SKANDIA: "CASTLES BUILT ON SAND"

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Abstract: In the end of the 1990s Skandia transformed itself from a "dull" traditional insurance company to an attractive fund management company. Sailing on the stock market boom fuelled by the Internet, Skandia's share price reached a high of SKr 231 in June 2000. Three years later, the share price had plummeted 93% to SKr 16. The story that unfolds on two continents is about the amazing stock price roller coaster; about jealousy and boardroom disputes, executive perks, dubious finance and accounting methods, and an investment model heavily weighted towards IT stocks. Skandia crashed and burned, but survived. Nevertheless, the story would later be called the biggest scandal in Swedish industrial history.

Subjects: Insurance, Corporate Governance, Executive Remuneration, Accounting, Auditors, Board of Directors

Settings: Sweden, USA ; Insurance ; SKr 198 billion revenues in 2000; 5800 employees in 20 countries ; 1999-2003

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