

Contribution to the Guarantee Fund for 2019

As a result of the Gable Insurance and Alpha Insurance bankruptcies the Danish Guarantee Fund for Non-life Insurance Companies ("the Fund") no longer meets the statutory requirement to have a capital of DKK 300 mill.

The Danish Financial Supervisory Authority has therefore, in accordance with section 3 in the of the Guarantee Fund for Non-life Insurance Companies Act, see consolidated act no. 1050 of 8 September 2017 as amended by act no. 375 of 1 May 2018, section 1, instructed the Fund to collect contributions from members of the Fund, in order to re-establish the Fund's capital.

The contribution is determined by the Danish Financial Supervisory Authority and is fixed at DKK 40 per police for the following private line insurance policies:

- 1) Motorforsikringer (motor liability insurance)
- 2) Familieforsikringer (household contents insurance)
- 3) Husejerforsikringer (property insurance)
- 4) Sundhedsforsikringer (health insurance)
- 5) Ejerskifteforsikringer (latent defect insurance - change-of-ownership)
- 6) Sælgeransvarsforsikring (property sellers liability insurance) and
- 7) Byggeskadeforsikringer (structural warranty insurance – new build).

The contribution applies to policies issued from 1 January, 2019, which means that contributions must be paid for new policy holders as well as for renewals after 1 January, 2019.

Thus, for example, one-year insurance policies, which was signed before 1 January, 2019, but renewed after this date are subject to the obligation to contribute. It is the underwriting date or renewal date that determines when the contributions have to be made.

If an existing police changes in 2019 and the change implies that a new police must be issued on a new policy number, contributions must be paid again on the new policy and this is also the case if the policyholder take out a policy on the same risk with another insurance company. Amounts collected must not be refunded to the policyholder if the insurance expires before time.

It should be noted that the insurance company or branch office can charge the contribution from the policyholders concerned.

There is to be paid DKK 40 per policy, regardless of whether more than one of the contributing types of insurance has been entered on the same policy or if several persons or entities are covered by the same insurance.

The contributions to the Fund are to be paid per quarter. For 1st, 2nd, 3rd and 4th Quarters 2019, contributions must be paid on 1 May, 2019, 1 August, 2019, 1 November, 2019 and 1 February, 2020 respectively.

The Guarantee Fund will revert with detailed payment information in due time.