building in Gårda. The new office has been adapted for more modern working methods that involve more digital meetings. Some new employees were also recruited during the year to fill vacant positions, which means that Göta Lejon now once again has the necessary expertise in all of its work areas.

In September, Kommunförsäkringsföreningen was set up, with Göta Lejon as one of the five founding members. It is a professional association for municipally owned insurance companies. It could become an important means of promoting the interests of Sweden's municipally owned insurance companies since together, its founding members insure the municipalities where more than every other Swedish resident lives.

Annika Forsgren
Annika Forsgren, VD



Insurance Operations



Göta Lejon provides insurance cover for property, liability, trams and vehicles owned and operated by the City of Gothenburg's administrations and companies, which are Göta Lejon's clients. The company externally purchases insurance for personal accidents, business travel insurance, liability insurance for the Managing Director and members of the Board of Directors, environmental insurance and also insurance for boats. As needed, Göta Lejon also provides both project and special insurance.

Property Insurance

Property insurance consists of insurance on property, including compensation for extra expense, rental losses and business interruptions. At year-end 2023, the total sum insured was SEK 385 (347) billion.

During the year, there were four different reinsurance programmes in place for property insurance: – Property City, Property Energy, Property Framtiden Group (residential) and Property Terrorism. In the main programme for the City, self-retention (excess) in 2023 amounted to a maximum of SEK 17.5 (17.5) million per claim and a total of SEK 35 (35) million per year. The property premium for 2023 was SEK 182 million.

Liability and Fidelity Insurance

The insurance covers such areas as general and product liability, consultant liability, fidelity, liability for pure fidelity claims and liability for rail traffic. For 2023, the insurance amount was a maximum of SEK 300 (300) million for general and product liability and a maximum of SEK 300 (300) million for liability for rail traffic. Self-retention was SEK 5 (5) million per claim and SEK 15 (15) million per year for general and product liability and liability for rail traffic. The liability premium for 2023 was SEK 29 million.

Vehicle Insurance

Göta Lejon insures the City-owned vehicles. The insurance cover is vehicle damage and third-party liability. In 2023, vehicle premiums amounted to SEK 21 million. Self-retention for third party insurance was SEK 5 (5) million per claim and SEK 15 (15) million per year. Reinsurance for large, vehicle damage claims is a component of the reinsurance programme for property. Vehicle damage also covers trams.

Personal Accident Insurance

This insurance covers all children and pupils in the City of Gothenburg's population register. It provides cover until the year that a child turns 17, or as long as the child is attending upper secondary

school. The insurance is valid 24/7, 365 days a year. The insurer is Länsförsäkringar Göteborg and Bohuslän.

Personal Accident Insurance, Specific Activities

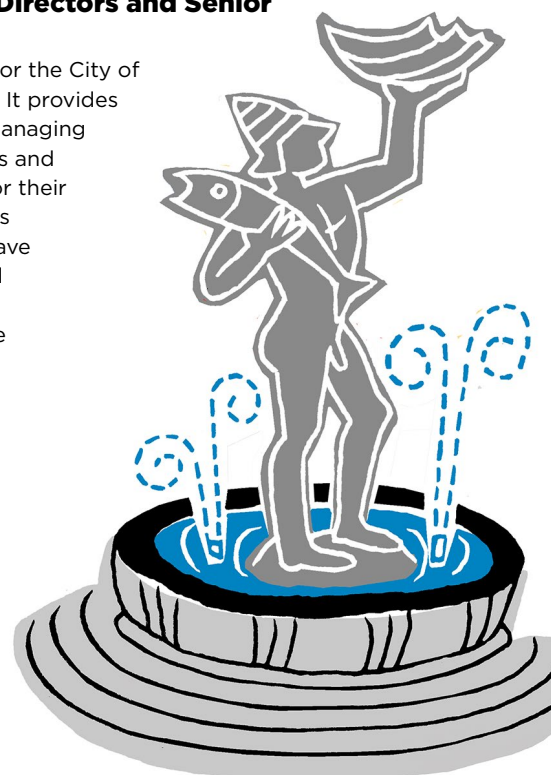
This is accident insurance for individuals engaged in specific activities. It is for groups that are receiving certain municipal services, such as young people enrolled in labour market programmes, individuals living in a foster family, individuals participating in daily activities and for volunteers. The insurer is Länsförsäkringar Göteborg and Bohuslän.

Business Travel Insurance

This insurance covers all employees, elected representatives and trainees in the City of Gothenburg during travel or duties outside the normal workplace which are ordered and paid for by the employer. It covers accident, illness and lost luggage. The insurance is valid throughout the world, for all types of travel. The insurer is IF Skadeförsäkring.

Liability Insurance, Directors and Senior Executives

This is liability insurance for the City of Gothenburg's companies. It provides protection for all of the Managing Directors, Board members and other senior executives for their personal liability on claims relating to actions they have personally taken, or failed to take, on behalf of the company. The insurers are HDI Global Speciality and Riskpoint.



Insurance of Boats

Insurance on all of the boats owned by the City of Gothenburg's various organisations is gradually being gathered under a single insurance solution. The insurer is Alandia.

Clients and Market

Göta Lejon is a wholly owned captive company of the City of Gothenburg and it only insures the City's administrations and companies. The company offers insurance solutions that are cost effective and adapted to the needs of clients. Gathering the City's insurance needs under one umbrella makes it possible to apply a holistic approach, which increases control over the City's risks. This means, for example, that the company is able to distribute approximately SEK 5 million per year in loss prevention contributions to the City of Gothenburg's administrations and companies.

Because Göta Lejon is owned by the City of Gothenburg, it knows very much about the various businesses and activities. It also has access to many different types of important networks, within and outside the city. In addition, Göta Lejon plays a central role in developing the insurance function within the City by, for example, providing trainings, venues and information at client meetings.

Furthermore, Göta Lejon has direct access to the reinsurance market, where there are many solid reinsurance companies that only reinsure other insurance companies or captive companies.

Accordingly, Göta Lejon is able to finance the portion of risk that the company is unable to absorb itself. Reinsurance is procured on the global reinsurance market.

Since 2017, all of the city's companies and administrations are insured through Göta Lejon. In total, there are 55 clients. During the year, a total of 246 client meetings were held by the company's account managers. Of that amount, 35 were risk surveys. Göteborg Energi, Stadsfastighetsförvaltningen, Göteborgs Hamn, Framtiden, Renova and Higab are the company's largest clients and as such, they also were visited the most. The main topics discussed at those meetings were: follow-up on the recommendations from risk surveys, annual review of the insurance coverage, insurance training, introduction of new insurance contact at administrations and companies, contract negotiations, insurance values and risk in general. Problems with contractors that had filed bankruptcy were also discussed. There were also meetings covering the risks associated with high-rise timber buildings and explosions at the entrances to residential buildings. And finally, some meetings were held with the five new urban development administrations to facilitate smooth collaboration with them.

Employees

Göta Lejon uses a tool called BAS for evaluation purposes and it has been determined that there is no unfair pay gap between men and women

Key figures	2023	2022
Earned premiums, gross (SEK thousand)	232,097	209,381
Earnings before tax and provisions (SEK thousand)	42,745	31,424
Total assets (SEK thousand)	502,133	472,803
Reinsurance premiums (SEK thousand)	-107,379	-81,932
Claims gross (SEK thousand)	-92,807	-65,021
Claims ratio	52	53
Expense ratio, per cent	26	26
Combined ratio, per cent	78	79
Total sum insured (TSI) (SEK billion)	385	347
Loss prevention contributions (SEK thousand)	2,788	2,066
Client Satisfaction Index (CSI)	*	76
Sustainable Employee Engagement (SEE)	80	73
Risk surveys	35	49
Client visits	246	273

* There was no survey in 2023.

working at the company. Each employee has an individual professional development plan that is updated and monitored at performance reviews and follow-up discussions during the year.

The City of Gothenburg most recently conducted its employee survey in November 2023 and Göta Lejon's SEE (Sustainable Employee Engagement) was 80. Last year, the company had 15 employees.

No variable remuneration is paid to any of the company's employees. The Managing Director's salary is set by the City Director. There are no variable components of salary. Göta Lejon has prepared and published a remuneration policy (in Swedish) in accordance with EIOPA-BoS-14/253 Riktlinje-10. It is available at goteborg.se/gotalejon.

Financial results

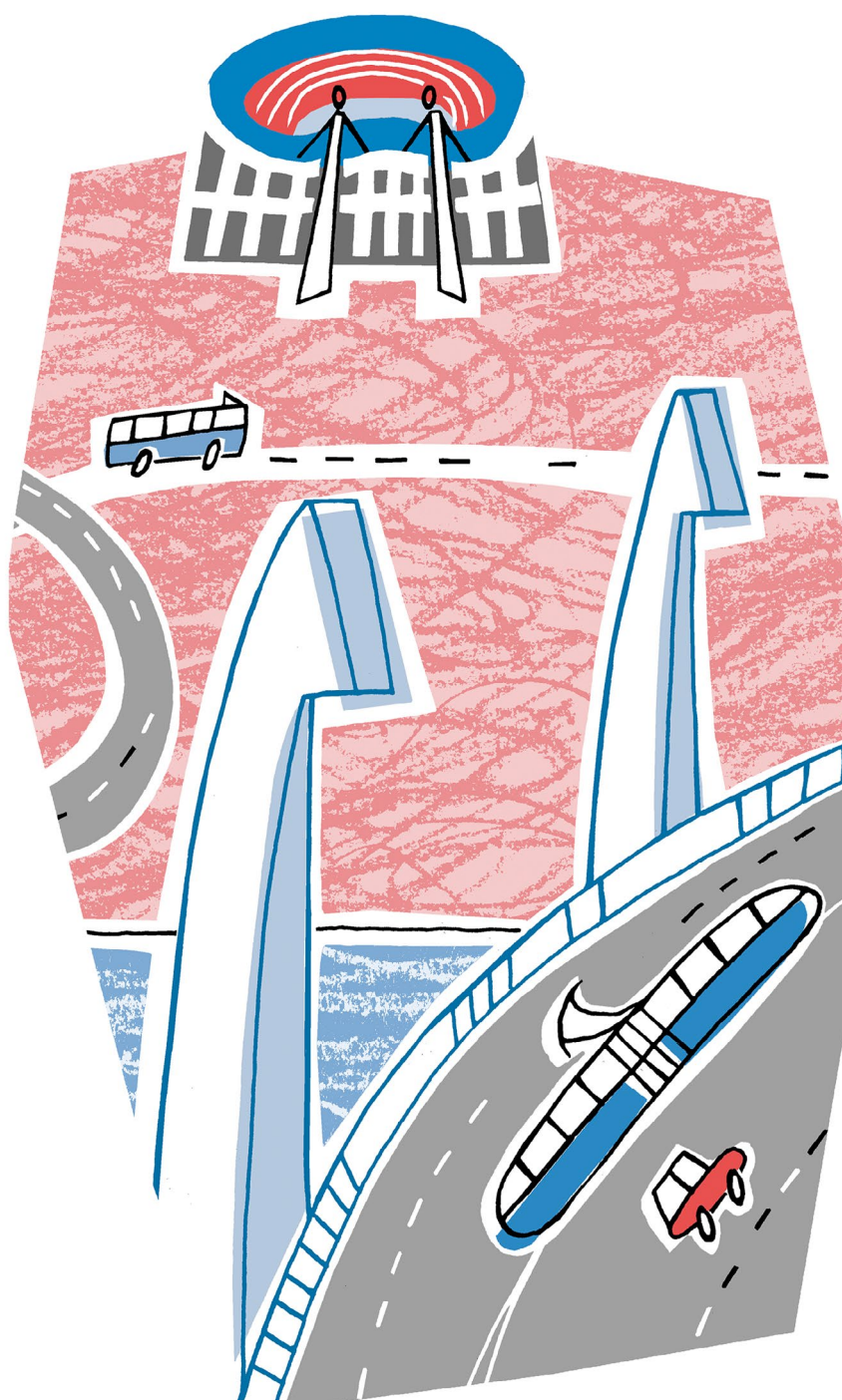
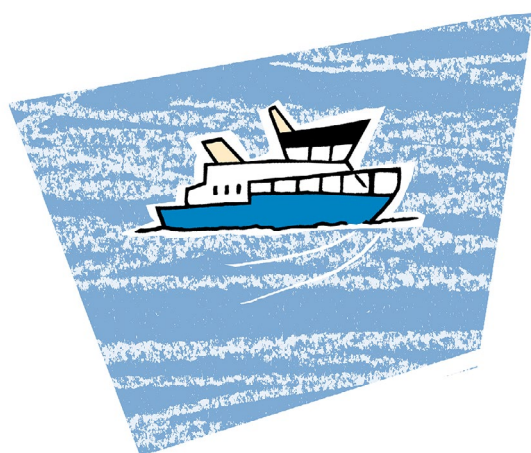
Earnings before tax and provisions for the year amounted to SEK 42,745 (31,424) thousand, see the diagram. For insurance operations, the financial result was SEK 34,246 (29,770) thousand and for finance operations, the financial result was SEK 8,499 (1,654) thousand. After additional provisions were made, contingency reserves amounted to SEK 64,474 (37 324) thousand. The solvency margin increased from 164 % the prior year to 202 % this year.

Claims outcome

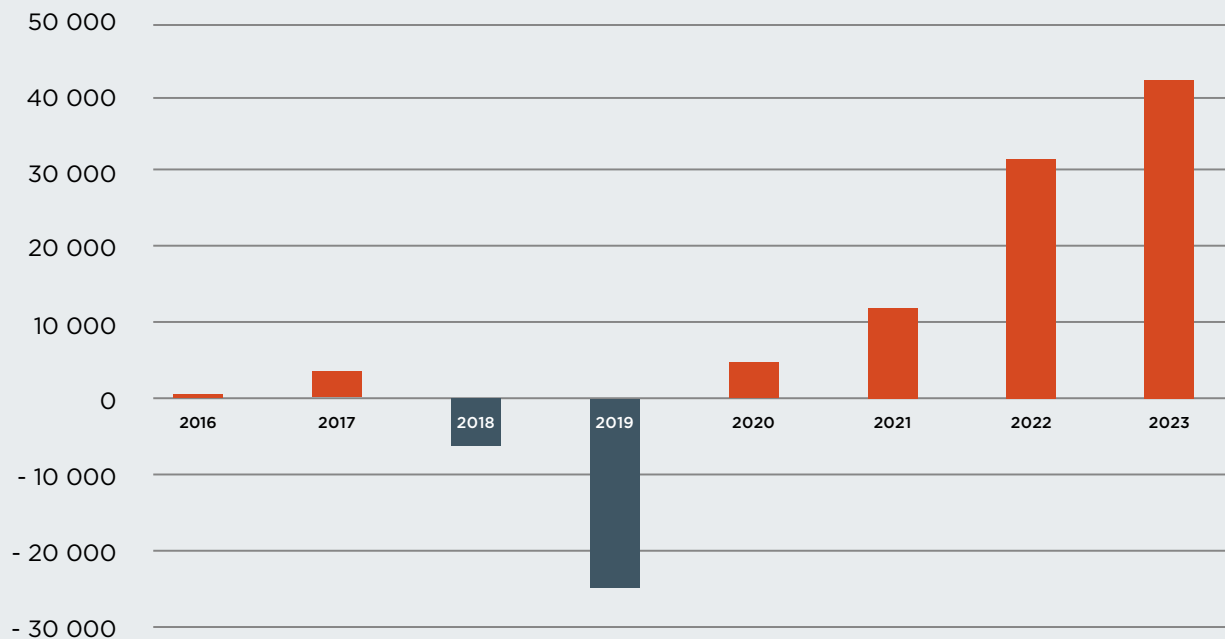
Göta Lejon's total cost for property claims during the year amounted to SEK 31.9 (38.0) million after the deduction for excess. The adjacent diagram provides an overview of the trend for the last five years. The composition of these costs were as follows: fire SEK 13,1 (10.6) million, natural catastrophe SEK 0.0 (0.0) million, water

SEK 16.6 (21.1) million machinery SEK 0.9 (3.1) million and other claims SEK 1.3 (3.2) million. In total, there were 177 (167) claims.

The claim cost for liability claims during the year after deduction of excess was SEK 5.7 (1.3) million. The claim cost for liability for rail traffic after deduction of excess was SEK 0.0 (0.0) million. In total, 264 (193) general liability claims were reported to Göta Lejon, of which 72 (41) were above the excess. For railway traffic there was 1 (1) claim, of which 1 (1) was above the excess. The claim cost for damage to motor vehicles after deduction of excess amounted to SEK 7.6 (6.2) million for the year. There were 1,240 (1,263) claims on motor vehicle insurance, of which 331 (324) related to third party claims and 909 (939) related to vehicle damage.

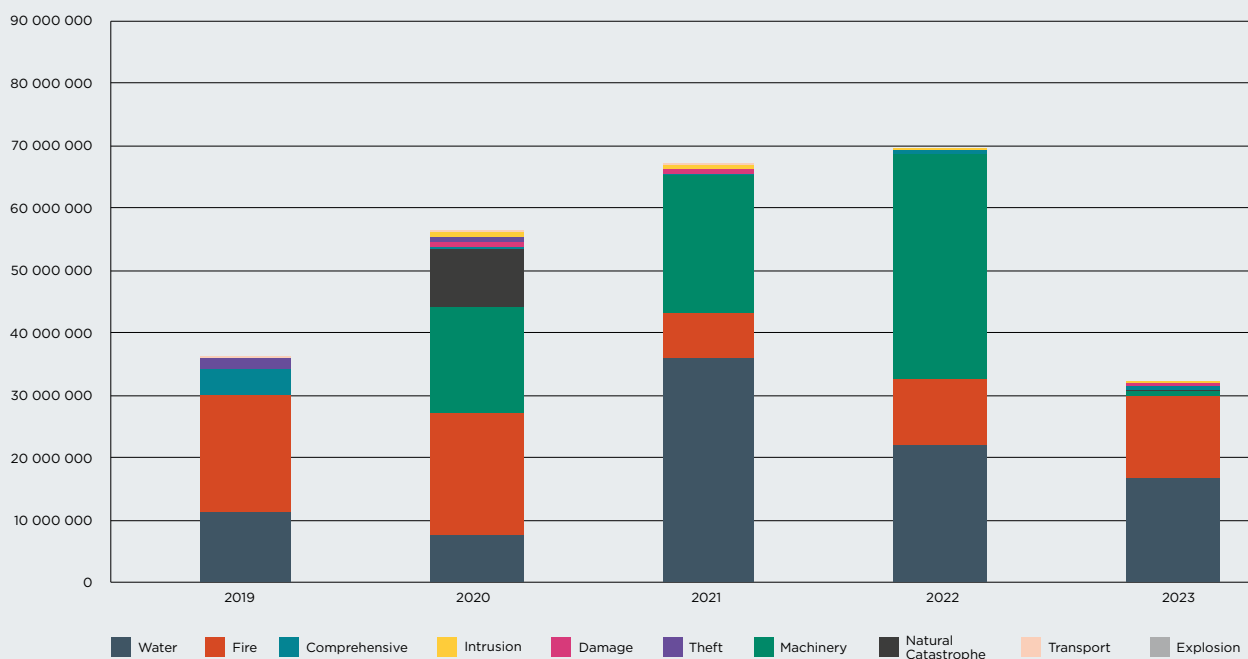


Earnings trend for Göta Lejon (SEK)



Earnings trend 2016–2023. The earnings vary over time, primarily based on the level of claim costs. Göta Lejon is a non-profit organisation and it strives for zero earnings.

Claim cost for property claims (SEK)



Claim costs above the excess and before ceded reinsurance. Over the last five years, costs for insurance that Göta Lejon handles. In addition to this, each administration/company in the city has paid for its own claims below the excess. There is reinsurance protection for very large claims or large accumulated claim costs in a specific year.

Significant Events in 2023

42 700 000

Göta Lejon reported a profit of SEK 42.7 million.
All of the insurance sectors ran at a surplus in 2023.



Highest profit to date, due to lower claims and higher yield on capital.

2,18

The company's solvency ratio, according to the Solvency II regulations, improved and was 2.18 at year end. It is well within the company's fixed interval of 1.50–2.50.



Göta Lejon moved into a new office.

35

A total of 35 risk surveys were carried out during the year at larger covered entities. The surveys result in recommendations that property owners are expected to remedy in order to lower the risk of losses.



Insured assets for SEK 385 billion.

246

client visits.



Lejonpriset 2023 was awarded to Higab AB for their overall approach to loss prevention efforts using TST2030, the Higab method for systematic analysis of safety, security and well-being.

Risk management and loss prevention measures

Göta Lejon engages in loss prevention efforts aimed at limiting the damages for the City of Gotheburg. Critical success factors for these efforts include analyses, follow-up, early detection and correct measures.

Important governance documents are Göta Lejon's Owner Directive and the City of Gothenburg's insurance policy and security policy. Göta Lejon is actively involved, and takes a leading role, in the municipality's joint security efforts. In order to succeed with loss prevention efforts it is essential that, for example, each administration and company has a Head of Security or equivalent. Göta Lejon monitors the extent to which each administration and company is in compliance with the insurance policy and insurance terms. It does this via regular, documented meetings with clients' Heads of Security and Insurance Managers. During meetings with clients, their insurance solutions and needs are also discussed. Each year, Göta Lejon distributes loss prevention contributions to its clients. The goal is to support those measures that lower the risks the most. From the start in 1991, Göta Lejon has paid SEK 153 million in loss prevention contributions. In 2023, loss prevention contributions amounted to SEK 2.8 million, see the table.

Physical protection

The most common types of loss prevention measures are various types of physical protection. A large part of loss prevention work is the installation and maintenance of various alarm systems for early detection of fire, intrusion, water damage, etc.

Göta Lejon provides support to clients for installation of fire and security alarms. Such support is primarily given to schools and preschools, along with buildings used for sports and culture. The City's alarm systems have helped reduce damages from fire and the costs associated with fire. Contributions to prevent and minimise the damage from extreme weather were also made in 2023.

Risk surveys

Göta Lejon's loss prevention programme includes a survey plan for all insured property valued at SEK 150 million or more. Such properties are inspected every 2-5 years and those with a higher value are inspected more frequently. The aim is to gain an understanding of the risks faced by the business, along with other issues that are of interest from an

insurance perspective. Another aim is to identify appropriate measures that could minimise the risks. With each client, Göta Lejon follows up on the results of surveys and the specific loss prevention measures that have been recommended. In 2023, there were a total of 35 surveys.

Statistics, analysis and follow-up

Loss prevention efforts require adequate knowledge of what has happened, the root causes and costs. Göta Lejon works proactively with analysis and follow-up of claims and incidents in all insurance areas.

Total costs for property claims in the City of Gothenburg includes claims both above and below the excess. It is important to note that these numbers are likely higher, since some claims are never reported to Göta Lejon. Nevertheless, the report gives an important overview of the trend in total claim costs.

In 2023, the total claim costs was approximately SEK 385 million, which is SEK 15 million higher than the preceding year. The cost of fire damages was approximately SEK 61 million and the cost of water damages was approximately SEK 221 million.

An analysis of total claims costs reveals that historically, fire is the primary reason behind major

Loss prevention contributions 2023 (SEK)

RISK/You are needed!	1,491,000
Extra surveillance	431,000
Water seals/water protection	400,000
Preventive for extreme weather	250,000
Security alarms	60,000
Lighting/fences	46,000
General prevention	41,834
Access Control Systems/locks/grids	30,000
Other fire protection	27,690
Fire alarms	10,000
Total	2,787,524

Loss prevention contributions in 2023. The largest individual contribution was to support fire loss prevention targeting pupils at the City of Gothenburg's schools (RISK).

individual claim costs. However, water damage accounts for the largest percentage of the total claim cost, since it results in major costs both above and below the excess.

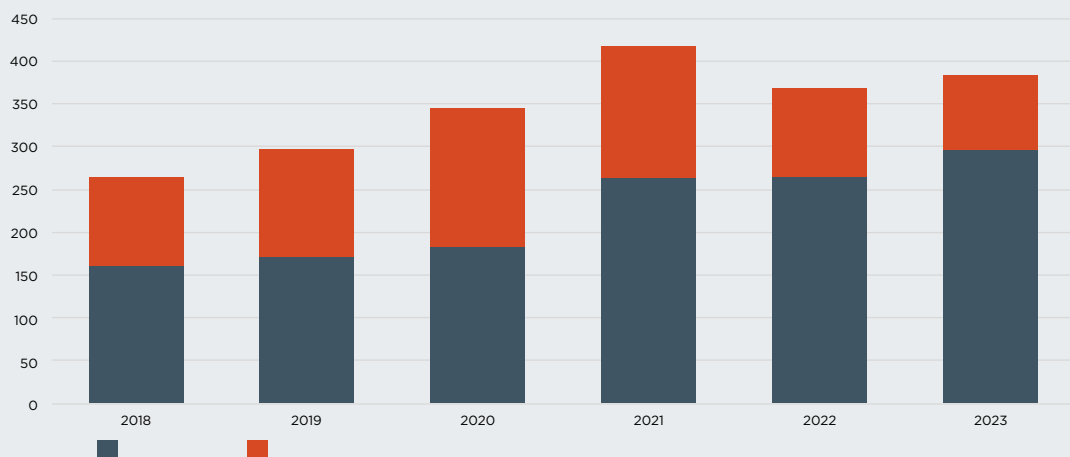
The compilations over the last few years reveal that the category of other claims, such as machinery, has been responsible for major costs. Over time, the costs for damages caused by water have increased the most. In recent years, water damage has accounted for 40-60 per cent of the total claim cost, both above and below the excess. In 2023, the cost for water damage was approximately SEK 25 million higher than the preceding year.

Fire and water claims account for the majority of costs in the category of property claims. The trend over the last few years is shown in the diagram

below: Cost allocation for various types of property claims. The number of fire incidents in 2023 was 88, compared to 74 the prior year. These fire incidents occurred at client properties, Framtiden Group (residential) is not included. A total of 60 fire incidents were the result of human action and 20 of those were with intention. 69 (61 incidents) per cent of all fires were discovered by fire detectors directly connected to a public-safety answering point (PSAP).

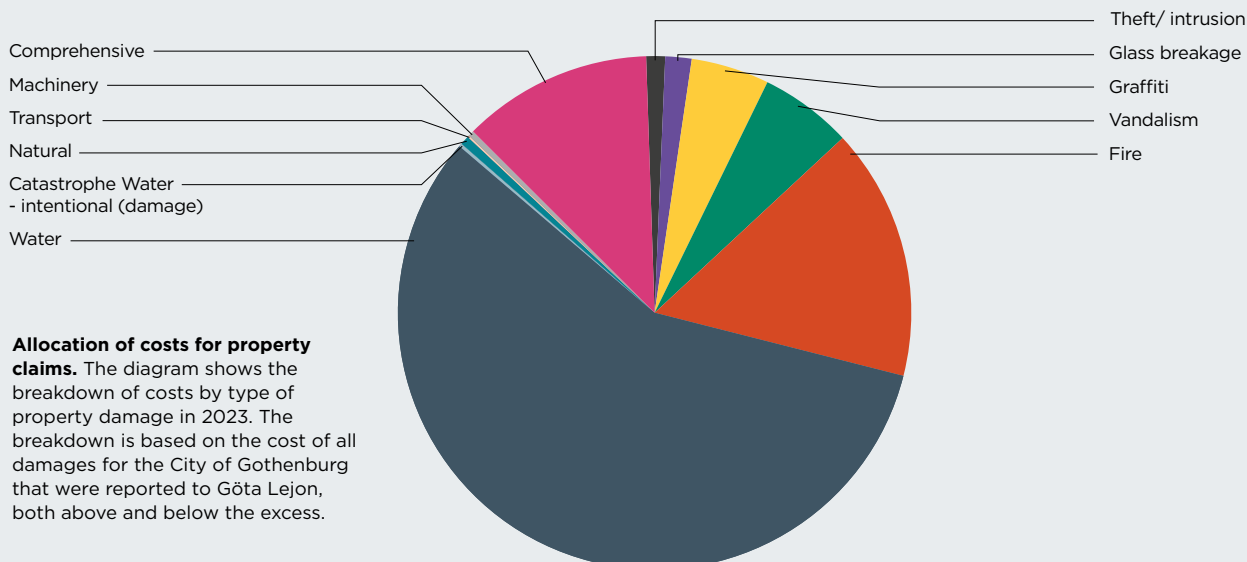
In 2023, there were 19 fires at schools. This is the lowest it has ever been since Göta Lejon started reporting these types of statistics in 2003. The costs associated with school fires were, as in recent years, very low. See the diagram on the next page.

Total cost (SEK million) of property damages for the City of Gothenburg, 2018–2023



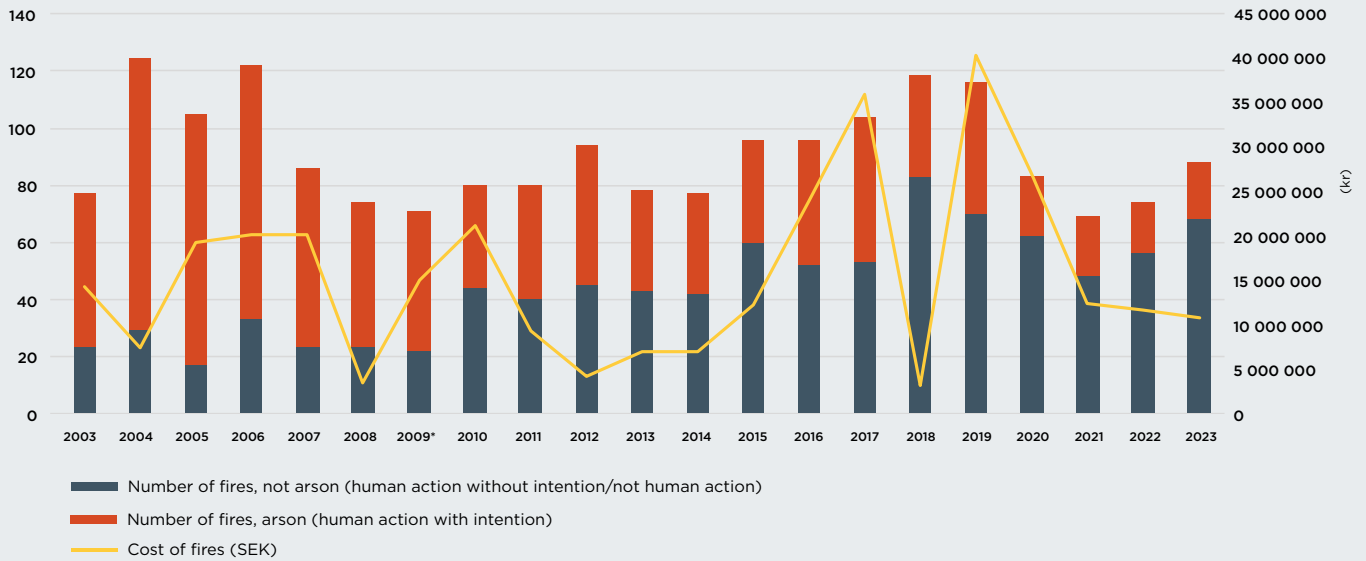
Property claims above and below the excess. The total cost of property damages for the City of Gothenburg increased in 2023 after a decline in 2022. Because of a change in insurance solution for Framtiden Group (residential), the number of claims up to and including 2020 are reported as above the excess and now, as of 2021, they are reported as below the excess. It means that comparison between 2021 and prior years is only possible for the total cost. Excluding Framtiden Group (residential), the claim costs below excess in 2021 were at the same level as in 2020.

Cost allocation for various types of property claims 2023



Allocation of costs for property claims. The diagram shows the breakdown of costs by type of property damage in 2023. The breakdown is based on the cost of all damages for the City of Gothenburg that were reported to Göta Lejon, both above and below the excess.

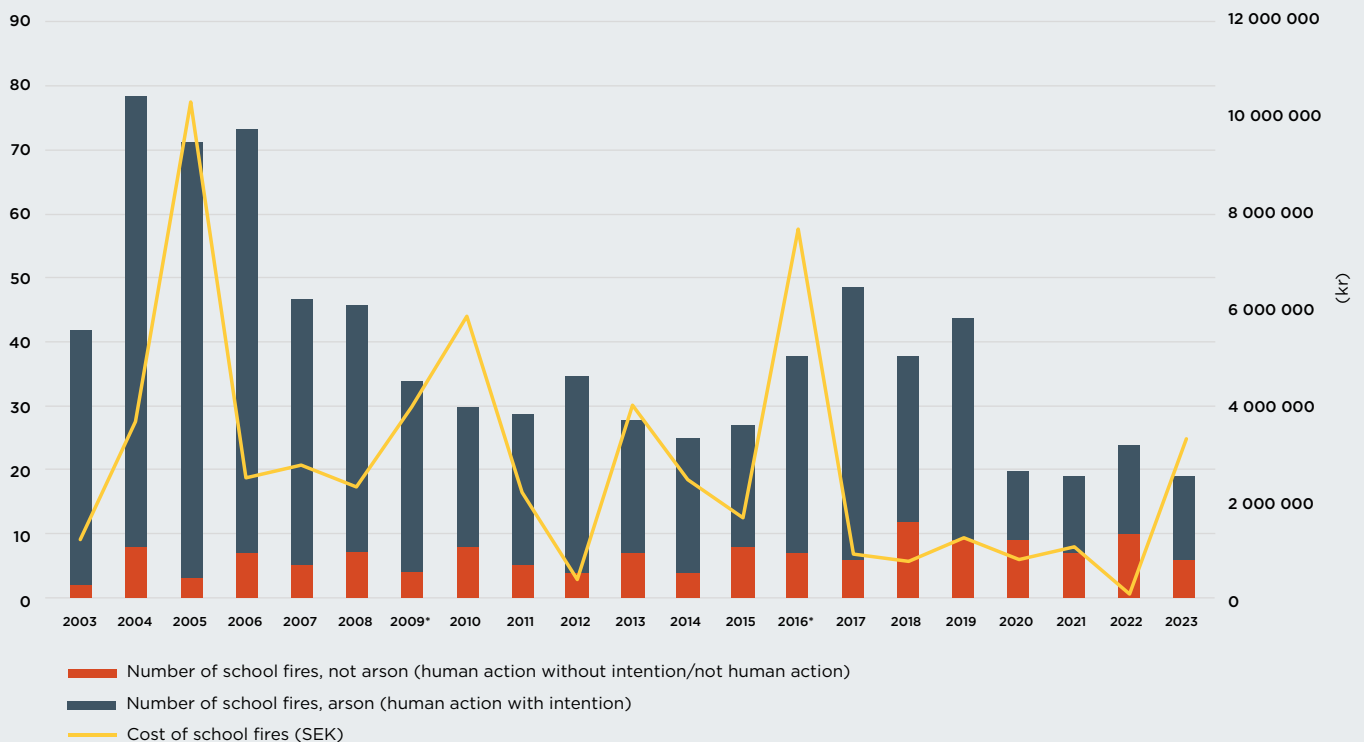
Number of fires at properties insured by Göta Lejon (not including residential) and costs for the years 2003– 2023*



Fire statistics 2003–2023. The diagram shows the number of fires at properties (not including Framtiden Group (residential)) that are insured by Göta Lejon, along with the total cost of fires.

* The fire at Torslanda school in 2009 is not included. The cost amounted to SEK 108 million.

Number of school fires, intentional and non-intentional, 2003– 2023*, and cost



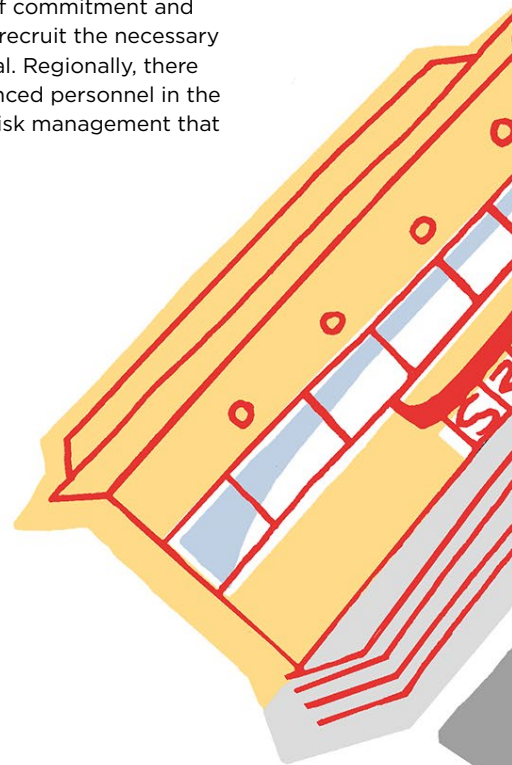
Number of school fires, intentional and non-intentional. The number of intentional school fires is the lowest it has ever been since Göta Lejon started collecting and reporting this data.

* Since 2016, the term "arson" has been replaced by "human action with intention". It means that the number reported prior to and after the change are not entirely comparable.

* The fire at Torslanda school in 2009 is not included. The cost amounted to SEK 108 million.

Important issues for the future

- In the highly competitive insurance market, Göta Lejon must continue delivering cost-effective insurance solutions, while maintaining a good collaboration and dialogue with its clients, the City's companies and administrations. An important issue for the future is how Göta Lejon can contribute to developing and strengthening the City's risk management and loss prevention efforts to reduce the City of Gothenburg's claims costs. The prevention efforts of the City's companies and administrations have become increasingly important as a means of effectively protecting the City's property. Well-functioning efforts to identify risks and thus prevent and reduce the costs of damages is a prerequisite for Göta Lejon to successfully renegotiate reinsurance for the City of Gothenburg.
- Worldwide trends, such as a rising incidence of natural disasters associated with more extreme weather, a higher risk of terrorism and social unrest are important to take into consideration when planning the company's future operations.
- Protecting the City of Gothenburg's assets from flooding and other climate-related risks is becoming increasingly important, as are Göta Lejon's climate adaptation efforts. The company is also highlighting another climate-related trend, namely, the growing popularity of wooden structures. Despite the lower climate impact, there is a higher risk of total loss from fire with these types of buildings.
- IT-related risks and cyber risks are areas that Göta Lejon is monitoring from both an insurance perspective and in the context of ways to manage such risks.
- Risk management and risk financing associated with the City's major infrastructure projects and other major urban development projects for Gothenburg are important issues for Göta Lejon.
- The pace of digitalisation has speeded up and the opportunities for new ways of working have changed after the pandemic. In order for Göta Lejon to fulfil its mission, employees must have a high level of commitment and expertise. The ability to recruit the necessary expertise is also essential. Regionally, there is a shortage of experienced personnel in the areas of insurance and risk management that Göta Lejon works with.





Profit/loss & balance sheet

INCOME STATEMENTS (SEK 000s)	2023	2022
Earned premiums	232,097	209,381
Reinsurance	-107,379	-81,932
Claims	-64,248	-67,167
Operating costs	-33,526	-33,425
Investment return	15,596	4,330
Other income/costs	205	237
Profit before appropriations and tax	42,745	31,424
Change in contingency reserve	-27,150	-31,413
Tax	-153	-11
PROFIT (LOSS) FOR THE YEAR	15,442	0

BALANCE SHEET ASSETS (SEK 000s)	2023-12-31	2022-12-31
Intangible assets	-	-
Investment assets	436,732	401,315
Unearned premiums, reinsurers' share	-	-
Claims outstanding, reinsurers' share	57,320	35,112
<i>Total reinsurers' share of technical insurance provisions</i>	57,320	35,112
Receivables in respect of direct insurance	1,086	830
Receivables in respect of reinsurance	-	-
Other receivables	3,212	1,623
<i>Total receivables</i>	4,298	2,453
Tangible assets	1,592	-
Prepaid expenses and accrued income	2,191	33,923
TOTAL ASSETS	502,133	472,803

BALANCE SHEET EQUITY, PROVISIONS AND LIABILITIES (SEK 000s)	2023-12-31	2022-12-31
Share capital	145,000	145,000
Claims equalisation reserve	27,329	27,329
Profit (loss) for the year	15,442	-
<i>Total equity</i>	<i>187,771</i>	<i>172,329</i>
Contingency reserve	64,474	37,324
Unearned premiums and remaining risks	-	-
Claims outstanding	231,401	218,542
<i>Total technical insurance provisions</i>	<i>231,401</i>	<i>218,542</i>
Pension provisions	3,577	2,436
Liabilities in respect of direct insurance	3,193	106
Liabilities in respect of reinsurance	983	32,218
Other liabilities	5,058	4,257
<i>Total liabilities</i>	<i>9,234</i>	<i>36,581</i>
Accrued expenses and prepaid income	5,676	5,591
Total equity, provisions and liabilities	502,133	472,803

Försäkrings AB Göta Lejon is a company wholly owned by the City of Gothenburg. Göta Lejon insures all of the administrations and companies belonging to the City of Gothenburg. The company is also tasked with engaging in loss prevention efforts that effectively lower the City's risk costs. It is also responsible for, in other ways, helping to strengthen the loss prevention efforts of the City's administrations and companies.



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