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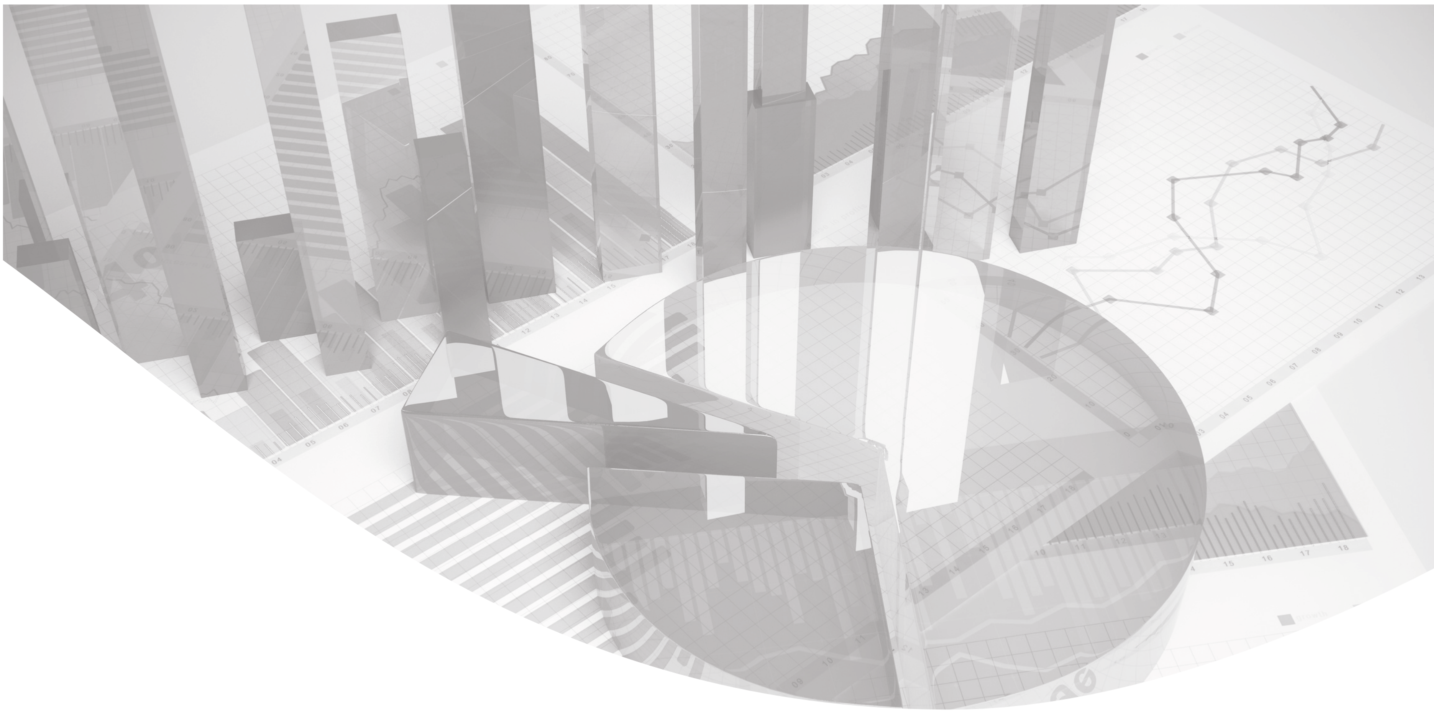

Statistics
Federal Financial Supervisory Authority
(Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin)
– Reinsurance undertakings –

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1.1 Interpretative decision on the conduct of reinsurance business in Germany by insurance undertakings situated in a third country

The Act to Modernise Financial Supervision of Insurance Undertakings (*Gesetz zur Modernisierung der Finanzaufsicht über Versicherungen*) changed, among other things, the legal situation regarding the conduct of reinsurance business by insurance undertakings situated in a third country. Undertakings from countries that are not EU members or EEA signatories are subject to authorisation and must establish a German branch office if they wish to conduct reinsurance business in Germany. An exemption is stipulated in section 67 (1) sentence 2 first half-sentence of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz* – VAG). According to this exemption, the requirement for authorisation does not apply if an insurance undertaking from a third country conducts solely reinsurance business from its registered office in Germany and if the European Commission has taken a positive decision in accordance with Article 172(2) or (4) of the Solvency II Directive regarding the equivalence of the Solvency regime for reinsurance activities carried out by undertakings in the relevant third country.

To cater to the large number of enquiries from domestic and foreign market participants, BaFin published an interpretative decision on 30 August 2016 on this matter, which is also available in English. Among other aspects, the interpretative decision deals with the impact of the new legal situation on existing and new business, the exemptions from the authorisation requirement (in particular the option to conclude a reinsurance contract by correspondence) as well as the conditions for the conduct of reinsurance business without authorisation by insurance undertakings from third countries whose Solvency regimes are deemed equivalent. Other topics relevant for domestic insurers covered by the interpretative decision are aspects of risk management and the calculation of the Solvency capital requirement. Furthermore, the decision makes special mention of BaFin’s powers of intervention and the criminal law consequences of conducting reinsurance business without the required authorisation.

1.2 Guidance notice on granting authorisation for the conduct of reinsurance business

Implementing the Solvency II Directive also brought about changes in the processes for granting authorisation to undertakings intending to commence the sole conduct of reinsurance business.

In light of this, BaFin published a new guidance notice on 1 March 2017 which comprises guidelines for the authorisation of insurance joint-stock companies for the sole conduct of reinsurance business in the Federal Republic of Germany. This publication is also available in English. The guidance notice specifies the documents and information required by BaFin from companies in order to assess whether authorisation can be given. In addition, it deals with some specificities applicable to reinsurance undertakings. The new guidance notice replaces the old version from 2008.

2 Reinsurance supervision in 2016

2.1 Authorised reinsurance undertakings

In 2016, one reinsurance undertaking was merged entirely into a primary insurance undertaking (Delvag Rück). Another reinsurance undertaking relocated its registered office from the Netherlands to Germany (Metro Re). All in all, BaFin still supervised a total of 39 reinsurance undertakings or branch offices of reinsurance undertakings at the end of the year under review (see Table 1).

2.2 Economic trends

For reinsurers, 2016 was again a successful year – some undertakings even posted record results. Even though the reinsurers' claims expenditures in 2016 were considerably higher than in the previous years, they were at a level that was to be expected while the prior years saw markedly low levels of claims. This was in part due to another benign hurricane season. For more than 10 years now, the US mainland has not been hit by severe hurricanes.

In 2016, natural disasters caused overall economic losses of US$ 175 billion worldwide, see Table 2 ("Natural disasters in 2016 compared with the past ten years", page 8), US$ 50 billion of which were insured. These values are considerably higher than the prior-year figures of US$ 103 billion and US$ 32 billion, respectively, but only slightly above the long-term average of the last ten years (US$ 154 billion and US$ 45 billion, respectively).

Table 1 Number of reinsurance undertakings under legal supervision of BaFin

As at 31 December of the relevant year

	2016	2015	2014	2013	2012
Reinsurance undertakings with business activities	27	27	27	27	29
Reinsurance undertakings without business activities	5	5	6	8	7
EEA branches	6	6	6	6	6
Third-country branch	1	1	1	1	1

Table 2 Natural disasters in 2016 compared with the past ten years

Year	Number of events	Fatalities	Overall losses (US$m)	Insured losses (US$m)	Notable events
2016	750	8,700	175,000	50,000	Earthquakes in Japan, hurricane Matthew, forest fires in Canada
2015	730	25,400	103,000	32,000	Earthquake in Nepal, winter weather damage in the USA and Canada, winter storm Niklas, floods in the United Kingdom
2014	980	7,700	110,000	31,000	Cyclone Hudhud, winter weather damage in Japan, the USA and Canada, floods in India and Pakistan, Whitsun storm Ela
2013	920	21,000	140,000	39,000	Floods in Central Europe and Canada, hailstorms in Germany, storms Christian and Xaver, tornadoes in the USA
2012	920	10,000	173,000	65,000	Hurricane Sandy, drought in the USA, earthquake 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	60,000	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

Source: Based on Munich Re NatCatSERVICE data

In 2016, the most serious single event for the insurance industry was an earthquake on the Japanese island of Kyushu in April. Insured losses amounted to approximately US$ 6 billion, but with more than US$ 30 billion, overall economic losses were considerably higher; see Table 3 “The five biggest natural disasters in 2016 measured by overall loss” on page 9. This is due to the low insurance density for earthquake risks. The relatively low insurance density in Asia is also visible in the geographical breakdown of the economic and insured losses. In 2016, Asia was the region where 40 % and thus the largest part of economic losses occurred. In terms of global insured losses, however, North America accounted for the largest part with approximately 60 %. Hurricane Matthew caused catastrophic damage here, resulting in 550 fatalities and large numbers of destroyed buildings in Haiti. In the USA, losses were considerably lower, since the hurricane had slowed from category 4 to category 1 by then.

In Europe and Germany, the most expensive natural disaster for the insurance industry was caused by storms and floods in late May and early June 2016. Overall economic losses in Europe amounted to US$ 6 billion, approximately half of which was insured. The far more severe catastrophe in terms of fatalities was a series of earthquakes that struck central Italy. In August, 299 people lost their lives.

The current year of 2017 has so far been benign with no severe natural catastrophe events.

Despite the relatively low levels of claims expenditures in recent years and, in some

Table 3 The five biggest natural disasters in 2016 measured by insured loss

Date	Region	Event	Overall losses (US$m)	Insured losses (US$m)
14 – 16 April 2016	Japan	Earthquake	31,000	6,000
28 Sept. – 9 Oct. 2016	Caribbean, USA	Hurricane Matthew	10,200	3,800
27 May – 8 June 2016	Europe	Severe weather/floods	6,000	3,200
10 – 15 April 2016	USA	Hailstorm	3,900	3,000
May 2016	Canada	Forest fire	4,000	2,900

Source: Munich Re NatCatSERVICE

cases, excellent profits for the year, reinsurance undertakings still face the problem that they are gripped in the vice of low rates on the one hand and low interest on the other. The reinsurance market is suffering from an oversupply of capacity owing to the low level of claims expenditures in recent years and the continuing inflow of alternative capital. At the same time, demand is rather subdued. Many cedants continue to increase their retentions. This is also boosted by improved risk management and high levels of capitalisation due to the absence of major losses.

As a result, the period of soft market conditions continues. Renewals in January and April 2017 continued to show a reduction in prices, in particular for natural catastrophe risk coverage. Although rate erosion appears to be slowing further, a stabilisation of prices across the board is still not observable. The long period of soft market conditions also results from the persistent low interest rate environment, an aspect that distinguishes it from earlier soft market phases.

Owing to the low interest rates, the reinsurance market and especially the alternative reinsurance market (alternative risk transfer – ART) are increasingly in the focus of investors who are attracted by the relatively favourable returns. The comparatively low correlation of insurance risk and market risk is another factor contributing to its popularity. Hedge funds and pension funds are increasingly investing in catastrophe bonds and collateralised reinsurance. In 2016, the market for catastrophe bonds (insurance-linked securities – ILS) remained at a high level with issue volumes of over US$ 7.0 billion. At US$ 26.8 billion, the aggregate value of catastrophe bonds currently outstanding also set a new record.[1] According to Aon Benfield, the ART market had a volume of approximately US$ 78 billion in the third quarter of 2016 and made up around 13 % of the entire reinsurance market.[2] Collateralised reinsurance accounted for the largest share, followed by ILS.

Although capital market investors increasingly also take into account other risks (such as longevity risk) when searching for returns, the ART market continues to be heavily dominated by natural catastrophe risk, especially US risk. The inflow of alternative capital fuelled by low interest rates intensifies competitive pressure particularly among reinsurers who, like the ART market, focus on natural catastrophe risk coverage.

The low interest rate environment results in a larger supply of capacity in the reinsurance market, intensifies competitive pressure and thus puts pressure on rates, which heightens the risk that they may no longer be adequate. This applies in particular to new and renewed reinsurance contracts, but existing policies are affected by low interest rates as well: the level of adequacy of premiums received in the past decreases. The interest rates priced into

1 ARTEMIS: Artemis website (www.artemis.bm): accessed 1 March 2017.

2 AON Benfield: Reinsurance Market Outlook January 2017.

premiums are proving too high for the low interest rate environment, causing an increasing problem for long-term classes of business such as liability insurance.

In earlier periods of soft market conditions, low rates and, as a consequence, poor underwriting results could be offset by favourable investment results. In the current period of soft market conditions, however, this is not possible due to the low interest rates. Underwriting and investments are thus putting pressure on the profitability of reinsurers: the longer the period of low interest rates, the greater the pressure on profitability.

Reinsurers have so far reacted to these challenges in different ways, taking measures such as cost reductions, diversification and selective underwriting. Some reinsurers also hope for cost reductions and synergies from mergers. This was observed in particular at Bermuda-based reinsurers, which are well-represented in the catastrophe business (e. g. Catlin and XL Re, Partner Re and Exor (Agnelli)). Diversifications relate both to new products (such as cyber risks) and new markets (e. g. primary industrial insurance, emerging markets). And, last but not least, reinsurers simply hope for market-stimulating loss events and an end to the expansionary monetary policy.

II Statistical evaluation for 2015

The editorial deadline for the reporting year for reinsurance statistics is June of the second following year. Subsequent assessments, additional reports and corrections to figures may lead to ex post changes. Any changes to prior-year figures in the following tables are due to subsequent corrections.

The report on the statistics for financial year 2015 and 2014/2015 includes the annual financial statements of 31 reinsurers (previous year: 31), 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 for 2015, 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 statements 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 statements actually submitted – the number of reporting reinsurance undertakings may differ from table to table. As far as the industry data are 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.

“Solvency II”, the new supervisory regime, entered into force on 1 January 2016. 30 of the 32 reinsurance undertakings subject to the reporting obligation fall within the scope of Solvency II. Two reinsurance undertakings still fall under the old supervisory regime, since they already ceased writing new business before 2007 (run-off).

1 Premiums

Reinsurance coverage is offered not only by reinsurance undertakings, but also by primary insurers engaging in reinsurance business. The breakdown of the total gross inward reinsurance premiums between reinsurers and primary insurers in financial year 2015 is shown in Table 4 ("Gross premiums in the reinsurance business").

In the year under review, gross premiums written by reinsurance undertakings rose to a record high of €59.4 million, with growth accelerating to 13.3% (previous year: 2.6%). Overall, gross premiums written have risen by more than half since 2008. At the same time, the number of reinsurance undertakings decreased from 41 undertakings in 2008 to 32 in the year under review. This indicates that the reinsurance industry is becoming more concentrated.

The continuing high level of contributions collected in 2015 is likely to have been driven by factors including the continued robust growth in demand on the primary insurance markets in the emerging economies, especially for property and casualty insurance. There was also sustained strong demand for reinsurance as a capital substitute, not least because of the persistently low levels of interest rates.

At approximately 8.8%, premium income for inward insurance business for primary insurers grew at a marginally faster pace than for reinsurance undertakings. The proportion of the total inward reinsurance business accounted for by reinsurers rose slightly to 90.6%. The number of primary insurers engaging in active reinsurance increased slightly from 116 to 120 undertakings in the year under review, of which 25 were life insurers, 9 were health insurers and 86 were property/casualty insurers.

In 2015, reinsurance business accepted from domestic ceding insurers rose by 7.0%. Gross premiums written accepted by reinsurers from domestic ceding insurers amounted to €15.3 billion in the year under review (previous year: €14.3 billion); the level of contributions was, however, significantly higher in 2002, at €21.7 billion.

Foreign reinsurance business developed much more dynamically, with premiums rising by 15.6%. In the two previous years, reinsurance undertakings had to accept slight premium decreases. Overall, the share of reinsurance business accepted from foreign ceding insurers increased from 72.7% in the previous year to 74.2% in the year under review. Ten years ago, the share of reinsurance business accepted from domestic ceding insurers accounted for almost half of the insurance business.

Measured in terms of gross premiums written, insurance business accepted from abroad by all domestic insurance undertakings (primary

Table 4 Gross premiums in the reinsurance business

Year	Gross premiums written (€m)		
	Reinsurers	Primary insurers (inward reinsurance business)	Total
2015	59,434.5	6,185.9	65,620.4
2014	52,478.5	5,684.9	58,163.4
2013	51,153.7	5,572.0	56,725.7
2012	51,053.4	5,522.3	56,575.8
2011	46,718.8	4,967.1	51,686.0

insurers and reinsurance undertakings) in 2015 (€47.5 billion) again significantly exceeded insurance business ceded abroad (€15.9 billion). That means that, as in previous years, domestic insurers made available more capacity to the international reinsurance market than they used themselves. The positive contribution to Germany's balance of trade in services rose from €28.9 billion in the previous year to €31.6 billion in the year under review.

Of the gross premiums written by reinsurers, €3.2 billion was attributable to facultative and €56.3 billion to obligatory reinsurance business. At 73.7% (previous year: 70.4%), proportional reinsurance in the form of quota share and surplus treaties continued to make up the largest proportion of gross premiums written.

Table 5 gives a breakdown of the reinsurers' gross premiums written by class of business.

Premiums in the property/casualty insurance business continued their upward trend, amounting to €37.4 billion in the period under review (previous year: €33.0 billion). The principal beneficiaries of this were motor insurance and liability insurance. The proportion of total insurance business accounted for by property/casualty insurance remained unchanged at 62.9%.

With 37.1%, the proportion of personal insurance thus also remained unchanged year-on-year. Thirteen years ago, life and health insurance only accounted for less than 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.

Reinsurers ceded €10.1 billion (previous year: €7.4 billion) of their total gross premiums written of €59.4 billion (previous year: €52.5 billion) to retrocessionaires. As

Table 5 Reinsurers' gross premiums by class of business

Class of business	Gross premiums written					
	2015	2015	2014	2013	2012	2011
	€m	%				
General accident	1,243.3	2.1	2.4	2.2	2.3	2.5
Liability	5,746.8	9.7	9.2	8.5	8.5	8.6
Motor	9,067.8	15.3	14.6	11.3	10.8	12.4
Aerospace/aviation	409.0	0.7	0.6	0.8	0.9	0.9
Fire	7,441.4	12.5	12.8	13.8	14.3	13.6
Transport	1,469.5	2.5	2.5	2.3	2.5	2.2
Credit and surety	1,777.8	3.0	3.0	3.4	3.4	3.6
Aerospace/aviation liability	605.0	1.0	1.0	1.1	1.3	1.3
Other property insurance	7,777.2	13.1	13.2	12.0	11.1	11.7
Other indemnity insurance	1,870.6	3.1	3.5	2.3	2.2	2.2
Property/casualty insurance	37,408.4	62.9	62.9	57.7	57.3	59.0
Life	17,493.4	29.4	29.0	31.6	32.6	31.3
Health	4,532.7	7.6	8.1	10.6	10.1	9.7
Total insurance business	**59,434.5**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

a result, the retrocession ratio amounted to 16.9 % (previous year: 14.0 %), which was accompanied by a decrease of approximately 9.7 % in reinsurers' retentions.

Table 641 of the Table Section (page 28) provides details of reinsurers' gross and net premiums earned by class of business in the year under review.

2 Gross loss ratio

Like the previous year, 2015 was again marked by a low level of losses. Overall economic losses were considerably below the long-term average. The hurricane season, in particular, was mild. In total, natural disasters caused overall economic losses of approximately US$ 103 billion worldwide (previous year: US$ 110 billion). This is significantly below the average for the last ten years (US$ 154 billion) and indeed the last thirty years (US$ 126 billion). This is also true for insured losses (US$ 32 billion), which remained at the level of the previous year (US$ 31 billion) (ten-year average: US$ 45 billion, thirty-year average: US$ 34 billion).

As in the previous year, weather events dominated the year 2015, accounting for approximately 94 % of all natural disasters. The most loss-intensive single event for the insurance industry was the severe winter weather in the USA and Canada. As in the previous year, the winter in the Northeast of the USA was exceptionally cold and snowy. In Europe and Germany, winter storm "Niklas" turned out to be by far the most expensive natural event for the insurance industry.

As a result, the reinsurers' gross loss ratio before settlement decreased from 61.0 % of gross premiums earned in the previous year to 60.3 % in the year under review. Similarly, total claims expenditures – including settlement results – decreased from 69.1 % to 68.9 %.

The gross expense ratio rose slightly in the year under review and amounted to 26.6 % (previous year: 25.9 %).

Overall, the reinsurers' combined loss-expense ratio after settlement increased from 95.0 % in the previous year to 95.5 % in the year under review. On a net basis, the combined ratio improved to 94.1 % (previous year: 97.4 %).

3 Technical provisions

Gross technical provisions increased for the seventh year in succession, rising by €8.2 billion (5.5 %) to €158.2 billion. In terms of gross premiums earned, this translated into a lower provision rate of 271.3 % for the business as a whole (previous year: 287.8 %). The decrease is primarily attributable to the significantly higher premiums.

As in previous years, provisions for claims outstanding were by far the most significant single item, accounting for €90.1 billion. These provisions increased by 11.4 % (€9.2 billion) year-on-year, taking the provision rate to 154.6 % (previous year: 155.2 %).

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 €30.3 billion (34.2 % of reinsurers' total gross provisions for claims outstanding), motor insurance at €21.1 billion (23.8 %) and fire insurance at €9.5 billion (10.7 %). Overall, gross technical provisions increased by approximately €2.5 billion due to the reinsurers' expansion of their business.

Alongside the provision for claims outstanding, the premium reserve is the most significant technical provision for reinsurers. It decreased significantly by 8.4% in the year under review to €39.8 billion (previous year: €43.5 billion).

Trends in the equalisation provision (including similar provisions) were fairly consistent in the year under review. Reinsurers had to withdraw amounts in the lower millions of euros from the equalisation provision in only three classes of business, such as motor insurance (€51.6 million). This is clearly attributable to the low level of claims expenditures in the year under review.

Appropriations, in some cases in considerable amounts, had to be made in other classes of business, for example in liability insurance (€561.5 million). In fire insurance, the equalisation provision rose only slightly by €151.2 million (previous year: €1.1 billion). This is a considerable decline compared with the significant allocations of the years before. In 2011, this class had recorded particularly high claims expenditures. As a consequence, the considerably lower levels of claims expenditures in 2012, 2013 and 2014 led to significant allocations to the equalisation provision. This provision increased from €2.2 billion in 2011 to €6.4 billion in 2014 in fire insurance.

The decrease in allocations to the equalisation provision for fire insurance also affected the overall equalisation provision. In total, the provision rose by 6.8% as a result of the allocations (previous year: 14.0%) and amounted to €18.5 billion at the end of the year under review (previous year: €17.3 billion). This corresponds to 38.0% of net premiums earned (previous year: 38.7%) or 11.7% of total gross technical provisions (previous year: 11.5%).

Further details can be found in Tables 630 and 631 of the Table Section (pages 25–26).

4 Overall underwriting result

The reinsurers' underwriting result is shown in Table 6 ("Underwriting result by class of business", page 17), broken down by class of business.

In the year under review, gross underwriting profits continued to increase, rising by 24.5% year-on-year to €3.5 billion (previous year: €2.8 billion). Most likely this was primarily due to the lower levels of claims expenditures. At 132.6%, profit growth was much higher in the previous year, though, due to the poor results of the year 2013, which saw high natural catastrophe losses in Central Europe (floods, hail, storms). In relation to the gross premiums earned, the reinsurance undertakings generated a return on sales of 6.0% in the year under review (previous year: 5.4%).

In 2013, natural catastrophe losses were significant in other property insurance, which includes comprehensive residential building insurance. The latter recorded gross losses of €355.2 million in 2013. In 2014, however, gross underwriting profits of €469.6 million were generated, which increased even further to €1,087.3 million in the year under review.

The reinsurance undertakings generated positive underwriting results in all classes of insurance except for motor insurance (-€297.1 million) and credit and surety insurance (-€125.9 million). Overall, five of the 32 reinsurance undertakings posted a gross underwriting loss. By contrast, a quarter of the reinsurers (8 of 32) recorded gross underwriting losses in the previous year.

Table 6 Underwriting result by class of business

Class of business	2015	2015	2014	2013	2012	2011
	€m	as % of premiums earned				
General accident	89.3	7.2	16.6	14.6	19.3	21.8
Liability	110.8	2.0	-1.9	-17.9	-16.1	0.0
Motor	-297.1	-3.4	-0.9	-11.0	-7.6	-2.2
Aerospace/aviation	42.7	10.6	-16.7	37.1	31.1	39.4
Fire	1,780.2	24.4	18.3	26.2	26.5	-72.7
Transport	109.2	7.4	18.1	19.5	4.9	7.2
Credit and surety	-125.9	-7.2	1.1	-7.0	1.3	37.8
Aerospace/aviation liability	70.7	11.4	6.6	27.1	45.4	28.9
Other property insurance	1,087.3	14.2	6.9	-5.8	5.8	3.6
Other indemnity insurance	236.0	13.4	9.9	-14.7	10.6	-7.3
Property/casualty insurance	3,103.2	8.5	6.6	1.7	6.8	-12.0
Life	377.6	2.2	4.5	4.2	3.9	5.6
Health	36.3	0.8	-0.1	0.5	2.2	1.3
Total insurance business, gross result	**3,517.0**	**6.0**	**5.4**	**2.4**	**5.4**	**-5.2**
Retrocession result	-1,666.4	-17.3	-23.3	-2.9	-20.7	12.3
Net result 1	**1,850.1**	**3.8**	**2.4**	**2.3**	**2.9**	**-4.1**
Change in provision for unexpired risks	0.0	0.0	0.0	0.0	0.0	0.0
Change in equalisation reserve[1]	-1,167.7	-2.4	-4.7	-3.0	-2.7	3.4
Net result 2	**682.4**	**1.4**	**-2.3**	**-0.7**	**0.2**	**-0.6**

1 Including similar provisions.

In 2015, primary insurers also posted a rise in earnings from insurance business accepted. Their gross profit rose significantly from €0.7 billion in the previous year to €1.3 billion in the year under review, representing 21.1 % of gross premiums earned (previous year: 12.3 %).

Insurance business accepted from both domestic and international ceding insurers made a positive contribution to earnings in the year under review. While the gross underwriting result for insurance business accepted from domestic ceding insurers decreased from €0.9 billion in the previous year to €0.7 billion in the year under review, the gross underwriting result for insurance business accepted from domestic ceding insurers increased considerably to €2.9 billion (previous year: €1.9 billion).

In 2015, retrocessionaires again accounted for a disproportionately small share of the losses of ceding insurers. For the reinsurers, this resulted in a negative balance of €1.7 billion to the advantage of the retrocessionaires, corresponding to 17.3 % of the amounts attributable to retrocessionaires (previous year: -€1.7 billion; -23.3 %). As a consequence, the reinsurers’ gross underwriting profit declined to approximately €1.9 billion (net result 1), which corresponds to 3.8 % of net premiums earned (previous year: €1.1 billion; 2.4 %).

In the year under review, reinsurers allocated €1.2 billion (2.4 % of net premiums earned) to the equalisation provision and similar provisions that enable risks to be balanced over time.

The provision for unexpired risks was virtually unchanged.

The net underwriting 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 – improved from -€1.0 billion in the previous year to €0.7 billion in the year under review (1.4 % of net premiums earned).

Table 641 of the Table Section (page 28) shows the net underwriting results by class of business in the year under review – in each case before and after the change in the equalisation provision and similar provisions.

5 Net result

The breakdown of reinsurers' net results in relation to net premiums earned is shown in Table 7 ("Breakdown of net result", page 19).

Reinsurers' investment volume (including deposits retained) increased by approximately 3.7 % to €284.0 billion in the year under review (previous year: €273.7 billion). Current investment income[3] rose even more significantly by 16.9 % to €15.6 billion (32.1 % of net premiums earned). As a result, the current yield, as a proportion of the average investment portfolio (including deposits retained), increased to 5.6 % (previous year: 5.0 %).

The significant rise in current investment income resulted from income from affiliates, which increased by 24.5 % to €10.5 billion (previous year: €8.5 billion). 71.3 % of the total investment income (previous year: 67.2 %) was attributable to income from affiliates and equity investments, i. e. to interest on loans and profit distributions. This type of income played such a major role mainly because some reinsurers also exercise a holding company function parallel to their reinsurance activities.

Another 8.2 % of current investment income was attributable to interest received on deposits retained. Income from bearer bonds and other fixed-income securities were also significant and accounted for 10.7 % (previous year: 13.0 %).

Income from shares, investment units and other variable-rate securities increased slightly due to investment income and accounted for 6.3 % in 2015, up from 5.8 % in the previous year.

Current investment expense, i. e. depreciation/amortisation and administrative expenses, decreased by 18.4 % to €1.6 billion (previous year: €2.0 billion), mainly due to lower administrative costs.

Overall, reinsurers generated current net investment income[4] of €14.0 billion (28.7 % of net premiums earned) in 2015, corresponding to a year-on-year increase of 23.1 %. The current return in relation to the average investment portfolio, including deposits retained, was 5.0 % (previous year: 4.3 %).

The reinsurers' investment result amounted to €12.3 billion (previous year: €11.8 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 totalling €2.9 billion (previous year: €2.8 billion), as well as other expenses such as disposal losses, write-downs and loss absorption amounting to a total of €4.6 billion (previous year: €2.4 billion). Overall, the net return – measured as a proportion of the average portfolio of investments, including deposits retained – remained unchanged at 4.4 % (previous year: 4.4 %).

3 Including the technical interest to be recognised in the underwriting account, but excluding gains on the disposal of investments as well as write-ups and reversals of the special tax-allowable reserves.

4 Current investment income less current investment expenses including technical interest.

Table 7 Breakdown of net result

Item	2015	2015	2014	2013	2012	2011
	€m	as % of net premiums earned				
Net underwriting result 1	1,850.1	3.8	2.4	2.3	2.9	-4.1
Special allocation to claims provision	0.0	0.0	0.0	0.0	0.0	0.0
Change in equalisation provision, etc.	-1,167.7	-2.4	-4.7	-3.0	-2.7	3.4
Net underwriting result 1a	682.4	1.4	-2.3	-0.7	0.2	-0.6
Current investment income[1]	14,263.3	29.3	26.7	21.7	21.0	25.6
Current investment expenses	-1,633.7	-3.4	-4.5	-4.1	-4.5	-5.3
Current net investment income[1]	12,629.6	25.9	22.2	17.5	16.5	20.3
Other result from ordinary activities	-3,748.3	-7.7	-5.7	-3.1	-2.9	-3.7
Operating result	9,563.8	19.6	14.2	13.7	13.8	16.1
Non-periodic result (incl. provisions for unexpired risks)	-2,234.7	-4.6	-0.1	1.6	2.8	-2.7
Profit for the year before tax	**7,003.6**	**14.4**	**14.1**	**15.3**	**16.7**	**13.3**
Taxes	-447.6	0.9	0.1	-2.1	-2.1	-1.7
Profit for the year after tax	**7,451.2**	**15.3**	**14.2**	**13.2**	**14.6**	**11.6**
Profit/loss brought forward	797.1	1.6	1.9	1.1	0.5	0.5
Change in reserves	-1,360.1	-2.8	-2.0	-1.2	-3.2	-0.8
Net result	**6,888.1**	**14.1**	**14.1**	**13.2**	**11.8**	**11.4**

1 Excluding investment return allocated from the non-technical account (2015: €1.4 billion).

Table 610 of the Table Section (page 23) provides a summary of the performance of each investment type.

The other result from ordinary activities in the general section of the profit and loss account decreased to -€3.7 billion (-7.7% of net premiums earned) in the year under review. The balance of exchange rate gains and losses contained in this figure amounted to -€0.6 billion (previous year: €0.9 billion).

The operating result[5] increased significantly year-on-year by 50.6% to €9.6 billion (19.6% of net premiums earned; previous year: €6.4 billion; 14.2%). This growth results from higher gross underwriting profits and higher current investment income. Both values increased by approximately one quarter year-on-year.

The non-periodic result[6], in contrast, deteriorated further, decreasing from -€0.1 billion (-0.1% of net premiums earned) in the previous year to -€2.2 billion (-4.6% of net premiums earned) in the year under review. This decline was in particular due to increased write-downs of €2.8 billion in the year under review (previous year: €1.1 billion). Together with the operating result, this led to an 11.2% year-on-year increase in profit for the year before tax to €7.0 billion (14.4% of net premiums earned; previous year: €6.3 billion; 14.1% of net premiums earned).

5 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).

6 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.

The profit for the year after tax amounted to €7.5 billion (previous year: €6.3 billion). This corresponds to 15.3 % of net premiums earned. Ultimately, after allocations to reserves of €1.4 billion (2.8 % of net premiums earned) and profits brought forward of €0.8 billion, net retained profits for all reinsurers rose by 9.5 % year-on-year to €6.9 billion, or 14.1 % of net premiums earned (previous year: €6.3 billion; 14.1 % of net premiums earned).

Of all reinsurers examined, four undertakings reported a net loss for the year under review (previous year: one undertaking) and two reported net accumulated losses (previous year: three).

6 Fair values of investments

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 statements 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 reinsurance undertakings are now also available. The picture for reinsurers is shown in the following table:

Reinsurers' investment volume rose by 3.7 % to €284.0 billion in 2015 (previous year: €273.7 billion, see Table 8 "Fair values of reinsurance undertakings"). This benefited bearer bonds and other fixed-income securities in particular, which increased by 11.4 %. By contrast, other capital investments decreased slightly by 3.7 % to €57.2 billion (previous year: €59.4 billion).

About 84.1 % of the valuation reserves as at 31 December 2015 amounting to €40.1 billion (previous year: €40.8 billion) were attributable to land, land rights and buildings, as well as to investments in affiliates and equity investments.

Table 8 Fair values of reinsurance undertakings

As at 31 December 2015

	Carrying amounts		Fair values		Hidden reserves	
	Absolute in €m	Share %	Absolute in €m	Share %	Absolute in €m	Share as % of carrying amount
Land, land rights and buildings	1,464	0.5	3,941	1.2	2,477	169.2
Investments in affiliates and equity investments	118,112	41.6	149,337	46.1	31,225	26.4
Shares	2,620	0.9	3,948	1.2	1,329	50.7
Investment units	27,332	9.6	29,190	9.0	1,858	6.8
Bearer bonds and other fixed-income securities	77,246	27.2	79,699	24.6	2,453	3.2
Other investments	57,176	20.1	57,929	17.9	753	1.3
Total investments	**283,950**	**100.0**	**324,044**	**100.0**	**40,094**	**14.1**

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 7.9 %) are heavily dependent on the performance of the capital markets. Bearer bonds and other fixed-income securities accounted for 6.1 % of hidden reserves (previous year: 8.5 %).

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' available equity, excluding outstanding contributions to subscribed capital, increased by €1.8 billion (2.4 %) to €77.1 billion. By contrast, the ratio of equity to gross and net premiums written declined considerably. Due to higher premiums, it decreased from 143.4 % of gross premiums written in the previous year to 129.7 % in the year under review; on a net basis, it fell to 156.1 % (previous year: 166.8 % of net premiums written).

At the end of 2015, the reinsurance undertakings supervised in Germany had own funds amounting to €74.3 billion (previous year: €72.9 billion). The Solvency margin as at the same date was €8.8 billion (previous year: €8.4 billion). As a result, the Solvency margin ratio declined further to 846 % (previous year: 866 %). Five years ago, this figure was 1,080 %.

As before, the reason for the high level of own funds is the unusual feature of the German insurance industry that certain large German reinsurers also assume the function of holding company for an insurance group or financial conglomerate. A considerable proportion of these undertakings' own funds is required to finance their holding company function, rather than backing their reinsurance activities with capital.

Once adjusted for the figures relating to the holding company function, the average Solvency margin ratio was still 254 % (previous year: 247 %) for reinsurers supervised in Germany in financial year 2015, which is well above the required target ratio.

Table section 2015

To provide a better understanding of the tables, BaFin would like to point out the following: "–" in a table means that the value is zero. A "0" indicates that the value is smaller than the unit specified, while "***" means that the value is outside the displayable range.

Table 600 Aggregated balance sheets for direct business in 2015

Balance sheet items	2015		2014		2013	
	in € 000's	in %[1]	in € 000's	in %[1]	in € 000's	in %[1]
Assets						
1. Outstanding contributions to subscribed capital	5,570	0.00	7,043	0.00	7,070	0.00
2. Intangible assets	143,623	0.05	159,785	0.05	147,774	0.05
3. Investments, if not reported under no. 4	238,218,643	78.08	227,467,016	77.86	216,465,988	79.00
4. Deposits retained from the reinsurance business accepted	45,731,977	14.99	46,270,647	15.84	39,522,323	14.42
5. Receivables (direct business) from policyholders	–	–	–	–	–	–
6. Receivables (direct business) from intermediaries	–	–	–	–	–	–
7. Accrued interest and rent	1,085,067	0.36	1,113,049	0.38	1,144,952	0.42
8. Other assets	19,896,843	6.52	17,114,610	5.86	16,705,574	6.10
Equity and liabilities						
1. Equity	77,064,433	25.26	75,260,808	25.76	75,490,891	27.55
2. Profit-sharing capital and subordinated liabilities	18,692,026	6.13	18,077,044	6.19	17,888,172	6.53
3. Special tax-allowable reserves	–	–	–	–	–	–
4. Net technical provisions	135,479,748	44.41	130,440,936	44.65	118,788,383	43.35
5. Deposits received from reinsurers	12,750,087	4.18	10,299,454	3.53	7,434,311	2.71
6. Liabilities (direct business) to policyholders	1	0.00	17,449	0.01	7	0.00
7. Other liabilities	61,095,427	20.03	58,036,460	19.87	54,391,918	19.85
Total assets	305,081,723	100.00	292,132,151	100.00	273,993,681	100.00
Number of undertakings	32		32		34	

1 as % of total assets.

Table 610 Changes in investments (excluding deposits retained) 2015 Reinsurance undertakings

Type of investment	Balance at beginning of period[1]		Additions			Write-ups	Reclassi-fications	Dis-posals	Write-downs	Balance at end of period		
	in €m	in %[2]	in €m	in %[2]	in %[3]	in €m	in €m	in €m	in €m	in €m	in %[2]	in %[4]
Land, land rights and buildings	1,473	0.6	28	0.0	1.9	20	–	2	56	1,464	0.6	-0.6
Interests in affiliated companies	104,461	45.7	5,681	7.0	5.4	260	–	860	1,828	107,714	45.2	3.1
Loans to affiliated companies	7,930	3.5	1,186	1.5	15.0	–	–	239	1	8,876	3.7	11.9
Equity investments	1,460	0.6	61	0.1	4.2	3	–	35	27	1,463	0.6	0.2
Loans to other long-term investees and investors	53	0.0	7	0.0	12.2	–	–	1	–	59	0.0	11.1
Shares	2,646	1.2	1,450	1.8	54.8	1	–	1,429	48	2,620	1.1	-1.0
Investment units	27,890	12.2	6,761	8.3	24.2	1	–	6,945	375	27,332	11.5	-2.0
Other variable-rate securities	14	0.0	12	0.0	90.6	26	–	26		26	0.0	87.9
Bearer notes and other fixed-income securities	69,736	30.5	53,357	65.5	76.5	20	–	45,367	501	77,246	32.4	10.8
Loans secured by mortgages, land charges and annuity charges	146	0.1	16	0.0	11.2	–	–	13	–	150	0.1	2.4
Registered bonds	5,038	2.2	1,297	1.6	25.7	0	–	2,062	0	4,273	1.8	-15.2
Notes and loans receivable	4,403	1.9	624	0.8	14.2	0	–	1,924	–	3,103	1.3	-29.5
Loans and advances against policies	–	–	–	–	–	–	–	–	–	–	–	–
Other loans	96	0.0	–	–	–	–	–	35	–	61	0.0	-36.3
Deposits with credit institutions	2,733	1.2	4,151	5.1	151.9	–	–	3,747	–	3,137	1.3	14.8
Other investments	743	0.3	6,781	8.3	913.0	0	–	6,784	46	694	0.3	-6.6
Total investments	**228,824**	**100.0**	**81,413**	**100.0**	**35.6**	**332**	–	**69,469**	**2,881**	**238,218**	**100.0**	**4.1**
Number of undertakings							**31**					

1 At the exchange rate value at the end of the 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.

Table 620 Equity, profit-sharing capital and subordinated liabilities of reinsurance undertakings (figures in € 000's)

Balance sheet items	Total 2015	Total 2014
1. Subscribed capital[1]	4,454,153	4,354,124
2. Capital reserves	43,477,289	43,462,046
of which pursuant to section 5 (5) no. 3 of the VAG	–	–
3. Revenue reserves:	–	–
a) Legal reserves[2]	16,071	18,928
b) Reserve for shares in a controlling undertaking or one with a majority interest	14,294	15,045
c) Reserves provided for by the articles of association	313,170	297,793
d) Reserve pursuant to section 58 (2a) of the AktG	–	–
e) Other revenue reserves	21,694,987	20,849,680
4. Retained earnings brought forward[3]	9,683	7,507
Accumulated losses brought forward[3]	14,130	19,785
5. Profit for the year after tax[3]	89,347	7,890
Loss for the year after tax[3]	48	–
6. Net retained profits[3]	7,018,550	6,279,333
Net accumulated losses[3]	3,363	4,710
Total equity[4]	77,070,003	75,267,852
less outstanding contributions	5,570	7,043
Available equity	**77,064,433**	**75,260,808**
Equity as % of gross premiums written	129,7	143,4
Equity as % of net premiums written	156,1	166,8
Profit-sharing capital	**20,000**	**20,000**
Subordinated liabilities	**18,672,026**	**18,057,044**
Number of undertakings	32	32

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 partial appropriation of profit/loss for the year (*teilweise Verwendung des Jahresergebnisses*) is applied.
4 Excl. aggregate equalisation item.

Table 630 Technical provisions Reinsurance undertakings

Balance sheet items	2015		2014		2013	
	Gross in € 000's	Net in € 000's	Gross in € 000's	Net in € 000's	Gross in € 000's	Net in € 000's
1. Unearned premiums	9,001,633	7,430,284	7,693,029	6,567,713	6,982,381	5,851,508
2. Premium reserve	39,819,524	29,542,321	43,494,214	34,891,305	36,715,393	31,086,105
3. Provision for claims outstanding, surrenders, refunds and sums granted upon withdrawal	90,123,950	79,197,043	80,920,924	71,116,645	76,231,530	65,981,686
4. Provision for bonuses and rebates	34,926	33,138	36,441	35,741	32,548	30,158
5. Equalisation provision and similar provisions	18,478,001	18,478,001	17,310,320	17,310,320	15,197,343	15,197,343
6. Other technical provisions	770,746	798,967	581,362	519,217	697,051	641,589
Total	158,228,779	135,479,755	150,036,291	130,440,943	135,856,246	118,788,389
Number of undertakings	32		32		34	

Table 631 Technical provisions by class of business Reinsurance undertakings 2015

Class of business	No.	Gross provisions for unearned premiums		Gross provision for claims outstanding[1]				Equalisation provision and similar provisions	
				FY		PY			
		in €m	in %[2]	in €m	in %[2]	in €m	in %[2]	in €m	in %[3]
Life	16	1,333.30	7.6	1,933.00	11.1	2,714.30	15.5	13.4	0.1
Health	15	479.5	10.8	483.9	10.9	281	6.3	7.4	0.2
General accident	16	162.5	13.2	500.8	40.6	3,316.60	268.9	598.9	54.3
Liability	24	1,139.10	20.5	3,838.80	69.1	26,443.10	475.7	2,726.10	56.9
Motor	17	1,570.30	18.1	3,887.00	44.8	17,171.80	198.0	2,198.40	30.0
Aerospace/aviation	10	118	29.2	197.7	48.9	783.6	193.9	37.4	10.9
Fire	23	1,301.00	17.8	3,202.20	43.9	6,291.60	86.2	6,524.10	124.0
Transport	20	140	9.5	871.4	59.3	2,270.00	154.5	978.8	86.4
Credit and surety	17	398.7	22.9	920.9	52.8	2,084.40	119.5	1,999.20	124.2
Aerospace/ aviation liability	11	216.6	35.0	303.9	49.1	2,143.00	346.6	1,108.00	201.7
Other property insurance	25	1,469.20	19.2	2,218.00	29.0	4,918.10	64.4	1,459.50	23.7
Other indemnity insurance	27	610.9	34.6	567.6	32.1	1,196.10	67.7	826.9	55.2
Total	**32**	**8,939.30**	**15.3**	**18,925.20**	**32.5**	**69,613.40**	**119.4**	**18,478.00**	**38.0**

1 Including premium reserve for annuities and gross provision for surrenders, refunds and withdrawals outstanding.
2 As % of gross premiums earned.
3 As % of net premiums earned.

Table 640 Selected items in the profit and loss account Reinsurance undertakings

Item	2015		2014		2013	
	in € 000's	in %[1]	in € 000's	in %[1]	in € 000's	in %[1]
1. Gross premiums written	59,434,473		52,478,529		51,153,659	
of which accepted from foreign ceding insurers	44,129,655	75.7	38,169,407	73.2	38,913,518	76.2
2. Gross premiums earned	58,313,581	100.0	52,139,905	100.0	51,069,428	100.0
3. Net premiums earned	48,688,815	83.5	44,697,278	85.7	43,489,941	85.2
4. a) Gross expenses for claims of the financial year	35,145,428	60.3	31,784,486	61.0	32,116,749	62.9
b) Net expenses for claims of the financial year	30,523,601	62.7	28,348,781	63.4	27,045,626	62.2
5. a) Gross expenses for claims during the financial year[2]	40,198,716	68.9	36,045,607	69.1	36,242,098	71.0
b) Net expenses for claims during the financial year[2]	32,767,105	67.3	31,566,345	70.6	30,369,754	69.8
6. a) Gross operating expenses	15,486,395	26.6	13,482,955	25.9	13,670,777	26.8
b) Net operating expenses	13,069,495	26.8	11,996,087	26.8	12,111,989	27.9
7. a) Gross underwriting result[3]	3,517,026	6.0	2,824,067	5.4	1,218,017	2.4
b) Net underwriting result[4]	1,850,129	3.8	1,088,831	2.4	1,001,137	2.3
8. Investment income	18,538,507	38.1	16,211,682	36.3	14,488,235	33.3
of which: current income[5]	15,629,330	32.1	13,372,619	29.9	10,620,245	24.4
9. Investment expense	6,244,811	12.8	4,441,073	9.9	4,811,378	11.1
of which: current expense[5]	1,633,708	3.4	2,000,977	4.5	1,804,678	4.1
10. Profit/loss for the financial year[6]	7,451,200	15.3	6,334,641	14.2	5,766,028	13.3
Number of undertakings	32		32		34	

1 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, 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 of the RechVersV.
5 In accordance with allocation in Statement 201 of the BerVersV.
6 Corresponds to item II. 14 Form 2 of the RechVersV.

Table 641 Summary of individual classes of business
Reinsurance undertakings 2015

Class of business	No.	Gross premiums earned		Net premiums earned		Claims expenses				Operating expenses		Underwriting result		
						FY		in FY[1]						
		in € 000's	in %[2]	in € 000's	in %[3]	Gross in %[3]	Net in %[4]	Gross in %[3]	Net in %[4]	Gross in %[3]	Net in %[4]	Gross in %[3]	Net[4] in %[5]	in %[6]
Life	16	17,466,400	30.0	14,865,351	85.1	42.9	42.8	79.7	67.7	23.7	23.8	2.2	2.1	2.1
Health	15	4,438,324	7.6	4,060,082	91.5	70.9	73.6	77.8	81.0	21.2	19.8	0.8	-0.9	-0.9
General accident	16	1,233,393	2.1	1,102,340	89.4	54.0	56.0	58.2	57.8	34.0	36.6	7.2	6.1	7.4
Liability	24	5,559,327	9.5	4,789,496	86.2	77.2	80.8	68.6	71.3	29.4	30.5	2.0	-1.8	-13.5
Motor	17	8,674,196	14.9	7,328,540	84.5	76.9	81.6	73.6	76.0	30.0	27.7	-3.4	-3.6	-2.9
Aerospace/aviation	10	404,058	0.7	342,047	84.7	78.1	74.4	69.7	68.3	19.7	20.1	10.6	11.5	11.1
Fire	23	7,297,866	12.5	5,259,318	72.1	60.8	65.5	51.1	52.6	23.9	26.5	24.4	20.3	17.4
Transport	20	1,469,310	2.5	1,133,341	77.1	72.1	69.4	64.0	59.5	28.6	29.6	7.4	10.9	12.9
Credit and surety	17	1,744,394	3.0	1,610,196	92.3	68.7	69.2	66.5	66.7	39.8	39.3	-7.2	-6.9	-9.1
Aerospace/ aviation liability	11	618,332	1.1	549,340	88.8	62.1	60.9	63.1	65.1	25.4	26.2	11.4	8.6	-15.4
Other property insurance	25	7,641,012	13.1	6,151,994	80.5	59.4	63.3	59.6	64.1	25.8	27.4	14.2	8.2	4.3
Other indemnity insurance	27	1,766,970	3.0	1,496,772	84.7	53.9	58.2	47.8	50.1	38.8	37.6	13.4	12.2	3.3
Total	**32**	**58,313,581**	**100.0**	**48,688,815**	**83.5**	**60.3**	**62.7**	**68.9**	**67.3**	**26.6**	**26.8**	**6.0**	**3.8**	**1.4**

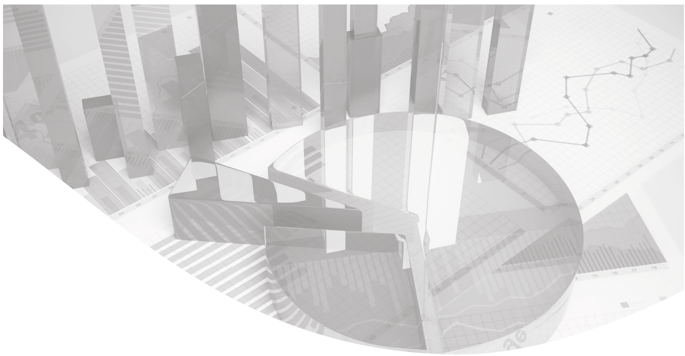
1 Including result from gross claims provisions (CP) carried forward from previous year and used for settlement of insurance claims outstanding.
2 As % of total gross premiums earned.
3 As % of gross premiums earned.
4 As % of net premiums earned.
5 Before change in the equalisation provision and similar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

Table 660 Selected financial ratios of reinsurance undertakings 2015[1] ranked by gross premiums earned

Rank	R. no.	Name of insurance undertaking	Gross premiums	Net premiums	Loss ratio[2]		CP ratio[3]		Expense ratio[4]		Net underwriting result		Investments[7]			Net result FY[10]
			in €m	in €m	Gross in %[11]	Net in %[12]	Gross in %[11]	Net in %[12]	Gross in %[11]	Net in %[12]	before eq. prov.[5] in %[12]	after eq. prov.[6] in %[12]	Balance at end of FY in €m	Current return[8] in %	Net return[9] in %	in %[12]
		Industry	**58,314**	**48,689**	**70.1**	**68.5**	**154.6**	**162.7**	**26.6**	**26.8**	**3.8**	**1.4**	**283,950**	**5.6**	**4.4**	**15.3**
1	6921	MÜNCHEN. RÜCK	23,803	21,172	65.2	66.5	153.6	161.4	27.6	27.1	5.6	2.4	76,848	4.5	3.0	12.2
2	6941	HANNOVER RÜCK SE	13,854	10,179	84.3	71.0	151.1	165.2	21.1	20.7	1.6	0.2	41,338	4.2	4.1	8.9
3	6949	ALLIANZ SE	8,003	7,183	64.9	68.3	117.7	117.6	28.7	28.7	3.1	0.4	107,787	7.4	5.8	49.5
4	6918	GENERAL REINSURANCE	2,660	2,623	67.6	67.3	252.7	253.2	33.7	34.0	4.3	3.4	11,937	2.5	2.9	3.4
5	6908	E+S RÜCK	2,037	1,875	79.0	80.7	290.7	280.5	25.8	27.0	1.8	0.9	9,587	2.5	2.5	5.9
6	6960	R+V VERS.	1,974	1,934	73.5	74.6	146.8	148.8	24.7	24.7	0.6	-2.3	5,975	5.0	4.9	–
7	6971	GENERALI DEUTSCHL.	1,730	1,526	64.2	64.2	69.1	65.1	34.6	36.6	4.9	3.3	11,391	5.5	5.1	–
8	6907	DT. RÜCKVERSICHERUNG	845	452	60.0	66.1	109.9	149.1	32.1	31.4	-1.3	-4.0	1,145	3.5	3.3	3.3
9	6988	HDI GLOBAL	822	0	46.5	139.4	124.5	***	11.4	***	***	***	247	6.8	6.8	508.0
10	6970	VERSK. BAYERN K.-RÜCK	629	402	79.0	67.7	144.8	92.3	26.2	29.8	0.0	-1.3	686	3.1	3.0	0.3
11	6973	DEVK RÜCKVERSICHER.	403	286	64.4	65.3	70.8	73.0	26.6	26.4	7.6	-0.6	2,082	8.0	8.7	22.0
12	6930	VERBAND ÖFFENTL. VERS.	390	298	55.2	65.5	391.9	445.6	52.2	52.9	-17.3	-14.3	1,476	3.7	3.6	0.5
13	6958	WÜSTENROT & WÜRTTEMB.	319	245	66.2	68.0	153.7	153.5	31.3	33.6	-1.2	-4.1	3,221	4.9	5.0	24.7
14	6985	PROV.NORDWEST HOLD.	295	94	50.9	64.1	59.0	68.9	24.3	26.9	8.2	12.1	2,034	7.4	6.7	71.5
15	6946	RISICOM RÜCK	146	137	101.8	99.3	327.9	311.4	3.7	3.9	-3.2	-3.4	471	0.9	1.0	0.0
16	6807	AEGIDIUS RÜCK	135	135	56.6	56.6	4.8	4.8	32.7	32.7	10.7	10.7	86	3.4	9.5	12.8
17	6986	PROV.RHEINL.HOLDING	67	8	22.7	19.3	41.9	29.9	63.6	57.6	23.6	23.6	746	11.9	10.6	528.3
18	6964	SV SPARKASSENVERSICH.	65	39	45.7	34.8	46.5	70.3	41.8	49.8	12.8	8.5	1,448	5.2	5.2	57.1
19	6806	TRANSATLANTIC RE (US)	36	36	44.5	45.1	277.2	281.2	35.5	36.0	19.2	46.2	146	1.1	2.0	44.7
20	6925	KIELER RÜCK	30	7	52.5	57.6	28.4	18.6	34.5	37.8	4.6	3.6	12	3.1	1.4	2.2
21	6950	DELVAG RÜCK	28	26	95.9	83.7	141.0	112.7	22.8	24.4	0.5	4.7	158	2.9	2.6	–

Rank	R. no.	Name of insurance undertaking	Gross premiums	Net premiums	Loss ratio[2]		CP ratio[3]		Expense ratio[4]		Net underwriting result		Investments[7]			Net result FY[10]
			in €m	in €m	Gross in %[11]	Net in %[12]	Gross in %[11]	Net in %[12]	Gross in %[11]	Net in %[12]	before eq. prov.[5] in %[12]	after eq. prov.[6] in %[12]	Balance at end of FY in €m	Current return[8] in %	Net return[9] in %	in %[12]
22	6993	INCURA AG	13	13	-58.4	-58.4	10.2	10.2	17.6	17.6	140.8	35.9	127	1.4	1.0	34.0
23	6982	HUK-COBURG-HOLDING	8	5	105.1	54.5	222.1	20.8	32.2	46.7	-1.2	-1.2	2,742	6.9	-4.5	***
24	6984	FREUDENBERG RüCKVERS.	6	6	-0.4	-0.4	5.0	5.0	9.1	9.1	91.3	27.4	17	0.7	-0.1	15.4
25	6998	REVIUM	4	4	75.6	75.6	217.3	217.3	8.5	8.5	15.9	54.4	23	1.5	0.8	35.1
26	6978	DIEHL ASSEKUR. RÜCK.	3	2	-55.5	19.9	186.0	40.0	21.4	22.2	50.8	50.8	1	0.0	1.7	0.0
27	6992	HOCHRHEIN INTERNAT.	0	0	***	***	***	***	***	***	471.0	471.0	108	9.0	8.9	***
28	6917	HAMB.INTERNATION.RÜCK	0	0	***	***	***	***	***	***	***	***	40	2.7	0.5	23.2

1 Including 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.
2 Including 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).
3 Provisions for claims outstanding, including surrenders, refunds and sums granted upon withdrawal (item E. III under liabilities of Form 1 of the RechVersV).
4 Total operating expenses.
5 Before changes in the equalisation provision and similar provisions (item I. 9 under liabilities of Form 2 of the RechVersV).
6 After changes in the equalisation provision and similar provisions (item I. 11 under liabilities of Form 2 of the RechVersV).
7 Including deposits retained from the reinsurance business accepted.
8 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.
9 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.
10 Profit/loss for the year after tax (item II. 14 of Form 2 of the RechVersV).
11 As % of gross premiums earned.
12 As % of net premiums earned.



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