



**Forsikringselskabet
Dansk Sundhedssikring A/S**

**Annual report
2022**

With us you are in good
hands all the way

www.ds-sundhed.dk

Content

Management review

- 04** General information
[Go to →](#)
- 05** Statement from the CEO
[Go to →](#)
- 07** Management commentary
[Go to →](#)

Financial review

- 13** Independent auditor's report
[Go to →](#)
- 16** Statement by management on the annual report
[Go to →](#)
- 18** Income statement and statement of comprehensive income
[Go to →](#)
- 19** Balance sheet
[Go to →](#)
- 20** Statement of changes in equity
[Go to →](#)
- 21** Notes
[Go to →](#)
- 27** Accounting Policies
[Go to →](#)

Management review

General information

**Forsikringselskabet
Dansk Sundhedssikring A/S**

Hørkær 12B
DK-2730 Herlev

Business registration no.:
34 73 93 07

Registered in:
Herlev

Financial year:
01.01.2022 - 31.12.2022

Parent
Oona Health A/S
Hørkær 12 B
DK-2730 Herlev

Board of Directors
Per Bay Jørgensen (Chairman)
Eyal Steinitz
Robert Christopher Massey
Birgitte Hass

Executive Board
Kent Jensen

Internal Audit
Lea Kehlet Halsø

Company auditors
Deloitte Statsautoriseret
Revisionspartnerselskab

Weidekampsgade 6
DK-2300 Copenhagen S
Business Registration No. 33963556



Statement from the CEO

In 2022 we managed to launch four new products in Denmark with specifically the private consumer market in focus. With these products our current and new customer segments can benefit from our strong healthcare expertise. It is our perception that the products are meeting the customers' demands for more flexible, digital and user-friendly insurance products. These new products will support the continuous journey as the leading Danish digital health insurance company.

As outlined in the annual report for 2021, we expected premium for own account in the range of DKK 590-615m and a result before tax of approximately DKK 90-110m. We realised premium income for own account of DKK 613m and a result before tax of DKK 96m.

We continue to benefit from our market position as the largest and most specialised health insurer in Denmark and extends the distance to our competitors. We have delivered another large growth in the number of insureds in 2022 whilst maintaining high service standards and continuously focus on optimising our products to meet customer needs. In the table on the next page, the number of customers is illustrated from 2018-2022. The table includes Third Party Agreements (TPA), for which Forsikrings-selskabet Dansk Sundhedssikring A/S (DSS) provides services and handling of claims without carrying the insurance risk.



What is important to note as well, is that again this year we have managed to keep a low churn in the Danish insurance business of 2.6% due to our strong customer focus.



Kent Jensen, CEO

What is important to note as well, is that again this year we have managed to keep a low churn in the Danish insurance business of 2.6% due to our strong customer focus.

DSS entering Sweden as risk carrier

In 2022 it was decided that the portfolio written through DSS's sister company - DSS Hälsa AB, which is a Swedish insurance agency providing health insurance products to the Swedish market, will be transferred to DSS as risk carrier as of the 1 January 2023.

New products launched in 2022 for the private consumer market



Family360

A contact nurse helping families through critical illness.



Critical Advantage

Treatment of critical illness abroad



Flex

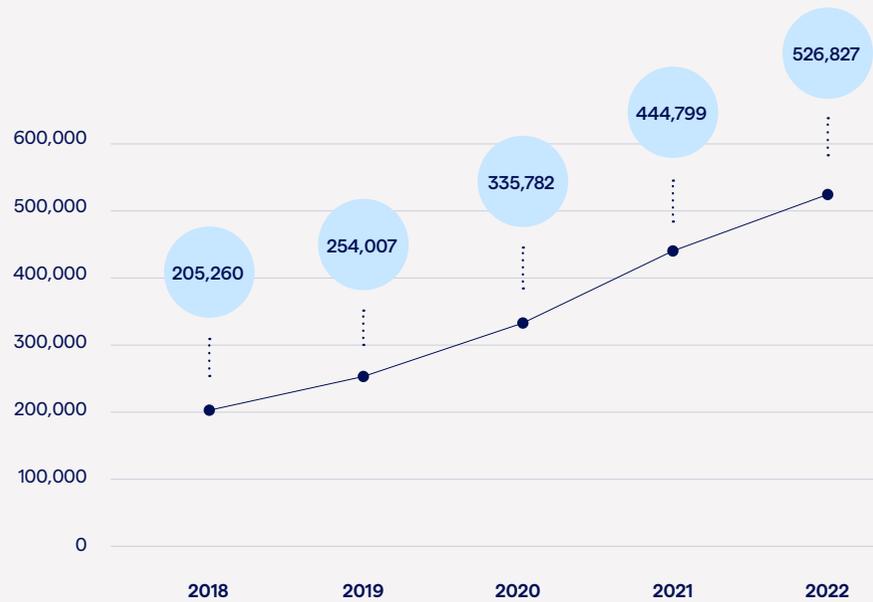
Health insurance Flex your health flexibly framed



Senior

Health Insurance your senior health in good hands

Total number of customers 2018 — 2022



Strategic focus areas for 2023

Our key strategic area for 2023 is getting traction in the market with our new products addressed to the private consumer market. Getting momentum in this market will enable the business to grow further on the Danish market for health insurance.

In addition, we want to continuously improve operational excellence in form of digitalisation and process optimisation to support our fast growth and ensure scalability of our business.



Kent Jensen, CEO



Management commentary

Primary activities of Forsikringselskabet Dansk Sundhedssikring A/S

Forsikringselskabet Dansk Sundhedssikring A/S (DSS) is an insurance company which operates with health insurance. Health insurance is offered to companies and their employees as well as private individuals. The health insurance typically covers assistance with physiotherapy, chiropractor, psychologist, specialist medical consultations and operations. The services of the health insurance are provided by a competent health care unit, which includes nurses, psychologists, physiotherapists and health care assistants. DSS provides both health insurance in its own name, but also via outsourcing from other pension and non-life insurance companies' health insurance policies for which DSS provides services and handling of claims without carrying the insurance risk.

Key figures and financial ratios

Result

Profit before tax for the year shows a profit of DKK 95.9m in 2022, compared to DKK 66.7m in 2021. Profit for the year shows a profit of DKK 73.0m in 2022, compared to DKK 52.3m in 2021.

As outlined in the annual report for 2022, the expectation was a result of DKK 90-110m before tax, and accordingly the realised result for 2022 is within that range.

Premiums

Premium income for own account totalled DKK 612.6m, compared to DKK 430.3m in 2021.

As outlined in the annual report for 2022, the expectation was premium for own account of DKK 590-615m, and so the realised premium for own account is within that range.

The increase in premiums is due to an increasing number of insureds and also because the transfer of customers from other risk carriers to own risk was performed during 2021, whereas we in 2022 have the full period of those contracts.

Claims

The claims ratio for 2022 was 60.6% (2021: 64.2%). For 2021 we saw an extraordinary increase in frequency for treatments in private hospitals due to suspension of the public treatment guarantee because of COVID-19 and nurse strike. This led to increased pressure on private hospitals and health insurances in general. Waiting lists are still at a high level for public treatment compared to the period before COVID-19. This affects the claims ratio negatively.

DSS's ability to deliver value-based healthcare focused on outcomes and evidence based medicine has however contributed to a lower claims ratio from 2021 to 2022.

612.6m

Premium income
(DKK)

127.2

Insurance technical result
(DKK)

79.2

Combined ratio
(%)

95.9m

Profit before tax
(DKK)

1,013.3

Total assets
(DKK)

177%

Solvency ratio
(%)

Our initiatives such as online treatment should also help sustain the improvement in the underlying claims development.

Insurance operating costs

Insurance operating costs amount to DKK 114.1m compared to DKK 92.8 in 2021. The increase in costs is due to an increase in the number of employees due to the increasing activity of the company. The expense ratio has decreased to 18.6% (2021: 21.6%), which is satisfying as we are starting to gain advantages of the increasing volume of our business.

Other income and other costs

Other income amounts to DKK 44.1m (2021: DKK 101.4m). Other costs amount to DKK 64.8m (2021: DKK 92.6m). The development in other income and other costs is due to DSS having transferred the insurance contracts from other risk carriers gradually in 2022 as they expired.

Claims provisions

The most significant uncertainty in recognition and measurement in DSS is the calculation of claims provisions. However, on the claims side DSS's business is characterised by high claims frequency and therefore the claims are relatively stable and possible to forecast. Measurement of insurance technical provisions is further described in the disclosure for Accounting Policies.

Capital and solvency ratios

The company applies the standard EIOPA model for calculating the solvency capital requirement.

The solvency capital requirement reflects the company's risk profile and shows the requirement for the company's capital base. The solvency capital requirement is calculated on the basis of the company's business area and risk profile with the risks identified for the company.

The solvency capital requirement is calculated at the amount necessary for the company to hedge the risk on existing and new businesses for the next 12 months. The estimate thus takes next year's budget into account.

The company's capital base is DKK 225.8m at the end of 2022. It must be held against a solvency capital requirement of DKK 127.8m, which gives a solvency ratio of 177%.

The company has prepared sensitivity analyses showing how the change in significant risk categories affects the established capital base and the solvency capital requirement. The analyses are published on the company's website.

[Sensitivity analysis](#) [Go to →](#)

DKKm	2022	2021
Equity	249.1	216.1
Intangible assets	(49.4)	(40.0)
Proposed dividend	(40.0)	(40.0)
Expected profit included in future premiums	66.1	40.4
Own Funds	225.8	176.5
SCR	127.8	101.1
Solvency Ratio	177 %	174 %



Companies are insured with us

10,578



Average number of full-time employees in DSS

176

The company's intellectual capital

The company employed an average of 176 full-time employees in 2022 (2021: 154). The primary focus of the employees is, and must continue to be, to create value for the customers and ensure the correct treatment from a health professional point of view as well as provide a good service to the customers in all forms of contact with the company. In order for employees to be equipped to create most value for the company's customers, Management focuses on continuous upgrading and training of employees and creates an optimal framework for employee engagement and motivation. It is also important to maintain efficient processes, which makes demands for the company's supporting IT tools.



We want to practice what we preach – better health for everyone. Our employees are the backbone of our organisation. They ensure our over 500,000 customers' health every day. They take care of others – give to others. Our task is to take care of them. This year we will focus on the health of our employees. The success of any organisation can be measured by how well it takes care of its people



Claus Brink, COO

CSR

The company focuses on corporate social responsibility, and the parent company, Oona Health A/S, is a member of the UN Global Compact since 2020. Our latest CSR report based on the framework of UN Global Compact is published on Oona Health A/S's website:

[Corporate responsibility](#) [Go to →](#)

In 2022 DSS participated, through the parent company, Oona Health A/S, for the third time in EcoVardis' annual CSR assessment, which includes more than 90,000 companies' sustainability work. The result of the assessment is that Oona Health A/S is among the 20% best in their industry on four key parameters: environment, labour and human rights, ethics, and sustainable procurement.

The company's Board of Directors focuses on promoting diversity, and it is a permanent item on the agenda at the company's board meetings. The company has agreed upon a policy for diversity in the Board of Directors, which is available on DSS website:

[Policy for diversity](#) [Go to →](#)

Remuneration policy

The Board of Directors has established a remuneration policy aimed at ensuring and promoting sound and effective risk management so that the company's remuneration policy does not encourage excessive risk-taking that exceeds the company's risk-tolerance limits. Remuneration must be in accordance with the company's business and risk management strategy, risk profile, goals and risk management practices as well as the company's long-term interests and results as a whole. Furthermore, the remuneration must not be of such a size or composition that involves a risk of conflicts of interest or does not harmonise with the company's desire to specifically protect customers.

The remuneration policy is published on DSS's website:

[The Remuneration Policy](#) **Go to →**

Whistleblower protection

The company has established a whistleblower reporting channel. Here, employees have the possibility to report anonymously any violation or suspicion of noncompliance with financial legislation by employees or board members. No reports have been received in 2022.

Distribution of profit/loss

The Board of Directors proposes that a dividend of DKK 40m is to be paid to the parent company Oona Health A/S.

Expectations for 2023

DSS expects premium income for own account of DKK 760-790m. DSS expects a profit after tax in the range DKK 165m - DKK 185m. The expectations are depend on the ability to deliver on our strategic focus areas in 2023 as outlined in the statement from the CEO.

The most significant assumptions in the expectations for 2023 is the increase in premiums. The increase in premium is dependent on the performance of our new products and the development in Sweden. The expectation on pre-tax profit is also dependent on the development in the interest levels which affected our bonds portfolio negatively in 2022.

Significant events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would materially influence the evaluation of this annual report, or which are of significant importance for the assessment of the company's financial position.



Management positions of the Executive Board and the Board of Directors

The entire Board of Directors shall be in charge of the functions of the Audit Committee.

In addition to holding directorships of Forsikringselskabet Dansk Sundhedssikring A/S, the Executive Board and the Board of Directors hold the following management positions in other companies:

Executive Board

Kent Jensen

CEO of Oona Health A/S
CEO of PrimaCare A/S

Member of the Board of Directors of:

ACTIVCARE A/S
SUNDEVIKAR A/S
PrimaCare A/S
DSS Hälsa AB

Board of Directors

Per Bay Jørgensen, Chairman

CEO in:

11/11-05 Holding ApS
Bay Consult International ApS
NKB Invest 114 ApS
NKB Invest 115 ApS
06/10-21 ApS

Member of the Board of Directors of:

Oona Health A/S (Chairman)
Daytona Acquisitions Limited, Guernsey (Chairman)
Daytona Midco Limited, Guernsey (Chairman)

Birgitte Hass

Member of the Board of Directors of:

Oona Health A/S
Liga ApS
Liga Software ApS
Liga Invest ApS

Robert Massey

Member of the Board of Directors in:

Daytona Acquisitions Limited, Guernsey
Daytona Midco Limited, Guernsey
Belvedere Bidco Ltd.
Belvedere Midco Ltd.
Belvedere Holdings (Guernsey) Ltd.
Oona Health A/S
Avalon Topco Limited
Avalon Holdco Limited
Avalon Midco Limited
Avalon Bidco Limited
Wealthtime Financial Limited
Silverston Holdco SAU
Black Cat Holdco Limited

Eyal Steinitz

CEO in:

Komplementarselskabet Omera Consulting ApS
Eyal Steinitz ApS
Omera Consulting P/S
De Fantastiske 4 ApS

Member of the Board of Directors in:

OMERA CONSULTING P/S
Centaflow A/S
Oona Health A/S
Crosstepper Me-Mover ApS
PASCAL A/S

Financial review

Independent auditor's report



To the shareholder of Forsikringselskabet Dansk Sundhedssikring A/S

Opinion

We have audited the financial statements of Forsikringselskabet Dansk Sundhedssikring A/S for the financial year 1 January 2022 to 31 December 2022, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of its financial performance for the financial year 1 January 2022 to 31 December 2022 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the

financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Forsikringselskabet Dansk Sundhedssikring A/S for the first time on 25 August 2020 for the financial year 2020. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 3 years up to and including financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 1 January 2022 to 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Claims provisions

Management's estimates of the claims provisions are based on actuarial methods and involve complex statistical methods as well as estimates of future events. Changes in methods and assumptions may result in a material impact on the size of the claims provisions. Consequently, the audit of the claims provisions is considered a key audit matter.

The claims provisions amount to tDKK 73,699 on 31 December 2022 (tDKK 76,252 in 2021).

Management has specified the principles for determining claims provisions in accounting policies, note 20, and the related significant risks in note 14.

The following elements are particularly complex and/or have been significantly influenced by management estimates, assessments, and methodologies, where even minor changes may have significant impact:

- Changes in methods, models and data applied
- Determination of expectations for the future:
 - Claims incurred related to outstanding claims provisions
- Management add-ons for actuarial calculations to mitigate the risk of adverse developments in claims for damages related to outstanding claims provisions.

How the matter was addressed in the audit

- In cooperation with our own internationally qualified actuaries and based on our knowledge of the industry, experience and historical observations, we have assessed the statistical models applied to estimate the claims provisions and we have tested significant estimates and assumptions focusing on consistency and possible changes.
- We have tested the accuracy and the completeness of the data that are included in the actuarial estimates of the claims provisions.
- Based on the actuarial estimates of the claims provisions and in cooperation with our own internationally qualified actuaries, we have assessed the development in the claims provisions, including run-off gains/losses and the development in the size of the margin included in Management's estimate of the claims

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Statement on the management review

Management is responsible for the management review.

Our opinion on the financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement of the management review.

Copenhagen, 14 March 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup

State-Authorised
Public Accountant
Identification No 10777

Kasper Bruhn Udam

State-Authorised
Public Accountant
Identification No 29421

Statement by Executive Board and Board of Directors on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Forsikringselskabet Dansk Sundhedssikring A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of its financial performance for the financial year 1 January to 31 December 2022.

The management commentary contains a fair review of the development of the Company's activities and financial position as well as a description of the most significant risks and elements of uncertainty, which may affect the Company.

We recommend the annual report for adoption at the Annual General Meeting.

Executive Board:

Herlev, 14 March 2023

Kent Jensen
CEO

Board of Directors:

Herlev, 14 March 2023

Per Bay Jørgensen
Chairman

Birgitte Hass

Eyal Steinitz

Robert Christopher Massey

Income statement, balance sheet and notes

Income statement and statement of comprehensive income

DKK'000	Note	2022	2021
Gross premium written		732,439	897,863
Change in premium provision		-83,278	-415,721
Change in profit margin		-36,560	-51,817
Total premium income	2	612,601	430,325
Claims paid		-372,130	-192,538
Change in claims provisions		2,553	-76,252
Change in risk margin		-1,792	-7,657
Total claims cost	3	-371,369	-276,448
<i>Insurance operating costs</i>			
Acquisition costs		-36,812	-28,901
Administration costs	4	-77,258	-63,881
Insurance operating costs		-114,070	-92,782
Technical result		127,162	61,096
<i>Investment activities:</i>			
Interest income and dividends	5	2,005	1,459
Value adjustments	6	-11,036	-3,148
Interest expenses		-982	-1,017
Administration costs in connection with investment activities		-530	-443
Total investment return		-10,543	-3,149
Return on insurance provisions		0	0
Total investment return after insurance technical interest		-10,543	-3,149

DKK'000	Note	2022	2021
Other income	7	44,093	101,351
Other costs	8	-64,843	-92,630
Profit/loss before tax		95,869	66,669
Tax	9	-22,858	-14,401
Profit/loss for the year		73,011	52,268
Proposed distribution of profit and loss:			
Retained earnings		33,011	12,268
Proposed dividends		40,000	40,000
Proposed distribution of profit and loss		73,011	52,268

Balance Sheet

Assets

DKK'000	Note	2022	2021
Intangible assets	10	49,391	40,026
Operating equipment		1,855	2,938
Owner-occupied property		11,664	14,014
Total property, plant and equipment	11	13,519	16,952
Bonds		91,203	119,869
Total other financial investment assets		91,203	119,869
Total investment assets		91,203	119,869
Receivables from policyholders		557,836	400,239
Total receivables in connection with direct insurance contracts		557,836	400,239
Receivables from group enterprises	17	46,667	54,444
Other receivables		50,995	53,382
Total receivables		655,498	508,065
Cash at bank		187,956	150,909
Total other assets		187,956	150,909
Other prepayments and accrued income		15,754	17,512
Total prepayments and accrued income		15,754	17,512
Total assets		1,013,321	853,333

Liabilities

DKK'000	Note	2022	2021
Share capital	12	726	726
Retained earnings		248,376	215,365
Total equity		249,102	216,091
Profit margin		88,377	51,817
Premium provisions		498,999	415,721
Claims provisions		73,699	76,252
Risk margin on insurance contracts		9,449	7,657
Total provisions for insurance contracts		670,525	551,447
Deferred tax liability		11,897	8,365
Total provisions		11,897	8,365
Current Tax liabilities		14,442	10,042
Other debt		65,889	66,045
Total debt		80,331	76,087
Accruals and deferred income		1,582	1,342
Total equity and liabilities		1,013,321	853,333

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2021	726	163,097	25,000	188,823
Paid dividends			-25,000	-25,000
Profit/loss for the year		12,268	40,000	52,268
Other comprehensive income				0
Equity at 31 December 2021	726	175,365	40,000	216,091
Equity at 1 January 2022	726	175,365	40,000	216,091
Paid dividends			-40,000	-40,000
Profit/loss for the year		33,011	40,000	73,011
Other comprehensive income		0	0	0
Equity at 31 December 2022	726	208,375	40,000	249,102

Overview of Notes

Financial highlights	1	Go to →
Premium income	2	Go to →
Run-off result	3	Go to →
Staff costs	4	Go to →
Interest income and dividends	5	Go to →
Value adjustments	6	Go to →
Other income	7	Go to →
Other costs	8	Go to →
Tax	9	Go to →
Intangible assets	10	Go to →
Property, plant and equipment	11	Go to →
Share capital	12	Go to →
Deferred tax liability	13	Go to →
Risk	14	Go to →
Contingent liabilities	15	Go to →
Own funds	16	Go to →
Transactions with related parties	17	Go to →
Related parties with control	18	Go to →
Consolidation	19	Go to →
Accounting policies	20	Go to →

Notes

Note 1: Financial highlights*

Key figures (DKK'000)	2022	2021	2020	2019	2018**
Premium income	612,601	430,325	0	0	0
Claims costs	-371,369	-276,448	0	0	0
Insurance operating costs	-114,070	-92,782	0	0	0
Insurance technical result	127,162	61,096	0	0	0
Return on investment after technical interest	-10,543	-3,149	-2,036	0	0
Result for the year	73,011	52,268	14,388	1,968	9,909
Run-off result	12,321	0	0	0	0
Total provisions for insurance contracts	670,525	551,447	0	0	0
Total equity	249,102	216,091	188,823	19,435	16,942
Total assets	1,013,321	853,333	316,732	197,642	198,093
Number of claims	150,819	118,402	0	0	0
Average cost for incurred claims	2,462	2,335	0	0	0
Ratios					
Claims ratio	60.6	64.2	0.0	0.0	0.0
Expense ratio	18.6	21.6	0.0	0.0	0.0
Combined ratio	79.2	85.8	0.0	0.0	0.0
Operating ratio	0.0	0.0	0.0	0.0	0.0
Relative run-off gains/losses	16.2	0.0	0.0	0.0	0.0
Return on equity (%)	31.4	25.8	13.8	10.8	82.7
Claims frequency (%)	41.5	35.7	0.0	0.0	0.0

* Comparable numbers for insurance technical accounts is only available for 2021, as DSS first operated as an insurance company in 2021. Therefore there is no comparable numbers.

** Ratios for 2018 have not been adjusted after the merger with Primora IT.

Ratios are calculated in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

Notes

DKK '000	2022	2021
Note 2: Premium income		
Gross Premium Written	732,439	897,863
Change in premium provision	-83,278	-415,721
Change in profit margin	-36,560	-51,817
Total	612,601	430,325

All insurance contracts are within Denmark.

DKK '000	2022	2021
Note 3: Run-off result		
Run-off result*	12,321	0

* For 2021 the run-off result is 0, since 2021 was the first year with insurance contracts on own books.

DKK '000	2022	2021
Note 4: Staff costs		
Total staff costs:		
Wages and salaries	93,419	74,867
Pension costs	6,765	5,439
Other social security	2,023	1,701
Other staff costs	7,314	6,305
Total	109,521	88,312

DKK '000	2022	2021
Average number of full-time employees	176	154

DKK '000	2022	2021
Remuneration to other significant risk takers:		
Other significant risk takers	9,490	10,035
Number of other significant risk takers	11	9

DKK '000	2022		2021	
	Fixed	Variable	Fixed	Variable
Other significant risk takers	8,581	909	8,115	1,921

Remuneration to the Board of Directors and the Executive Board

The Executive Board is employed in the Parent, Oona Health A/S, from which the remuneration is paid. Remuneration is settled in total for the Group by the Parent, Oona Health A/S.

For information regarding remuneration to the Executive Board and the Board of Directors we refer to <https://ds-sundhed.dk/loenoplysninger2022>

In addition we refer to our remuneration report <https://ds-sundhed.dk/om-os/finansielle-informationer/> which will be published in April 2023.

Remuneration to the Board of Directors:

Remuneration to the Board of Directors is settled in total for the Group by the Parent, Oona Health A/S.

Notes

DKK '000	2022	2021
Note 5: Interest income and dividends		
Interest income	2,005	1,459
Total	2,005	1,459
Note 6: Value adjustments		
Bonds	11,036	3,148
Total	11,036	3,148

Note 7: Other income

Other income consists of the Company's income from agencies on health insurances and arrangements in which the Company handles portfolios for other insurance companies.

Note 8: Other costs

Other expenses comprise the Company's expenses in connection with agencies on health insurances and arrangements in which the Company handles portfolios for other insurance companies.

DKK '000	2022	2021
Note 9: Tax		
Tax on profit/loss for the year:		
Tax on accounting profit/loss	19,442	10,042
Deferred tax	3,532	4,359
Total	22,974	14,401

DKK '000	2022	2021
Tax on profit/loss for the year:		
Tax on accounting profit/loss	21,207	14,667
Tax effect of:		
Adjustment of non-taxable costs	9	14
Tax adjustment - deferred tax	1,758	
Tax adjustment, previous years - Deferred tax	0	-280
Total	22,974	14,401
Effective tax rate	23.8%	21.6%

	Completed development projects	Goodwill	Total
Note 10: Intangible assets			
Cost at 1 January	69,696	9,407	79,102
Additions for the year	17,346	0	17,346
Cost at 31 December	87,042	9,407	96,448
Amortisation and write-downs at 1 January	-29,669	-9,407	-39,076
Depreciation for the year	-7,982	0	-7,982
Impairment losses and write-downs for the year	0	0	0
Amortisation and write-downs at 31 December	-37,650	-9,407	-47,058
Carrying amount at 31 December	49,391	0	49,391

Notes

DKK '000

	Owner-occupied property	Operating equipment	Total
Note 11: Property, plant and equipment			
Cost at 1 January	20,068	7,991	28,058
Additions for the year	2,234	151	2,385
Cost at 31 December	22,302	8,141	30,443
Accumulated depreciation and value adjustments at 1 January	-6,054	-5,052	-11,106
Depreciation for the year	-4,585	-1,233	-5,818
Accumulated depreciation and value adjustments at 31 December	-10,639	-6,286	-16,924
Carrying amount at 31 December	11,664	1,855	13,519

Group - Occupied property is leased. There is no variable lease payments. The rent is adjusted yearly.

Note 12: Share capital

The share capital consists of 726,001 shares with a nominal value of 1 DKK.

DKK '000

	2022	2021
Note 13: Deferred tax liability		
Intangible assets	12,766	8,805
Property, plant and equipment	-869	-440
Total	11,897	8,365
Development in deferred tax		
Deferred Tax at 1 January	8,365	4,006
Change in deferred tax recognised in income statement	3,532	4,359
Deferred tax at 31 December	11,897	8,365

Notes

Note 14: Risk

In the daily operations of the Company several risks may affect the results. The most significant risks for Forsikringselskabet Dansk Sundhedssikring A/S are described below.

Insurance risk

The insurance risk includes the underwriting risk in relation to direct insurance and the claims handling. The company follows the guidelines for underwriting, which are approved by the Board of Directors.

Financial risk

Forsikringselskabet Dansk Sundhedssikring A/S has an investment portfolio which consist of Danish Mortgage Bonds with short duration and high credit rating. The investment profile is consistent with the policy approved by the Board of Directors and is considered as low risk.

Operational risk

Operational risk of losses due to unintended events or risk of systematic misstatements. The risk of IT disruption is also included. Forsikringselskabet Dansk Sundhedssikring A/S has a procedure for handling such events.

Guidelines and standard operating procedures is improved and developed on an ongoing basis as part of the controlling with operational risks.

Credit risk

The Company's credit risk has been reduced to potential bad debts. The credit risk on the company cash and Bond portfolio is deemed low due to the high credit rating of the counterparties.

Note 15: Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Daytona Midco limited serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Note 16: Own funds

Own funds is DKK 225.8m (2021: DKK 176.5m).

Note 17: Transactions with related parties

Administration of intercompany entities is handled by Forsikringselskabet Dansk Sundhedssikring A/S. Income from the administration of intercompany entities is performed on cost covering basis.

The members of the Company's Management are remunerated by the Parent, Oona Health A/S. Expenses for Management are allocated to the individual entities of the Group based on a cost allocation key.

The Company has intercompany receivables with the Parent, Oona Health A/S. Interest on the balances are paid on market terms.

Other intercompany transactions are made at market terms.

Note 18: Related parties with control

Name and registered office of the ultimate Parent:
Daytona Midco Limited, St Peter Port, Guernsey, United Kingdom.

Note 19: Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Oona Health A/S, Herlev

Notes

Note 20: Accounting policies

The annual report has been prepared in accordance with the Danish Financial Business Act and the Executive order on financial reports presented by insurance companies and lateral pension funds ('the Executive Order').

The accounting policies is unchanged compared to last year.

According to the Danish Executive Order on the Presentation of Financial Statements S §108 subsection 2, the audit fee is disclosed in the consolidated financial statements for Oona Health A/S

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and where the asset has a value that can be measured reliably.

Liabilities are recognised in the balance sheet, when it is probable that future economic benefits will flow from the entity, and where the value of the liability can be measured reliably.

The recognition and measurement take into consideration predictable losses and risks, which have occurred prior to the presentation of the Annual Report, and which provide evidence of conditions that existed at the balance sheet date. Income is recognised in the income statement when earned. Similarly, all expenses are recognised which relate to the financial year, including amortisation and impairment. The initial recognition of financial instruments is made at fair value on the date of settlement.

Measurement of fair value

Fair value is the price which would be achieved on the sale of an asset or paid for the transfer of a liability in a normal transaction between the market players at the time of measurement. The entity only holds level 1 financial instruments measured at fair value (bonds). The calculation of the fair value of the bonds is based on the listed prices of transactions in a liquid market. The measurement is based on the closing price end of year.

Income statement

Premiums

Premium income represents gross premiums written related to the accounting period and adjusted for changes in premium provisions, corresponding to an accrual of premiums to the risk period of the policies. Premiums are calculated as premium income in accordance with the risk exposure over the cover period. Insurance contracts are recognized when the company is bound by the contract and have no option to exit.

Claims costs

Claims costs includes the year's claims paid adjusted for movements in the claims provisions. Direct and indirect costs are recognized in the Claims costs. The part of the Claims costs that can be attributed to discounting is transferred to technical interest, while the part attributable to the changed discount rate is transferred to price adjustments. The claims costs thus includes known and expected claims costs relating to the financial year

Costs

The share of the insurance operating costs that can be attributed to the acquisition and renewal of the insurance portfolio, is entered under acquisition costs.

Administrative costs include the accrued expenses that can be attributed to the financial year, including taxes to public authorities, as well as depreciation for the period on furniture, IT, cars and domicile property. The subsidiary's share of the joint administration is set off against the administration costs.

The proportion of administrative expenses that are directly or indirectly related to claims handling costs is transferred to gross claims.

Administrative expenses relating to the administration of the company's investment assets have been transferred to the investment costs.

Investment return

Interest comprise all earned interest income received in the year. Realised and unrealised gains and losses on investment are included in revaluations.

Other income and expenses

Income and expenses that do not relate to the administration of insurance portfolios or investment assets are included in other income and expenses.

Taxation

The tax charge for the year comprises the current corporation tax for the year and any changes in deferred tax. The tax charge related to profit for the year is included in the income statement. The current tax for the year is calculated.

The company is jointly taxed with Daytona Midco Limited. The joint tax contributions are distributed to the jointly taxed companies on a proportionate basis relative to their taxable income. Furthermore, those companies with tax losses receive joint tax contributions from those companies which have been able to use this loss to reduce their own taxable income.

Notes

Balance Sheet

Intangible assets

Development projects which are clearly defined and definable are measured at costs incurred and depreciated over their expected useful life of a maximum of 7 years. Impairment is assessed end of year, and the carrying amount is written down to a lower recoverable amount.

Development projects under construction are subject to an impairment test end of year. The carrying amount is written down to a lower recoverable amount.

Tangible assets

IT equipment, other equipment and cars as well as improvements of rental properties are depreciated over their expected useful life of up to 5 years. Impairment is assessed end of year, and the carrying amount is written down to a lower recoverable amount.

Leasing - right-of-use assets and lease liability

Right-of-use asset (ROU asset) and lease liability are recognised at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for:

- lease payments made at or before the commencement date
- any initial direct cost incurred
- estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset

ROU assets are tested for impairment.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, Forsikrings-selskabet Dansk Sundhedssikring A/S uses its incremental borrowing rate. Subsequently the lease liability is measured at amortised cost using the effective interest method and is presented as part of other debt. It is remeasured when there is a change in future lease payments.

Bonds

Bonds are measured at fair value with any value adjustment through profit and loss.

Receivables

At initial recognition receivables are measured at fair value, and subsequently at amortised cost. The receivables are regularly assessed for impairment and written down to a lower recoverable amount. Such impairments are generally made collectively on the basis of a due date analysis. When an individual receivable is considered irrevocable, the impaired amount is transferred from the account for collective allowances.

Premium provisions and profit margin

Premiums written are recognised in the income statement (premium income) proportionally over the period of coverage and, where necessary, adjusted to reflect any time variation of the risk.

Premium provisions are calculated according to a best estimate of expected payments throughout the agreed risk period.

The profit margin on insurance contracts is calculated as the expected profit on the non-expired parts of the risk periods for the insurance contracts that the company has entered into.

Claims provisions

Claims provisions are management's best estimate based on actuarial and statistical projections of claims and administration of claims. The estimates are based on Forsikrings-selskabet Dansk Sundhedssikring A/S knowledge of historical data including factors that might influence future developments in the liabilities.

Claims provisions are discounted. Discounting is based on a yield curve reflecting duration applied to the expected future payments from the provision.

Risk Margin on insurance contracts

The risk margin represents the amount that the company may be expected to pay another insurance company to assume the risk of discrepancies between best estimates and the final settlement of future cash flows from the insurance contracts the company has entered into. The company applies the Cost-of-capital method for calculating risk margin.

Liability adequacy test

Tests are continuously performed to ensure the adequacy of the insurance provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency results in an increase in the relevant provision, and the adjustment is recognised in the income statement.

Other provisions

Provisions are recognised when the entity has a legal or constructive obligation because of an event prior to or at the statement of financial position date, and it is probable that future economic benefits will flow out of the entity. Provisions are measured at the best estimate by management of the expenditure required to settle the present obligation.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Forsikringselskabet
Dansk Sundhedssikring A/S

Hørkær 12B
2730 Herlev
CVR.nr. 34 73 93 07

W www.ds-sundhed.dk
T +45 70 20 61 21

