

Press Release

Hannover Re subsidiary anticipates premium growth in the German market

Baden-Baden, 24 October 2016: 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 treaty renewals as at 1 January 2017. Along with motor insurance, growth will likely be driven in particular by homeowners' comprehensive insurance, where premium increases are necessary on account of the unsatisfactory business development.

"In view of the ongoing low interest rate environment the insurance industry will continue to be put to the test, which is why technical pricing is equally important for insurers and reinsurers alike", Mr. Michael Pickel, a member of the company's Executive Board, emphasised at a press conference held during the Reinsurance Meeting in Baden-Baden. With this in mind, the current low level of interest rates offers little room for concessions over insurance conditions.

In the motor line there is a need for premium adjustments given that results for the current year will at most break even owing to the higher average claims amount. E+S Rück therefore anticipates improvements in conditions for the treaty renewals as at 1 January 2017.

In natural perils business regional customer portfolios were significantly hit, above all by heavy rainfalls. "This will probably prompt some customers to adjust their reinsurance requirements, thereby further boosting demand for capacity", Mr. Pickel explained.

Growing demand for cyber policies should also have favourable implications for E+S Rück. A sharp surge in interest is particularly likely in the commercial sector on account of recent developments. The company sees further potential for reinsurance business as a result of the influence of FinTechs on the insurance market; here, too, E+S Rück is a partner of choice thanks to its good financial strength rating and consulting expertise.

All in all, for 2017 E+S Rück anticipates further business opportunities in Germany and considers itself well on track to maintaining its market share on a high level going forward.

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Hannover Re, with gross premium of around EUR 17 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 2,500 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". In 2016 Hannover Re celebrates its fiftieth anniversary.

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