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I SUMMARY

Social Security

Eligibility	All residents, including persons in Spitsbergen and Jan Mayen if they are employed by a Norwegian company. Some Norwegians working abroad are also included.
Retirement Age	Earliest at 67M/F 62M/F in some special cases.
Contributions	Both employers and employees contribute towards the social security system. The employer's contribution is assessed as a percentage of paid out wages. Contributions are differentiated according to the regional zone in which the employees reside.
Retirement Benefits	Basic pension plus supplement. The supplement depends on accrued pension points, date of birth, pensionable service. Full benefit after 40 years. Basic Amount: NOK 72 881 (as of May 1, 2009).
Disability Benefits	Projected old age pension. Minimum degree of disability 50%. Waiting period normally 12 months. During this period, a sickness allowance is paid.
Death Benefits	Spouse's Pension: Basic pension plus supplement. Full basic pension amounts to the basic amount. The full supplement is 55% of the old age pension supplement. If expected income exceeds 50% of the basic amount, the pension is reduced. Orphan's Pension: 40% of basic amount for the first and 25% for each additional child, payable till age 18, or 20 if full time student.
Medical Benefits	Comprehensive medical coverage for medical aid, pregnancy, childbirth, physical defects, home care etc.

Private Benefit Plans

Eligibility	As of age 20, upon date of employment.
Retirement Age	Earliest at age 67M/F
Contributions	Normally 100% of total costs are paid by the employer.
Retirement Benefits	<p>Defined benefit plans: Approximately 66-70% of final salary including social security. Benefit reduced if less than 30 years pensionable service.</p> <p>Defined contributions plans: Maximum contributions: 5% of salary between 1 and 6 times the basic amount, 8% between 8 and 12 times the basic amount.</p>
Disability Benefits	Defined benefit and defined contribution plans: 66-70% of the projected old age pension (for DB plans) and approximately 66-60% of salary (for DC plans), including social security.
Death Benefits	<p>Spouse's Pension: Defined benefit and defined contribution plans: 50% of projected old age pension (for defined contribution plans, 50% of the disability pension).</p> <p>Orphan's Pension: Defined benefit and defined contribution plans: 40% - 50% of projected old age pension/disability pension. Normally payable till age 21.</p> <p>Lump Sum Death Benefit: Maximum 80 basic amounts. Level of benefit can be defined differently for different groups of employees.</p>
Medical Benefits	The state benefits are generally considered adequate, Private medical plans are increasing in popularity.
Vesting	Fully vested offer: 12 months plan membership.

Taxation

Employer Contributions	Social security and private plans deductible. Deduction for private benefit plans is deductible if various legal requirements are met.
Employee Contributions	Social security deductible.
Benefits	Pensions are normally taxed as income. Lump sums and benefits in kind are normally not taxed. Pensions from private benefit plans are taxed as income.

II INTRODUCTION

Country Statistics

Population/ growth rate	4.66 million (2009 est.) 0.10% (2009 est.)
Age structure	
0 - 15 years	20%
16 - 66 years	67%
67 years and over	13% (2009 est.)
GDP purchasing power parity/ Real growth rate	USD 275.4 billion (2009 est.) -1.1% (2009 est.)
Agriculture	2.0%
Industry	44.2%
Services	53.8% (2009 est.)
Unemployment rate	2.6% (2008)
Inflation rate	3.8% (2008)
Annual gross salary*	in NOK
Labourer	General: n.a. Skilled: 346,544
Professionals	Junior: 428,662 Senior: 530,238
Management	Lower: 655,884 Upper: 811,303
Legal minimum wage	Only union agreed arrangements
Exchange rate on February 28, 2010	1 NOK = 0.1687 USD
Currency: Norwegian Krone	1 NOK = 0.1243 EUR

*Source: Mercer's International Geographic Salary Differentials, Edition 2008

Legislation and Insurance Market Update in Brief

The New Law of January 1, 2008, for the Norwegian Life Insurance Business

The legislative changes affected the following:

- A new law governing bank and life insurance business, which sets standards for the pricing of products and services, opening up new possibilities for investment and asset management of pension reserves and funds.
- The new law required amendments to all existing defined benefits plans, especially those valid since January 1, 2008.

The new Act set out new requirements for insurance products. However, it also resulted in more options for companies (hereafter called “policy holder”).

Main objectives of the New Act:

- Clear distinction between the capital of the policy holder and the insurance company
- Clear distinction between risks for the client and the insurance company
- More transparency in the price structure to be used for life insurance products

This resulted in the following:

- The assets belonging to the policy holder and the assets belonging to the life insurance company are managed separately.
- The assets of the policy holder are placed in either the common asset portfolio of the collective company pension plan portfolios or in separate accounts with separate investment options:
 - All investment yields of these portfolios are credited to the policy holder.
 - The assets of the insurer are placed in a separate portfolio. The investment yield is credited to the insurance company.
- All life insurance products have a new price structure with a pre-calculated tariff for risk, for asset management and for administration. Surplus accumulated on the risk elements and the administration costs are credited to the policy holder. Deficits have to be covered by the insurance company.

Surplus from paid up policies and existing individual agreements have to be split and credited to the collective group of the said policies/agreements.

The Social Security Reform

The new Social Security reform will be implemented as of January 1, 2011. On January 1, 2010 the Social Security authorities started synchronising the existing models with the new ones.

The reform will be fully effective from January 1, 2011.

III SOCIAL SECURITY

Background Information

The main social insurance schemes in Norway are the National Insurance scheme, the family allowance scheme and the scheme for cash benefit for families with small children. Benefits from the National Insurance scheme are granted according to the National Insurance act.

The social security system is fairly comprehensive. It grants benefits to all persons domiciled in Norway in case of illness, bodily injury, pregnancy and childbirth, unemployment, old age, disability, death and loss of income-earner.

Basic Amount

Most benefits are fixed in relation to the so-called basic amount which is NOK 72,881 as of May 1, 2009. The basic amount is generally adjusted on May 1 every year, in line with increases in real income and general price development. When the basic amount is changed, social security benefits change accordingly.

Eligibility

All persons residing or working in Norway are insured. The same applies to persons living in Svalbard (Spitsbergen) and Jan Mayen who are employed by a Norwegian employer, or who were insured under the National Insurance act prior to their stay in these areas. Certain categories of Norwegian citizens working abroad are also insured by the system.

In general, a Norwegian expatriate paid by a Norwegian employer may stay in the social security system for up to 5-10 years during expatriation within EEA countries. However, the main rule for a Norwegian expatriate is that they participate in the local social security system in the country of work within EU/EEA, especially when employed locally. Service years within EU/EEA will count as service years in Norway upon repatriation.

Contributions

The contribution rate for employees is 7.8% of the annual base salary. The contribution rate for other kinds of personal income (pensions etc.) is 3.0%.

The employer's contribution is assessed as a percentage of paid out wages. Contributions are differentiated according to the regional zone in which the employees reside. There are five regional zones based on geographical situation and level of economic development. The employer's contributions vary between 0% and 14.1% according to the zone. An additional employer's contribution of 12.5% is calculated on wages exceeding 16 times the basic amount. Family allowances and the cash benefit for families with small children are financed through the state budget.

Retirement Benefits

Retirement Age

Normal retirement: 67M/F, at the earliest. Many stay till 70 (the Social Security institution urges employees to stay working until 70).

If covered by the negotiated plan through employers' federation and trade unions, early retirement age: 62M/F.

The benefit is reduced accordingly.

Qualifying Conditions

Retirement benefits are paid to persons who have been insured for at least three years.

Benefits

- **Basic Pension:** The old age pension consists of a basic pension and a supplementary pension. The full basic pension is the basic amount if the pensioner is unmarried or has a spouse who is not drawing an old age pension or disability pension. If the pensioner has a spouse or a cohabitant who is drawing an old age pension, full disability pension or has an income exceeding 2 times the basic amount, the full basic pension is 85% of the basic amount.
- **Earnings-Related Pension:** The supplementary pension is 42% of income between 1 and 6 times of the basic amount, and 14% between 6 and 12 times of the basic amount. The level of the supplementary pension depends on pension points, pensionable service, date of birth and the basic amount. The full supplementary pension is 42% of the final point figure multiplied by the basic amount. The maximum final point figure is 7, the minimum 0.5. Entitlement to the full supplementary pension is obtained after 40 years of pensionable service. In the case of a shorter earnings period, the supplementary pension is reduced by 1/40 for each missing year. Minimum requirement for obtaining the pension is 3 years of domiciliation.

Disability Benefits

Qualifying Conditions

Disability benefits are payable to employees who:

- Are residents of Norway;
- Have completed at least three years of insurance;
- Are between 16 and 67 years old; and
- Are at least 50% permanently disabled.

Benefits

Long-Term Disability

The annual disability pension is equal to the old age pension. The disability pension is reduced in proportion to the degree of disability (minimum qualifying degree: 50%). Waiting period: 12 months (while daily sickness allowance is paid). A supplement of 25% of the basic amount (and graded like the disability pension) is paid for each child under 18. The long-term disability pension is split into:

- Permanent disability pension (no reactivation possible)
- Time-limited disability pension from 1 to 4 years, if future, active income might be possible. This benefit can be prolonged, if necessary.

Death Benefits

Qualifying Conditions

The surviving spouse must be under the age of 67 and residing in Norway. Orphan pensions are payable to children under the age of 18, or 20 if in full-time education.

Benefits

Spouse's pension

Spouse's pension is composed of a basic pension and a supplementary pension. The full basic pension equals the basic amount. The full pension supplement is 55% of the supplementary pension, which the deceased was or would have been entitled to as an old age- or disability pensioner, and is computed on the basis of total disability.

The widowed person's pension is reduced by 40% of that part of expected earned income which exceeds 50% of the basic amount, depending upon the result of a possible means test based on the family situation, previous education and work, demographic situation, etc.

Orphan's Pension

The orphan's pension is granted to children up to age 18. It is 40% of the basic amount for the first child and 25% for each of the other children. If both parents are deceased, the first child receives an annual pension equal to that of the parent who was entitled to the higher widow's/widower's pension. The second child receives 40% and each of the other children 25% of the basic amount. If the child is in full-time education, the benefit may be granted up to age 20.

Sickness Benefits

Qualifying Conditions

In July 2004 stricter rules for short term disability allowance were introduced. In order to receive sickness allowance, a recovery plan must be set up by the physician and the employer. The result might be a graded sickness allowance – sickness leave/part time work, until either full recovery or permanent disability has been established.

Benefits

Short-Term Disability

Daily sickness allowances for employees are 100% of pensionable income, and are paid from the 1st day of sickness and for a maximum of 260 days (1 year minus Saturdays and Sundays) for the same illness. Sickness benefits are paid by the employer for the first 16 days, thereafter by social security. The amount is the gross annual income up to 6 times the basic amount. The benefit is regarded as pensionable income.

Medical/Health Benefits

Qualifying Conditions

There is no minimum qualifying period for eligibility to medical benefits.

Benefits

Medical benefits are granted in the event of illness, physical defect, pregnancy and childbirth. Expenses for medical aid and treatment, care in health institutions, physiotherapy, medication, home nursing, home help etc. are reimbursed.

Work Injury Benefits

Occupational injury benefits are granted according to the respective act. All injuries and diseases incurred by employees at work, in the workplace, during work hours are covered.

Unemployment Benefits

Qualifying Conditions

Daily cash benefit is provided if unemployment has lasted for more than 3 of the preceding 10 days.

Benefits

The benefit is paid for a maximum of 104 weeks if previous income exceeded 2 times the basic amount of the previous calendar year, or 3 times the basic amount the preceding 3 calendar years. If the recipient is over 64, the benefit is granted up to retirement age 67. The daily cash benefit amounts to 0.24% of income. The income base used is full income up to 6 times the basic amount. On average, this will mean 62.4% of previous income. In addition, NOK 17 per day is granted for each child under age 18.

Other Benefits

Maternity Benefits

An insured woman who has been employed for six out of the ten months preceding pregnancy leave, is entitled to daily maternity allowances (100% of salary not exceeding 6 basic amounts) for 42 weeks or 80% of the benefit for 53 weeks. However, 3 of these weeks must be taken before expected delivery and the father must take 5 of these weeks after delivery. A mother not entitled to sickness benefits receives a maternity grant of NOK 35,263.

Rehabilitation Benefits

Insured persons under 67 are entitled to rehabilitation benefits if they are resident in Norway and have been insured for three years immediately prior to claiming the benefits. An insurance period of one year is sufficient if the claimant has been physically and mentally capable of performing normal work during that year.

Rehabilitation benefits are granted if the person concerned has a permanently reduced working capacity or substantially limited opportunities in the choice of occupation or place of work. Benefits are also granted for the improvement of the general functional capacity if this is substantially reduced due to illness, injury or defect.

Special Supplements

Pensioners who have no, or only a small, supplementary pension, are entitled to a special supplement. A full special supplement is payable if the insurance period is at least 40 years. The special supplement is reduced proportionately in the case of a shorter period. A supplementary pension is deducted from the special supplement.

For an unmarried pensioner, the special supplement is 94% of the basic amount. If the pensioner supports a spouse who is 60 years or older, the special supplement is 74% of the basic amount. If both spouses receive a minimum pension, the special supplement is the same as for singles, i.e. 94% of the basic amount each.

Taxation

Contributions

Contributions are tax-deductible.

Benefits

Benefits from social security are taxed as income except for the lump-sum grants and the benefits in kind. However, special tax provisions apply to old age, survivors, and disability pensioners with income below a certain minimum limit. Persons within these groups are not liable to pay tax. The same applies to survivors and single supporters who receive transitional benefits and persons receiving temporary disability benefits.

Other Information

Pensionable Income

There are 2 types of pensionable income for social security purposes: Earned income and other sources of income:

1. Earned income is the most common type. It consists of regular salaries, fees, commissions and bonuses paid as remuneration for personal services. The income is fully pensionable up to an amount of 6 times the basic amount, while only 33% of income between 6 and 12 times the basic amount is taken into account.
2. Other sources of income are returns on invested capital, value of free housing, sickness benefits received, etc.

Reciprocal Social Security Agreements

Australia, Canada, Chile, Croatia, Hungary, Israel, Montenegro, Serbia, Slovenia, Switzerland, Turkey and the United States of America. An agreement with Quebec has also been concluded.

There is a social security convention between the Nordic Countries.

On January 1, 1994, the EEA agreement took effect. It applies to the EU countries and the 3 EFTA countries (Iceland, Liechtenstein and Norway).

IV PRIVATE BENEFIT PLANS

Background Information

Private employee benefits have previously not been mandated and the implementation of company benefit schemes is voluntary. Most companies, however, provide some form of benefits in addition to social security, especially companies in the demographic areas with work force pressure and centralised business environment (eastern and western Norway).

Since January 1, 2006, the act for mandatory occupational pension plans has been in force. See “Mandatory Occupational Pension Plan” below.

Pension plans have traditionally been defined benefit plans, governed by tax-rules dating back to the introduction of social security.

On January 1, 2001, a set of rules and regulations were implemented in a new law governing the traditional defined benefit plan. At the same time defined contribution plans, which are taxed at an advantageous rate, came into force.

However, most companies have used a defined benefit option for many years in order to supplement social security, maintaining an old age pension level of 60% - 70% of salary, including risk components such as disability and death (disability pension, widow's/widower's pension, orphan's pension and lump sum death benefit). This has been the most commonly used plans design for both domestic and international companies.

The transition from defined benefits to defined contribution plans is ongoing and has accelerated during the last couple of years

Most new plans being implemented are defined contribution plans.

Valid for both defined benefit and defined contribution plans:

- Introduction of an advisory committee with 3 representatives, one of them to be elected by the plan members, if there are at least 15.
- Mandatory admission on the day of employment for employees of age 20 or over.
- Early-leavers lose their membership in the defined benefit company pension plan.
- Employees who continue working after retirement age (67) stay in the plan.
- Pension plans must have a minimum payment period of 10 years for the old age pension, after reaching retirement age.
- Defined benefit plans and defined contribution plans may also contain a cohabitant's pension (besides the spouse's benefit).

Defined contribution plans are subject to the same tax-regime as defined benefit plans. Essentially the same requirements mentioned above also apply to defined contribution plans. In addition, members of a defined contribution plan must be informed annually on the amount of reserves held, expected old age pension, funds selected, type of level of risk benefits, written plan description, as well as information on (major) plan changes.

Mandatory Occupational Pension Plan

The act on mandatory occupational pension plans came into force on January 1, 2006. All companies which do not already have an existing defined benefit or defined contribution plan designed according to prevailing tax rules, must implement a company pension plan, according to the following criteria:

- Valid for all companies which are liable for tax payments, which have at least 2 man labour years.
- Minimum requirement, defined contribution plan, 2% of pensionable salary between 1 basic amount and 12 times the basic amount.
- Payment of the retirement pension from the age of 67 for a minimum of 10 years.
- From the end of 2006, waiver of contribution to be included.
- Time frame; the plan had to be implemented no later than December 31, 2006, backdated to July 1, 2006.
- The same tax rules as for other defined contribution and defined benefit plans to be followed.

Eligibility

All salaried employees and wage earners, as of 20, from the beginning of their employment.

Contributions

Employee Contributions

In defined benefit plans there are usually none.

Retirement Benefits

Retirement Age

Retirement age in private pension plans will most commonly be 67 for both men and women. New rules in the Social Security System and the politicians interest in urging the work force to work longer, opens up the possibility to stay at work to age 70.

Benefits

Old Age Pension – Defined Benefit Plans:

The most commonly used benefit level under defined benefit plans is 66% of salary, including social security. As an average, social security provides about 42% - 45% of pensionable salary. Frequently, companies which are labour-intensive provide for a higher pensions level, i.e. about 70%. According to the new law for company pension plans, the following maximum limits on old age pension have had to be followed since January 1, 2001 in order to be tax approved:

Assumed social security benefit plus the company pension plan provision must not exceed

- 100% of pensionable salary up to 6 times the basic amount (NOK 437,286).
- 70% of pensionable salary between 6 and 12 times the basic amount (NOK 437,286). and NOK 874,572)
- Maximum pensionable salary: 12 times the basic amount (NOK 874,572).
- Old Age Pension/Savings - Defined Contribution Plans:

Defined contribution plans are subject to the same tax regulations as defined benefit plans. There is however no limit on the overall benefit but on the annual contributions.

Maximum contributions, in order to obtain tax approval:

Based on annual income	Contribution
Between 0 and 1 time the basic amount *)	No contribution
Between 1 and 6 times the basic amount	5%
Between 6 and 12 times the basic amount	8%

The contribution rate must be the same for all employees. Employee contributions: Not possible.

The following investment options are available:

- Using the insurer's investment portfolio and investment mix.
- The employer determines the investment choices.
- The employee determines the investment choices.
- A guaranteed interest option, no choices for the employees. Investment strategy of the insurer will be applied.

Vesting

Full vesting from the date of plan entry, or after 12 months of plan membership (most restrictive rule).

Disability Benefits

Benefits

- Defined Benefit Plans: Equals the old age pension when 100% disabled after 12 months of continuous illness. The benefit is adapted to the degree of disability, minimum 20%. Premium waiver is granted in connection with a disability pension. Additionally, 10% of the benefit is secured per dependant child under age 21.
- Defined Contribution Plans: The disability pension will be set as a percentage of pensionable salary, for instance 66%.

Death Benefits

Widow's/Widower's Pension

- Defined Benefit Plans: 55% or 60% of the projected or actual old age pension as described above. Benefits from social security are paid in addition.
- Defined Contribution Plans: 55% or 60%, or another percentage of the secured disability pension.

Orphan's Pension

- Defined Benefit Plans: 40% - 50% of projected or actual old age pension based on 20% of income in excess of the basic amount under social security for the first child; 25% for each of the remaining children. The benefit is normally paid till age 21 and may be doubled between ages 18 and 21 due to insufficient coverage under social security.
- Defined Contribution Plans: Same percentages as above, set as a percentage of the disability pension.

Medical/Health Benefits

Medical, healthcare and hospitalisation is part of social security. Private hospital and medical insurance is available, and the demand for such covers is increasing in popularity.

Other Benefits

Lump Sum Benefits/Group Life Insurance/Personnel Insurance Cover

All companies must have worker's compensation cover. This cover is usually bundled with an AD&D and a group life death lump sum cover. The generosity of the plan outline varies between companies.

The competition is stiff between the local insurance suppliers. The different covers in this package are almost always a multiple of the basic amount under Social Security (NOK 72,881)

Critical Illness

Critical Illness offers a lump sum payment.

Taxation

General

Tax exemption is subject to the plan meeting the provisions of the new pension law. Pension insurance, drawn up under the title service pension insurance according to tax regulations must be written with a life insurance company holding a Norwegian license.

The pension scheme must include all employees who are covered by social security. However, seasonal workers and employees with less than 10 years left to retirement age may be excluded. Having met entry requirements, the employee must be covered as of commencement of employment. If an employee has been a member of the pension scheme for less than 1 year, the paid-up pension rights are returned to the employer's premium fund. The maximum pensionable salary amounts to 12 times the basic amount.

The lowest permissible retirement age is 67 except for special groups including pilots, miners, bus drivers and sales representatives, for whom a lower retirement age may apply through private pension schemes. In principle, the pension plan must be available on equal terms to all employees eligible for the private pension scheme.

Tax Deductions

A group pension scheme which is in accordance with the legal provisions offers tax deductions for:

- Group insurance premiums: The annual premium paid by the employer is tax-deductible and not considered income to the employee. If the insured's pay any part of the premium themselves, this part of the premium is tax-deductible for the insured
- Allocations to the premium fund: In addition to paying the basic annual premium, the employer can make tax-deductible allocations to the premium fund of an annual amount up to 50% of the premium. When the premium fund exceeds 6 times the annual premium, the excess must be returned to the employer. The premium fund can be used to pay current premiums and/or to grant supplementary pensions to matured pensions.

Premium funds can, at present, only be established with an insurance company or a bank. Deposited funds bear interest according to the current rates determined for such funds.

Double Taxation Agreements

Albania, Argentina, Azerbaijan, Australia, Austria, Bangladesh, Barbados, Belgium, Benin, Brazil, Bulgaria, Canada, Chile, China, Commonwealth of Independent States (CIS), Côte d'Ivoire, Croatia, Cyprus, the Czech Republic, Denmark, Dutch Antilles, Egypt, Estonia, the Færo Islands, Finland, France, Gambia, Germany, Greece, Greenland, Grenada, Guernsey, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Jamaica, Jersey, Kazakhstan, Kenya, Korea (Republic), Latvia, Lebanon, Lithuania, Luxembourg, Malawi, Malaysia, Malta, Mexico, Morocco, Nepal, the Netherlands, New Zealand, Pakistan, the Philippines, Poland, Portugal, Qatar, Romania, Russia, Senegal, Sierra Leone, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, the United Kingdom, the United States of America, Venezuela, Vietnam, Zambia and Zimbabwe.

Benefit Payments from Abroad

Benefit payments from abroad will be taxable income together with other benefits payable from Norwegian sources.

Transfer of Accumulated Policy Reserves from Abroad

Transfer of accumulated policy reserves from abroad can be made to the insurance company to be used for benefit payments. However, once transferred, the reserves cannot be re-transferred out of the country, unless special conditions (emigration, etc.) approved by the supervisory authorities are fulfilled.

Other Information

Pensionable Salary

The maximum pensionable salary amounts to 12 times the basic amount under social security: Currently 12 x NOK 72,881 (= NOK 874,572).

Pensionable Service

The employer has the option of choosing 30 or 40 years as the maximum of pensionable service. Benefits will be reduced by 1/30 (3.33%) or 1/40 (2.50%) for each year short of a full career. The most common is 30 years of service.

Health Certificates

If there are less than 5 members insured at the date of implementation, health certificates are required.

Dividends and Bonuses

Full transparency regarding the cost of a pension plan and accumulation of local dividends is shown in an annual profit and loss account, providing details about administration costs, reserves, dividends and risk charges. This is done on a client by client basis. Risk premiums, however, are still calculated on a portfolio basis, i.e. no local experience rating takes place. However, different risk categories have been introduced.

Company pension plans with risk elements and group life contracts may participate in pooling arrangements which yield international dividends.

Broker Commission

Up to August 2003, all broker commissions for group life products and pension plans were paid by the life insurers. As of September 1, 2003, commissions to brokers must be borne by the client, not the insurer. This means that brokers will receive their commissions from their clients regarding group life lump sum insurance, worker's compensation and accidental death and dismemberment insurance.

On January 1, 2007, the same switch became valid for company pension plans.

V FUTURE OUTLOOK

Trends in the Insurance Industry

Beginning in 2008, the following statement was issued: “Present statistics show that the defined contribution market has exploded. Recently there were only very few new defined benefit plans implemented – almost all new plans were defined contribution based. The same tendency will continue in the coming years.”

However, due to the global financial crisis, which severely hit businesses in 2008, this statement is no longer valid. The transition from DB to DC has slowed down considerably, due to the extreme drop in values in the global stock market.

Yet, Norway was not too seriously hit by the financial crisis, and activities picked up again towards the end of 2009. It is expected that 2010 will show an even larger number of plans being changed from DB to DC solutions.

Early in 2010, the Norwegian Social Security authorities already started synchronising their systems for the change of the Social Security, to be implemented on January 1, 2011.

In the wake of this Social Security reform, the life insurance business will follow with a range on new products, adjusted to the new Social Security.

It has been announced that more detailed information about these changes will be available towards the end of 2010.