

Press Release

Hannover Re subsidiary expects modest premium growth in the German market

Baden-Baden, 23 October 2017: E+S Rück – which bears responsibility within the Hannover Re Group for German business – expects to see premium growth in the German market for the upcoming round of treaty renewals as at 1 January 2018. Along with improvements in motor insurance, prices for natural catastrophe covers should at least remain stable; rate increases are anticipated under loss-impacted programmes. The company expects to book additional premium income from the trending sectors of cyber and telematics, where the rising demand already seen in other markets is now also making itself felt in Germany.

"When it comes to pricing risk-oriented covers the low interest rate level continues to be a major factor, especially for longer-tail casualty business, with the result that premium adjustments are needed in most instances", Michael Pickel, a member of the company's Executive Board, emphasised at a press conference held during the week-long meeting of reinsurers in Baden-Baden. "In view of the rising cost of all material claim items in motor third party liability insurance, we anticipate improvements in conditions for the upcoming treaty renewals as at 1 January 2018."

In light of the increasing prevalence of natural disasters, covers for extended natural perils are consistently growing in importance. In 2016, for example, severe weather events involving heavy rainfall caused insured losses almost ten times higher than in the previous year. With this in mind, ceding companies will likely review their reinsurance needs and hence rising demand for catastrophe covers can be anticipated.

The growth in demand for cyber policies should similarly have favourable implications for E+S Rück. In cooperation with the start-up "Perseus", the company offers German SMEs a service platform for cyber security solutions and risk management.

E+S Rück is also cooperating with Vodafone on a pilot project to offer German motor insurers convenient access to the field of telematics. The aim is to standardise the framework contractual conditions for a telematics product in order to make their application straightforward and cost-effective for insurers. "Through our involvement in this project we are seeking to expand the existing range of services offered to our customers. As the largest German motor reinsurer, we intend to partner with our

Contact

Corporate Communications:

Karl Steinle
tel. +49 511 5604-1500
karl.steinle@hannover-re.com

Media Relations:

Gabriele Handrick
tel. +49 511 5604-1502
gabriele.handrick@hannover-re.com

Investor Relations:

Julia Hartmann
tel. +49 511 5604-1529
julia.hartmann@hannover-re.com

www.hannover-re.com

clients on new products going forward, as we have in the past", Mr. Pickel added.

All in all, E+S Rück looks forward to further business opportunities in Germany for 2018 and considers itself well on track to maintain its market share on a high level.

Hannover Re, with gross premium of EUR 16.4 billion, is the third-largest reinsurer in the world. It transacts all lines of property & casualty and life & health reinsurance and is present on all continents with around 2,900 staff. Established in 1966, the Hannover Re Group today has a network of more than 100 subsidiaries, branches and representative offices worldwide. The Group's German business is written by the subsidiary E+S Rück. The rating agencies most relevant to the insurance industry have awarded both Hannover Re and E+S Rück very strong insurer financial strength ratings: Standard & Poor's AA- "Very Strong" and A.M. Best A+ "Superior".

Please note the disclaimer:

<https://www.hannover-re.com/535917>