

**somewhat
different**



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Your access to capital markets

Retrocessions and Capital Markets Insurance-Linked Securities

Your access to capital markets: Hannover Re acts as a transformer to facilitate the transfer of life and non-life (re)insurance risks to capital markets in catastrophe bond or other suitable form. We partner with banks and brokers – always in an effort to come up with the best transaction for our clients. We provide various kinds of services in the area of insurance-linked securities:

For companies that wish to invest in insurance-linked risks:

We facilitate individual reinsurance cessions to institutional investors by way of collateralised reinsurance. Hence, Hannover Re can write reinsurance contracts for you and pass on this reinsurance risk to you on a collateralised basis. By entering into such an agreement you gain advantages such as:

- You can benefit from Hannover Re's reputation and knowledge of the reinsurance business
- No need to enter into numerous individual collateral arrangements but just one with Hannover Re
- We can provide leverage
- Hannover Re can accept some tail risk

Additionally, Hannover Re invests in insurance-linked securities (ILS) as the anchor investor in the Luxembourg ILS investment company Leine Investment. Leine Investment is open to third parties, thus allowing the alignment of your investments with Hannover Re's ILS investment positions.

For companies that wish to place risks in the capital markets:

Placing insurance risk in the capital markets is not necessarily easy. Companies wishing to diversify their reinsurance panel in this way face questions such as:

Which parties need to be involved?

What kind of fees are reasonable and at what price are investors willing to take on the risk?

Numerous insurance companies have decided that the challenges are outweighed by the benefits of a capital market placement, which include:

- The removal of some credit risk in their reinsurance structure
- Diversification of the panel of reinsurers
- Additional capacity
- The expansion of business relations with capital markets

As Hannover Re we have facilitated the placements of reinsurance risk in the capital markets with great success for both our own purpose protection and for our clients. Examples of our transformer activities are the transactions Alamo Re, SD Re, Acorn Re and Integrity Re. In addition we have structured and placed private transactions of smaller volumes, so called catastrophe bonds light. Our various activities in the field of insurance-linked securities ensure

that we are always up-to-date with the latest developments and can provide you with fair estimates for pricing.

Please contact us if you have any questions or an idea for which you need a sounding board. We will gladly provide you with our thoughts and are happy to discuss various solutions which could be applicable in the current market environment.

Your contacts



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