

2016/17 Statistics

Federal Financial
Supervisory Authority

Reinsurance undertakings



BaFin

Bundesanstalt für
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2016/2017 Statistics

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



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I

Trends in reinsurance supervision





1 Reinsurance business in Germany

In January 2017, the European Union (EU) and the United States of America (USA) concluded negotiations regarding the “Bilateral Agreement between the European Union and the United States of America on prudential measures regarding insurance and reinsurance”¹, which was signed by both parties in September 2017. The Agreement came into force on 4 April 2018.²

In the Agreement, the EU and the USA define the preconditions for eliminating local presence requirements and collateral requirements. It also contains provisions on group supervision and the exchange of information. The parties to the Agreement are required to ensure that the various aspects of the Agreement are implemented by the deadlines defined therein.

The Agreement allows for contracts to be concluded between US reinsurers and EU primary insurance or reinsurance undertakings without the US reinsurer being required to establish a branch in the respective EU member state. As a prerequisite, however, the US reinsurer must meet the requirements arising from Article 3(4) of the Agreement: US reinsurers are required to fulfil certain capital requirements as well as local risk-based capital requirements. Furthermore, they have an obligation to submit certain declarations to the supervisory authority responsible for the EU insurance undertaking.

Once the Agreement had been signed, the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin) published on its website information regarding market access for US reinsurers that intend to conduct business in Germany on the basis of the Agreement.³ It also provided information on how to contact BaFin and how to submit documents.

1 OJ L 258, 6 October 2017, page 4.

2 OJ L 91, 9 April 2018, page 1.

3 <https://www.bafin.de/dok/10181730>.

2 Reinsurance supervision in 2017

2.1 Authorised reinsurance undertakings

In 2017, the number and the type of reinsurance undertakings remained unchanged. BaFin therefore 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

In 2017, the level of claims expenditures was significantly higher than the long-term average. This can be attributed to the hurricane season: after 12 years without severe hurricanes hitting the US mainland, three category 4 or 5 storms struck the USA in August and September. According to latest estimates, the hurricane trio of Harvey, Irma and Maria caused insured losses of US\$92 billion in the USA and the Caribbean, making it the second most expensive season after 2005 with Katrina, Wilma and Rita.

Estimates put overall economic losses caused by natural disasters in 2017 at US\$ 330 billion worldwide (see Table 2 "Natural disasters in 2017 compared with the past ten years", page 9), which is significantly higher than the previous year's figure (US\$ 184 billion) and also above the average for the last ten years (US\$170 billion).⁴ In this period, only 2011 was costlier with the earthquake in Japan and the resulting nuclear disaster in Fukushima. Of the overall economic losses caused by natural disasters in 2017, losses in the amount of US\$ 135 billion were insured, which is also considerably higher than the previous year's figure (US\$ 51 billion) and the average for

the last ten years (US\$ 49 billion). Moreover, this amount represents the highest insured losses ever recorded in the insurance industry.

Over two thirds, or approximately US\$ 92 billion, of the insured losses were attributable to the hurricanes Harvey, Irma and Maria, with each hurricane accounting for around one third of this amount (see Table 3 "The five biggest natural disasters in 2017 measured by insured losses" on page 9). At approximately US\$ 85 billion, hurricane Harvey was by far the costliest natural disaster in 2017 in terms of overall economic losses. Harvey stalled in Texas for a long period of time and brought about torrential rainfall, resulting in severe flooding.

Other natural disasters such as wildfires in California and tornadoes drove the USA's share in overall economic losses to around 50%, compared to the long-term average of 32%. North America (including the Caribbean) accounted for as much as 83% of total losses caused by natural disasters.

Unusually low temperatures in April caused billions of dollars' worth of damage in the European and German agricultural industries since crops had already grown robustly in an otherwise warm spring. Losses caused by the late frost amounted to around US\$ 3.6 billion, of which only US\$ 650 million was insured given the low insurance penetration in the agricultural sector.

Even though 2017 saw record losses, most reinsurers closed the year with a profit, not least thanks to the release of reserves that were set up in years with lower levels of claims.

Alongside the direct negative impact that natural disasters have on reinsurers' profits, they also cause

Table 1: Number of reinsurance undertakings under BaFin's supervision

As at 31 December of the relevant year

	2017	2016	2015	2014	2013
Reinsurance undertakings with business activities	27	27	27	27	27
Reinsurance undertakings without business activities	5	5	5	6	8
EEA branches	6	6	6	6	6
Third-country branch	1	1	1	1	1

⁴ Munich Re: Press release of 4 January 2018.

Table 2: Natural disasters in 2017 compared with the past ten years

Year	Number of events	Fatalities	Overall losses (US\$m)	Insured losses (US\$m)	Notable events
2017	710	10,000	330,000	135,000	Hurricanes Harvey, Irma and Maria, earthquake in Mexico, wildfires in California
2016	750	8,700	175,000	50,000	Earthquakes in Japan, hurricane Matthew, wildfires 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

Source: Based on Munich Re NatCatSERVICE data

Table 3: The five biggest natural disasters in 2017 measured by insured loss

Date	Region	Event	Fatalities	Overall losses (US\$m)	Insured losses (US\$m)
6 – 14 Sept. 2017	USA, Caribbean	Hurricane Irma	128	67,000	32,000
25 Aug. – 1 Sept. 2017	USA	Hurricane Harvey	88	85,000	30,000
19 – 22 Sept. 2017	Caribbean	Hurricane Maria	108	63,000	30,000
8 – 20 Oct. 2017	USA	Wildfires	25	10,500	8,000
8 – 11 May 2017	USA	Hailstorm	–	3,100	2,500

Source: Munich Re NatCatSERVICE.

premiums to increase, which tends to have a positive effect on reinsurers' results in subsequent years. This effect was expected to materialise in particular during the renewals process at the beginning of January 2018.

The rise in premiums turned out to be rather moderate, however. Whereas some of the regions and classes of insurance with high claims expenditures saw two-digit premium increases, premiums in other markets and insurance classes remained stable or showed

only a slightly positive development. In the traditional reinsurance cycle, severe natural disasters are usually followed by substantial premium increases to compensate for high claims expenditures. In spite of the record losses, however, the latest figures do not seem to follow this cycle. Some experts therefore expect premiums to decrease again after one or two renewal seasons.

The unusual development in premiums that followed the record losses of 2017 indicates that there is still an oversupply of capacity. Neither reinsurers nor investors in the alternative reinsurance market have reduced capacity; on the contrary, some of them have even stepped up the capacity they hold. The alternative reinsurance market has therefore proven to be robust.

The alternative reinsurance market (ART market) is still interesting for investors, in spite of the record losses in 2017. Factors contributing to the popularity of the alternative reinsurance market are not only the relatively

attractive yields, but also a comparatively low correlation between insurance risk and market risk. In 2017, the market for catastrophe bonds (insurance-linked securities – ILS) saw a record high with issue volumes of US\$ 12.6 billion, which was significantly higher than the 2014 record figure (US\$ 9.1 billion). At US\$31.0 billion, the aggregate value of catastrophe bonds currently outstanding also set a new record.⁵ According to Aon Benfield, the ART market had a volume of approximately US\$ 82 billion as at the end of the third quarter of 2017 and made up around 13.7% of the entire reinsurance market.⁶ Collateralised reinsurance accounted for the largest share, followed by ILS.

The ILS market saw issue volumes of around US\$ 4.2 billion as early as the first quarter of 2018.⁷ This shows that even after severe natural disasters, the alternative reinsurance market loses nothing of its popularity among investors. A reduction in capacity in the alternative reinsurance market and in the reinsurance market as a whole is therefore unlikely. This suggests that soft market conditions might prevail again soon.

5 ARTEMIS: Artemis website (www.artemis.bm): accessed 25 April 2018.

6 AON Benfield: Reinsurance Market Outlook January 2018.

7 ARTEMIS: Q1 2018 Catastrophe Bond & ILS Market Report.

II

Statistical evaluation for 2016





The editorial deadline for the reinsurance statistics presented here is April 2018. 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 2016 and 2015/2016 includes the data of 31 reinsurers (previous year: 31) and one third-country branch (Transatlantic Re). The majority 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 Table Section 2016, is based on what is known as "industry revenue". This figure, which is calculated for each insurance segment, is the total of the templates, forms and statements submitted by the reinsurance undertakings. This not only allows for 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 templates, forms and statements 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 this data is only published after all the relevant undertakings have submitted correct data, thus ensuring completeness at all times.

On 1 January 2016, "Solvency II", the new supervisory regime, entered into force. 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). These undertakings play only a minor role in the reinsurance industry as a whole due to the low volume of their business and capital.

This statistical evaluation for the year 2016 and the statistical evaluations for the years to come are therefore based exclusively on data that has been or will be provided to BaFin by way of the reinsurers' mandatory Solvency II reporting. Since the contents, structure and form of the reporting templates are different from the forms and statements used until recently, the introduction of Solvency II also brings about major changes to the reinsurance statistics. In many cases, it is not possible to compare the figures from this year's statistical evaluation with the previous years' figures. Therefore, figures from the previous year are only

given if the data is not affected by the introduction of Solvency II, as is the case with premiums, for example.

One of the advantages of Solvency II is the fact that reinsurance undertakings are now required to submit their reports much earlier than before. The reporting deadline for insurance and reinsurance undertakings is identical. The statistical evaluation of the respective reporting year therefore also contains data for the following year. The data is provided to BaFin on a quarterly basis. It is preliminary, however, since in accordance with the proportionality principle some of the reinsurance undertakings are not subject to the quarterly reporting obligation and since quarterly reporting gives the undertakings more leeway in terms of estimates and carry forwards. Furthermore, quarterly reporting contains considerably less data than the reports submitted annually.

The statistical evaluation covers only Solvency II data, since this data forms the basis of BaFin's supervision of almost all German reinsurance undertakings. Nevertheless, BaFin continues using the existing forms and statements to collect data based on the German accounting principles under the Commercial Code (*Handelsgesetzbuch* – HGB), not least for statistical purposes. For the sake of completeness, this data – without comments – is included in the Table Section in the usual format.

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 is shown in Table 4 (“Gross premiums in reinsurance business”):

In the year under review, gross premiums written by reinsurance undertakings rose slightly to €59.5 billion. Based on quarterly data, which is still subject to change, gross premiums written are expected to decrease again in 2017 by approximately the same amount. This means that premium income stagnated in the period from 2015 to 2017, which corresponds to the period of soft market conditions.

In the period from 2008 to 2015, however, gross premiums written rose by more than half. At the same time, the number of reporting reinsurance undertakings decreased from 41 undertakings in 2008 to 30 in reporting year 2016. This indicates that the reinsurance industry is becoming more concentrated: in 2016, the three reinsurance undertakings with the highest premium volumes reported more than three quarters of all contributions.

The sustained high level of contributions collected in 2016 is likely to have been driven by factors including the continued robust growth in demand in the primary insurance markets in emerging economies, especially for property and casualty insurance. Demand for reinsurance as a capital substitute also remained strong, not least because of the persistently low interest rates.

While premium income for inward insurance business for primary insurers decreased slightly, premiums are expected to rise by 9.1% in 2017. The proportion of the total inward reinsurance business accounted for by reinsurers rose slightly to 90.8%. Of the primary insurance undertakings that fall within the scope of the new supervisory regime, Solvency II, 94 engaged in active reinsurance, 14 of which were life insurers, 4 health insurers and 76 property/casualty insurers.

In 2016, reinsurance business accepted from domestic ceding insurers declined by approximately 6.2%. Gross premiums written amounted to €14.4 billion (previous

Table 4: Gross premiums in reinsurance business

Year	Gross premiums written (€m)		
	Reinsurance undertakings	Primary insurers (inward reinsurance business)	Total
2017	59,401.8	6,599.9	66,001.7
2016	59,510.6	6,049.4	65,560.0
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

year: € 15.3 billion), whereas in 2002, the level of contributions was significantly higher at € 21.7 billion.

Reinsurance business accepted from foreign ceding insurers, however, continued to rise in 2016 (+2.3%). Gross premiums written amounted to € 45.2 billion. Overall, the share of reinsurance business accepted from foreign ceding insurers increased from 74.2% in the previous year to 75.9% in 2016. Eleven years ago, the share of reinsurance business accepted from domestic ceding insurers accounted for almost half of all insurance business included in the statistics.

Measured in terms of gross premiums written, insurance business accepted from abroad by all domestic insurance undertakings (primary insurers and reinsurance undertakings that fall within the supervisory scope of Solvency I or Solvency II) in 2016 (€ 46.8 billion) again significantly exceeded insurance business ceded abroad (€ 14.5 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 slightly from € 31.6 billion in the previous year to € 32.3 billion in reporting year 2016.

Of the gross premiums written by reinsurers, € 3.0 billion was attributable to facultative and € 56.0 billion to obligatory reinsurance business. At 76.5% (previous year: 73.7%), proportional reinsurance in the form of quota share and surplus treaties continued to make up the largest proportion of gross premiums written.

Table 5 (page 16) gives a breakdown of the reinsurers' gross premiums written by line of business under the new supervisory regime, Solvency II.

In 2016, the largest share of the reinsurers' premium income (€ 12.6 billion or 21.2% of contributions) was attributable to fire and other damage to property insurance, followed by life reinsurance (19.6%), motor vehicle liability insurance (10.3%), health insurance (7.9%) and non-proportional property reinsurance (7.7%). Preliminary data gathered on a quarterly basis indicates that these insurance classes also recorded the highest premium volumes in 2017.

In the year under review, the share of non-life insurance classes was 72.5% of the total volume of premiums, 60.4% of which was attributable to proportional reinsurance and 12.1% to non-proportional reinsurance. Life insurance classes accounted for 27.5% of all premiums. The 2017 preliminary data shows a slight

increase in premiums for life insurance classes and a corresponding decrease in proportional non-life insurance classes.

Reinsurers ceded € 9.1 billion (previous year: € 10.1 billion) of their total gross premiums written of € 59.5 billion (previous year: € 59.4 billion) to retrocessionaires. As a result, the retrocession ratio amounted to 15.3% (previous year: 16.9%), which was accompanied by an increase of approximately 1.9% in reinsurers' retentions. Preliminary data gathered on a quarterly basis indicates that in 2017 the retrocessionaires' premiums decreased by a further € 8.8 billion, bringing the retrocession ratio down to 14.9%.

2 Losses

After three years of markedly low levels of claims, losses returned to expected levels in 2016. In total, natural disasters caused overall economic losses of approximately US\$ 184 billion worldwide (previous year: US\$ 103 billion). This is only slightly higher than the long-term average for the last ten years (US\$ 170 billion). This is also true for insured losses (US\$ 51 billion), which were significantly higher than in the previous year (US\$ 32 billion) but only slightly above the long-term average for the last ten years (US\$ 49 billion).

2016 was dominated by weather and earthquake events, in particular in Asia and North America. The most loss-intensive single event for the insurance industry was an earthquake on the Japanese island of Kyushu. The insured losses amounted to approximately US\$ 6 billion. Overall economic losses, however, were considerably higher (US\$ 30 billion) due to the low insurance density for earthquake risks.

According to the data submitted in reporting template S.05.01, the reinsurers' gross loss ratio after settlement, measured as the ratio of expenses for claims incurred to premiums written, amounted to 63.4% in the year under review (previous year: 68.9%). The loss ratio for non-life insurance is more informative: on average, the reinsurance undertakings recorded a gross loss ratio of 61.1%. Looking ahead to 2017, the preliminary quarterly data suggests that the loss ratios will be significantly higher due to exceptionally high claims expenditures in the aftermath of the hurricanes. A loss ratio of 68.6% is expected to be recorded in 2017 for non-life insurance business. In non-proportional reinsurance, which is predominantly used for reinsuring peak risk,

Table 5: Gross premiums by lines of business

Lines of business ¹⁾	Gross premiums written			
	2017		2016	
	in € m	%	in € m	%
Medical expenses	837.0	1.4	3,098.2	5.2
Income protection	1,273.5	2.1	1,211.3	2.0
Workers' compensation	224.1	0.4	137.7	0.2
Motor vehicle liability	6,738.3	11.3	6,100.1	10.3
Other motor	3,878.8	6.5	3,612.2	6.1
Marine, aviation and transport	1,638.0	2.8	1,771.0	3.0
Fire and other damage to property	12,430.8	20.9	12,641.8	21.2
General liability	4,251.3	7.2	4,378.6	7.4
Credit and suretyship	1,914.2	3.2	1,839.5	3.1
Legal expenses	382.7	0.6	316.7	0.5
Assistance	8.8	0.0	10.1	0.0
Miscellaneous financial loss	791.1	1.3	823.6	1.4
Proportional reinsurance	34,368.5	57.9	35,940.9	60.4
Health	289.6	0.5	283.2	0.5
Liability	1,921.8	3.2	1,854.5	3.1
Marine, aviation and transport	412.6	0.7	476.9	0.8
Property reinsurance	4,527.4	7.6	4,570.9	7.7
Non-proportional reinsurance	7,151.3	12.0	7,185.5	12.1
Non-life	41,519.8	69.9	43,126.4	72.5
Health	7,169.2	12.1	4,712.8	7.9
Life reinsurance	10,712.8	18.0	11,671.4	19.6
Life	17,882.0	30.1	16,384.2	27.5
Total	59,401.8	100.0	59,510.6	100.0

1) Lines of business as set forth in Annex I of Delegated Regulation (EU) No. 2015/35.

the gross loss ratio will rise from 55.0% in 2016 to as much as 77.0% in 2017. The net loss ratio for the non-life insurance classes as a whole will climb from 62.8% in 2016 to 69.4% in 2017.

The gross expense ratio decreased in the year under review and amounted to 23.8% (previous year: 26.6%).

Overall, the reinsurers' combined loss-expense ratio after settlement amounted to 87.1% (previous year: 95.5%). On a net basis, the combined ratio improved to 94.1% (previous year: 97.4%).

3 Technical provisions

Gross technical provisions amounted to €111.3 billion as at 31 December 2016. In terms of gross premiums written, this translated into a provision rate of 187.0% for the business as a whole. Preliminary data gathered on a quarterly basis indicates that the technical provisions decreased only slightly in 2017 and amounted to €109.3 billion. See Table 6 (page 17) for the composition of technical provisions in the year under review and in 2017.

Table 6: Composition of technical provisions

	2017		2016	
	in € m	%	in € m	%
Non-life				
Provisions calculated as a whole	147.2	0.1	-3.5	-0.0
Gross premium provisions (best estimate)	5,694.8	5.2	5,451.9	4.9
Gross claims provisions (best estimate)	82,456.3	75.4	83,059.8	74.6
Risk margin	3,126.1	2.9	3,327.0	3.0
Provision as the sum of best estimate and risk margin	91,277.2	83.5	91,838.7	82.5
Total non-life (gross)	91,928.1	84.1	91,835.2	82.5
Total non-life (net)	81,378.3	74.4	82,272.6	79.5
Life				
Provisions calculated as a whole	6.3	0.0	1.5	0.0
Best estimate (gross)	13,255.1	12.1	15,066.8	13.5
Risk margin	4,139.8	3.8	4,364.4	3.9
Provision as the sum of best estimate and risk margin	17,394.9	15.9	19,431.2	17.5
Total life (gross)	17,401.2	15.9	19,432.8	17.5
Total life (net)			21,220.4	20.5
Total technical provisions (gross)	109,329.2	100.0	111,268.0	100.0
Total technical provisions (net)			103,493.0	100.0

At €83.1 billion, or 74.6% of total gross technical provisions, claims provisions were by far the most significant single item in the year under review. The provision rate, measured by the gross premiums of the non-life insurance classes, amounted to 192.6%.

In the year under review, the largest share of gross technical claims provisions was attributable to the following lines of business: non-proportional liability insurance at €21.4 billion (25.8% of reinsurers' total gross claims provisions), proportional general liability insurance at €20.9 billion (25.2%) and fire and other damage to property insurance at €10.5 billion (12.6%). Table 7 (page 18) gives a breakdown of the reinsurers' gross claims provisions by line of business under the new supervisory regime, Solvency II.

Almost 40% of total gross provisions for claims outstanding was attributable to non-proportional reinsurance, whereas its share of premium income was only one-sixth of non-life contributions.

Non-proportional reinsurance is used, in particular, to reinsure peak risks and long-term liability risks, which makes it necessary to recognise large provisions.

The high market concentration in the reinsurance industry also becomes evident when looking at the provisions for claims outstanding. As at 31 December 2016, almost 80% of the total gross provisions for claims outstanding was attributable to the three largest reinsurance undertakings and just over 90% was attributable to the five largest reinsurers.

Non-life insurance classes accounted for 82.5% of the reinsurers' technical provisions including premium provision, risk margin and provisions calculated as a whole. Life insurance classes accounted for 17.5% accordingly.

The technical provisions under Solvency II amounted to approximately 70% of the technical provisions under HGB accounting. This is because, firstly, due to the

Table 7: Gross claims provisions by line of business

Line of business ¹⁾	Gross claims provisions			
	2017		2016	
	in € m	%	in € m	%
Medical expenses	296.7	0.4	508.6	0.6
Income protection	1,027.7	1.2	1,108.1	1.3
Workers' compensation	951.9	1.2	1,148.9	1.4
Motor vehicle liability	7,694.1	9.3	6,932.1	8.3
Other motor	1,308.3	1.6	1,627.1	2.0
Marine, aviation and transport	3,037.1	3.7	3,598.5	4.3
Fire and other damage to property	11,466.5	13.9	10,454.7	12.6
General liability	20,389.7	24.7	20,890.4	25.2
Credit and suretyship	2,706.9	3.3	2,795.9	3.4
Legal expenses	381.0	0.5	365.6	0.4
Assistance	1.8	0.0	1.3	0.0
Miscellaneous financial loss	614.9	0.7	587.9	0.7
Proportional reinsurance	49,876.8	60.5	50,019.0	60.2
Health	2,244.7	2.7	2,567.3	3.1
Liability	20,561.4	24.9	21,443.7	25.8
Marine, aviation and transport	1,596.3	1.9	2,163.8	2.6
Property reinsurance	8,177.0	9.9	6,865.9	8.3
Non-proportional reinsurance	32,579.5	39.5	33,040.7	39.8
Total	82,456.3	100.0	83,059.8	100.0

1) Lines of business as set forth in Annex I of Delegated Regulation (EU) No. 2015/35.

prudent person principle, some reinsurers' technical provisions under HGB include very large reserves and, secondly, Solvency II does not provide for an item equivalent to the HGB equalisation provision. Both aspects cause the reinsurers' own funds to increase considerably (cf. chapter 5).

4 Investments

As at 31 December 2016, investments held by reinsurance undertakings amounted to € 343.3 billion in total. Judging from the preliminary quarterly data, this figure rose in 2017 by around 1.6% to € 348.7 billion. This is approximately equal to the fair value of investments under HGB accounting, which amounted to € 331.3 billion in 2016.

See Table 8 (page 19) for the composition of investments in the year under review and in 2017.

Almost two-thirds of the investments were attributable to affiliates and equity investments. For the insurance industry as a whole, however, this share is only around 36.0%. The reason for this lies in one of the characteristics of the German insurance industry: some of the major reinsurers in Germany perform, at the same time, the function of a holding company for an insurance group or financial conglomerate. The five biggest holding companies and financial conglomerates alone held approximately four-fifths of the reinsurers' total investments. Other major investments were corporate and government bonds, which represented a share of 15.7% and 14.8% of the total investments respectively. In contrast, reinsurance undertakings invested very little in shares (1.3%).

Table 8: Composition of investments

Investment classes ¹⁾	2017		2016	
	in € m	%	in € m	%
Affiliates and equity investments	217,946.6	62.5	215,444.6	62.7
Shares	4,665.3	1.3	4,280.2	1.2
Government bonds	45,209.8	13.0	50,679.6	14.8
Corporate bonds	46,525.9	13.3	54,046.8	15.7
Investment funds	16,250.0	4.7	5,083.8	1.5
Other investments	10,522.3	3.0	11,329.6	3.3
Total investments	341,119.9	97.8	340,864.7	99.3
Loans and mortgages	7,552.1	2.2	2,477.8	0.7
Total investments	348,671.9	100.0	343,342.4	100.0

1) In accordance with the solvency statement and excluding the investments for index-linked and unit-linked contracts.

In 2017, there was a rise in investments in investment funds as well as loans and mortgages, whereas investments in corporate and government bonds decreased. These changes were not always the result of an actual restructuring of the undertakings' portfolios. Often they were due to changes in the reporting of investments under the new supervisory regime. In some cases, such changes were prompted by clarifications issued by BaFin.

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 – in particular declines in the prices of shares and investment funds accompanied simultaneously by low interest-rate levels – BaFin is keeping a particularly close watch on the impact on the insurance undertakings' economic situation overall.

5 Solvency

As at 31 December 2016, the reinsurance undertakings had own funds amounting to approximately €209.4 billion (previous year: €183.6 billion). Judging from the preliminary quarterly data, own funds in the amount of €207.6 billion are expected for 2017. Table 9

(page 20) shows the composition of the reinsurers' own funds for the year under review and the years 2015 and 2017.

Approximately two thirds of own funds consist of the reconciliation reserve and one third of other own-fund items. For the year under review, the reconciliation reserve increased by around 20%. The figures for 2017 are based on the quarterly data and are still preliminary.

The reconciliation reserve ultimately represents the residual amount of the surplus of recognised assets in relation to the recognised liabilities that cannot be allocated to any own-fund item in accordance with the provisions of the HGB. It is the result of value differences between the commercial balance sheet and the solvency balance sheet. In the year under review, around one third of the reconciliation reserve was attributable to value differences in the technical provisions, while just over 60% resulted from value differences in investments. Due to the mark-to-market or market-consistent valuation of investments and technical provisions, the value differences are also subject to daily market fluctuations. Annual fluctuations in the reconciliation reserve are therefore not unusual.

Although the other own-fund items are considerably more stable, the disclosure of equity under HGB provisions is nevertheless artificial and, essentially, alien to the system because it ultimately involves the disclosure of parts of the asset surplus, which as a whole is subject to market fluctuations.

Table 9: Composition of own funds

Own-fund items	2017		2016		2015 ¹⁾	
	in € m	%	in € m	%	in € m	%
Ordinary share capital	4,307.9	2.1	4,132.3	2.0	4,558.3	2.5
Capital reserves	42,825.7	20.6	42,813.0	20.4	42,665.1	23.2
Reconciliation reserve	140,288.7	67.6	141,327.5	67.5	116,750.8	63.6
Subordinated capital	18,883.0	9.1	21,020.8	10.0	19,635.3	10.7
Other items	1,290.5	0.6	134.5	0.1	-25.9	0.0
Eligible own funds to cover the SCR	207,595.8	100.0	209,428.1	100.0	183,583.5	100.0

1) Day 1 reporting as at 1 January 2016.

As at 31 December 2016, own funds eligible to cover the minimum capital requirement (MCR) amounted to €196.8 billion, which is 94.0% of the own funds eligible to cover the solvency capital requirement (SCR). A slight decrease of 1.2% to €194.4 billion is expected for 2017.

Even though reinsurance undertakings only represented just over 8% of all insurers in terms of numbers, they nevertheless accounted for around 45.5% of the own funds of the entire insurance industry in 2016 (2017: 45.9%). As already mentioned above, in many cases this is due to the dual function of reinsurance undertakings: they also perform the function of a holding company for an insurance group or a financial conglomerate. In such cases, the reinsurance activities are frequently subordinated to the holding company function and this is reflected, among other things, in more than adequate capital resources from the point of view of the reinsurance activities.

As at 31 December 2016, the SCR for reinsurance undertakings amounted to €61.2 billion (previous year: €56.4 billion). Based on preliminary quarterly data, an SCR of €63.2 billion is expected for 2017. The MCR slightly increased from €18.5 billion in 2015 to €20.1 billion in the year under review. In 2017, the MCR is expected to remain almost unchanged at €20.3 billion. The MCR thus accounts for approximately one third of the SCR.

Of the 30 reinsurance undertakings, 24 calculated their SCR using the standard formula. This corresponds to 80% of all reinsurance undertakings and 90% across the entire insurance industry. This means that one in five reinsurance undertakings has used the option of an internal model examined and approved by BaFin.

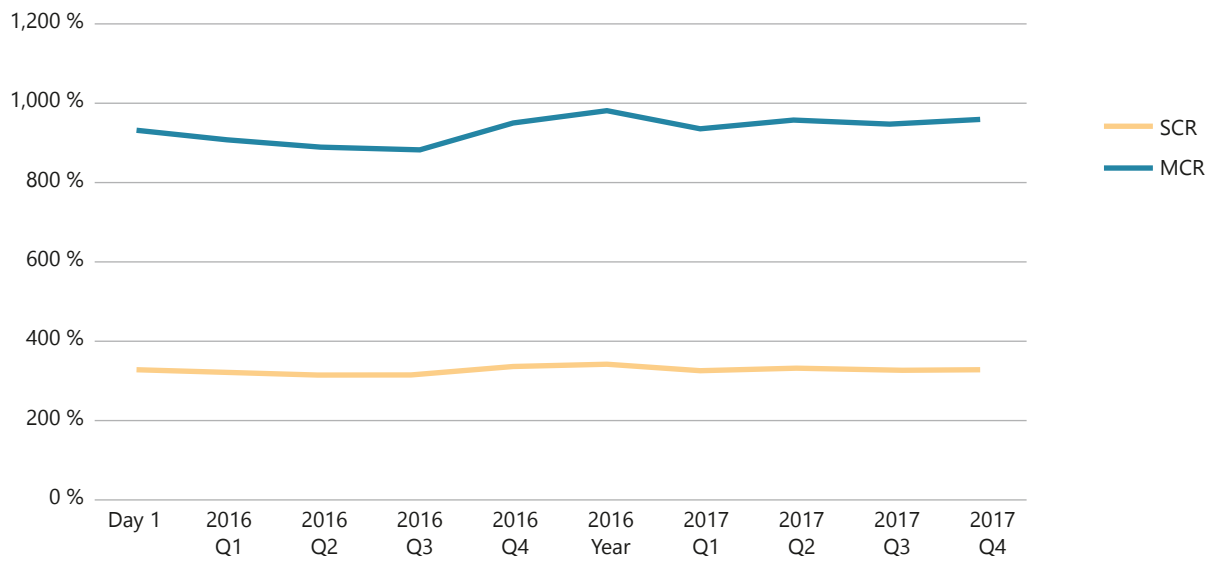
These six undertakings account for roughly 90% of all premiums and 90% of all technical provisions. A representation of the composition of the SCR based on the standard formula modules is therefore not very meaningful.

Irrespective of this, the most important risk driver by far is market risk, which represents approximately three quarters of the basic SCR of the undertakings that used the standard formula. Underwriting risk for non-life insurance is also important, representing roughly one third of the basic SCR. All other risks are of secondary importance. The dominant role of the market risk is again due to the great influence of holding companies in the reinsurance industry. In addition, as these are often larger holding companies, market risks are also the dominant risk in the industry average for reinsurers.

Overall, this represented an average SCR coverage ratio of 342.4% (previous year: 326.1%), which is expected to decline to about 328.3% by the 2017 reporting date. The coverage ratio was thus slightly above the industry average for all insurance undertakings, which reported an average SCR coverage ratio of 331.5% in 2016. The MCR coverage ratio is expected to fall slightly by 2.2% from 981.4% in 2016 to 959.4% in 2017.

The range of the coverage ratios within the reinsurance sector is considerable, especially with respect to the MCR. As at 31 December 2016, the reinsurers reported SCR coverage ratios between 72.2% and 550% and MCR coverage ratios between 104.5% and 2,199.8%. One reinsurance undertaking reported insufficient SCR coverage, which was rectified so that, according to the preliminary quarterly data, the undertaking's SCR coverage ratio was 150.9% as at 31 December 2017.

Figure 1: Quarterly development of the average coverage ratios



The wide range of the coverage ratios reflects the heterogeneous nature of the reinsurance sector, which is small in terms of the number of companies. In addition to reinsurers with regional and international operations, the sector also includes captive insurers, run-off platforms and some reinsurance undertakings that also perform the function of a holding company for an insurance group or a financial conglomerate. Ultimately, the function of the reinsurance undertaking determines its capital resources.

In terms of time, however, the range of coverage ratios remains relatively constant. This is also true for the average coverage ratios of reinsurance undertakings as shown in Figure 1.

The coverage ratios of the reinsurers slightly decreased by the end of the third quarter of 2016 and recovered towards the end of the year. At the end of the third quarter of 2017 the coverage ratios were slightly higher than on day 1.

Table Section 2016



As in the previous years, the tables are based on the German accounting standards under the Commercial Code. Due to the introduction of the new supervisory regime, Solvency II, BaFin no longer provides comments regarding the tables but continues publishing them for the sake of completeness.

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

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Table 600 Aggregated balance sheets for direct business in 2016

Balance sheet items	2016		2015		2014	
	in €000's	in % ¹	in €000's	in % ¹	in €000's	in % ¹
Assets						
1. Outstanding contributions to subscribed capital	4,945	0	5,570	0	7,043	0
2. Intangible assets	162,796	0.05	143,623	0.05	159,785	0.05
3. Investments, if not reported under no. 4 or no. 5	246,727,971	79.83	238,218,643	78.08	227,467,016	77.86
4. Deposits retained from the reinsurance business accepted	39,153,160	12.67	45,731,977	14.99	46,270,647	15.84
5. Receivables (direct business) from policyholders	–	–	–	–	–	–
6. Receivables (direct business) from intermediaries	–	–	–	–	–	–
7. Accrued interest and rents	1,185,180	0.38	1,085,067	0.36	1,113,049	0.38
8. Other assets	21,816,778	7.06	19,896,843	6.52	17,114,610	5.86
Equity and liabilities						
1. Equity	78,695,158	25.46	77,064,433	25.26	75,260,808	25.76
2. Profit-sharing capital and subordinated liabilities	20,031,376	6.48	18,692,026	6.13	18,077,044	6.19
3. Special tax-allowable reserves						
4. Net technical provisions	138,804,721	44.91	135,479,748	44.41	130,440,936	44.65
5. Deposits received from reinsurers	6,557,769	2.12	12,750,087	4.18	10,299,454	3.53
6. Liabilities (direct business) to policyholders	45	0	1	0	17,449	0.01
7. Other liabilities	64,961,762	21.02	61,095,427	20.03	58,036,460	19.87
Total assets	309,050,831	100	305,081,723	100	292,132,151	100
Number of undertakings	31		32		32	

¹ as % of total assets.

Table 610

Changes in investments (excluding deposits retained) 2016
Reinsurance undertakings

Type of investment	Balance at beginning of period ¹		Additions		Write-ups in €m	Reclassifications in €m	Disposals in €m	Write-downs in €m	Balance at end of period		
	in €m	in % ²	in €m	in % ²					in €m	in % ²	in €m
Land, land rights and buildings	1,464	0.6	75	0.1	8	-	2	56	1,488	0.6	1.7
Interests in affiliated companies	107,716	45.3	5,831	6.8	298	-	5,845	484	107,517	43.6	-0.2
Loans to affiliated companies	8,874	3.7	1,090	1.3	-	37	731	0	9,270	3.8	4.5
Equity investments	1,463	0.6	115	0.1	7	-	41	41	1,502	0.6	2.7
Loans to other long-term investees and investors	56	0	21	0	-	-20	10	-	47	0	-15.7
Shares	2,585	1.1	558	0.6	4	0	375	21	2,751	1.1	6.4
Investment units	27,360	11.5	3,764	4.4	132	-	5,579	134	25,543	10.4	-6.6
Other variable-rate securities	26	0	0	0	31	-	-	26	31	0	21.6
Bearer notes and other fixed-income securities	77,012	32.4	66,113	77	203	-	57,406	355	85,567	34.7	11.1
Loans secured by mortgages, land charges and annuity charges	150	0.1	140	0.2	-	-	57	-	233	0.1	55.5
Registered bonds	4,265	1.8	1,929	2.2	0	-17	1,112	0	5,065	2.1	18.8
Notes and loans receivable	3,095	1.3	835	1	-	-	401	0	3,529	1.4	14
Loans and advances against policies	-	-	-	-	-	-	-	-	-	-	-
Other loans	61	0	-	-	-	-	13	-	49	0	-20.9
Deposits with credit institutions	3,117	1.3	847	1	-	-	543	-	3,421	1.4	9.7
Other investments	704	0.3	4,557	5.3	27	-	4,722	0	565	0.2	-19.7
Total investments	237,948	100	85,874	100	710	0	76,836	1,118	246,579	100	3.6
Number of undertakings					29						

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 2016	Total 2015
1. Subscribed capital ¹	4,446,893	4,454,153
2. Capital reserves	43,634,554	43,477,289
of which pursuant to section 9 (1) no. 5 of the VAG	–	–
3. Revenue reserves:		
a) Legal reserves ²	15,891	16,071
b) Reserve for shares in a controlling undertaking or one with a majority interest	15,153	14,294
c) Reserves provided for by the articles of association	323,972	313,170
d) Reserve pursuant to section 58 (2a) of the AktG	365,577	–
e) Other revenue reserves	22,301,547	21,694,987
4. Retained earnings brought forward ³	23,872	9,683
Accumulated losses brought forward ³	–	14,130
5. Profit for the year after tax ³	140,909	89,347
Loss for the year after tax ³	13,209	48
6. Net retained profits ³	7,363,261	7,018,550
Net accumulated losses ³	3,533	3,363
Total equity	78,700,103	77,070,003
– less outstanding contributions	4,945	5,570
Available equity	78,695,158	77,064,433
Equity as % of gross premiums written	132.2	129.7
Equity as % of net premiums written	156	156.1
Profit-sharing capital	20,000	20,000
Subordinated liabilities	20,011,376	18,672,026
Number of undertakings	31	32

1 Initial fund for mutual insurance associations.

2 Loss reserve pursuant to section 193 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	2016		2015		2014	
	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	9,704,895	8,073,660	9,001,633	7,430,284	7,693,029	6,567,713
2. Premium reserve	30,813,152	27,729,375	39,819,524	29,542,321	43,494,214	34,891,305
3. Provision for claims outstanding, surrenders, refunds and sums granted upon withdrawal	94,742,463	82,451,918	90,123,950	79,197,043	80,920,924	71,116,645
4. Provisions for bonuses and rebates	48,506	46,311	34,926	33,138	36,441	35,741
5. Equalisation provision and similar provisions	19,543,169	19,543,169	18,478,001	18,478,001	17,310,320	17,310,320
6. Other technical provisions	912,416	960,288	770,746	798,967	581,362	519,217
Total	155,764,601	138,804,721	158,228,779	135,479,755	150,036,291	130,440,943
Number of undertakings	31		32		32	

Table 631 **Technical provisions by line of business**
Reinsurance undertakings 2016

Line 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		
Life	16	1,375.5	8.9	1,948.4	12.6	3,003.2	19.4	13.8	0.1
Health	15	609.7	15.6	555.5	14.2	557.0	14.2	7.8	0.2
General accident	17	162.0	12.3	519.0	39.5	3,864.1	294.0	662.0	54.8
Liability	22	1,251.3	22.0	3,838.7	67.5	28,289.5	497.4	3,187.6	64.7
Motor	17	1,783.3	17.0	4,466.5	42.6	17,757.1	169.5	2,537.1	27.1
Aerospace/aviation	7	90.0	26.2	136.4	39.8	641.0	187.0	111.7	38.6
Fire	21	1,416.9	18.2	4,484.1	57.6	5,983.2	76.9	6,421.2	117.7
Transport	22	127.7	9.7	643.1	48.7	2,629.3	199.2	845.1	86.6
Credit and suretyship	15	401.2	21.7	969.2	52.5	2,391.6	129.6	2,014.3	122.5
Aerospace/aviation liability	8	220.3	37.8	245.9	42.2	2,292.7	393.6	1,020.7	197.7
Other property insurance	24	1,569.8	19.5	2,725.0	33.9	4,711.6	58.6	1,655.4	25.5
Other indemnity insurance	26	746.0	36.4	647.1	31.6	1,204.6	58.8	1,066.3	61.0
Total	31	9,753.50	16.6	21,178.9	36.0	73,324.8	124.7	19,543.1	39.2

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	2016		2015		2014	
	in €000's	in % ¹	in €000's	in % ¹	in €000's	in % ¹
1. Gross premiums written	59,524,178		59,434,473		52,478,529	
of which accepted from foreign ceding insurers	43,923,467	74.7	44,129,655	75.7	38,169,407	73.2
2. Gross premiums earned	58,805,579	100	58,313,581	100	52,139,905	100
3. Net premiums earned	49,795,893	84.7	48,688,815	83.5	44,697,278	85.7
4. a) Gross expenses for claims of the financial year	37,516,775	63.8	35,145,428	60.3	31,784,486	61.0
b) Net expenses for claims of the financial year	32,993,219	66.3	30,523,601	62.7	28,348,781	63.4
5. a) Gross expenses for claims during the financial year ²	40,685,156	69.2	40,198,716	68.9	36,045,607	69.1
b) Net expenses for claims during the financial year ²	35,084,275	70.5	32,767,105	67.3	31,566,345	70.6
6. a) Gross operating expenses	15,796,302	26.9	15,486,395	26.6	13,482,955	25.9
b) Net operating expenses	13,704,127	27.5	13,069,495	26.8	11,996,087	26.8
7. a) Gross underwriting result ³	3,423,916	5.8	3,517,026	6.0	2,824,067	5.4
b) Net underwriting result ⁴	1,799,838	3.6	1,850,129	3.8	1,088,831	2.4
8. Investment income	15,348,191	30.8	18,538,507	38.1	16,211,682	36.3
of which: current income ⁵	11,873,014	23.8	15,629,330	32.1	13,372,619	29.9
9. Investment expense	4,410,020	8.9	6,244,811	12.8	4,441,073	9.9
of which: current expense ⁵	1,579,258	3.2	1,633,708	3.4	2,000,977	4.5
10. Profit/loss for the financial year ⁶	8,096,195	16.3	7,451,200	15.3	6,334,641	14.2
Number of undertakings	31		32		32	

- 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 lines of business
Reinsurance undertakings 2016

Line of business	No.	Gross premiums earned		Net premiums earned		Claims expenses				Operating expenses				Underwriting result			
		in €000's		in % ²		in €000's		in % ³		in % ⁴		in % ³		in % ⁴		in % ⁵	
		FY												in FY ¹			
Life	16	15,453,802	26.3	13,647,192	88.3	49.6	51.7	80	78	22.9	24.1	5.1	4.3	4.3	4.3		
Health	15	3,911,493	6.7	3,537,614	90.4	65.9	68.1	76.4	79.2	22.5	20.7	0.4	0	0	0		
General accident	17	1,314,458	2.2	1,207,403	91.9	53.1	54.8	44.7	47.1	35.1	35.9	19.7	17	11.8			
Liability	22	5,687,156	9.7	4,929,288	86.7	74.7	75.2	72.7	71.5	29.9	31.5	-2.9	-3.3	-12.7			
Motor	17	10,474,781	17.8	9,345,037	89.2	75.9	77.5	72.8	74.6	27.8	27.3	-0.8	-2	-5.7			
Aerospace/aviation	7	342,837	0.6	289,343	84.4	60	61.1	20.2	26.3	17.9	18.2	61.9	55.4	29.2			
Fire	21	7,785,478	13.2	5,454,600	70.1	72	81.6	59	61.8	24.8	26.6	15.6	11.1	12.9			
Transport	22	1,320,132	2.2	975,636	73.9	62.2	59.6	59.3	59.5	27.9	30.3	12.7	10.1	23.8			
Credit and surety	15	1,844,917	3.1	1,644,675	89.1	67.8	67.2	70.2	69.5	39.5	40.6	-9.4	-9.9	-10.8			
Aerospace/aviation liability	8	582,449	1	516,290	88.6	51.4	51.3	70.8	72.4	25.8	26.7	1.4	-1.4	15.4			
Other property insurance	24	8,041,047	13.7	6,499,480	80.8	63.8	67.1	60.5	64	27.2	27.2	12.1	8.6	5.5			
Other indemnity insurance	26	2,047,027	3.5	1,749,334	85.5	51.6	56.3	47.2	49.5	43.1	44.3	9.9	6.4	-7.1			
Total	31	58,805,579	100	49,795,893	84.7	63.8	66.3	69.2	70.5	26.9	27.5	5.8	3.6	1.5			

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 2016¹
ranked by gross premiums earned

R. no.	Name of insurance undertaking	Gross premiums		Loss ratio ²		CP ratio ³		Expense ratio ⁴		Net underwriting result		Investments ⁷		Net result FY ¹⁰	
		in €m	Net in €m	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 %
Rank		58,806	49,796	70.2	71.7	161.1	165.6	26.9	27.5	3.6	1.5	285,731	4.2	3.8	16.3
1	6921 MÜNCHEN. RÜCK	23,394	20,976	69.2	70.5	157.8	164.4	27.7	27.9	2.8	1	79,295	4.1	5	16.3
2	6941 HANNOVER RÜCK SE	11,849	8,535	80.6	80.9	188.7	210.6	21.3	21.8	3.9	4	35,646	3.1	3.3	11.1
3	6949 ALLIANZ SE	10,395	9,625	64.2	65.9	112.4	101.2	29.5	30.6	4.2	-1.3	113,079	4.2	3	30.6
4	6918 GENERAL REINSURANCE	2,555	2,523	84.1	84.6	256.6	256.7	32.4	32.5	6.4	5	11,231	2.2	2	5.5
5	6960 R+V VERS.	2,237	2,196	73.6	74.6	143.5	145.6	25.4	25.5	-0.5	-1.4	6,441	5	4.8	-
6	6908 E+S RÜCK	1,981	1,851	71.5	74.6	307.2	294.8	27.3	28.3	1.9	2.1	8,884	2.4	2.4	6.8
7	6971 GENERALI DEUTSCHL.	1,591	1,443	67.6	65.9	76	69	34	36.8	4	3.4	11,385	7.1	5.7	-
8	6907 DT. RÜCKVERSICHERUNG	904	470	54.2	61	107.3	147.9	32.7	31.2	4.4	-0.6	1,233	2.8	2.6	3
9	6988 HDI GLOBAL	845	0	48.9	***	132	***	12.1	***	***	***	264	6.3	6.9	-
10	6970 VERSK. BAYERN K.-RÜCK	680	436	67.2	65.3	142.3	93.6	25.3	29	4.4	0.9	743	2.4	2.8	3.5
11	6946 RISICOM RÜCK	426	417	45.3	41.7	110.9	96.4	1.3	1.4	-0.2	-1.9	842	0.8	0.9	-3
12	6973 DEVK RÜCKVERSICHER.	424	316	64.4	66.2	74.2	75.4	26.4	26.4	7.8	-1.1	2,061	7.3	7.3	19.9
13	6930 VERBAND ÖFFENTL. VERS.	408	305	57.8	65.9	395	457.5	47.1	44.4	-9.6	-10.1	1,544	3	2.8	0.5
14	6985 PROV.NORDWEST HOLD.	367	162	45.7	64.4	59.5	78.4	27.3	-45.2	78	74	2,021	9.1	3.1	42.5
15	6958 WÜSTENROT & WÜRTEMB.	323	247	62.5	63.9	150.4	151.9	31.1	33.9	3	-1.6	3,198	6.6	6.3	25.4
16	6807 AEGIDIUS RÜCK	148	148	58.4	58.4	5.5	5.5	32.6	32.6	9	9	88	3.2	2.8	7.9
17	6986 PROV.RHEINL.HOLDING	83	9	31.1	22.3	31.7	32.3	65.5	50.7	27	27	886	14	13.6	543.6
18	6964 SV SPARKASSENVERSICH.	74	46	37.1	30.7	41.5	60.9	43.6	52.4	13.5	10.4	1,528	6.4	6.4	185.1
19	6806 TRANSATLANTIC RE (US)	35	34	45.5	46	267.1	270.4	32.9	33.3	21.4	25.2	-	-	-	23.4
20	6925 KIELER RÜCK	32	8	43.1	48.1	23.2	18.8	37.9	36.2	15.6	2.3	12	3	2.2	1.6

R. Rank	Name of insurance undertaking	Gross premiums		Loss ratio ²		CP ratio ³		Expense ratio ⁴		Net underwriting result		Investments ⁷		Net result FY ¹⁰	
		in €m	Net 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 %
21	6994	19	19	2.5	2.6	940.2	939.3	7.5	7.5	18	18	1,816	11.3	7.7	-
22	6993	13	13	12	12	13.5	13.5	18.1	18.1	69.9	21.7	128	1	0.8	19.4
23	6982	9	6	90.8	52.4	247.8	17.8	33.7	50.8	-3.2	-4.1	2,729	7.3	5.6	***
24	6984	7	7	65.1	65.1	62.8	62.8	13.1	13.1	21.9	3.8	17	0.2	-0.1	-9.4
25	6998	4	4	42.3	42.3	193.3	193.3	8.2	8.2	49.4	36.8	23	1.3	0.6	21.3
26	6978	3	2	43	16.9	183.1	35.9	24.4	27.2	52	52	1	-	2.2	0
27	6992	0	0	***	***	***	***	***	***	-896.8	-896.8	116	3.7	2.9	***
28	6917	0	0	***	***	***	***	***	***	155.4	155.4	36	3.8	3.2	-203.7
29	6809	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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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