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**Statistics**

**Federal Financial Supervisory Authority**

**(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)**

**– Reinsurance undertakings –**







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# I Reinsurance Supervision in 2012

## 1 Authorised reinsurers



BaFin granted one reinsurer authorisation to commence business operations in 2012. Four undertakings were reclassified as reinsurance undertakings without business activities because they stopped writing new business. Overall, BaFin supervised a total of 44 reinsurance undertakings or branch offices of reinsurance undertakings at the end of the year under review (previous year: 43).

Table 1  
**Number of reinsurers under legal supervision of BaFin**

As at 31 December of the relevant year

	2012	2011	2010	2009	2008
Reinsurance undertakings with business activities	30	33	35	38	41
Reinsurance undertakings without business activities	7	3	3	3	4
EEA branches	6	6	6	3	0
Third-country branch	1	1	1	0	0

## 2 Economic trends

● Slight overall increase in premiums.

Economic losses in the year under review were close to the long-term average, following the exceptional level of losses recorded in 2011 – the most loss-intensive year of all time. Insured losses also declined significantly, putting the brakes on the slight upward trend in prices for reinsurance coverage observed in the first half of the year. Overall, the increase in premiums in 2012 was therefore only slight to moderate.

The insurance industry was able to replenish or increase its capital buffers, as the number of loss-intensive catastrophes was small, especially in the first nine months of the year under review. Reinsurance capacities were therefore more than adequate. Additionally, a lot of capital flowed into the market because investors were seeking a safe haven in the wake of the turmoil on the financial markets.

Hurricane Sandy relieved the growing pressure on prices, especially in North America, at the end of the year. However, one single major loss event is not enough to push up prices across all markets, a phenomenon that had already been observed during the renewals

process following the string of catastrophes in 2011. Another factor was that a growing number of primary insurers – especially large insurance groups – are increasing their retentions, which is also putting pressure on prices.

In light of the persistently low interest rates, the profitability of the insurance business is gaining prominence. Reinsurers are therefore very interested in obtaining prices that adequately reflect their risks. This objective is being pursued even in the case of long-term customer relationships, which in turn may encourage an opportunistic approach to buying reinsurance coverage. The resulting fiercer competition in the reinsurance market is tending to generate additional price pressure, which the reinsurers should resist from a risk perspective.

● Third most expensive year since 1980 despite a considerable drop in claims expenditures.

Global overall economic losses in the year under review attributable to natural disasters amounted to approximately US\$170 billion, approaching the long-term average of US\$165 billion. Global insured losses exceeded the long-term average of US\$50 billion by US\$20 billion, representing a year-on-year decline of more than 40%.

Table 2

**Natural disasters in 2012 compared with the past ten years**

Year	Number of events	Fatalities	Overall losses (US\$m)	Insured losses (US\$m)	Notable events
2012	905	9,600	170,000	70,000	Hurricane Sandy, drought in the USA, earthquakes in Italy, severe weather and tornadoes in the USA, Hurricane Isaac
2011	820	27,000	380,000	105,000	Earthquakes in Japan and New Zealand, floods in Thailand, tornadoes in the USA, Hurricane Irene
2010	970	296,000	152,000	42,000	Earthquakes in Haiti, Chile and China, heatwave in Russia, floods in Pakistan, volcanic eruption in Iceland
2009	900	11,000	60,000	22,000	Winter storm Klaus, tornadoes in the USA, hail storms in Central Europe
2008	750	163,000	200,000	45,000	Hurricanes in the USA and the Caribbean, winter storm Emma
2007	1,025	16,000	83,000	26,000	Winter storm Kyrill, floods in the UK
2006	850	20,000	50,000	15,000	Earthquake in Yogyakarta, Indonesia
2005	670	101,300	227,000	101,000	Hurricanes in the Atlantic, earthquake in Pakistan
2004	640	233,000	150,000	48,000	Hurricanes in the Atlantic, typhoon in Japan, tsunami
2003	700	109,000	65,000	16,000	Heatwave in Europe, earthquake in Bam, Iran
2002	700	11,000	60,000	14,000	Floods in Europe

Source: Based on Munich Re NatCatSERVICE data

In 2012, Hurricane Sandy was by far the largest loss event, accounting by itself for overall economic losses of US\$65 billion and insured losses (including losses covered by the National Flood Insurance Program) amounting to an estimated US\$30 billion.



Sandy will go down in the insurance industry statistics (since 1980) as the third most expensive loss.

The extent of the losses caused by Hurricane Sandy is attributable firstly to the sheer size of the wind field: a total of approximately 1.5 million square kilometres were affected – an area roughly the size of France, Germany, Italy and the United Kingdom together. Secondly, the hurricane coincided with the spring high tide, with the result that large parts of the East Coast of the United States were hit by a storm surge of more than three metres. Thousands of residential and commercial buildings, as well as key parts of the infrastructure, fell victim to the floods; these included container ports, subway stations, modern high-rise buildings, hotels, etc. The direct flood damage was accompanied by a large number of business interruption insurance claims. By contrast, wind damage caused by the hurricane was limited.



The second major catastrophic event that emerged was the month-long drought in the Midwest of the United States. July 2012 was the hottest month ever measured in the USA and, overall, the year went into the statistics as the hottest since temperature records began in 1895. At the same time, the longed-for rains failed to materialise. The extreme drought caused considerable losses to agriculture, which are generally covered by the public/private multi-risk crop insurance protection scheme. Other sectors of the economy were also affected. For example, the extreme drought adversely affected inland navigation on the Mississippi and cut power generation; the favourable conditions also caused wildfires.

Around two-thirds of the insured losses worldwide in the year under review were attributable to these two events.

Together with the losses caused by tornadoes, the USA accounted for almost 90% of all insured losses – which in contrast to the previous year were mainly attributable to the weather. In Europe, the largest insured loss was caused by a series of earthquakes in the northern Italian region of Emilia Romagna. Despite the considerably lower level of claims expenditures compared with the previous year, 2012 was the third most expensive year overall for the insurance industry since 1980.

The first three months of 2013 were relatively kind to the insurers, with only a few natural disasters causing insured losses worth mentioning. Floods in Australia and Indonesia, as well as tornadoes in the USA, are likely to result in insured losses running into the hundreds of millions in each case. The most spectacular event was the explosion of a meteor about 15 to 25 kilometres high in the atmosphere above the southern Urals. The force of the pressure wave was about thirty times greater than that of a nuclear bomb, damaging thousands of residential and commercial buildings. No fatalities were recorded, nor were there any appreciable insured losses.

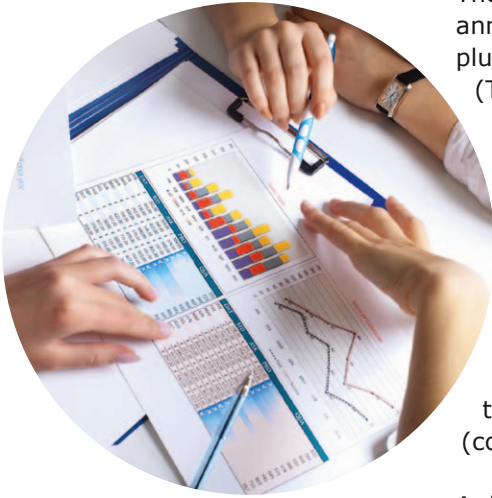
Table 3

**The five biggest natural disasters in 2012 measured by overall loss**

Date	Region	Event	Fatalities	Overall losses (US\$m)	Insured losses (US\$m)
24 October – 31 October	USA, Caribbean	Hurricane Sandy	210	65,000	30,000
June – September	USA	Drought	100	20,000	15,000 – 17,000
2 March – 4 March	USA	Severe weather/ tornadoes	41	5,000	2,500
28 April – 29 April	USA	Severe weather/ tornadoes	1	4,600	2,500
28 June – 2 July	USA	Severe weather/ tornadoes	18	4,000	2,000

Source: Munich Re NatCatSERVICE

## II Statistical evaluation for 2011



The report on the statistics for financial year 2011 included the annual financial statements of 34 reinsurers (previous year: 35), plus the annual financial statements of one third-country branch (Transatlantic Re). Most of them are stock corporations, one is a mutual insurance association (*Versicherungsverein auf Gegenseitigkeit*) and two are insurance undertakings under public law.

The data in the tables below, as well as in the Table Section, is based on what is known as “industry revenue”. This figure, which is calculated for each insurance segment, is the total of the forms and records submitted by the reinsurance undertakings. This not only allows all the values to be reconstructed at any time, but also enables additional (consistent) data to be retrieved from the data records if needed.

A disadvantage of this approach is that – depending on the forms and records actually submitted – the number of reporting reinsurance undertakings may differ from table to table. As far as the industry data is concerned, however, this does not have any significant impact, because it is only published after all the relevant undertakings have submitted correct data, thus ensuring completeness.

### 1 Premiums

Reinsurance coverage is offered not only by reinsurance undertakings, but also by primary insurers engaging in reinsurance business. The total gross inward reinsurance premiums can be broken down as follows between reinsurers and primary insurers:

Table 4  
**Gross premiums in the reinsurance business**

Year	Gross premiums written (€m)		
	Reinsurers	Primary insurers (inward reinsurance business)	Total
2011	46,718.8	4,967.1	51,686.0
2010	43,307.0	4,058.9	47,365.9
2009	41,013.4	4,279.8	45,293.1
2008	38,431.0	4,190.2	42,621.2
2007	39,768.4	4,246.8	44,015.2

● Gross premiums written up for the third year in succession.

In the year under review, gross premiums written by reinsurers rose for the third year in succession. Growth was particularly strong in 2011, at 7.9%. Overall, gross premiums written have risen by more than one-fifth since 2008. Reinsurers last wrote

more premiums than in 2011 back in 2004; however, at 44, the number of reinsurers was considerably higher than in the year under review (35 undertakings). There is an evident trend towards concentration in the reinsurance industry.

The strong rise in premiums in 2011 is likely to have been driven by the robust growth in demand on the primary insurance markets in the emerging economies, especially for property and casualty insurance. The unusually high losses in the first quarter of 2011 also pushed up demand for coverage against risks related to natural disasters and triggered rising reinsurance prices in the regions and insurance classes affected by natural disasters. There was also sustained strong demand for reinsurance as a capital substitute, not least because of the persistently low levels of interest rates.

● Growth in primary insurers' premium income.

At approximately 22.4%, premium income from inward reinsurance for primary insurers conducting reinsurance business grew at a much faster pace than for pure reinsurers. As a result, the proportion of the total inward reinsurance business accounted for by reinsurers declined from 91.4% to 90.4% in the year under review. The number of primary insurers engaging in active reinsurance increased slightly from 153 to 154 undertakings in the year under review, of which 35 were life insurers, 12 were health insurers and 107 were property/casualty insurers.

The decline in reinsurance acceptance from domestic ceding insurers that has been observable for several years continued during the year under review and amounted to 5.0% (previous year: 5.9%). Gross premiums written which had been accepted from domestic ceding insurers amounted to €11.6 billion; ten years ago, this figure was approximately €20 billion. By contrast, the reinsurers further expanded their foreign insurance business, whose growth accelerated to 12.9% (previous year: 10.9%). Overall, reinsurance business accepted from foreign ceding insurers increased from 71.9% to 75.2% in the year under review. Ten years ago, by contrast, the share of reinsurance business accepted from domestic ceding insurers accounted for almost half of all insurance business.

● Reinsurance business makes positive contribution to balance of trade in services.

Measured in terms of gross premiums written, insurance business accepted from abroad by all domestic insurance undertakings in 2011 (€37.1 billion) clearly exceeded insurance business ceded abroad (€15.2 billion). That means that, as in previous years, domestic insurers made available more capacity to the international insurance market than they used themselves. The positive contribution to Germany's balance of trade in services increased slightly to €21.9 billion in the year under review (previous year: €18.5 billion).

Of the gross premiums written by reinsurers, €2.7 billion was attributable to facultative and €44.0 billion to obligatory reinsurance business. At 66.5% (previous year: 70.4%), proportional reinsurance in the form of quota share and surplus treaties made up the largest proportion of gross premiums written. However, there are signs that the importance of proportional reinsurance is diminishing, because its share of total reinsurance treaties has dropped by almost twelve percentage points in the past two years.

The table below gives a breakdown of the reinsurers' gross premiums written by class of business:

Table 5

**Reinsurers' gross premiums written by class of business**

Class of business	Gross premiums written					
	€m	%				
	2011	2011	2010	2009	2008	2007
General accident	1,170.0	2.5	3.0	3.2	3.3	3.4
Liability	4,026.6	8.6	8.7	9.2	8.9	9.6
Motor	5,776.9	12.4	11.9	11.9	14.6	15.1
Aerospace/aviation	404.8	0.9	0.9	0.9	1.0	1.1
Fire	6,374.0	13.6	13.4	13.8	14.9	14.6
Transport	1,022.7	2.2	3.6	4.0	4.5	4.6
Credit and surety	1,688.8	3.6	3.8	3.5	3.3	3.2
Aerospace/aviation liability	630.4	1.3	1.7	1.7	1.6	1.6
Other property insurance	5,461.1	11.7	11.9	12.3	13.5	12.8
Other indemnity insurance	1,012.8	2.2	2.5	2.2	2.2	2.2
Property/casualty insurance	27,568.0	59.0	61.5	62.7	67.9	68.2
Life	14,622.3	31.3	29.9	30.3	28.0	27.1
Health	4,528.5	9.7	8.6	6.9	4.1	4.7
<b>Total insurance business</b>	<b>46,718.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Personal insurance again increased its share of the total insurance business in the year under review, growing to more than two-fifths for the first time. Ten years ago, life and health insurance only accounted for just over a quarter. Growing life expectancy and medical advances are driving flourishing life and health insurance markets, including and especially in emerging economies. Because of the persistently low interest rates, there is also continued high demand from personal insurance companies for reinsurance as a capital substitute.

Gross premiums written in the property/casualty insurance business rose by around €1 billion, with gains recorded in particular by fire and motor insurance. By contrast, transport insurance premiums declined by around €0.5 billion. Among other factors, this trend was probably attributable to unsatisfactory market prices due to competition factors, together with the consequent reluctance of reinsurers to underwrite new business.

● Reinsurers' retentions rise by 2%.

Reinsurers ceded €6.3 billion (previous year: €6.6 billion) of their total gross premiums written of €46.7 billion (previous year: €43.3 billion) to retrocessionaires. As a result, the retrocession ratio amounted to 13.5% (previous year: 15.2%), which reflects a 2% increase in reinsurers' retentions.

Table 641 of the Table Section provides details of reinsurers' gross and net premiums earned by class of business in the year under review.

## 2 Gross loss ratio

● Total claims expenditures increased to 77.1%.



● Gross loss ratio before settlement increased to 73.0%.

An extraordinary string of severe natural disasters occurred in 2011, making it the most loss-intensive year of all times. Global overall economic losses amounted to approximately US\$400 billion, of which US\$210 billion alone was attributable to the devastating earthquake in Japan, including the subsequent tsunami. The Japanese catastrophe resulted in insured losses of approximately US\$40 billion. Insured losses worldwide amounted to some US\$119 billion (previous year: US\$42 billion).

Other earthquakes, like the one in New Zealand, were the reason why – unusually – geophysical events accounted for almost two-thirds of overall economic losses and around half of insured losses. In addition, with an insured loss of approximately US\$10 billion, the world's most severe loss to date due to flooding occurred in Thailand during the year under review. It resulted in numerous indirect business interruption insurance claims, some of them by businesses located far from the flooded area. Global supply chains for manufacturing industry are very vulnerable, a factor that is being viewed as an increasing risk for the insurance industry.

The share of global insured losses accounted for by Asia rose to an unusually high figure of 44% because of the large number of natural disasters there. Despite some hurricanes in the USA, there were virtually no major loss events in North America and Europe.

The severe natural disasters in 2011 are also reflected in the loss ratios. For example, the gross loss ratio before settlement increased from 62.6% in the previous year to 73.0% of gross premiums earned in the year under review. Similarly, total claims expenditures – including settlement results – increased from 66.7% to 77.1%. Even in 2005, a loss-intensive year, the loss ratios were considerably lower, at 66.1% and – including settlement results – 73.3% respectively.

The gross expense ratio declined to 26.8% in the year under review (previous year: 29.0%).

Overall, the reinsurers' combined loss-expense ratio after settlement increased from 95.7% in the previous year to 103.9% in the year under review. On a net basis, the combined ratio rose to 102.7% (previous year: 97.4%).

### 3 Technical provisions

● Gross technical provisions increased to €133.2 billion.

Gross technical provisions increased by €7.3 billion (5.8%) to €133.2 billion. In terms of gross premiums earned, this translated into a lower provision rate of 286.0% for the business as a whole (previous year: 294.7%).

As in previous years, provisions for claims outstanding were by far the most significant single item, accounting for €76.7 billion. These provisions increased by 10.2% (€7.1 billion) year-on-year, taking the provision rate to 164.8% (previous year: 163.4%). These figures reflect firstly the high claims expenditures dating from 2011 and secondly the ongoing settlement of catastrophe losses from previous years. The premium reserve increased slightly by 3.1% in the year under review to €35.5 billion (previous year: €34.0 billion).

As in the previous year, the largest share of gross technical provisions for claims outstanding was attributable to the following classes of business: liability insurance at €25.1 billion (33.1% of reinsurers' total gross provisions for claims outstanding), motor insurance at €15.4 billion (20.3%) and fire insurance at €12.0 billion (15.6%). In the previous year, provisions for claims outstanding in the fire insurance class had only amounted to €6.2 billion, and it is clear that the unusually high losses in 2011 resulted in a sharp rise in fire insurance provisions.

● Mixed trends in the equalisation provision.

Trends in the equalisation provision (including similar provisions) were very mixed in the year under review. Reinsurers had to withdraw significant amounts from the equalisation provision in some classes of business, such as transport insurance (-21.3%). In other classes of business, on the other hand, they had to make appropriations, for example in general accident insurance (81.7%). The most conspicuously high withdrawals, however, related to fire insurance (€2.8 billion or -56.6%); these were presumably attributable to the unusually high losses in the year under review.

The high level of withdrawals from the equalisation provision for fire insurance also affected the overall equalisation provision. In total, the provision declined significantly (-9.8%) because of the withdrawals, amounting to €12.7 billion at the end of the year under review (previous year: €14.1 billion). This corresponds to 31.5% of net premiums earned (previous year: 38.9%) or 9.5% of total gross technical provisions (previous year: 11.2%).

Further details can be found in Tables 630 and 631 of the Table Section.

## 4 Overall underwriting result

The reinsurers' underwriting result is shown in the following table:

Table 6

### Underwriting result by class of business

Class of business	2011	2011	2010	2009	2008	2007
	€m	as % of premiums earned				
General accident	258.2	21.8	10.2	-2.3	-22.2	-20.7
Liability	1.7	0.0	-21.3	-28.2	-5.7	-7.4
Motor	-119.2	-2.2	-3.5	-1.2	-12.6	-3.4
Aerospace/aviation	153.4	39.4	21.2	30.8	26.0	12.6
Fire	-4,604.5	-72.7	3.3	37.1	19.5	22.2
Transport	82.0	7.2	0.5	7.1	-2.7	12.1
Credit and surety	629.6	37.8	7.3	-38.2	1.5	23.1
Aerospace/aviation liability	190.8	28.9	16.0	7.0	11.8	13.0
Other property insurance	196.5	3.6	10.3	15.0	13.4	-5.4
Other indemnity insurance	-73.6	-7.3	9.6	13.0	19.0	-3.1
Property/casualty insurance	-3,285.1	-12.0	1.2	6.3	3.6	3.2
Life	765.0	5.6	6.3	7.6	2.9	7.9
Health	60.5	1.3	0.6	-1.4	1.5	4.6
<b>Total insurance business, gross result</b>	<b>-2,401.1</b>	<b>-5.2</b>	<b>2.7</b>	<b>6.2</b>	<b>3.3</b>	<b>4.5</b>
Retrocession result	765.0	12.3	-11.0	-21.4	-13.7	-11.7
<b>Net result 1</b>	<b>-1,636.1</b>	<b>-4.1</b>	<b>1.2</b>	<b>3.5</b>	<b>1.0</b>	<b>2.8</b>
Change in provision for unexpired risks	0.0	0.0	0.0	0.0	0.0	0.0
Change in equalisation reserve *	1,381.9	3.4	-0.2	2.5	3.2	-1.3
<b>Net result 2</b>	<b>-254.2</b>	<b>-0.6</b>	<b>1.0</b>	<b>6.0</b>	<b>4.2</b>	<b>1.5</b>

\* Includes similar provisions.

● Slump in gross underwriting result.

The reinsurers' gross underwriting result declined sharply in 2011 due to the unusually high level of losses. Although they generated a profit of €1.2 billion in the previous year, they posted a loss of €2.4 billion in the year under review. This corresponds to -5.2% of gross premiums earned (previous year: 2.7%) and is thus slightly higher than the gross loss most recently suffered in 2005 (-4.9%). At €4.6 billion, the loss in the fire insurance class was pronounced. Due to the unusually high claims expenditures, seven of the 35 reinsurers reported a gross underwriting loss in the year under review, compared with only two in the previous year.

The primary insurers also reported a decline in their gross underwriting profit in 2011 from insurance business accepted, although this was far less pronounced due to their substantially



lower international exposure. Their gross profit declined from €0.5 billion in the previous year to €0.3 billion in the year under review, representing 5.2% of gross premiums earned (previous year: 12.1%).

For the reinsurers, business accepted from domestic ceding insurers made a positive contribution to earnings. In 2011, this business generated a gross underwriting profit of €0.6 billion, or 5.2% of domestic premiums earned (previous year: €0.9 billion, or 7.2%). For business accepted from foreign ceding insurers, the previous year's gross underwriting profit (€0.3 billion; 0.9% of foreign premiums earned) turned into a gross loss of €3.0 billion (-8.6%). This significant loss is attributable to the unusually high losses, primarily in Asia.

● Retrocessionaires accounted for a disproportionately large share of the losses of ceding insurers.

In the year under review, retrocessionaires accounted for a disproportionately large share of the losses of ceding insurers for the first time since 2005. For the reinsurers, this resulted in a positive balance of €0.8 billion to the detriment of the retrocessionaires, corresponding to 12.3% of the amounts attributable to retrocessionaires (previous year: €-0.7 billion; -11.0% of amounts attributable to retrocessionaires). As a result, the reinsurers' gross underwriting loss declined to €1.6 billion (= net result 1), equivalent to 4.1% of net premiums earned (previous year: €0.4 billion; 1.2% of net premiums earned).

In the year under review, reinsurers withdrew €1.4 billion (3.4% of net premiums earned) from the equalisation provision and similar provisions that enable risks to be balanced over time. The provision for unexpired risks was virtually unchanged year-on-year. The net result 2 – which includes contributions from retrocessionaires and changes due to allocations to and withdrawals from the equalisation provision and the provision for unexpired risks – decreased to €-0.3 billion (-0.6% of net premiums earned), representing a significant year-on-year decline (previous year: €0.4 billion; 1.0%). However, the high underwriting loss of €2.4 billion was significantly reduced by the contributions from retrocessionaires and the withdrawals from the equalisation provision.

Table 641 of the Table Section shows the net underwriting results by class of business – in each case before and after the change in the equalisation provision and similar provisions.

## 5 Net result

The summary below shows the breakdown of reinsurers' net results in relation to net premiums earned:

Table 7  
**Breakdown of net result**

Item	2011	2011	2010	2009	2008	2007
	€m	as % of net premiums earned				
Net underwriting result 1	-1,636.1	-4.1	1.2	3.5	1.0	2.8
Special allocation to claims provision	0.0	0.0	0.0	0.0	0.0	0.0
Change in equalisation provision, etc.	1,381.9	3.4	-0.2	2.5	3.2	-1.3
Net underwriting result 1a	-254.2	-0.6	1.0	6.0	4.2	1.5
Current investment income*	10,349.8	25.6	25.3	19.5	35.1	38.2
Current investment expenses	-2,142.4	-5.3	-4.9	-5.2	-8.7	-7.7
Current net investment income*	8,207.4	20.3	20.4	14.4	26.4	30.4
Other result from ordinary activities	-1,474.6	-3.7	-4.4	-3.3	-5.7	-3.4
Operating result	6,478.6	16.1	17.0	17.0	24.9	28.6
Non-periodic result (incl. provisions for unexpired risks)	-1,096.5	-2.7	1.3	6.5	-3.3	-0.9
<b>Profit for the year before tax</b>	<b>5,382.1</b>	<b>13.3</b>	<b>18.3</b>	<b>23.5</b>	<b>21.6</b>	<b>27.7</b>
Taxes	-684.3	-1.7	-3.0	-4.2	-3.1	-3.0
<b>Profit for the year after tax</b>	<b>4,697.8</b>	<b>11.6</b>	<b>15.3</b>	<b>19.3</b>	<b>18.4</b>	<b>24.6</b>
Profit/loss brought forward	212.3	0.5	0.3	1.4	2.2	1.0
Change in reserves	-319.6	-0.8	-2.2	-5.7	-4.9	-8.9
<b>Net result</b>	<b>4,590.5</b>	<b>11.4</b>	<b>13.4</b>	<b>15.1</b>	<b>15.7</b>	<b>16.7</b>

\* Excludes investment return allocated from the non-technical account (2011: €1.2 billion).

Investment volume up by 3.4% to €241.9 billion.

Reinsurers' investment volume (including deposits retained) increased by approximately 3.5% to €242.1 billion (previous year: €234.0 billion). Current investment income<sup>1</sup> increased by 9.9% to €11.6 billion (28.7% of net premiums earned). However, the share of net premiums earned accounted for by current investment income declined slightly because of the faster 11.5% growth in net premiums earned due to the increased retentions. As a proportion of the average investment portfolio (including deposits retained), the current yield increased to 4.9% (previous year: 4.6%).

Further rise in investment income from affiliates and equity investments.

As in the previous years, the largest portion of current investment income was attributable to income from affiliates and equity investments, i.e. to interest on loans and profit distributions,

<sup>1</sup> Includes the technical interest to be recognised in the underwriting account, but excludes gains on the disposal of investments as well as write-ups and reversals of the special tax-allowable reserves.

accounting for 61.0% (previous year: 58.4%). This type of income played such a major role mainly because some reinsurers also exercise a holding company function in addition to their reinsurance activities. The further increase in this income to approximately €0.9 billion also reflects the growing capital strength of the affiliates, despite an adverse capital market environment and high levels of claims expenditures in some cases. Another 9.2% of current investment income was attributable to interest received on deposits retained. Income from bearer bonds and other fixed-income securities, accounting for 15.9%, and from shares, investment units and other variable-rate securities (7.5%), was also significant. However, the level of this investment income only changed marginally. Current investment expense, i.e. depreciation/amortisation and administrative expenses, increased significantly by 21.5% to €2.1 billion (previous year: €1.8 billion). This is due primarily to higher administrative expenses.

● Net return was 3.7%.

Overall, reinsurers generated current net investment income<sup>2</sup> of €9.5 billion (23.4% of net premiums earned) in 2011, corresponding to a year-on-year increase of 7.6%. The current return in relation to the average investment portfolio, including deposits retained, was 4.0% (previous year: 3.8%).

The reinsurers' investment result amounted to €8.7 billion (previous year: €9.2 billion). This figure includes both other investment income, such as disposal gains, write-ups and income from the reversal of the special tax-allowable reserves amounting to €3.4 billion (previous year: €2.7 billion), as well as other expenses such as disposal losses, write-downs and loss absorption amounting to €4.2 billion (previous year: €2.3 billion). The decline in the investment result is primarily attributable to higher disposal losses and higher write-downs, which increased respectively by more than twofold and by almost two-thirds year-on-year. This also clearly reflects the worsening government debt crisis in the peripheral eurozone countries in the year under review. In consequence, the net return – measured as a proportion of the average portfolio of investments, including deposits retained – declined slightly to 3.7% (previous year: 4.0%).

Table 610 of the Table Section provides a summary of the performance of each investment type.

● Reduced negative balance of exchange rate gains and losses.

The other result from ordinary activities in the general section of the profit and loss account improved slightly from €-1.6 billion in the previous year to €-1.5 billion (-3.7% of net premiums earned) in the year under review. The balance of exchange rate gains and losses contained in this figure amounted to €-0.1 billion (previous year: €-0.7 billion). Overall, the lower loss is due to a stronger increase in other income compared with other expenses.

The operating result<sup>3</sup> increased slightly year-on-year to €6.5 billion (16.1% of net premiums earned; previous year: €6.3

<sup>2</sup> Current investment income less current investment expenses including technical interest.

<sup>3</sup> Total of current net investment income, other result from ordinary activities and net underwriting result 1a (after special allocation to provisions for claims outstanding, after equalisation provisions, but before provisions for unexpired risks).

billion; 17.4%). This improvement resulted in particular from higher current investment income, which more than offset both the net underwriting loss attributable to the unusually high claims expenditures and the slightly reduced loss from other ordinary activities.

● Profit for the year before tax of €5.4 billion.

With a loss of €1.1 billion (-2.7% of net premiums earned), the non-periodic result<sup>4</sup> deteriorated significantly (previous year: €0.4 billion; 1.0% of net premiums earned). This was attributable primarily to the significantly lower other investment result. Together with the operating result, this led to a significant decrease in profit for the year before tax to €5.4 billion (13.3% of net premiums earned; previous year: €6.6 billion; 18.3% of net premiums earned) – the worst profit for the year since 2005.

● Net retained profits after allocations to reserves and profits brought forward amounted to €4.6 billion.

The profit for the year after tax amounted to €4.7 billion (previous year: €5.6 billion), corresponding to 11.6% of net premiums earned. Ultimately, after allocations to reserves of €0.3 billion (0.8% of net premiums earned) and profits brought forward of €0.2 billion, net retained profits for all reinsurers decreased slightly year-on-year to €4.6 billion, or 11.4% of net premiums earned (previous year: €4.8 billion; 13.4% of net premiums earned).

The 2011 net result is remarkable in light of the unusually high claims expenditures and the difficult capital market environment. Of all reinsurers examined, only two undertakings reported a net loss for the year under review (previous year: four) and four reported net accumulated losses (previous year: five).

## 6 Fair values of investments

● Valuation reserves amounted to €35.6 billion as at 31 December 2011.

Under section 54 of the Regulation on Insurance Accounting (*Verordnung über die Rechnungslegung von Versicherungsunternehmen – RechVersV*), insurers are required to disclose in the notes to the annual financial statement the fair values of investments recognised at cost or nominal value. The fair values of investments by primary insurers are reported in Tables 14 to 18 of the narrative section of the BaFin statistics – Primary insurance undertakings and pension funds. The figures for reinsurers are now also available for that financial year. The picture for reinsurers is shown in the following table:

<sup>4</sup> Essentially: change in provisions for unexpired risks, balance from the disposal of investments, write-downs and write-ups of investments, and changes in special tax-allowable reserves.

Table 8  
**Fair values of reinsurers**

As at 31 December 2011

	Carrying amounts		Fair values		Hidden reserves	
	Absolute €m	Share in %	Absolute €m	Share in %	Absolute €m	Share as % of carrying amount
Land, land rights and buildings	1,448	0.6	3,331	1.2	1,884	130.1
Investments in affiliates and equity investments	109,024	45.0	137,022	49.3	27,998	25.7
Shares	2,483	1.0	2,865	1.0	382	15.4
Investment units	23,846	9.8	26,569	9.6	2,724	11.4
Bearer bonds and other fixed-income securities	51,536	21.3	53,854	19.4	2,318	4.5
Other investments	53,756	22.2	54,096	19.5	340	0.6
<b>Total investments</b>	<b>242,092</b>	<b>100.0</b>	<b>277,738</b>	<b>100.0</b>	<b>35,645</b>	<b>14.7</b>

In the year under review, the structure of reinsurers' investment portfolios shifted away from bearer bonds and other fixed-income securities, the volume of which declined by approximately €1 billion. This led to increases in shares, investment units and especially other investments, which include in particular notes receivable and registered bonds. Bearer bonds and other fixed-income securities are likely to become less attractive in light of the continuing low interest rate levels.

About 83.8% of the valuation reserves as at 31 December 2011 amounting to €35.6 billion were attributable to land, land rights and buildings, as well as to investments in affiliates and equity investments. These investments are either not marketable at all or very restricted in their marketability, because most of them are commercial land used for the companies' own purposes or intra-group equity investments. The hidden reserves in shares and investment units (about 8.7%) are heavily dependent on the performance of the capital markets.

Bearer bonds and other fixed-income securities accounted for 6.5% of hidden reserves in the year under review. This figure for the previous year was only 4.5% The share of hidden reserves in the carrying amount of these investments also increased by 1.4 percentage points. This again reflects the effects of the persistently low levels of interest rates, which result in sharp increases in the prices of higher-yield securities.

The time lag between the year under review and the publication of BaFin's reinsurance statistics limits the informative value of this snapshot analysis and does not permit any conclusions to be drawn about the current situation. Given the vulnerability of insurance undertakings to unforeseeable (extreme) developments on the capital markets – particularly declines in the prices of shares and investment units accompanied simultaneously by low interest-rate levels – BaFin is keeping a particularly close watch on the trend in



insurance undertakings' hidden reserves, the impact on their results of operations as well as their economic situation overall.

## 7 Equity and own funds

● Reinsurers' equity virtually unchanged.

Reinsurers' available equity, excluding outstanding contributions to subscribed capital, increased slightly by €0.1 billion to €71.4 billion. The slight increase in equity is remarkable in light of the unusually high claims expenditures and the difficult capital market environment. By contrast, the ratio of equity to gross and net premiums written declined sharply once again due to the rise in premiums. Whereas equity still accounted for 224.1% of net premiums written in 2008, this figure dropped to 176.8% at the end of the year under review (previous year: 194.2% of net premiums written).

● Reinsurers had own funds of €69.1 billion.

At the end of 2011, the reinsurers supervised in Germany had own funds amounting to €69.1 billion (previous year: €68.7 billion). As at the same date, the solvency margin was €6.8 billion (previous year: €6.4 billion). As a result, the solvency margin ratio again declined slightly to 1,019% (previous year: 1,080%).

As in previous years, the reason for the high level of own funds is the unusual feature of the German insurance industry that certain large German reinsurers are also holding companies for an insurance group or financial conglomerate. These companies require a considerable portion of own funds not to meet the capital requirements of their reinsurance operations, but to finance their holding company function. Eliminating the figures relating to the holding company function produced an average solvency margin ratio of 273% (previous year: 295%) for reinsurers supervised in Germany in financial year 2011, which is thus well above the required target ratio.

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## Aggregated balance sheets of reinsurance undertakings for direct business in 2011

Table 600

Balance sheet items	2011		2010		2009		
	1	2	3	4	5	6	7
		in € 000's	in % <sup>1)</sup>	in € 000's	in % <sup>1)</sup>	in € 000's	in % <sup>1)</sup>
<b>Assets</b>							
1. Outstanding contributions to subscribed capital		7,052	0.00			13,000	0.01
2. Intangible assets		522,007	0.20	578,498	0.23	638,804	0.26
3. Investments, if not reported under no. 4		202,192,612	77.59	194,923,411	77.61	189,991,747	77.55
4. Deposits with ceding undertakings		39,926,160	15.32	39,048,158	15.55	38,678,691	15.79
5. Receivables (direct business) from policyholders							
6. Receivables (direct business) from intermediaries							
7. Accrued interest and rent		1,061,852	0.41	1,036,426	0.41	988,710	0.40
8. Other assets		16,878,523	6.48	15,572,678	6.20	14,666,035	5.99
<b>Equity and liabilities</b>							
1. Equity		71,394,335	27.40	71,320,923	28.40	72,611,865	29.64
2. Profit-sharing capital and subordinated liabilities		15,407,828	5.91	13,539,166	5.39	13,070,791	5.34
3. Special tax-allowable reserves		2,231	0.00	8,820	0.00	353,884	0.14
4. Net technical provisions		117,081,764	44.93	111,300,417	44.31	106,556,354	43.50
5. Deposits received from reinsurers		6,150,556	2.36	6,794,983	2.71	5,658,030	2.31
6. Liabilities (direct business) to policyholders		0	0.00				
7. Other liabilities		50,551,492	19.40	48,194,862	19.19	46,726,062	19.07
<b>Total assets</b>		<b>260,588,206</b>	<b>100.00</b>	<b>251,159,170</b>	<b>100.00</b>	<b>244,976,987</b>	<b>100.00</b>
<b>Number of undertakings</b>		<b>35</b>		<b>37</b>		<b>38</b>	

<sup>1)</sup> as % of total assets.



## Changes in investments (excluding deposits retained) 2011 Reinsurance undertakings

Table 610

Type of investment	Balance at beginning of period <sup>1)</sup>		Additions		Write-ups in €m	Reclassifications in €m	Disposals in €m	Write-downs in €m	Balance at end of period			
	in €m	% <sup>2)</sup>	in €m	% <sup>3)</sup>					in €m	% <sup>2)</sup>	% <sup>4)</sup>	
1	2	3	4	5	6	7	8	9	10	11	12	13
Land, land rights and buildings	1,487	0.8	79	0.1	5.3	1	-8	45	66	1,448	0.7	-2.6
Interests in affiliated companies	100,750	51.6	4,742	5.2	4.7	447	2	1,644	467	103,830	51.4	3.1
Loans to affiliated companies	3,928	2.0	2,501	2.7	63.7	8	16	3,421	8	3,024	1.5	-23.0
Equity investments	1,920	1.0	395	0.4	20.6	2	-67	32	597	1,621	0.8	-15.6
Loans to other long-term investees and investors	530	0.3	3	0.0	0.5	22		5		549	0.3	3.6
Shares	1,649	0.8	3,475	3.8	210.7	2	65	2,593	116	2,483	1.2	50.6
Investment units	22,091	11.3	5,295	5.8	24.0	1		3,035	508	23,846	11.8	7.9
Other variable-rate securities	21	0.0	42	0.0	196.9	0		49		15	0.0	-31.3
Bearer notes and other fixed-income securities	52,864	27.1	57,586	63.1	108.9	64	0	58,712	266	51,536	25.5	-2.5
Loans secured by mortgages, land charges and annuity charges	14	0.0	5	0.0	34.8			1		18	0.0	29.8
Registered bonds	2,753	1.4	1,954	2.1	71.0		20	741	0	3,986	2.0	44.8
Notes and loans receivable	3,615	1.9	2,111	2.3	58.4	2	-31	1,040		4,657	2.3	28.8
Loans and advances against policies												
Other loans	193	0.1	2	0.0	1.1			22	0	174	0.1	-10.1
Deposits with credit institutions	2,596	1.3	5,820	6.4	224.2			3,938		4,478	2.2	72.5
Other investments	888	0.5	7,303	8.0	822.7	1	8	7,693	3	504	0.2	-43.2
<b>Total investments</b>	<b>195,300</b>	<b>100.0</b>	<b>91,312</b>	<b>100.0</b>	<b>46.8</b>	<b>549</b>	<b>6</b>	<b>82,970</b>	<b>2,030</b>	<b>202,167</b>	<b>100.0</b>	<b>3.5</b>
<b>Number of undertakings</b>						<b>33</b>						

<sup>1)</sup> At the exchange rate value at the end of the financial year.

<sup>2)</sup> As % of total investments.

<sup>3)</sup> As % of balance at beginning of period.

<sup>4)</sup> Change (balance at end of period less balance at beginning of period) as % of balance at beginning of period.

## Equity, profit-sharing capital and subordinated liabilities of reinsurance undertakings for direct business in 2011

Table 620

Balance sheet items	Total 2011	Total 2010
1	2	3
1. Subscribed capital <sup>1)</sup>	4,397,513	4,398,790
2. Capital reserves of which pursuant to section 5 (5) no. 3 of the VAG	42,780,977	42,738,555
3. Revenue reserves:		
a) Legal reserves <sup>2)</sup>	24,322	23,447
b) Reserve for shares in a controlling undertaking or one with a majority interest		
c) Reserves provided for by the articles of association	273,353	266,652
d) Reserve pursuant to section 58 (2a) of the AktG		
e) Other revenue reserves	19,289,014	19,135,300
4. Retained earnings brought forward <sup>3)</sup> Accumulated losses brought forward <sup>3)</sup>	1,917 5,227	1,762 4,328
5. Profit for the year after tax <sup>3)</sup> Loss for the year after tax <sup>3)</sup>	341,427	314,218 4,305
6. Net retained profits <sup>3)</sup> Net accumulated losses <sup>3)</sup>	4,302,266 10,175	4,453,974 3,141
Total equity <sup>4)</sup> - outstanding contributions	71,394,335 7,052	71,320,923
Available equity	71,387,284	71,320,923
Equity as % of gross premiums written	152.8	164.7
Equity as % of net premiums written	176.8	194.2
Profit-sharing capital	20,000	20,000
Subordinated liabilities	15,387,828	13,519,166
<b>Number of undertakings</b>	<b>35</b>	<b>37</b>

1) Initial fund for mutual insurance associations.

2) Loss reserve pursuant to section 37 of the VAG for mutual insurance associations.

3) Pursuant to section 268 (1) of the HGB, items 4 and 5 are replaced by item 6 if the principle of *teilweise Verwendung des Jahresergebnisses* (partial appropriation of profit/loss for the year) is applied.

4) Excl. aggregate equalisation item.

### Technical provisions Reinsurance undertakings

Table 630

Balance sheet items	2011		2010		2009	
	Gross in € 000's	Net in € 000's	Gross in € 000's	Net in € 000's	Gross in € 000's	netto Net in € 000's
1	2	3	4	5	6	7
1. Unearned premiums	7,405,800	6,453,074	7,160,503	6,326,280	6,162,995	5,513,272
2. Premium reserve	35,459,731	30,598,354	34,001,978	28,356,487	32,991,193	28,347,917
3. Provision for claims outstanding, surrenders, refunds and sums granted upon withdrawal	76,732,110	66,506,488	69,619,786	61,563,483	65,097,714	57,657,252
4. Provision for bonuses and rebates	117,076	115,548	145,983	120,476	129,754	103,472
5. Equalisation provision and similar provisions	12,710,179	12,710,179	14,093,542	14,093,542	14,015,017	14,015,017
6. Other technical provisions	744,430	698,128	891,245	840,149	1,002,585	919,424
<b>Total</b>	<b>133,169,327</b>	<b>117,081,771</b>	<b>125,913,037</b>	<b>111,300,417</b>	<b>119,399,258</b>	<b>106,556,354</b>
<b>Number of undertakings</b>	<b>35</b>		<b>37</b>		<b>38</b>	

## Technical provisions Reinsurance undertakings 2011

Table 631

Class of business	No.	Gross provisions for unearned premiums		Gross provision for claims outstanding <sup>1)</sup>			Equalisation provision and similar provisions		
		FY		FY		PY		in €m	% <sup>2)</sup>
		in €m	% <sup>2)</sup>	in €m	% <sup>2)</sup>	in €m	% <sup>2)</sup>		
1	2	3	4	5	6	7	8	9	10
Life	16	1,248.7	8.5	1,474.7	10.1	2,310.8	15.8	11.1	0.1
Health	14	333.3	7.4	408.1	9.1	296.5	6.6	5.3	0.1
General accident	17	155.6	13.1	525.4	44.3	3,395.9	286.5	594.2	56.3
Liability	26	727.1	18	2,752.7	68.0	22,305.3	551.0	2053.0	57.9
Motor	19	1,136.0	20.6	2,403.0	43.5	12,991.1	235.2	1880.6	36.3
Aerospace/aviation	9	112.8	29	191.1	49.1	489.5	125.8	70.0	22.1
Fire	25	1,124.2	17.7	7,871.9	124.3	4,138.7	65.3	2182.2	41.2
Transport	24	136.6	12	901.5	79.0	1,726.8	151.3	660.2	69.3
Credit and surety	19	445.4	26.7	663.3	39.8	1,383.6	83.0	1711.9	111.1
Aerospace/aviation liability	10	286.8	43.4	314.1	47.5	1,863.2	281.9	1189.4	217.6
Other property insurance	25	1,280.0	23.3	1,718.9	31.3	3,858.1	70.2	1728.0	39.1
Other indemnity insurance	29	308.0	30.7	537.1	53.5	1,146.2	114.1	574.3	66.3
<b>Total</b>	<b>35</b>	<b>7,294.5</b>	<b>15.7</b>	<b>19,761.9</b>	<b>42.4</b>	<b>55,905.6</b>	<b>120.1</b>	<b>12660.2</b>	<b>31.4</b>

<sup>1)</sup> Including annuity reserves and gross provisions for surrenders, refunds and withdrawals outstanding.

<sup>2)</sup> As % of gross premiums earned.

<sup>3)</sup> As % of net premiums earned.

## Selected items in the profit and loss account Reinsurance undertakings

Table 640

Item	2011		2010		2009	
	in € 000's	in % <sup>1)</sup>	in € 000's	in % <sup>1)</sup>	in € 000's	in % <sup>1)</sup>
1	2	3	4	5	6	7
1. Gross premiums written of which accepted from foreign ceding insurers	46,718,842 35,154,346	75.5	43,307,083 31,135,608	73.1	41,013,378 28,080,064	68.9
2. Gross premiums earned	46,564,380	100	42,618,957	100	40,739,475	100
3. Net premiums earned	40,352,092	86.7	36,191,168	84.9	34,673,611	85.1
4. a) Gross expenses for claims during the financial year b) Net expenses for claims during the financial year	33,978,780 28,966,229	73 71.8	26,658,502 22,944,435	62.6 63.4	22,345,068 19,532,022	54.8 56.3
5. a) Gross expenses for claims during the financial year <sup>2)</sup> b) Net expenses for claims during the financial year <sup>2)</sup>	35,883,601 30,213,262	77.1 74.9	28,429,507 24,398,775	66.7 67.4	25,622,112 22,361,282	62.9 64.5
6. a) Gross operating expenses b) Net operating expenses	12,497,232 11,220,548	26.8 27.8	12,378,357 10,849,465	29 30	11,394,420 10,033,400	28 28.9
7. a) Gross underwriting result <sup>3)</sup> b) Net underwriting result <sup>4)</sup>	-2,401,032 -1,636,042	-5.2 -4.1	1,157,942 448,478	2.7 1.2	2,512,263 1,214,746	6.2 3.5
8. Investment income of which: current income <sup>5)</sup>	15,013,619 11,597,578	37.2 28.7	13,213,543 10,551,940	36.5 29.2	12,818,099 8,151,958	37 23.5
9. Investment expense of which: current expense <sup>5)</sup>	6,310,325 2,142,420	15.6 5.3	4,024,951 1,762,592	11.1 4.9	4,404,498 1,788,328	12.7 5.2
10. Profit/loss for the year after tax <sup>6)</sup>	4,697,764	11.6	5,551,088	15.3	6,693,384	19.3
<b>Number of undertakings</b>	<b>35</b>		<b>37</b>		<b>38</b>	

<sup>1)</sup> As % of gross premiums earned; of which item 1. a) and 1. b) as % of total gross premiums written; items 4. b), 5. b), 6. b), 7. b), 8. b) and 10 as % of net premiums earned.

<sup>2)</sup> Including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding.

<sup>3)</sup> Before gross expenses for bonuses.

<sup>4)</sup> Before change in the equalisation provision and similar provisions; corresponds to item I. 9 Form 2 of the RechVersV.

<sup>5)</sup> In accordance with allocation in NW 201 of the BerVersV.

<sup>6)</sup> Corresponds to item II. 14 Form 2 of the RechVersV.

## Summary of individual classes of business Reinsurance undertakings 2011

Table 641

Class of business	No.	Gross premiums earned		Net premiums earned		Claims expenses				Operating expenses		Underwriting result		
		in € 000's	in % <sup>2)</sup>	in € 000's	in % <sup>2)</sup>	FY	in FY <sup>1)</sup>		Gross	Net	Gross	Net	Gross	Net <sup>4)</sup>
		3	4	5	6	7	8	9	10	11	12	13	14	15
Life	16	14,627,082	31.4	12,334,690	84.3	44.6	52.9	62.7	63.2	28.7	30.1	5.6	4.4	4.4
Health	14	4,490,370	9.6	4,302,755	95.8	70.5	73.5	78	79.6	21.7	20.6	1.3	0.8	0.9
General accident	17	1,185,314	2.5	1,055,190	89	54	60.7	29.8	27.6	36.8	38.6	21.8	20.6	-4.7
Liability	26	4,048,396	8.7	3,543,061	87.5	75.2	85.9	72.8	70.8	27.1	28.4	0	0.7	-15.4
Motor	19	5,524,489	11.9	5,179,050	93.7	80.3	85.6	75.5	75.8	27.1	27.7	-2.2	-3	-7.6
Aerospace/aviation	9	389,108	0.8	316,740	81.4	69	84.8	45.3	47.1	15.3	15	39.4	37.9	34.1
Fire	25	6,333,971	13.6	5,295,744	83.6	150.6	180.1	149	130.5	23.1	24.4	-72.7	-56.4	-2.8
Transport	24	1,140,969	2.5	952,324	83.5	90.2	108.1	75.6	73.1	17.2	17	7.2	9.5	28.3
Credit and surety	19	1,666,469	3.6	1,540,776	92.5	50	54.1	23.2	22.6	38.5	39	37.8	37.8	-9
Aerospace/aviation liability	10	660,940	1.4	546,735	82.7	52.8	63.8	48.1	48.7	23	25.3	28.9	26	38.4
Other property insurance	25	5,492,956	11.8	4,418,733	80.4	62.4	77.6	70.1	73.5	25.9	27.6	3.6	-3.2	-2.3
Other indemnity insurance	29	1,004,317	2.2	866,294	86.3	72.1	83.6	70.7	75.7	36.5	35.8	-7.3	-11.7	-4.4
<b>Total</b>	<b>35</b>	<b>46,564,380</b>	<b>100</b>	<b>40,352,092</b>	<b>86.7</b>	<b>73</b>	<b>84.2</b>	<b>77.1</b>	<b>74.9</b>	<b>26.8</b>	<b>27.8</b>	<b>-5.2</b>	<b>-4.1</b>	<b>-0.6</b>

<sup>1)</sup> Including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding.

<sup>2)</sup> As % of total gross premiums earned.

<sup>3)</sup> As % of gross premiums earned.

<sup>4)</sup> As % of net premiums earned.

<sup>5)</sup> Before change in the equalisation provision and similar provisions; corresponds to item I. 9 Form 2 of the RechVersV.

<sup>6)</sup> After change in the equalisation provision and similar provisions; corresponds to item I. 11 Form 2 of the RechVersV.

## Selected financial ratios of reinsurance undertakings 2011<sup>1)</sup> ranked by gross premiums earned

Table 660 (1)

Rank	R. no.	Name of insurance under-taking	Gross premiums earned		Net premiums earned	Loss ratio <sup>2)</sup>		CP ratio <sup>3)</sup>		Expense ratio <sup>4)</sup>		Net underwriting result		Investments <sup>7)</sup>		Net result FY <sup>10)</sup>		
			in €m	%		Gross	Net	Gross	Net	Gross	Net	before eq. prov. <sup>5)</sup>	after eq. prov. <sup>6)</sup>	Balance at end of FY	Current return <sup>8)</sup>	Net re-turn <sup>9)</sup>	in €m	%
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
		<b>Industry</b>	<b>46,564</b>	<b>40,352</b>	<b>80.2</b>	<b>78.1</b>	<b>164.8</b>	<b>190</b>	<b>26.8</b>	<b>27.8</b>	<b>-4.1</b>	<b>-0.6</b>	<b>242,092</b>	<b>4.9</b>	<b>3.7</b>	<b>11.6</b>		
1	6921	MÜNCHEN. RÜCK	23,257	21,725	85.6	80.9	156.3	167.3	26.7	27.3	-7.1	-0.2	72,664	4.2	3.5	4.8		
2	6941	HANNOVER RÜCK SE	9,012	6,966	79.8	74.3	178.6	230.6	25.7	27.9	-2.2	-6.4	27,006	3.6	3.8	3.9		
3	6949	ALLIANZ SE	3,700	3,219	76.8	81.5	174.4	200.5	25.7	27.8	-5.1	1.8	91,626	5.5	3.1	64.9		
4	6908	E+S RÜCK	2,511	1,986	76.5	78.6	200.4	252.9	23.6	23.5	3.8	-2.5	9,832	3.3	3.2	6.7		
5	6918	GENERAL REINSURANCE	2,088	2,019	73.2	73.1	236.8	244.8	27.1	27.5	6.3	6	9,684	3.2	3.3	12		
6	6971	GENERALI DEUTSCHL.	1,509	1,294	67.7	64.8	75.6	88.2	34.4	37.7	2.4	15.7	10,418	4.9	3.9	28.9		
7	6960	R+V VERS.	1,493	1,458	80.2	81.2	113.8	116.5	25.3	25.3	-6.6	-13.4	3,850	9.7	9.2	6.5		
8	6907	DT. RÜCKVERSICHERUNG	675	359	61.1	68.1	91.2	171.3	32.5	30	-6.6	-4.5	1,109	3.5	4.2	2.1		
9	6970	VERSK. BAYERN K.-RÜCK	544	345	65.9	68.6	122.6	193.1	29.3	27.2	2	8.3	572	3.6	2.4	8.7		
10	6930	VERBAND OEFFENT.LEBEN	322	243	57.1	69.6	404.9	536.9	52.9	49.5	-17.9	-14.4	1,345	3.6	3.5	0.6		
11	6988	HDI-GERLING WELT	308	0	69.1		140.6	***	13.3	-337.4	437.4	437.4	147	4.3	4.2	449.6		
12	6958	WÜSTENROT & WÜRTTEMB.	268	210	58.5	62.2	163	207.8	30.8	33	5.4	3.6	2,774	6	5.5	35.5		
13	6973	DEVK RÜCKVERSICHER.	253	162	70.7	70.8	74.4	115.7	24.6	25.4	-1.5	-7.3	1,527	9.2	7.9	22.2		
14	6985	PROV.NORDWEST HOLD.	171	70	31.8	46.3	54.2	132.1	31.1	44.7	7.2	2.5	1,718	6.9	5.5	108.5		
15	6964	SV SPARKASSENVERSICH.	97	55	46.3	36.5	25.5	45.1	38.7	46.2	12.1	14.8	1,175	5.5	5.4	72.3		
16	6806	TRANSATLANTIC RE(USA)	81	81	72.1	72.1	85.3	85.3	26.7	26.7	0.2	2	68	2.9	2.2	2.8		
17	6946	RISICOM RÜCK	69	66	76.9	80.3	368	384.7	4.4	4.6	15	1.2	260	1.8	1.8	1.7		
18	6986	PROVRHEINL.-HOLDING	53	5	9.6	15.4	15.6	142.5	84.6	57.2	26.3	26.3	761	15.5	15.4	***		
19	6957	LUCURA RÜCK	43	16	76.7	83.1	206.1	542.1	8.9	11.2	2	-24.9	152	2.1	0.7	45.6		
20	6925	KIELER RÜCK	27	6	60.3	63	28.3	122.7	34.5	34.4	2.5	2.5	10	3.9	1.9	2.9		
21	6950	DELVAG RÜCK	26	24	67.5	72.3	119	131.3	19.4	16.6	7.4	1.2	146	3.1	2.8			
22	6993	INCURA AG	12	12	28.2	28.2	36.8	36.8	14.1	14.1	57.8	80.3	121	3.7	3.1	80.5		
23	6979	MANNHEIMER AG HOLDING	7	1	17.1	-22.7	138.2	***	34.6	21	104.8	111.2	154	4.5	2.5	***		

## Selected financial ratios of reinsurance undertakings 2011<sup>1)</sup> ranked by gross premiums earned

Table 660 (2)

Rank	R. no.	Name of insurance under-taking	Gross premiums earned		Net premiums earned		Loss ratio <sup>2)</sup>		CP ratio <sup>3)</sup>		Expense ratio <sup>4)</sup>		Net underwriting result		Investments <sup>7)</sup>		Net result FY <sup>10)</sup>	
			in €m	in €m	Gross % <sup>11)</sup>	Net % <sup>12)</sup>	Gross % <sup>11)</sup>	Net % <sup>12)</sup>	Gross % <sup>11)</sup>	Net % <sup>12)</sup>	before eq. prov. <sup>5)</sup> % <sup>12)</sup>	after eq. prov. <sup>6)</sup> % <sup>12)</sup>	Gross % <sup>11)</sup>	Net % <sup>12)</sup>	Balance at end of FY in €m	Current return <sup>8)</sup> %	Net re-turn <sup>9)</sup> %	% <sup>12)</sup>
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
		<b>Industry</b>	<b>46,564</b>	<b>40,352</b>	<b>80.2</b>	<b>78.1</b>	<b>164.8</b>	<b>190</b>	<b>26.8</b>	<b>27.8</b>	<b>-4.1</b>	<b>-0.6</b>	<b>242,092</b>	<b>4.9</b>	<b>3.7</b>	<b>11.6</b>		
24	6984	FREUDENBERG RÜCKVERS.	6	6	43.9	36.6	41.1	41.2	9.2	9.2	55.9	22.5	7	2	1.4	22.5		
25	6982	HUK-COBURG HOLDING	4	4	46.7	56.6	18.1	22	33.7	40.9	2.5	2.5	2,391	5.7	5.3	***		
26	6998	REVTIUM	3	3	24.5	24.5	199.1	199.1	8.6	8.6	66.9	33.2	13	2.8	1.7	26.1		
27	6978	DIEHL ASSEKUR. RÜCK.	2	1	137.2	24.7	276	447.8	19.1	18.1	53.5	53.5	5	3.7	1.2	***		
28	6917	HAMB.INTERNATION. RÜCK	0	0	-188.3	-196.9	***	***	912.3	912.3	-615.4	-615.4	38	5.4	5.1	525.5		
29	6935	HANSEATICA RÜCK	0	0	***	***	***	***	***	***	***	***	31	2.4	1.8	-115.3		
30	6992	HOCHRHEIN INTERNAT.	-2	-2	675.1	283.7	***	***	-73.1	-94	-69.1	-69.1						

<sup>1)</sup> Includes annual financial statements as at the September and December balance sheet dates of the year under review and as at the June balance sheet date of the subsequent year.  
<sup>2)</sup> Includes expenses for surrenders, refunds and sums granted upon withdrawal (claims ratio in the financial year including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding).  
<sup>3)</sup> Provisions for claims outstanding, including surrenders, refunds and sums granted upon withdrawal (item E. III under liabilities of Form 1 of the RechVersV).  
<sup>4)</sup> Total operating expenses.  
<sup>5)</sup> Before changes in the equalisation provision and similar provisions (item I. 9 under liabilities of Form 2 of the RechVersV).  
<sup>6)</sup> After changes in the equalisation provision and similar provisions (item I. 11 under liabilities of Form 2 of the RechVersV).  
<sup>7)</sup> Includes deposits with ceding undertakings.  
<sup>8)</sup> Items II. 1. a), b) and e) of Form 2 of the RechVersV as % of the arithmetic mean of the investments at the beginning and end of the year under review.  
<sup>9)</sup> Item II. 1. less item II. 2. of Form 2 of the RechVersV as % of the arithmetic mean of the investments at the beginning and end of the year under review.  
<sup>10)</sup> Profit/loss for the year after tax (item II. 14 of Form 2 of the RechVersV).  
<sup>11)</sup> As % of gross premiums earned.  
<sup>12)</sup> As % of net premiums earned.







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