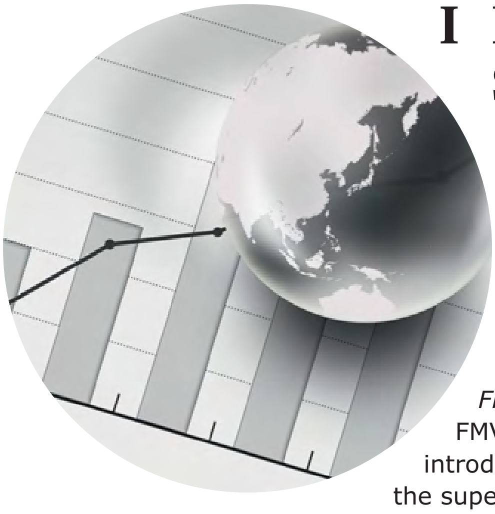
BaFin

’08/’09

Statistics
from the Federal Financial Supervisory Authority
(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)
– Reinsurance undertakings –


Zusammenfassung der Bilanzen
Alphabetisches Verzeichnis
Zusammensetzung der Kapitalanlagen (ohne Depotforderungen)

Contents



I Development of Reinsurance Supervision in 2009

1 Amendments to German Insurance Supervision Act

The Act for the Strengthening of the Financial Markets and Insurance Supervision (*Gesetz zur Stärkung der Finanzmarkt- und der Versicherungsaufsicht* – FMVAStärkG)[1], which entered into force on 1 August 2009, introduced significant changes to German legislation governing the supervision of special-purpose insurance companies as well as the requirements for recognising transfer of risk from primary and reinsurance companies to special-purpose insurance companies.

Supervision of special-purpose insurance companies considerably strengthened.

These changes were made in response to developments on the financial markets, particularly from the middle of 2007. Although insurance linked securities (securities used by insurance companies to transfer risk to the capital market via a special-purpose insurance company) were not identified has having triggered the crisis on the financial markets, the German legislator recognised the need to create greater transparency for the Federal Financial Supervisory Authority (BaFin) also in the area of insurance securitisations.

New notification obligation in section 13d no. 11 VAG.

In this respect, section 13d of the Insurance Supervision Act (*Versicherungsaufsichtsgesetz* – VAG) was reinforced by a new notification duty. Under section 13d no. 11 of the VAG, insurance companies are required to notify any indirect and direct hedging of loss risks or other risks if this is achieved by issuing debt securities or using other financial mechanisms and involving a company existing exclusively for such purposes. The broad wording of this provision is intended to give the supervisory authority an overview of all transfers of risk to the capital market performed by insurance companies.

The notification must further include

- the issue prospectus,
- the contractual provision on which the risk transfer is based, and
- a schedule of risks to be identified for the insurance company.

The significance of the notification obligation is duly reflected by inclusion of section 13d VAG in the list of administrative offences provided for in section 144 (1a), sentence 1 no. 2 of the VAG for primary insurance companies, and in section 144 (1a), sentence 2 no. 1 of the VAG for reinsurance companies. According to these

[1] Federal Law Gazette (BGBl.) I 2009, p. 2305.

provisions, anyone failing to submit the aforementioned notification (or failing to do so correctly, completely or on time), either by intent or gross negligence, commits an administrative offence.

Additional amendments were related to section 54 (5) sentence 3, section 66 (6a) sentence 2, section 121b (2) sentence 4 of the VAG as well as section 1 (2) sentence 9 of the Regulation Concerning the Capital Resources of Insurance Undertakings (*Kapitalausstattungs-Verordnung* – KapAusstV). These amendments exclusively concern the recognition of the risk transfer of a primary or reinsurance company based in Germany to a special-purpose insurance company domiciled outside the European Union (EU) or the European Economic Area (EEA). As a precondition for such recognition, the special-purpose insurance company must be authorised in its country of domicile pursuant to section 121g of the VAG, be subject to ongoing supervision and have the required capital base.

Limitation/elimination of liquidity risks at the level of special-purpose insurance companies.

At the same time, the provisions under supervisory law applicable to German special-purpose insurance companies were also adjusted. The newly introduced section 121g (1) sentence 2 of the VAG is intended to limit or eliminate liquidity risks at the level of the special-purpose insurance company. It was the materialisation of this risk in the securitisation of credit risks within the banking area between 2007 and 2009 that led to far-reaching repercussions for banks worldwide. Even if the same problems were not observed in the securitisation of insurance risks (given the absence of maturity transformation), the German legislator saw the need to limit future transactions, particularly for securitisations of longevity or mortality risks.

More consistent control of holders of a significant interest, senior managers and supervisory board members in special-purpose insurance companies.

Section 121g (2) of the VAG additionally included references to section 13d no. 4 and section 104 of the VAG. As a result, it is now possible to ensure more consistent control of holders of a significant interests with special-purpose insurance companies. There were also far-reaching changes in the control of senior managers and supervisory board members of special-purpose insurance companies. With the inclusion of section 13d no. 12 of the VAG in the list of references of section 121g of the VAG as well as amendments of section 7a (1) and (4), they are now subject to the same restrictions (e.g. in terms of the number of their mandates) as senior managers or supervisory board members of primary and reinsurance companies.

2 Ongoing supervision in 2009

2.1 Authorised reinsurers

In the reporting year 2009, BaFin did not grant operating licences to any reinsurer. Foreign reinsurers from the EU set up three branches; these were founded out of the three EU Member States Ireland, Luxembourg and Spain. During the same period, four companies ended their activity as independent German reinsurers.

For the 2008 statistic, the annual financial statements of 41 reinsurers were included in reporting on financial year 2008 and/or 2008/2009. For the most part these are stock corporations as well as one mutual insurance association *(Versicherungsverein auf Gegenseitigkeit)* and two insurance undertakings under public law.

Table 1

Number of reinsurers under financial and/or legal supervision of BaFin

	2009	2008	2007	2006	2005
Reinsurance company with business operations	38	41	43	45	44
Reinsurance company without business operations	3	4	4	4	5
EEA* branches	3	0	0	0	0

* European Union countries, plus Iceland, Liechtenstein and Norway.

2.2 Economic development in 2009

National and international reinsurance market as a whole relatively stable in 2009.

Compared with the previous year, losses due to natural disasters were considerably lower in 2009. As a result, a decline was witnessed in both total losses and insured losses. The financial market crisis had almost no impact on available capital for reinsurance coverage. The market had sufficient capacities to meet demand for reinsurance.

Of decisive relevance for the level of reinsurance premiums and rates for 2009 was the trend in insured loss of previous years. Although financial year 2008 was a more loss-intensive year, prices on the reinsurance market did not rise significantly. This is attributable to the fact that the large reinsurers in past years had responded to the trend towards more frequent and higher-coverage catastrophe losses by adjusting their risk assessment and risk modelling of natural disasters. This made it possible for the reinsurance companies to better cushion their claims burden in some cases.

At the beginning of 2009, reinsurers recorded a slight rise in premiums in some market segments in the European and Asian round of renewals. In the second half of 2009, however, the trend in premiums was already on the decline again in some insurance segments. As viewed over the entire year 2009, premiums for the entire market remained at a relatively low but stable level. This trend continued in the round of renewals at the beginning of 2010. The severe natural disasters in the first half of 2010 (e.g. Winter Storm Xynthia and the earthquakes in Haiti and Chile) did not have any significant effect on the development of premiums on the reinsurance market.

Based on currently available information, the national and international reinsurance market can be regarded as relatively stable overall. The capital base of reinsurers is sound and is almost at its level seen before the financial market crisis.

Fewer severe natural disasters and man-made disasters in 2009.

Serious natural disasters and man-made disasters were largely absent in claims year 2009, with the result that losses were lower than in the previous year. Global economic losses caused by natural disasters declined in 2009 to about US$ 50.0 billion (previous year: US$ 200.0 billion). By comparison, insured losses stood at roughly US$ 22.0 billion (previous year: US$ 50.0 billion) and thus witnessed a disproportionately moderate decline compared with losses suffered by the economy. This is attributable to the occurrence of a larger number of natural disasters of medium severity with an overall higher level of insurance coverage. In terms of the claims burden, 2009 was considerably less damaging compared with the previous year.

Table 2

Natural disasters in 2009 compared with some previous years

Year	Number of events	Fatalities	Overall loss (US$ m)	Insured loss (US$ m)	Notable events
2000	890	10,300	38,000	9,600	Flooding in UK, Typhoon Saomai
2001	720	25,000	40,000	12,000	Tropical Storm Allison, hail storm in USA
2002	700	11,000	60,000	14,000	Flooding in Europe
2003	700	109,000	65,000	16,000	Heat wave in Europe, earthquake in Bam/Iran
2004	650	235,000	150,000	47,000	Hurricanes in Atlantic, typhoon in Japan, tsunami
2005	670	101,000	220,000	99,000	Hurricanes in Atlantic, earthquake in Pakistan
2006	850	20,000	50,000	15,000	Earthquake in Yogyakarta/Indonesia
2007	950	15,000	75,000	30,000	Winter Storm Kyrill, flooding in UK
2008	750	220,000	200,000	50,000	Hurricanes in USA Caribbean, and Winter Storm Emma
2009	850	ca. 10,000	50,000	22,000	Winter Storm Klaus, tornados in USA, hail storms in Central Europe

Source: Based on Munich Re NatCatSERVICE

The main cause of lower insured losses in 2009 was the absence of large natural disasters such as earthquakes as well as severe hurricanes in industrialised countries characterised by high insurance market penetration. The biggest share of insured losses was attributable to weather-related events such as hailstorms, tornados, snow and ice storms, flooding, heavy rainfall as well as bush fires. Consequently, the insurance sector in 2009 recorded a sharp increase in weather-related natural events compared with the previous years.

The worst natural disasters – by number of related deaths – happened (as was frequently the case in the past) in developing and emerging market countries. At the end of September 2009, an earthquake in Indonesia claims around 1,200 lives. Typhoons Ketsana, Mirinae, Morakot and Parma, which swept over large parts of South and East Asia from August to October 2009, claimed a further 2,500 lives.

Winter Storm Klaus, which hit northern Spain and south western France at the end of January 2009, was the most costly single event, causing insured losses of around €2.4 billion and a total loss to the economy of around €4.0 billion. Hail Storm Wolfgang in Central Europe caused an insured loss of roughly €1.0 billion. In the USA, high insured losses were caused by severe storms and tornados, with three single events exceeding the US$ 1.0 billion mark in 2009. The biggest loss event in Germany was the collapse of the Cologne City Archives in March 2009, which according to estimates caused an economic loss of around €0.4 billion.

Table 3

The ten biggest natural disasters in 2009 as measured by total loss

Date	Region	Event	Fatalities	Overall loss (US$ m)	Insured loss (US$ m)
24-27 January	France, Spain	Winter Storm Klaus	26	5,100	3,000
7-10 August	China, Taiwan, Philippines	Typhoon Morakot, flooding	610	4,600	110
10-13 February	USA	Tornados, storms	15	2,500	1,350
6-7 April	Italy	Earthquakes	295	2,500	260
30 September-1 October	Indonesia	Earthquakes	1,195	2,200	100
10-18 June	USA	Tornados, storms	1	2,000	1,100
23-24 July	Europe	Hail, storms	11	1,800	1,200
9-11 April	USA	Tornados, storms	9	1,700	1,150
25-26 March	USA	Tornados, storms		1,500	995
4-13 November	USA	Hurricane Ida, flooding	200	1,500	250

Source: Munich Re NatCatSERVICE

Natural disasters in first half of 2010 result in a total economic loss of US$ 70 billion.

In January and February 2010, severe earthquakes took place in Haiti and Chile, claiming a total of over 223,000 lives and causing high economic damage of around US$ 38.0 billion. As already in the previous year, Europe was hit by a severe winter storm – Hurricane Xynthia was one of the strongest storms in 20 years and caused insured losses of € 3.0 billion.

In April 2010, the explosion of the oil drilling rig Deepwater Horizon caused an oil disaster in the Gulf of Mexico. Experts describe it as the biggest environmental disaster caused by an oil spill in the USA since the Exxon Valdez disaster. Estimates put the insured loss from the explosion of the oil rig at US$ 1.5 billion, with the total economic loss estimated to run into several billion US$.

Table 4

The biggest natural disasters in the first half of 2010 as measured by total loss

Date	Region	Event	Fatalities	Overall loss (US$ m)	Insured loss (US$ m)
27 February	Chile	Earthquakes, tsunamis	521	30,000	8,000
12-26 January	Haiti	Earthquakes	222,570	8,000	150
26-28 February	Europe	Winter Storm Xynthia	65	4,500	3,400
15-24 May 2-12 June	Europe	Flooding	29	3,500	280
12-16 May	USA	Storms, hail	3	2,500	1,065
8-13 January	Europe	Winter damage		1,730	1,000

Source: Munich Re NatCatSERVICE

3 International

Equivalence assessment – BaFin’s past administrative practice confirmed.

The recognition of third-country reinsurers was an important part of supervisory work in 2009 as well. Reinsurers domiciled in an EU third country/an EEA signatory state are generally permitted to carry on reinsurance business in Germany through a branch establishment or by way of free movement of services from the place of their registered office. For lack of corresponding requirements at the EU level, BaFin hitherto decided as part of its administrative practice which third-country supervisory systems satisfy the requirements of section 121i of the VAG.

In order to provide for a uniform assessment of third-country supervisory systems, the criteria for an equivalence assessment were developed in 2009 at the European level. The first third country to be assessed based on the new requirements was Switzerland.

In February of this year, the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) published a report[2] on the findings of the equivalence assessment of the Swiss supervisory regime for reinsurance companies domiciled in that country based on the requirements of the EU Reinsurance Directive[3]. In that report CEIOPS conclusively finds that the supervisory system of Switzerland for reinsurance companies is to be considered equivalent to that of the EU / the EEA.

CEIOPS thus confirmed the administrative practice already applied by BaFin since 2007 according to which the Swiss supervisory regime for reinsurance companies pursuant to section 121i (1) sentence 2 of the VAG meets the internationally recognised principles of the International Association of Insurance Supervisors (IAIS). Recital 8 of the Reinsurance Directive in this regard determines that Directive 2005/68/EC is likewise consistent with the work of the IAIS.

Further equivalence assessments at the CEIOPS level are planned.

[2] CEIOPS-Sec-09-2010 (https://www.ceiops.eu/fileadmin/tx_dam/files/publications/reports/20100201-CEIOPS-Swiss-reinsurance-supervision-equivalence-assessment.pdf).

[3] Directive 2005/68/EC; OB no. L 323, p. 1.

II Statistical evaluation for 2008

BaFin included the annual financial statements of 41 reinsurers in its reporting on the statistic for financial year 2008. For the most part these are stock corporations as well as one mutual insurance association *(Versicherungsverein auf Gegenseitigkeit)* and two insurance undertakings under public law.

The data in the tables below as well as in the Table Section for 2008 are based on what are referred to as "industry revenues". These are calculated for each division as the sum of the forms and records submitted by the reinsurance companies. This not only allows for all values to be reconstructed at any time but also for further (consistent) data to be retrieved from the data records.

A disadvantage of this approach is that – depending on the forms and records actually submitted – the number of reporting reinsurance companies may fluctuate from table to table. In respect of the industry data, however, this does not have any significant impact because publication is made only after all relevant companies have submitted correct data. In this way, a complete survey is always ensured.

1 Situation with respect to premiums

Reinsurance coverage is offered not only by reinsurers but also by primary insurance companies engaging in reinsurance business. The entire gross premiums written (GPW) collected in the underwritten insurance business is distributed among reinsurers and primary insurers as follows:

Table 5
Gross premiums in reinsurance business

Year	Gross premiums written (€ m)		
	Reinsurance companies	Primary insurers (inward insurance business)	Total
2008	38,431.0	4,190.2	42,621.2
2007	39,768.4	4,246.8	44,015.2
2006	43,334.4	4,793.9	48,128.3
2005	45,416.3	3,616.8	49,033.1
2004	47,246.4	3,811.3	51,057.7

Gross premiums written of pure-play reinsurers once again declined in reporting year 2008. This continues the trend of the previous years. However, following an 8.2% decline in 2007, the decline in premiums over the reporting year was more moderate at 3.4%.

Firstly, the decline in premiums is attributable to the continued, strictly risk-oriented underwriting policy of reinsurers; secondly, premiums for reinsurance coverage declined worldwide across the board in financial year 2008.

In 2009, reinsurers recorded a rise in premiums in some market segments in the European and Asian round of renewals. In the second half of 2009, however, the trend in premiums was on the decline again in some insurance segments. As seen over the entire year 2009, premiums remained at a low but overall constant level. This trend also continued in the round of renewals at the beginning of 2010.

With primary insurers, premium revenue diminished in 2009 by 1.3%, compared with a decline of 11.4% the year before. The share of reinsurers in the total underwritten insurance business was 90.2%, thus remaining at about the level of the previous year (90.4%). The number of primary insurers engaging in active reinsurance fell over the reporting year from 162 to 158 companies, of which 36 were life insurers, 15 health insurers, and 107 property/casualty insurers.

The premium volume of reinsurers in reinsurance business accepted by domestic ceding insurers once saw a further decline (-12.6% after -10.2% in the previous year); by contrast, the premium volume of reinsurers increased in the foreign business (2.4% after -7.0% in the previous year). The share of business accepted by foreign ceding insurers rose during the reporting year to 65.2% (previous year: 61.6%).

Reinsurance business contributes positively to invisible trade balance.

The insurance business accepted by all domestic insurance companies from abroad – as measured in terms of gross premiums written – was €27.0 billion and thus significantly higher than the insurance business ceded abroad (€9.0 billion). That means that domestic insurers made available more capacity to the international reinsurance market than they themselves used, thereby making a positive contribution to Germany's invisible trade balance.

Of the gross premiums written by pure-play reinsurers, €2.6 billion was accounted for by facultative and €35.8 billion by obligatory reinsurance business. Proportional reinsurance in the form of quota share and surplus treaties made up the biggest share of total gross premiums written, namely 78.4%.

The table provided below gives a breakdown of gross premiums written of the pure-play reinsurers by specific insurance class:

Table 6
Gross premiums written of reinsurers by insurance class

Insurance class	Gross premiums written					
	2008	2008	2007	2006	2005	2004
	€ m	%				
General accident	1,262.2	3.3	3.4	3.5	4.0	3.7
Liability	3,439.2	8.9	9.6	9.5	10.5	11.0
Motor	5,620.5	14.6	15.1	15.3	14.2	14.7
Aerospace/Aviation	394.2	1.0	1.1	1.4	3.0	3.4
Fire	5,712.1	14.9	14.6	14.0	15.4	15.0
Transport	1,739.7	4.5	4.6	4.2	4.1	3.5
Credit and suretyship	1,265.9	3.3	3.2	2.7	2.6	2.8
Aerospace/Aviation liability	617.8	1.6	1.6	2.6	1.6	1.3
Other property insurance	5,180.1	13.5	12.8	11.7	12.0	11.8
Other casualty insurance	852.8	2.2	2.2	2.2	2.1	2.2
Property/casualty insurance business	26,084.5	67.9	68.2	67.0	69.6	69.6
Life	10,770.0	28.0	27.1	28.6	26.8	27.1
Health	1,576.5	4.1	4.7	4.4	3.6	3.4
Insurance business, total	**38,431.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

No serious changes in the breakdown of the reinsurance business of the property and casualty insurance classes as well as the life and health classes arose during the reporting year.

Retrocession ratio declined to 17.8%.

Pure reinsurers ceded €6.9 billion (previous year: €7.7 billion) of their gross premiums written totalling €38.4 billion (previous year: €39.7 billion) to retrocessionaires. The retrocession ratio thus reached 17.8% (previous year: 19.4%).

Reinsurers' gross and net premiums earned by insurance class in reporting year 2008 are given in Table 641 of Table Section.

2 Gross loss ratio

Total claims burden remained at 64.3%.

The year 2008 was a loss-intensive year from the perspective of reinsurers. Several serious natural disasters (storms, earthquakes and floods) led to a rise in total economic losses and insured losses. The worst natural disasters – as already in the past – occurred in developing and emerging market countries where insured losses are significantly below the related economic losses. The biggest impact in terms of insured losses was made by Hurricanes Ike and Gustav that raged, for the most part, in the Caribbean and in the USA in August and September 2008, respectively. The biggest insurance-relevant loss events in Europe were Winter Storm Emma that swept over large parts of Central Europe in March 2008, and Storm Hilal in May 2008. Major man-made disasters were largely absent in reporting year 2008.

Individual reinsurers in past years responded to the trend towards more frequent and higher-coverage catastrophe losses by adjusting their risk assessment and risk modelling of natural disasters. This made it possible in some cases to better cushion claims burdens in 2008 compared with the previous years.

The gross claims ratio before settlement fell in 2008 from 55.8% to 55.0% of gross premiums earned. However, the total claims burden – taking account of settlement results – was 64.3% and thus remained unchanged at the previous year's level.

The cost position of reinsurers remained constant, with the gross cost ratio at 27.6% as in the previous year. The low level of past years was thus maintained.

Reinsurers' combined claims-cost ratio after settlement remained at the previous year's level of 91.9%. However, in net terms the value deteriorated from 94.1% to 94.8%.

3 Technical provisions

Gross technical provisions diminished to €126.6 billion.

Gross technical provisions declined by €4.5 billion (3.5%) to €126.6 billion. In terms of gross premiums earned, this translated into a slightly higher provisioning ratio for the overall business of 330.4% (previous year: 327.1%).

By far the most significant share is accounted for by provisions for claims outstanding (€71.1 billion). This provision declined by 0.6% compared with the previous year (-€0.4 billion) and now reaches a provisioning ratio of 185.7% (previous year: 178.5%). These figures reflect the claims burdens from 2008 on the one hand, and the ongoing settlement of catastrophe claims from the previous years on the other. The premium reserve fell by €3.0 billion (8.2%) to €33.1 billion.

The biggest share in gross technical provisions for claims outstanding was accounted for, as in the previous year, by the insurance classes liability insurance (€22.8 billion or 31.9% of total gross provisions of reinsurers for claims outstanding), motor insurance (€17.1 billion or 23.9%) and fire insurance (€6.6 billion or 9.2%).

Given the worsening in claims experience, amounts could be withdrawn from the equalisation provision (including similar provisions) in individual insurance classes, especially in the case of fire and motor. In the previous year allocations had still been required in these insurance classes. By contrast, in other insurance classes, particularly transport, other property insurance as well as aerospace, a claims shortfall occurred that led to higher allocations. Overall, the provision fell as a result of withdrawals by 6.2% and at the end of the reporting year stood at €15.1 billion (previous year: €16.1 billion). This corresponds to 48.0% of net premiums earned (previous year: 49.7%) or 11.9% of total technical provisions (previous year: 12.2%).

Further details are provided in Tables 630 and 631 of the Table Section.

4 Overall underwriting result

The underwriting result of pure reinsurers is shown in the table below:

Table 7

Underwriting result of individual classes

Insurance class	2008	2008	2007	2006	2005	2004
	€ m	as % of respective premiums earned				
General accident	-278.6	-22.2	-20.7	-44.4	-53.5	3.0
Liability	-204.9	-5.7	-7.4	1.8	-20.0	-8.5
Motor	-689.5	-12.6	-3.4	-7.2	4.3	0.0
Aerospace/Aviation	101.5	26.0	12.6	42.3	25.1	31.2
Fire	1,102.0	19.5	22.2	34.5	-14.0	24.6
Transport	-47.6	-2.7	12.1	-20.1	-38.4	3.8
Credit and suretyship	19.5	1.5	23.1	13.1	30.8	23.8
Aerospace/Aviation liability	74.3	11.8	13.0	20.9	48.4	63.3
Other property insurance	693.5	13.4	-5.4	17.0	-8.6	*
Other casualty insurance	166.2	19.0	-3.1	17.4	2.6	*
Property/casualty insurance business	936.4	3.6	3.2	8.2	-8.7	11.4
Life	309.0	2.9	7.9	7.4	4.6	3.8
Health	22.8	1.5	4.6	3.2	-1.5	1.4
Total insurance business, gross result	1,268.2	3.3	4.5	7.7	-4.9	9.0
Retro result	-949.3	-13.7	-11.6	-21.5	5.5	-27.9
Net result 1	**318.9**	**1.0**	**2.8**	**4.3**	**-4.7**	**3.8**
Change in provision for unexpired risks (URP)	0.0	0.0	0.0	0.0	0.0	0.0
Change in equalisation provision[1]	990.8	3.2	-1.3	-3.1	-0.8	-5.6
Net result 2	**1,309.7**	**4.2**	**1.5**	**1.3**	**-5.6**	**-1.7**

*) The figure of the previous year cannot be easily calculated since the insurance class Other property insurance (cl. 28) was added and new insurance classes were included in the insurance class Other casualty (cl. 29) which until now had to be reported on separately.

1) Including similar provisions.

Reduction in gross underwriting result in 2008.

In 2008, the gross underwriting profit generated by reinsurers declined compared with the previous year to €1.3 billion (previous year: €1.8 billion). This corresponds to 3.3% of gross premiums earned (previous year: 4.5%). The decline in the result stems from the soft market trend in the reinsurance area on the one hand, and the slight rise in the major loss expenditure compared with the relatively low claims burden of the previous year, on the other. Only 11 out of 41 reinsurers reported a gross underwriting loss in the reporting year.

In 2008, primary insurers recorded in the underwritten insurance business an increased gross underwriting profit of €0.4 billion, corresponding to 10.1% of gross premiums earned (previous year: €0.3 billion; 7.6% of gross premiums earned).

With pure-play reinsurers, business accepted from domestic ceding insurers made a positive earnings contribution. In 2008 this business generated a gross underwriting profit of €0.7 billion and thus 5.1% of domestic premiums earned (previous year: -€0.6 billion; 3.8%). The rise was attributable among other things to reinsurers' restrictive underwriting policy. In insurance business accepted from foreign ceding insurers, a gross underwriting profit of €0.6 billion (2.3%) was once again reported following the previous year's gross underwriting profit of €2.4 billion (9.7% of foreign premiums earned). The slight decline stems from the higher major loss expenditure abroad.

Retrocessionaires' participation in claims of ceding insurers disproportionately moderate.

After significantly contributing to the easing of reinsurers' losses in previous years, retrocessionaires participated in their losses to a disproportionately moderate extent in the reporting year. Consequently, a negative balance of €0.9 billion (13.7% of amounts attributable to retrocessionaires) resulted for reinsurers in favour of retrocessionaires. Reinsurers were left with a lower net underwriting profit (= net result 1) of €0.3 billion, or 1.0% of net premiums earned (previous year: €0.9 billion; 2.8%).

Unlike in the previous years, a withdrawal (€1.0 billion or 3.2% of net premiums earned) was made from the equalisation provision as well as the nuclear plant and pharmaceutical provision which favour a balancing of risks over the period. The provision for unexpired risks remained unchanged compared with the previous year. Net underwriting result 2 – after interests of retrocessionaires and changes through allocations to or withdrawals from the equalisation provision as well as the provision for unexpired risks – increased to €1.3 billion (4.2% of net premiums earned) and improved significantly compared with the previous year (previous year: €0.5 billion, 1.3%).

The net underwriting results achieved in the reporting year – in each case before and after change in the equalisation provision and similar provisions per insurance class – are given in Table 641 of the Table Section.

5 Net result

An overview of the breakdown of reinsurers' net result in relation to net premiums earned is given in the table below:

Table 8:
Breakdown of net result

Item	2008	2008	2007	2006	2005	2004
	€ m	as % of net premiums earned				
Net underwriting result 1	318.9	1.0	2.8	4.3	-4.7	3.8
Special allocation to loss provision	0.0	0.0	0.0	0.0	-1.0	-0.8
Change in equalisation provision, etc.	990.8	3.2	-1.3	-3.1	-0.8	-5.6
Net underwriting result 1a	1,309.7	4.2	1.5	1.3	-6.5	-2.6
Current investment income[1)]	11,019.4	35.1	38.2	30.5	22.6	22.0
Current investment expenditure	-2,722.5	-8.7	-7.7	-7.2	-5.3	-5.1
Current net investment income[1)]	8,296.8	26.4	30.4	23.4	17.3	17.0
Other income from ordinary activities	-1,796.6	-5.7	-3.4	-5.2	-5.6	-3.8
Operating result	7,809.9	24.9	28.6	19.5	5.2	10.6
Extraordinary result (incl. provision for unexpired risks)	-1,039.3	-3.3	-0.9	0.8	1.6	-0.7
Profit for the year before tax	6,770.6	21.6	27.7	20.3	6.7	9.8
Taxes	-980.9	-3.1	-3.0	-0.1	-1.7	-0.8
Profit for the year after tax	5,789.7	18.4	24.6	20.2	5.0	9.0
Profit/loss brought forward	682.1	2.2	1.0	0.0	0.2	-0.8
Change in reserves	-1,544.1	-4.9	-8.9	-7.8	2.1	-2.5
Net result	**4,927.7**	**15.7**	**16.7**	**12.3**	**7.3**	**5.7**

[1)] Allocated investment return transferred from the non-technical account (2008: €1.2 billion).

Investment volume of €230.9 billion remained below the previous year's level.

Reinsurers' investment volume (including deposit receivables) was €230.9 billion in the reporting year and thus below previous year's level (previous year: €231.0 billion), whereas current investment income[4] declined by 12.1% to €12.2 billion (38.9% of net premiums earned). The decline in current investment income was chiefly attributable to the effects of the financial market crisis. The current return on investments, as measured by the average investment portfolio (including deposit receivables), fell to 5.3% (previous year: 5.9%).

[4] Including the technical interest to be recognised in the underwriting account but excluding income on the realisation of investments as well as write-ups and write-backs of the special reserve item.

More than half of investment income in 2008 attributable to affiliates and equity investments.

The lion's share of current investment income (56.0%) is accounted for by income from affiliates and equity investments, i.e. to interest for lendings and dividend income. This income type was predominant, primarily due to the holding function exercised by some reinsurers simultaneous with their reinsurance operations. A further 9.9% of current investment income was generated from interest paid on deposit receivables. Also of significance was the income from bearer bonds and other fixed-income securities (accounting for a share of 16.1%), as well as from shares, investment units and other variable-rate securities (12.6%). Due to the effects of the financial market crisis, current investment expenditures rose to €2.7 billion (previous year: €2.5 billion).

Net return was 3.1%.

Overall, reinsurers in 2008 generated current net investment income[5] of €9.5 billion (30.2% of net premiums earned). The current return in relation to average investment portfolio including deposit receivables stood at 4.1% (previous year: 4.9%).

Including other investment income such as capital gains on disposal, write-ups and income on write-back of the special reserve item (€14.6 billion), as well as other expenditures such as capital losses on disposal, impairment losses and assumed losses (€15.2 billion), the overall investment result worsened to €7.2 billion (previous year: €9.9 billion). In financial year 2008, the items Other income and Other expenditures included one-off extraordinary effects. Net return in relation to the average portfolio of investments including deposit receivables stood at 3.1% and thus well below the previous year's level (previous year: 4.2%).

An overview of the development seen with individual investment types is provided in Table 610 of the Table Section.

Balance of exchange-rate gains and losses negative.

The Other periodic result item in the general part of the income statement witnessed a sharp decline (loss of -€1.8 billion or -5.7% of net premiums earned) compared with the previous year (previous year: -€1.1 billion; -3.4%). This is attributable among other things to the fact that the balance of exchange-rate gains and losses in the reporting year was -€0.1 billion worse than in the previous year (+€0.1 billion). Overall, the higher loss is attributable to a sharper rise in the Other expenditures item compared with the Other income item.

Operating result declined to €7.8 billion.

The operating result[6] declined versus the previous year to €7.8 billion (24.9% of net premiums earned; previous year: €9.2 billion; 28.6%). The decline stemmed from both the lower current net investment income – due to the effects of the financial market crisis – and the deterioration in the other periodic result. The positive net underwriting result after change in the equalisation

[5] Current investment income less current investment expenditures including technical interest.

[6] Sum of current net investment income, other income from ordinary activities and net underwriting result 1 a (after special allocation to loss provision, after equalisation provision, but before provision for unexpired risks).

provision and similar provisions were not able to offset the decline in the operating result.

Profit for the year before tax was €6.8 billion.

The non-periodic result[7] recorded a loss of -€1.0 billion (-3.3% of net premiums earned) and thus deteriorated once again (previous year: -€0.3 billion; -0.9%). This was largely caused by higher profits transferred to the parent company and losses not assumed by the parent company. Moreover, losses from the balance of extraordinary income and expenditure were recorded in the reporting year. Financial year 2008 also included one-off extraordinary effects in the items Other income and Other expenditures which had a negative impact on the non-periodic result. Together with the operating result, this resulted in a much lower net profit before tax of €6.8 billion (21.6% of net premiums earned; previous year: €8.9 billion; 27.7%).

Net distributable profit of €4.9 billion after allocations to reserves and accumulated profits brought forward.

Net profit after tax was €5.8 billion (previous year: €8.0 billion). This corresponds to 18.4% of net premiums earned. After taking account of allocations to reserves of €1.5 billion (4.9% of net premiums earned) and profits brought forward in the amount of €0.7 billion, a slightly lower net distributable profit of all reinsurers was achieved compared with the previous year of €4.9 billion or 15.7% of net premiums earned (previous year: €5.4 billion; 16.7%).

Of all reinsurers examined, six companies (previous year: two) reported a net loss for the year and five companies (previous year: three) a net accumulated loss in the reporting year. In some cases, the net accumulated losses are attributable to loss carry-forwards. With some companies the figures do not sufficiently reflect the earnings position due to extraordinary factors.

6 Current value of investments in 2008

Valuation reserves of €33.7 billion as at 31 December 2008.

Pursuant to section 54 of the Regulation on Insurance Accounting (*Verordnung über die Rechnungslegung von Versicherungs-unternehmen* – RechVersV), insurers are required to disclose those investments stated in the balance sheet at their acquisition cost in the notes to their annual reports at their current value as one aggregate amount. Registered bonds, mortgage loans and other receivables recognised at their nominal value pursuant to section 341c (1) of the German Commercial Code (*Handelsgesetzbuch* – HGB) are exempted from current value disclosure.

[7] Essentially: change in provision for unexpired risks, balance from realisation of investments, write-ups and changes in special reserve item.

Insurance companies are required to disclose the current values to BaFin separately by investment class. Current values of investments of primary insurers are reported on in the 2008 Insurance Statistic of BaFin. The figures of reinsurances are now also available for 2008. This results in the following picture for reinsurers:

Table 9

Current values of reinsurers

Reinsurance companies	**Carrying amounts**		**Current values**		**Hidden reserves**	
	absolute € m	share in %	absolute € m	share in %	absolute € m	share as % of carrying amount
Land, land rights and buildings	1,408	0.6	3,275	1.2	1,867	132.6
Investments in affiliated companies	107,262	46.5	135,687	51.3	28,425	26.5
Shares	886	0.4	1,585	0.6	699	78.8
Investment units	21,195	9.2	22,080	8.3	885	4.2
Bearer bonds and other fixed-income securities	47,435	20.5	49,088	18.6	1,653	3.5
Other investments	52,686	22.8	52,881	20.0	195	0.4
Total investments	**230,872**	**100.0**	**264,596**	**100.0**	**33,724**	**14.6**

Of the valuation reserves as at 31 December 2008 amounting to €33.7 billion, roughly 90.0% was accounted for by land, land rights and buildings as well as by investments in affiliates and equity interests. These investments are either not marketable at all or very restricted in their marketability since for the most part they relate to self-used business properties or group equity holdings. Hidden reserves in shares and investment units (roughly 5.0%) are heavily dependent on capital market trends.

The time lag between the reporting year and the publication of the Annual Report of BaFin restricts the representativeness of this point-in-time view and does not allow any conclusions to be made regarding the current situation. Given the vulnerability of insurance companies to unforeseeable (extreme) developments on the capital markets – particularly declines in the prices of shares and investment units accompanied at the same time by low interest rate levels – BaFin is keeping a particularly close watch on the trend in insurance companies' hidden reserves, the impact on their results of operations as well as their economic situation overall.

7 Equity capital and own funds in 2008

Equity of reinsurers was €70.8 billion.

Reinsurers' available equity excluding outstanding initial contributions on subscribed capital saw a €0.2 billion decrease to €70.8 billion, which represents a decline of 0.3%. Since premiums still declined slightly, equity rose sharply in relation to gross premiums written and net premiums written.

Reinsurers had own funds of €68.8 billion.

At the end of 2008, the solvency of reinsurers supervised in Germany stood at €68.8 billion (previous year: €66.9 billion). At the same point in time, the solvency margin was €6.4 billion (previous year: €6.2 billion). The solvency margin ratio once again rose slightly from 1,074% to 1,079%.

As before, the high level of own funds stems from the peculiarity that in Germany some large reinsurers at the same time exercise a holding function over an insurance group or financial conglomerate. With these companies, a considerable portion of own funds is needed not for covering reinsurance operations but for financing the holding function. Adjusting for the values of holding companies, the average cover rate of reinsurers supervised in Germany is still 277% (previous year: 261%), which is still well above the required target amount.

III Appendix of Tables for 2008

Consolidated balance sheet for the industry

Reinsurance undertakings

Table 600

Balance sheet items	2008		2007		2006	
	€ '000	% 1)	€ '000	% 1)	€ '000	% 1)
1	2	3	4	5	6	7
Assets						
1. Subscribed capital unpaid	13,00	0.01	13,030	0.01	13,073	0.01
2. Intangible assets	183,214	0.07	172,826	0.07	327,831	0.13
3. Investments, if not reported under no. 4	190,640,966	76.71	187,551,920	74.62	185,553,700	72.29
4. Deposits with ceding undertakings	40,264,481	16.20	43,461,578	17.29	51,977,492	20.25
5. Receivables (direct business) from policyholders	-	-	-	-	-	-
6. Receivables (direct business) from intermediaries	-	-	-	-	-	-
7. Accrued interest and rent	995,588	0.40	1,025,558	0.41	973,086	0.38
8. Other assets	16,418,193	6.61	19,130,561	7.61	17,822,115	6.94
Liabilities						
1. Equity	70,763,250	28.47	70,969,316	28.23	66,356,117	25.85
2. Cap. repr. by part. rights and subord. liabilities	13,358,198	5.38	14,090,416	5.61	12,336,305	4.81
3. Special reserve item	361,484	0.15	380,351	0.15	17,516	0.01
4. Net technical provisions	109,544,682	44.08	111,404,174	44.32	121,835,414	47.47
5. Deposits received from reinsurers	6,207,233	2.50	7,872,757	3.13	7,652,099	2.98
6. Payables (direct business) to policyholders	-	-	-	-	-	-
7. Other liabilities	48,280,595	19.43	46,638,460	18.55	48,469,846	18.88
Total assets	248,515,442	100.00	251,355,473	100.00	256,667,297	100.00
Number of companies	41		41		43	

1) as % of total assets

Investments schedule (excl. deposits with ceding undertakings) 2008

Reinsurance undertakings

Table 610

Type of investment	Balance at beginning of period 1)		Additions			Write-ups	Reclassi-fications	Disposals	Write-downs	Balance at end of period		
	€m	% 2)	€m	% 2)	% 3)	€m	€m	€m	€m	€m	% 2)	% 4)
1	2	3	4	5	6	7	8	9	10	11	12	13
Land, land rights and buildings	1,367	0.7	174	0.1	12.8	9	-	81	61	1,408	0.7	3.0
Interests in affiliated companies	97,611	52.6	55,370	36.1	56.7	61	6	51,404	1,673	99,972	52.4	2.4
Loans to affiliated companies	4,245	2.3	3,101	2.0	73.1	19	0	1,534	19	5,811	3.0	36.9
Participations	1,407	0.8	165	0.1	11.8	0	-6	75	44	1,448	0.8	2.9
Loans to companies in which a participation is held	23	0.0	9	0.0	38.8	-	0	1	-	31	0.0	34.4
Shares	7,426	4.0	10,694	7.0	144.0	0	-	16,928	307	886	0.5	-88.1
Investment units	18,663	10.0	8,288	5.4	44.4	1	-	5,185	571	21,195	11.1	13.6
Other variable-yield securities	530	0.3	107	0.1	20.1	0	-	95	20	522	0.3	-1.5
Bearer bonds and other fixed-income securities	44,933	24.2	65,487	42.7	145.7	149	-	62,545	590	47,435	24.9	5.6
Loans secured by mortgages, land charges and annuity land charges	11	0.0	1	0.0	9.3	-	-	2	-	9	0.0	-10.3
Registered bonds	2,237	1.2	426	0.3	19.1	0	-26	328	-	2,309	1.2	3.2
notes and loans receivable	2,863	1.5	1,035	0.7	36.1	-	-4	761	127	3,007	1.6	5.0
loans and advance payments on insurance contracts	-	-	-	-	-	-	-	-	-	-	-	-
Other investments	252	0.1	25	0.0	9.9	-	15	23	-	269	0.1	6.7
Deposits with credit institutions	3,618	1.9	6,374	4.2	176.2	-	-	4,498	-	5,494	2.9	51.9
Other investments	529	0.3	2,252	1.5	425.8	175	15	2,141	17	813	0.4	53.7
Total investments	185,715	100.0	153,510	100.0	82.7	415	-	145,602	3,429	190,609	100.0	2.6
Number of companies	39											

1) Exchange rate value as at the end of financial year

2) as % of total investments

3) as % of balance at beginning of period

4) change (balance at end of period less balance at beginning of period) as % of balance at beginning of period

Equity, capital represented by participation rights and subordinated liabilities

Reinsurance undertakings (premiums in € '000)

Table 620

Balance sheet items	Total 2008	Total 2007
1	2	3
1. Subscribed capital 1)	4,613,543	4,615,901
2. Capital reserves	43,455,688	43,644,653
of which pursuant to section 5 (5) no. 3 VAG	1,500	-
3. Revenue reserves:		
a) legal reserves 2)	43,700	42,297
b) reserves for treasury shares	39,230	51,798
c) reserves provided for by the articles of association	221,942	183,283
d) reserves pursuant to section 58 (2a) AktG	-	-
e) other revenue reserves	17,411,694	17,043,820
4. Retained earnings brought forward 3)	119,777	2,178
Accumulated losses brought forward 3)	501	1,402
5. Net profit for the year 3)	148,241	156,287
Net loss for the year 3)	2,725	-
6. Net retained profits 3)	4,713,720	5,231,083
Net accumulated losses 3)	1,060	581
Total equity	70,763,250	70,969,316
- less capital not yet paid in	13,000	13,030
Total equity available	70,750,250	70,956,286
Equity as % of gross premiums written	184.1	178.5
Equity as % of net premiums written	224.1	221.1
Capital represented by participation rights	461,455	461,479
Subordinate liabilities	12,896,743	13,628,937
Number of companies	41	41

1) initial fund for mutual insurance associations; item equivalent to subscribed capital for insurance undertakings under public law

2) loss reserve pursuant to section 37 VAG for mutual insurance associations; contingency reserve for insurance undertakings under public law

3) pursuant to section 268 (1) HGB, items 4 and 5 are replaced by item 6 if the principle of *teilweise Gewinnverwendung* (partial appropriation of profits) is applied

Technical provisions

Reinsurance undertakings

Table 630

Balance sheet items	2008 Gross € '000	2008 Net € '000	2007 Gross € '000	2007 Net € '000	2006 Gross € '000	2006 Net € '000
1	2	3	4	5	6	7
1. Unearned premiums	5,850,166	5,109,923	5,868,755	5,063,301	6,643,473	5,649,367
2. Premium reserve	33,137,593	29,317,645	36,110,074	30,857,622	42,318,060	36,027,413
3. Provisions for claims outstanding, surrenders, refunds and sums granted upon withdrawal	71,142,490	59,034,518	71,561,889	58,236,332	76,629,692	63,022,198
4. Provision for bonuses and rebates	106,527	85,024	116,525	70,789	123,280	72,196
5. Equalisation provision and similar provisions	15,063,831	15,063,831	16,054,635	16,054,635	15,695,430	15,695,430
6. Other technical provisions	1,291,591	933,741	1,427,232	1,121,495	1,711,317	1,368,090
Total	126,592,198	109,544,682	131,139,109	111,404,174	143,121,252	121,835,414
Number of companies	41		41		43	

Technical provisions

Reinsurance undertakings 2008

Table 631

Insurance classes	Number	Gross premiums		Gross provision for claims outstanding 1) FY		Gross provision for claims outstanding 1) prev. years		Equalisation provision and similar provisions	
		€m	% 2)	€m	% 2)	€m	% 2)	€m	% 3)
1	2	3	4	5	6	7	8	9	10
Life	18	1,187.9	11.1	1,478.5	13.8	2,139.4	20.0	8.2	0.1
Health	15	124.5	8.0	224.1	14.3	317.4	20.3	5.5	0.4
General accident	21	160.3	12.8	427.3	34.0	4,650.4	370.1	162.6	15.7
Liability	29	535.5	15.0	2,018.5	56.5	20,808.5	582.1	2,263.6	73.4
Motor	22	677.7	12.4	2,610.5	47.9	14,501.7	266.1	1,703.2	40.1
Aerospace/aviation	11	152.8	39.1	79.0	20.2	924.1	236.7	75.1	27.9
Fire	25	989.3	17.5	2,736.5	48.3	3,825.9	67.5	5,060.6	109.7
Transport	29	248.5	14.3	897.1	51.5	2,178,3	124.9	670.7	48.3
Credit and suretyship	16	279.8	21.9	451.4	35.3	1,177.1	92.1	1,245.9	108.6
Aerospace/aviation liability	11	255.0	40.6	207.8	33.1	2,254.0	358.9	1,078.5	239.3
Other property insurance	27	1,148.3	22.1	1,354.8	26.1	3,430.7	66.1	2,067.1	52.2
Other casualty insurance	28	250.2	28.7	292.8	33.5	2,666.1	305.5	602.8	86.0
Total	41	6,009.9	15.7	12,778.4	33.4	58,874.1	153.7	14,943.8	47.6

1) including premium reserve for pension and gross provision for surrenders, refunds and withdrawals outstanding

2) as % of gross premiums earned

3) as % of net premiums earned

Profit and loss account (selected items)

Reinsurance undertakings

Table 640

Item	2008 € '000	2008 % 1)	2007 € '000	2007 % 1)	2006 € '000	2006 % 1)
1	2	3	4	5	6	7
1. Gross premiums written	38,431,043		39,768,415		43,334,440	
of which accepted from foreign ceding insurers	25,074,455	65.2	24,478,403	61.6	26,310,991	60.7
2. Gross premiums earned	38,310,469	100.0	40,096,894	100.0	44,914,960	100.0
3. Net premiums earned	31,393,400	81.9	32,298,168	80.6	36,014,589	80.2
4. a) Gross claims incurred during the financial year	21,081,272	55.0	22,354,751	55.8	22,989,876	51.2
b) Net claims incurred during the financial year	17,654,710	56.2	17,925,179	55.5	19,307,440	53.6
5. a) Gross claims incurred during the financial year 2)	24,620,519	64.3	25,801,142	64.3	26,235,069	58.4
b) Net claims incurred during the financial year 2)	20,842,560	66.4	21,125,900	65.4	22,083,997	61.3
6. a) Gross operating expenses	10,575,556	27.6	11,061,260	27.6	12,072,173	26.9
b) Net operating expenses	8,926,870	28.4	9,282,692	28.7	10,052,163	27.9
7. a) Gross underwriting result 3)	1,268,224	3.3	1,809,114	4.5	3,478,764	7.7
b) Net underwriting result 4)	318,939	1.0	907,532	2.8	1,568,847	4.4
8. Investment income 7)	26,850,881	85.5	17,932,808	55.5	15,391,423	42.7
of which: current income 5)	12,216,807	38.9	13,899,161	43.0	12,974,490	36.0
9. Investment expense	17,920,725	57.1	6,505,610	20.1	4,283,422	11.9
of which: current expense 5)	2,722,549	8.7	2,499,653	7.7	2,577,231	7.2
10. Net profit / loss for the year 6)	5,789,713	18.4	7,958,174	24.6	7,348,774	20.4
Number of companies	41		42		43	

1) as % of gross premiums earned; of which item 1. as % of total gross premiums written; items 4. b), 5. b), 6. b), 7. b), 8, 9 and 10 as % of net premiums earned
2) including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding
3) before gross expenses for bonuses
4) before change in the equalisation provision and similar provisions; corresponds to item I. 9 Form 2 RechVersV
5) in accordance with attribution in NW 201 of BerVersV
6) corresponds to item II. 14 Form 2 RechVersV
7) financial year 2008 includes one-off extraordinary effects

Summary of individual insurance classes

Reinsurance undertakings 2008

Table 641

Insurance classes	Number	Gross premiums earned		Net premiums earned		Claims expense				Operating expense		Underwriting result		
						FY		of the FY 1)						
						gross	net	gross	net	gross	net	gross	net 4)	
		€ '000	% 2)	€ '000	% 3)	% 3)	% 4)	% 3)	% 4)	% 3)	% 4)	% 3)	% 5)	% 6)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Life	18	10,701,117	27.9	9,046,492	84.5	36.2	38.9	53.5	56.1	28.1	28.2	2.9	2.3	2.3
Health	15	1,562,216	4.1	1,455,210	92.5	49.5	51.4	72.8	72.5	27.4	27.8	1.5	1.3	1.3
General accident	21	1,256,413	3.3	1,038,570	82.7	38.7	39.6	70.0	76.0	39.0	40.4	-22.2	-29.3	-27.0
Liability	29	3,574,457	9.3	3,083,753	86.3	62.9	65.0	78.3	81.0	27.3	27.4	-5.7	-8.4	-2.5
Motor	22	5,450,506	14.2	4,246,509	77.9	88.1	88.7	89.3	90.7	23.7	24.2	-12.6	-14.3	-7.3
Aerospace/aviation	11	390,486	1.0	269,492	69.0	30.5	27.0	56.6	62.5	16.9	18.7	26.0	18.5	11.4
Fire	25	5,665,131	14.8	4,614,367	81.5	63.0	67.3	54.0	58.7	25.8	27.5	19.5	13.3	30.5
Transport	29	1,743,646	4.6	1,389,419	79.7	60.9	53.2	75.4	66.2	27.4	28.4	-2.7	5.5	-3.8
Credit and suretyship	16	1,278,632	3.3	1,147,264	89.7	48.3	50.9	59.7	61.4	38.8	38.6	1.5	-0.1	-4.8
Aerospace/aviation liability	11	628,128	1.6	450,689	71.8	37.4	39.4	65.9	65.7	22.1	25.9	11.8	8.5	14.2
Other property insurance	27	5,186,820	13.5	3,960,572	76.4	54.5	54.2	58.6	61.0	27.7	28.9	13.4	10.4	6.9
Other casualty insurance	28	872,749	2.3	700,894	80.3	53.0	54.8	46.2	52.5	34.5	37.2	19.0	11.1	11.4
Total	41	38,310,469	100.0	31,393,400	81.9	55.0	56.2	64.3	66.4	27.6	28.4	3.3	1.0	4.2

1) including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding
2) as % of total gross premiums earned
3) as % of gross premiums earned
4) as % of net premiums earned
5) before change in the equalisation provision and similar provisions; corresponds to item I. 9 Form 2 RechVersV
6) after change in the equalisation provision and similar provisions; corresponds to item I. 11 Form 2 RechVersV

Selected financial ratios of reinsurance undertakings 2008 [1)]

ranked according to gross premiums earned

Table 660 (1)

Rank	Name of insurer	Gross premiums earned	Net premiums earned	Claims ratio 2)		CP ratio 3)		Expense ratio 4)		Net u.w. result		Investments 7)			Net result FY 10)
				gross	net	gross	net	gross	net	before eq. prov. 5)	after eq. prov. 6)	Balance at end of FY	Current yield 8)	Net yield 9)	
		€m	€m	% 11)	% 12)	% 11)	% 12)	% 11)	% 12)	% 12)	% 12)	in €m	%	%	% 12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Industry	38,310	31,393	67.3	69.6	185.7	188.0	27.6	28.4	1.0	4.2	230,872	5.3	3.9	18.4
1	MÜNCHEN. RÜCK	16,354	15,446	71.2	72.1	185.3	189.0	29.2	29.7	-1.7	3.4	70,763	5.3	5.7	19.3
2	HANNOVER RÜCK	7,247	5,429	63.3	63.5	162.0	176.0	24.1	24.0	1.5	0.8	17,885	3.5	0.4	-3.9
3	ALLIANZ SE	3,462	2,823	58.8	67.2	170.3	154.7	26.6	28.2	6.6	-2.4	87,018	5.3	2.5	56.0
4	E+S RÜCK	2,365	1,798	66.5	73.2	180.3	197.1	22.4	20.9	2.1	3.7	7,874	3.6	2.7	2.9
5	KOELNISCHE RÜCK	1,716	1,652	59.9	61.4	238.2	242.4	28.8	29.1	7.6	7.2	8,669	3.8	3.8	13.2
6	AMB GENERALI HOLDING	1,481	1,255	58.8	59.4	72.6	62.7	35.7	38.5	3.0	0.7	9,614	5.4	4.4	16.3
7	SWISS RE GERMANY	1,448	147	66.0	91.0	253.2	645.6	28.6	24.3	29.1	202.1	1,823	3.1	5.7	-
8	R+V VERS.	869	840	74.8	74.5	105.9	106.2	27.2	27.1	-1.6	-5.5	2,828	9.5	7.9	14.3
9	DT. RÜCKVERSICHERUNG	670	351	61.0	59.0	73.9	96.8	27.7	25.2	1.9	1.6	1,029	3.7	1.8	0.9
10	VERSK. BAYERN K.-RÜCK	570	280	71.1	59.7	116.9	79.4	27.5	31.8	6.6	5.3	519	4.9	0.6	3.5
11	VERBAND OEFFENT.LEBEN	297	261	59.9	63.3	410.4	402.1	47.0	49.2	-12.3	-2.9	1,269	4.1	2.5	0.6
12	SCOR RÜCK	268	231	142.1	170.5	223.0	211.0	22.5	22.5	2.3	37.9	1,312	6.1	1.8	21.2
13	SWISS RE FRANKONA	261	159	94.1	89.0	***	793.5	28.8	47.1	20.7	49.4	3,999	2.7	0.9	8.2
14	WÜSTENROT & WÜRTTEMB.	248	205	64.8	68.2	203.5	192.4	25.7	26.7	6.1	10.5	3,011	6.2	5.9	47.6
15	VOLKSWAGEN REINS.AG	241	30	89.3	58.5	43.9	42.6	22.8	16.7	24.8	23.5	77	4.1	3.4	-
16	ZÜRICH BETEILIG.-AG	214	166	61.5	73.4	131.6	111.8	22.1	24.7	1.5	3.4	2,772	11.9	10.5	126.7
17	DEVK RÜCKVERSICHER.	173	97	70.5	68.7	71.9	74.7	26.0	27.7	3.1	3.7	1,319	12.0	13.7	100.6
18	PROV.NORDWEST HOLD.	86	60	46.4	56.9	71.2	91.5	28.6	35.3	6.1	179.4	1,531	7.7	-0.3	92.9
19	RISICOM RÜCK	71	54	85.4	81.9	204.4	237.9	4.3	5.7	12.4	-7.6	163	1.9	1.9	-4.0
20	HDI-GERLING FRIEDRICH	66	26	28.6	35.2	1.6	4.2	15.2	39.3	11.8	11.8	64	3.4	3.1	-
21	HDI-GERLING WELT	40	0	37.6	-	179.3	***	16.6	***	***	***	115	1.4	-1.2	-
22	LUCURA RÜCK	39	6	13.0	30.0	119.6	498.9	8.0	0.5	60.7	38.0	115	4.6	4.6	275.0
23	SV SPARKASSENVERSICH.	38	17	42.1	51.8	96.4	213.8	29.1	30.0	17.0	32.0	1,128	3.4	3.5	40.3
24	DELVAG RÜCK	24	21	53.5	73.4	150.2	134.1	22.1	21.4	6.9	1.1	134	3.5	2.7	-
25	KIELER RÜCK	17	4	63.4	58.6	39.0	33.0	37.9	33.1	8.3	0.8	8	4.9	3.9	4.3
26	INCURA AG	15	15	39.0	39.3	13.0	13.0	15.5	15.6	45.1	46.7	115	4.1	4.9	75.4
27	MANNHEIMER AG HOLDING	7	1	48.8	50.9	198.2	881.9	15.4	14.5	8.0	127.2	144	11.6	11.0	453.6
28	GLOBALE RÜCK	6	5	***	***	***	***	470.0	525.5	26.7	165.4	1,301	4.4	0.1	***
29	NYCOMED RE	5	4	9.2	10.3	28.6	32.0	6.5	7.3	85.3	74.7	-	***	***	59.8
30	HUK-COBURG HOLDING	4	3	30.1	38.1	8.9	11.2	42.7	54.1	7.8	7.8	1,828	17.4	17.1	***
31	FREUDENBERG RÜCKVERS.	3	3	189.4	189.4	128.2	128.2	6.0	6.0	-95.4	-30.1	7	4.0	3.3	-17.0
32	REVIUM	2	2	66.5	66.5	66.5	66.5	8.0	8.0	25.5	7.9	6	6.9	8.2	10.1
33	THYSSENKRUPP REIN-AG	2	2	69.7	77.6	69.6	77.4	3.0	3.3	19.2	9.8	3	3.9	2.8	20.2
34	DIEHL ASSEKUR. RÜCK	2	1	35.0	21.8	365.7	107.4	26.8	30.8	46.4	53.4	6	4.0	4.6	-
35	BF RÜCKVERSICHERUNG	2	-1	***	151.1	***	***	55.6	-74.9	-8.3	-8.3	30	4.5	4.6	-14.2
36	GOTHAER FINANZHOLDING	1	1	***	220.5	***	***	375.1	360.8	-294.0	***	1,613	8.9	9.4	***
37	HANSEATICA RÜCK	0	0	377.4	377.4	***	***	***	***	***	***	24	4.4	2.9	***
38	KRAVAG-HOLDING AG	0	0	***	***	***	***	***	***	***	***	95	4.6	4.0	***
39	SWISS RE EUR. (L)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Selected financial ratios of reinsurance undertakings 2008 [1)]

ranked according to gross premiums earned

Table 660 (2)

Rank	Name of insurer	Gross premiums earned €m	Net premiums earned €m	Claims ratio 2) gross %11)	Claims ratio 2) net % % 12)	CP ratio 3) gross %11)	CP ratio 3) net % % 12)	Expense ratio 4) gross %11)	Expense ratio 4) net % % 12)	Net u.w. result before eq. prov. 5) % 12)	Net u.w. result after eq. prov. 6) % 12)	Investments 7) Balance at end of FY €m	Investments 7) Current yield 8) %	Investments 7) Net yield 9) %	Result for the year 10) %12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Industry	38,310	31,393	67.3	69.6	185.7	188.0	27.6	28.4	1.0	4.2	230,872	5.3	3.9	18.4
40	EUROPEAN SPECIALITY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	PROV.RHEINL.HOLDING	0	-	***	***	***	***	***	***	***	***	660	19,7	18,4	***

1) incl. annual financial statements as at the balance sheet dates in September and December of the reporting year and June of the following year
2) incl. expenses for surrenders, refunds and withdrawals
(claims ratio in FY including result from claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding)
3) provision for claims outstanding, including surrenders, refunds and withdrawals
(item E. III under liabilities under Formblatt 1 RechVersV)
4) total operating expenses
5) before changes in equalisation provision and similar provision; (Item I. 9 of Form2 RechVersV)
6) after changes in equalisation provision and similar provision; (Item I. 11 of Form 2 RechVersV)
7) incl. deposits with ceding undertakings
8) Item II. 1. a), b) and e) of Form 2 RechVersV as % of mathematical average of investments at beginning and end of reporting year
9) Item II. 1. less Item II. 2. of Form 2 RechVersV as % of mathematical average of investments at beginning and end of reporting year
10) Net profit/loss for the year (Item II. 14 of Form 2 RechVersV)
11) as % of gross premiums earned
12) as % of net premiums earned

Published by
Bundesanstalt für Finanzdienstleistungsaufsicht
Federal Financial Supervisory Authority
Press and Public Relations
Graurheindorfer Str. 108, 53117 Bonn
Lurgiallee 12, 60439 Frankfurt am Main
Phone: +49(0)228-4108-0
Fax: +49(0)228-4108-1550
Internet: www.bafin.de
E-mail: poststelle@bafin.de

Bonn and Frankfurt am Main | December 2010

Photographs
phototek (Ute Grabowsky) für BaFin

Chris (S. 5), Gina Sanders (S. 9),
Laurent Hamels (S. 13), Franz Pfluegl (S. 14),
Yanik Chauvin (S. 17) / www.fotolia.de

ISSN 1611-910X