



Preferred business partner

We are the insurer for insurers and we support our customers as they grow their business

We have a passion for reinsurance and we respond to newly emerging risks by offering our customers innovative products for managing capital and profits and to support them in their sales activities. Our services and our pricing are grounded on extensive expert knowledge and a solid foundation in risk assessment. Through our range of reinsurance solutions we also enable less privileged population groups to access insurance services and we thereby help to close insurance protection gaps.



Product responsibility

Risk assessment and risk expertise

Every entrepreneurial decision involves a certain degree of risk. For companies operating in the (re)insurance industry, however, entering into risks is at the very heart of their business model. The mission of companies such as these is to take on and spread risks on a deliberate and calculated basis. For this reason, these companies purposely enter into a wide range of risks as part of their commercial activities. A distinction is to be made here between operational risks, which we avoid or mitigate as far as possible in the context of our risk management and on which we report in the chapter entitled "Governance & Dialogue", and the conscious acceptance of risks as part of our core business. These consist of underwriting risks from the business groups of Property & Casualty reinsurance and Life & Health reinsurance as well as investment risks.

As a leading player in the reinsurance industry, our commercial success is crucially dependent on the correct assessment of present and emerging risks that arise in connection with our business activities. The assessment and measurement of the associated underwriting risks is therefore of central importance.

In the context of our materiality process we defined risk expertise and risk assessment as material issues.

For the purposes of this publication risks can be subdivided into the following categories:

- Risk of change (e.g. change in the underwriting risk due to a change in framework conditions, discrepancy between the claims actually occurring and the expected experience)
- Risk of errors (disparity between the hypothetical and real claims experience)
- Risk of random fluctuation (unforeseeable accumulation/absence of insured claims, particularly high/low individual losses right up to catastrophic events)

Responsibility for the management and monitoring of material and hence significant underwriting risks is assumed by Group Risk Management within the scope of risk management. The steering of these risks is the task of the individual operational business centres. In accordance with our decentralised corporate structure, each organisational unit considers its risks separately. Finally, risks are considered from an overall perspective by management.

Group Auditing is responsible for the Group-wide auditing and line-independent oversight of all functional areas.

This process of evaluating risks is growing in complexity due to the constant monitoring and analysis of new and emerging risks, trends and future-related factors; sustainability aspects are also playing a greater role here. In some instances these have direct strategic and operational relevance to our reinsurance products and the management of our investments. We can gain insights from the risks and opportunities for our own risk management and also use them as a basis for product and service innovations. In this way, we constantly adjust to societal changes and the needs of our clients. Not only does this enhance our competitiveness, it also boosts trust in our company among our customers and business partners.

As a general principle, every risk is evaluated quantitatively. Only risk types for which quantitative risk measurement is currently not possible or scarcely practicable are qualitatively evaluated, for example by means of expert assessments. Such risks include strategic risks, reputational risks and emerging risks.

In property and casualty reinsurance we make a distinction for risk assessment purposes between risks that result from business operations of past years (reserve risk) and those stemming from activities in the current or future years (price/premium risk). At the present time, our most significant risks are the reserving and catastrophe risks within the underwriting risks of property and casualty reinsurance. Licensed scientific simulation models, refined by drawing on the experience of our own specialist departments, are used to assess our material catastrophe risks from natural hazards (especially earthquake, windstorm and flood). Furthermore, we establish the risk to our portfolio from various scenarios in the form of probability distributions. The monitoring of the risks resulting from natural hazards is rounded out by realistic extreme scenarios.

Biometric risks, i.e. all risks directly connected with the life of an insured person, are among the material factors that need to be assessed in life and health reinsurance. The risks associated with assessment include, for example, the miscalculation of mortality, life expectancy, morbidity and occupational disability. In this respect, mortality risks have varying implications for our life and health reinsurance business. While annuity portfolios are, as a general principle, adversely impacted by improvements in mortality, the effects for death benefit portfolios are inversely positive. In addition, we must evaluate the lapse risk because the cash flows resulting from reinsurance treaties are in part dependent on lapse rates among policyholders. In addition, consideration must be given to catastrophe risks in life and health

reinsurance as well, especially with an eye to events involving a high number of fatalities, natural disasters or pandemics.

Our most significant risks within the (capital) market risks are currently the default and spread risks. We subject all new products to a separate risk review with regard to underwriting risks.

Social and environmental risks are considered primarily in the context of our reputational risks under "Other risks" in both property & casualty and life & health reinsurance.

Emerging risks

In the area of other risks we pay particular attention to emerging risks, which have direct implications for our treaty portfolio in both main lines of business, not only in terms of the risks they may entail for the future (e.g. questions of liability) but also in the form of opportunities, such as increased demand for reinsurance products. The hallmark of such risks is that their content cannot as yet be reliably assessed. It is vital to detect and evaluate these risks at an early stage. A separate working group of specialists spanning divisions and lines of business is therefore deployed and its linkage to risk management is ensured. The members of the working group on "Emerging Risks and Scientific Affairs" analyse, for example, potential risks associated with climate change. Global warming would, for instance, affect not only natural perils, but also human health (e.g. the pandemic risk), the world economy, the agricultural sector (food availability and food security) and much more besides. Further examples of emerging risks include technology risks, shortage of resources, antibiotic resistance and supply chain risks. On these and other topics the working group formulates internal position papers and makes recommendations in the form of risk briefings regarding their handling in reinsurance practice. With a view to supporting this process of identifying measures, we have set up a committee that assists with the coordination and implementation of recommendations on emerging risks. In this way, we ensure that the recommendations of the working group are factored into underwriting decisions and the design of our products and services. Within the working group the trend radar continuously tracks long-term and megatrends and explores whether the latest trends, such as the sharing economy or the low carbon economy, may also give rise to emerging risks. The insights and risk assessments of the working group are utilised Group-wide in order to determine any measures that may be needed. In addition, the evaluation results are integrated into the quarterly internal risk reports, which serve to keep the Executive Board – among others – updated on material risk assessments.

Along with our internal research activities, we also cultivate an ongoing dialogue with various globally operating risk managers, universities, reinsurers, clients, political actors and industry associations and we attend a number of conferences. Furthermore, our goal is to offer individual customer care and to assist our clients successfully not only through pure risk transfer but also with our range of services. Thus,

for example, we offer our customers services and system-based applications to identify and successfully manage potential risks.

We subdivide our extensive activities in relation to risk expertise and risk assessment into the areas of research and development, services as well as dialogue and exchange.

Selected activities in the area of risk expertise and risk assessment

Dialogue and exchange

Research and development

Services

Simulation models: Our subsidiary E+S Rück, which bears responsibility for German business, offers its clients a range of simulation models for analysis of the natural perils risks of flood, hail and earthquake – "es I bebt", "es I hagelt" and "es I flutet" – with a view to pinpointing potential risks. Similar tools have been developed to assess and evaluate accident risks ("es I unfällt").

Underwriting software: In the field of functional disability insurance E+S Rück supports its clients with the underwriting software "es I meRiT", thereby making it possible to offer individuals with pre-existing medical conditions coverage for accident and other disability risks by means of risk-specific adjustments to the policy wordings.

Expert networks: On the life side we have expert networks covering a variety of topics, including biometric research, financial solutions, longevity, R&D technology, automated underwriting systems as well as medical underwriting and risk assessment. The networks are made up of experts at our subsidiaries, branches and our Hannover location.

Cooperation with insurtechs: By cooperating with insurtechs we are able to offer our clients solutions for improving digital sales processes and enhancing customer retention. Partnerships of this type enable us, among other things, to help our clients address social groups that are particularly tech-savvy and attach considerable importance to a healthy lifestyle. It is virtually impossible to reach such groups via traditional life insurance industry sales channels and we therefore take an active part in developments in this area.

Cyber insurance is another area of growing significance in Germany. In 2018 we continued to expand our service and pricing models in order to cater to the rising demand for these covers. In addition, we partnered with FinLeap, a fintech incubator, to create Perseus. Perseus offers SMEs a platform for insurance protection and IT solutions in connection with cyber risks. We booked selective growth in the area of cyber covers; growing demand here was driven by a number of loss events and by regulatory changes.

Working group on "Global Ageing": We are a member of the Geneva Association working group on "Global Ageing" and are committed to exploring the demographic transition.

CRO Forum: In the context of the Chief Risk Officer (CRO) Forum we contribute to the development and sharing of best practices in risk management.

Underwriting manual: Our electronic underwriting manual "hr I Ascent" – which gives our customers comprehensive support for individual risk assessment – is continuously revised and enhanced so as to ensure that we can map the latest market developments at all times.

Automated underwriting systems: With our modular automated systems we facilitate quick and expert underwriting directly at the point of sale (e.g. over the counter at banks, during a telephone interview or online). We are currently working on a version for health business and on an underwriting workbench as well as a claims module in order to expand our range of modular automated systems.

Digital library on climate risks: In cooperation with universities, research institutes and government organisations we have built up an extensive knowledge base for the assessment of climate risks. This digital library already encompasses more than 500 scientific publications and is continuously expanded. Among other things, the papers explore the influence of rising temperatures on natural disasters and the correlation between natural catastrophe events across different regions.

Dialogue and exchange

Research and development

Services

Natural hazards research: In the field of natural hazards research we cooperate with universities and research institutions and provide financial assistance to appropriate initiatives and research projects. For example, we are a long-time supporter of the Geo Research Center in Potsdam and the Global Earthquake Model Foundation (GEM). The GEM Foundation's mission is to improve public understanding and awareness of earthquake risks by developing a global stochastic earthquake model. Efforts to promote cooperation in worldwide earthquake research and establish consistent standards have proven successful. The "Open Quake" model, which is now available online, is establishing itself as a platform used by the scientific community, governments as well as commercial and private users worldwide. The improved transparency about the risk situation in countries and cities around the globe makes it possible to objectively evaluate and mitigate the impacts of earthquakes on the population and on concentrations of values.

Blockchain Insurance Industry Initiative: In 2017 we joined other insurers and reinsurers participating in the B3i (Blockchain Insurance Industry Initiative) project to examine the potential benefits of distributed ledger technology for the insurance industry. Since it was first launched in October 2016 the initiative has enjoyed considerable acclaim that extends beyond the insurance sector. The focus of the pilot project is on executing transactions between member companies that are based on reinsurance treaties. Further solutions based on blockchain technology are now being created in Europe and overseas. We are testing these applications, which provide answers to other special problems existing between insurance undertakings, with considerable interest. If blockchain technology proves its worth, it may lead to fundamental changes in the industry. After all, the joint, transparent capture of contract-related information will boost efficiency in communication and accelerate workflows. This will enable insurers to optimise their business processes and offer insurance customers even better service.

Longevity risks: Awareness of the consistent increase in life expectancy, coupled with more rigorous risk management and reporting requirements, will mean that reinsurance solutions for the transfer of longevity risks will take on even greater importance over the coming years. We are one of the leading providers in the market for longevity solutions. Equipped with our profound expertise on the longevity market, we have successfully supported clients since 1995 in the development of tailor-made solutions for the transfer of longevity risks.

Medical cooperation: E+S Rück works with various cooperation partners. The rehab service provider RehaAssist, for example, supports severely injured policyholders so as to enable them to recover as comprehensively and quickly as possible. Another cooperation partner is the Malteser aid agency, which helps insurance customers who have been injured in an accident to reintegrate into daily life by providing a range of assistance services.

Global networks for assessment of the risks from natural perils: Hannover Re is actively involved in various market initiatives and oversight bodies focused on assessing the risks from natural perils. We are represented on the CAT workstream of the European Insurance and Occupational Pensions Authority (EIOPA) and thus belong to the group of experts elaborating the future standards to be observed by all companies in the field of risk management for natural perils and climate change. We are a member of the Risk Management Steering Group of the Insurance Development Forum (IDF), which will ensure the interoperability of the various simulation models for natural perils by developing uniform data standards for the exchange of data between insurers and reinsurers. In addition, we are a community member supporting the Open Loss Modelling Framework (OASIS). OASIS has developed an open source simulation engine and a financial software component that are intended to enable scientists to efficiently provide proprietary natural hazards models for the insurance industry without having to spend too much time grappling with the technical requirements for using the models and the technical needs of the industry. Through our participation in various initiatives we cultivate a dialogue with a number of globally active risk managers. This dialogue encompasses, among others, universities, other reinsurers, clients, political actors and industry associations such as the German Insurance Association (GDV).

Dialogue and exchange

Research and development

Services

Climate change: Climate change, defined as naturally occurring changes in climatic conditions or those caused by human activities, constitutes a major environmental risk. Owing to the multidimensional nature of the topic and its increasing importance in the future, we work closely with scientists from the fields of climatology, meteorology, geography and hydrology as part of the risk assessment process. Our interdisciplinary team for natural hazards modelling factors the insights obtained into the pricing of reinsurance solutions and risk management. For risk management purposes, we elaborate deterministic climate change scenarios that are designed to help us evaluate the potential impacts of climate change on all our business activities and initiate appropriate measures to steer the business.

Medical newsletter: Published quarterly, our newsletter "ReCent Medical News" is aimed at claim assessors, underwriters and of course all other interested readers around the world. "ReCent" casts light on topical issues relevant to medical underwriting and provides insights into the latest medical research findings, case studies and innovative underwriting methods.

Working group on "Extreme Events and Climate Risks": Through our active involvement in the Geneva Association working group on "Extreme Events and Climate Risks" we raise awareness of the considerable potential losses from natural hazards and climate change around the world. Studies, position reports and targeted decision templates are prepared with the aim of enabling various stakeholders on the highest level to efficiently obtain an overview of the facts and circumstances, the status of research on the individual topics and the role of the insurance/reinsurance industry in mastering the problems. Actions taken by the United Nations, governments and those with local responsibility to mitigate the possible impacts of extreme events and climate change on populations are encouraged and their effectiveness is evaluated. Through innovative reinsurance solutions we seek to provide financial relief for the consequences of residual risks remaining after implementation of such measures.

Working group on "Climate Change": As a member of the International Insurance Law Association (AIDA), we also regularly share insights with insurers and reinsurers in the "Climate Change" working group on coverage concepts and on loss events that may be attributable to climate change.

Global Communities: We are a partner on the "Promoting Resilient Communities" project. The partners plan to cooperate with the "InsuResilience Solutions Fund" with the goal of developing insurance solutions for extreme weather events designed to close the protection gap in selected pilot regions.

Flood information in ZÜRS: We participate in the German Insurance Association (GDV) project group "Flood information in ZÜRS". The findings that are developed are subsequently incorporated into the zoning system used Germany-wide for flood, backwater and heavy rain (ZÜRS Geo). This system can enable policyholders to identify whether their residential property is located in a risk zone and to adjust their insurance coverage accordingly.

GRI Disclosures

102-12 , 102-13 , 102-15 , 103-1 , 103-2 , 103-3 , 201-2

More information

-  Stakeholder dialogue
-  Risk management
-  AR 2018: Opportunity and risk report
-  Website: ReCent Medical News
-  Website: hr | Ascent
-  Website: Charitable insurance
-  Website: Emerging Risks
-  Website: Opportunities and risks

Sustainable insurance solutions

As an internationally operating reinsurer, we transact all lines of property & casualty and life & health reinsurance worldwide. Our products and services help to ensure that risks to society and the environment can be adequately insured and that adverse effects in the event of loss or damage can be rectified or mitigated. At its very heart, the business of insurance involves cushioning the burden caused by loss events and providing financial protection for companies and private individuals alike through the transfer and spreading of risks.

The further expansion of sustainable reinsurance solutions and stepping up of our cooperation with primary insurers are goals defined in our Sustainability Strategy 2018 – 2020.

In the context of our materiality process we identified the issue of sustainable insurance solutions as material.

As a reinsurer, i.e. a provider of business-to-business services, with few exceptions we have no direct contact with end consumers. As a general principle, then, our business activities do not create direct access to financial services. Through our range of products we nevertheless indirectly help many people to access insurance protection. Indeed, it is frequently only thanks to internationally operating reinsurers that primary insurers are even in a position to cover large individual risks and those associated with natural perils. We thus help to boost insurance density not only in mature markets but also in emerging and developing countries, and we contribute to social and financial inclusion. Furthermore, we assist both established and young insurance companies with the cost-intensive acquisition of new business and with increasing insurance density.

We support sustainable insurance solutions designed to minimise adverse environmental and social impacts on society. They range from the expansion of renewable energy sources through the reinsurance of

Solutions in property and casualty reinsurance

In property and casualty reinsurance we attach the utmost importance to minimising adverse environmental effects as well as to improving financial inclusion and increasing resilience worldwide. On the one hand, with these goals in mind we support environmental products such as aquaculture insurance as well as insurance solutions to promote renewable energy sources and carbon sequestration techniques. On the other hand, we also participate in socially oriented products

bodily injuries and property damage to protection against natural catastrophe events.

Insurance solutions such as microinsurance and agricultural covers contribute to social development and the protection of the population – including in structurally deprived regions. These solutions ensure that even people with scant financial means are able to protect themselves against basic risks such as sickness, disability, the consequences of natural disasters or crop failures. We also participate actively in the development of index-based disaster finance concepts that guarantee prompt financial aid for countries in South America and Asia in the event of a natural disaster.

We have supported the transformation process in the energy industry through our increased underwriting of risks deriving from regenerative or alternative sources for a number of years now. In property and casualty reinsurance we facilitate the expansion of renewables ranging from onshore and offshore wind power to photovoltaic and geothermal energy. At the same time, we play our part in minimising adverse impacts. Our underwriting guidelines are revised regularly to reflect the latest developments. In April 2019 we took a conscious decision with respect to stand-alone risks that – as a general principle – we will no longer provide reinsurance coverage for any planned new coal-fired power plants or coal mines. Only in countries where coal accounts for a particularly large share of the energy mix and sufficient access to alternative energy sources is not available will a limited number of exceptions be permitted after review of the technical standards. Furthermore, we are aiming for a phased exit such that by the year 2038 we no longer cover any coal-based risks in connection with power generation in our entire property and casualty reinsurance portfolio.

such as index-based Disaster finance concepts to assist countries at short notice in the immediate aftermath of natural disasters as well as micro- and agricultural insurance solutions in developing and emerging countries. While no monetary investments in infrastructure are made, the implications of our insurance solutions for infrastructure projects – for example with respect to property and liability risks – are nevertheless considerable.

Agricultural insurance

Demand for the insurance and reinsurance of agricultural land and livestock continues to grow, especially in view of a steadily increasing global population and the associated rising need for agricultural commodities and food as well as the negative effects of climate change – e.g. extreme weather events. Insuring agricultural production is particularly important for the development of poor regions in developing and emerging countries. In addition to protecting against variations in yield, a number of positive socioeconomic factors play a role here. These include, among other things, the possibility for insured farmers to be able to invest more easily in agricultural and non-agricultural business sectors and hence contribute to stability in rural areas. Against this backdrop, for example, the InsuResilience initiative of the G7 nations launched at the instigation of the German federal government has set itself the goal of offering insurance protection against climate risks to millions of especially poor and at-risk individuals in developing countries by the year 2020. In Europe, too, the unusually dry summer prompted discussions around the subject of crop insurance. The increasing expansion of public-private partnerships presents new opportunities for our company to write profitable business in markets that have still to mature. We are already supporting selected projects currently being conducted as part of this initiative that are intended to strengthen the resilience of various countries. The growing availability of new technologies, such as remote sensing by satellites, will enable us to further enlarge our scope of business through innovative and efficient insurance products. These include, for example, parametric covers under which the insurance benefit is dependent not on an actual loss but rather on an objectively measurable criterion (e.g. quantities of precipitation). In 2017 we wrote premium in the mid-triple-digit millions (EUR) in the area of agricultural risks, with around three-quarters of the total amount coming from developing and emerging markets in South America, Asia and Africa.

Solutions in life and health reinsurance

On the life and health reinsurance side we are primarily concerned with the issues of digitalisation and demographic transition. In the area of longevity products we are tackling the trend towards a rising life expectancy with our range of enhanced annuities. Through the on-line sale of life insurance products as well as our active support for health business on markets with inadequate healthcare provision, we









contribute to social and financial inclusion and increase insurance density on a number of markets. Furthermore, we promote insureds' healthy living through holistic lifestyle insurance concepts and in South Africa, for example, we support a primary insurer that enables its customers to invest part of the premium for charitable purposes when they purchase an insurance policy.

GRI Disclosures

103-1 , 103-2 , 103-3 , 203-1 , FS6 , FS7 , FS8 , FS13 , FS14

More information

 Company portrait

-  Website: Agricultural, Livestock and Bloodstock business - a growing sector
-  Website: Facultative
-  Website: Longevity risk on a bulk basis
-  Website: Charitable insurance
-  AR 2018: Life & Health reinsurance
-  AR 2018: Property & Casualty reinsurance
-  Website: Property and casualty reinsurance
-  Website: Life and health reinsurance

Responsible Investor

We respect ESG criteria in our investment policy

Our investment policy is designed to generate stable and commensurate market returns. We have taken sustainability criteria into consideration since 2011 and continue to refine them. In 2018 we extended our exclusion criteria to issuers that generate at least 25% of their revenues from coal mining, coal-fired energy production or oil sands extraction. Furthermore, we invest actively in sustainable infrastructure projects and funds. Our asset portfolio is screened every six months.





Sustainability in asset management

Aside from our direct impacts on the environment and society, we are able to make a positive contribution to sustainable development through our investing activities by pursuing an investment policy that avoids companies which do not live up to our ethical expectations or environmental and social standards. Investors, analysts and clients are also increasingly interested to see how we respect social sustainability concerns in the management of our investments.

As part of our materiality process we have identified the issue of sustainability in asset management as material.

In accordance with our investment policy we strive for stable, fair market returns in order to be able to meet our underwriting commitments and liquidity requirements at all times while preserving a balanced risk/return profile and broad diversification. Furthermore, we attach considerable importance to our sustainability approach by incorporating environmental, social and governance aspects (ESG criteria). Since as long ago as 2011 we have been applying sustainability criteria in the investment sector; they are continuously refined and set out in writing in our "Responsible Investment Policy". We are guided by the ten principles of the United Nations Global Compact, i.e. we pay attention to aspects relating to human rights, working conditions, the environment and anti-corruption. Similarly, we avoid exposures to issuers engaged in the development and proliferation of controversial weapons. We also make systematic use of exclusion criteria in the area of fossil fuels. These tools are complemented by active participations in sustainable investments, including for example impact investments and renewables. Last but not least, a best-in-class approach establishes the basis for continually improving the sustainability quality of the asset portfolio.

Our fixed-income securities (government and semi-government bonds, corporate bonds and covered bonds) and listed equities have been subject to half-yearly negative screening since 2012. Our investments are evaluated on the basis of individual ESG criteria that we have developed and continuously review in cooperation with a financial services provider specialising in sustainability. Securities of issuers identified as "non-adequate" are actively scaled back. In addition, potential new investments are checked in advance to see whether the issuers violate the defined ESG criteria. Such exposure is rejected if this is found to be the case.

The ten principles of the United Nations Global Compact are a decisive factor in guiding our reviews. Companies that fail to respect human rights or are complicit in human rights abuses are in violation of

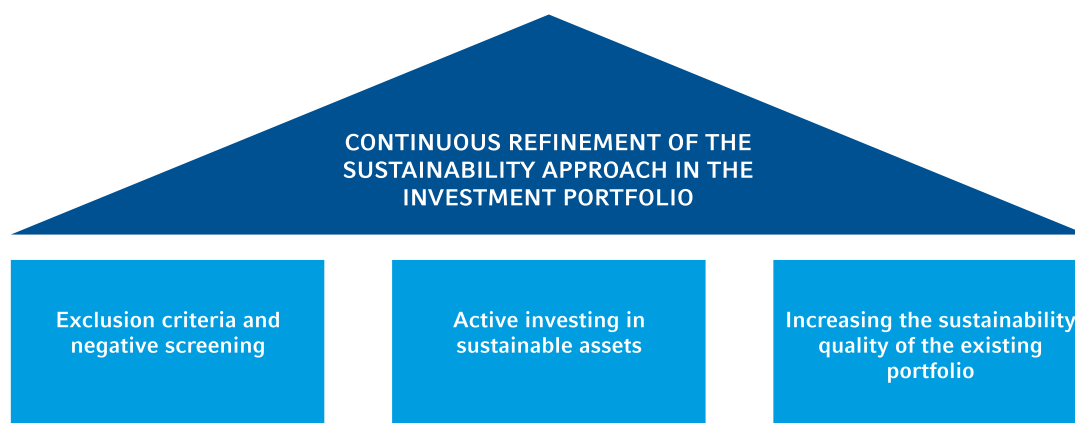
fundamental principles of the United Nations. Instruments issued by such entities are ruled out for our investment purposes, as are issuers that disregard basic labour standards and environmental protection considerations. Lastly, exposures to companies that have been noted for their use of compulsory/child labour or their involvement in discrimination or corruption are also excluded. In our review of government issuers the focus is on whether they are currently subject to sanctions imposed by the United Nations or the European Union.

As to the criterion of "controversial weapons", we rule out issuers who are involved in the development and proliferation of particularly cruel weapons. In the fossil fuels sector the exclusion criterion applies to issuers who generate 25% or more of their turnover from coal mining, coal-based energy generation or oil sands extraction.

Only around 10 percent of our total asset portfolio cannot be classified according to the aforementioned methodology and criteria. This includes, most notably, investments in real estate and private equity, which given their nature or structure can scarcely be measured reliably according to the ESG criteria that we use as a basis. In some instances, however, these assets also contribute to sustainable development; this is the case, for example, with real estate that has relevant certifications, sustainable products in the infrastructure sector or indeed impact investments.

We have now completed the implementation of our best-in-class investment approach. By regularly measuring the sustainability quality of the existing portfolio, this is another tool that will enable us to structure the portfolio even more sustainably going forward with a focus on corporate bonds.

Lastly, we are increasingly supplementing the aforementioned measures in the existing portfolio with active participations in sustainable investments. With this in mind, a new budget has been created for investment in impact investment funds. The explicit objective here is to achieve appreciable improvements through the broadest possible coverage of the United Nations Social Development Goals (SDGs), inter alia in the fields of food security and nutrition, education, health and well-being, ending poverty, climate action etc. In addition, in the infrastructure sector we invest in renewables as well as in sustainable forest and agriculture funds.



An ESG officer on the investment team ensures the development and application of ESG criteria and implementation of the investment policy. The investment team reports major findings of the screening process and the corresponding investment decisions directly to the

Chief Financial Officer, and they are discussed and approved by the Investment Committee. Two members of the Executive Board sit on the Investment Committee.

Active ownership

By exercising our voting rights we are able to influence the conduct of business at listed companies. However, given that the proportion of listed equities in our asset portfolio is less than 1% of our total investments, the effect of engagement in this area is very limited relative to our overall investment universe.

For this reason we have not to date adopted any voting guidelines on environmental and social issues in connection with the sustainable orientation of our investments. Should the share of the portfolio attributable to listed equities increase significantly on a lasting basis, we shall revisit the topic of active ownership and potentially decide on further steps.

GRI Disclosures

103-1 , 103-2 , 103-3 , FS11

Customer orientation and satisfaction

It is crucial to our company's success that we are perceived by our customers as a preferred business partner. If we are to achieve this goal, we must offer prices commensurate with the risks, adequate capacities and a reliable value proposition. Not only that, we encourage an active dialogue with our customers. By means of events held for clients we promote knowledge sharing on the latest issues and developments in the world of insurance and we give customers an opportunity to provide feedback on our products and services in the context of face-to-face discussions. As a business-to-business service provider, the fair design of our products – i.e. of contracts with primary insurers – is an essential prerequisite for our business. We expect integrity from all our employees at all times in their dealings with clients and have enshrined these expectations on a mandatory basis in our Code of Conduct, which is applicable worldwide.

In the context of our materiality process we identified the issues of customer orientation and satisfaction as material.

We maintain close contacts with our customers. In order to respond quickly and flexibly to individual customer requirements, we emphasise flat hierarchies, direct decision-making channels and the importance of empowering underwriters with the appropriate authorities. By means of conferences that we hold on specific topics, seminars and business trips, we cultivate an ongoing and regular dialogue with our clients, consolidate our customer relationships and use the direct

feedback provided on our efforts as an opportunity to further optimise our activities. In accordance with our Sustainability Strategy 2018 – 2020, we continued to step up our exchange of views with customers and expanded our international dialogue channels in the year under review.

Our customer relationships are cultivated on the level of individual divisions and departments. In property and casualty reinsurance we cultivate our customer relationships both directly and through reinsurance brokers by way of regular business trips or video conferences. Not only that, our employees attend trade fairs and specialist gatherings around the world and organise seminars for our clients on specific subjects. Through information events such as the seminar series "Building Bridges" in property and casualty reinsurance we foster an exchange of ideas within the industry. In this context, every year since 2012 we have offered our international customers the multi-day seminar "Advanced Reinsurance Methods, Practices and Current Topics". Starting in 2016 we expanded our offering to include the topics "Credit, Surety and Political Risks". Additionally, our subsidiary E+S Rück holds specialist conferences for its customers to share information on claims/risk management and to give presentations on topics such as compliance, sanctions, the reform of insurance supervision law associated with Solvency II and climate change.

Informational events

Our subsidiary in India held its "Annual Risk Seminar" for underwriters and claims management specialists working in the industry in the year under review. Covering topics such as psychological disorders, lung diseases, genetics, disability claims and simplified underwriting, our members of staff shared their expertise in risk management, research and innovation. In Kuala Lumpur we successfully completed our first actuarial training activity with 20 primary insurance clients.

In life and health reinsurance we have a direct local presence in most markets based on our decentralised approach and are thus able to exchange views with our clients quickly and flexibly. In addition to business trips to visit individual clients, we also organise seminars – usually on specific topics – and training workshops in the markets where we operate so as to keep our customers informed about the latest issues and developments relating to life and health reinsurance as well as underwriting. In the form of the customer newsletter "ReCent Medical News" we have regularly published information since 2014 on medical and socioeconomic issues – including through social media

such as LinkedIn. Further flyers on a broad spectrum of topics – ranging from automated underwriting to the very latest information – can be retrieved through our website's Media Centre in various languages (including Spanish, French, Polish, German, English, Chinese and Italian). Flyers are also available here for download on a range of issues that we tackle in the context of our working group on "Emerging Risks & Scientific Affairs".

Customer Platform

As part of our company's progressive digitalisation, we are currently working on the development of a digital platform in life insurance. This involves a B2B platform on which – along with our own reinsurance solutions and services – it is envisaged that third-party providers will also be able to market innovative insurance-related services and products. At the present time the platform is still undergoing testing and has so far only been used internally for dialogue purposes.

We conduct regular surveys to measure the satisfaction of our customers on both a regional and Group-wide basis – not only independently but also with the support of external market research institutes when it comes to certain markets. In view of the importance that we attach to accommodating the specific features of individual markets, we consciously do not carry out any general uniform survey of customer satisfaction on a global basis across all our divisions.

We process the results of our customer surveys and studies in-house so as to identify potential action fields. The steps taken have not only served to improve the perception of our brand, they have also made our services and products stronger. In recent years, for example, we have enhanced our automated underwriting systems according to the wishes of our customers and we have brought new product ideas to market.

Since 2000, for example, we have conducted customer satisfaction surveys in our market department serving Germany, Austria, Switzerland and Italy in a three-year cycle. This reflects our desire to achieve continuous quality improvement as well as high customer satisfaction. Market research carried out by an independent marketing institute in 2016 explored the views of more than 90% of our German customers and reached the following conclusion:

"E+S Rück is perceived above all as a loyal, sympathetic and trustworthy company that values long-term customer relationships".

In our business group of Life & Health reinsurance we cooperate with a market research agency on an annual survey of reinsurance customers in the markets of the United States, Europe, South Africa, Canada, Australia and Asia. The data give us a comprehensive customer perspective on the quality of our services as well as an assessment of the perception of the Hannover Re brand in the various markets. In 2017 our favourable standing in the eyes of our customers on international markets remained unchanged. The intensive and wide-ranging dialogue that we cultivate with our clients played a major part in this.

In addition, since 2012 the market research agency has also provided the Board members responsible for the Life & Health reinsurance business group with an annual global study on the development of different business segments, a dedicated perspective on life reinsurance markets and trends in primary insurance business, an area-wide analysis of market penetration and market perception as well as a profile of strengths and weaknesses from the customer's viewpoint. Most notably, in the financial solutions segment in the United States we are regarded as the market leader and "Best in Class". Our customers find us to be a business partner who is exceptionally pleasant and easy to work with. Our direct approachability, flexibility and quick response times are evaluated particularly favourably by customers and considered a competitive advantage in comparison with our peers. Our regular analysis of the study's findings also enables us to measure the success of our strategy and make any necessary adjustments.

Awards received over the past five years

Year	Award
2019	Reinsurer of the Year – Latin America (Reactions)
2018	Property and Casualty Reinsurer of the Year – Australia (Insurance Asia News)
2017	ReTakaful Company of the Year (Middle East Insurance Industry Awards)
	Specialty Reinsurer of the Year (Reactions North America Awards)
2016	Reinsurer of the Year (Reactions London Market Awards)
	Reinsurance Team of the Year: Specialty Team (Reactions London Market Awards)
2015	Best Reinsurer for Client Responsiveness: GWP > \$2bn (Intelligent Insurer North America Awards)
	Best Reinsurer for Innovation: GWP > \$2bn (Intelligent Insurer North America Awards)
	Best Reinsurer for Expertise and Market Knowledge: GWP > \$2 bn (Intelligent Insurer North America Awards)
	Reinsurer of the Year (Reactions London Market Awards)
	Ulrich Wallin „Reinsurance CEO of the Year“ (Reactions London Market Awards)
	Best Columbia Reinsurer (Reactions)
2014	Middle East Award: Best Reinsurer for Client Service (Intelligent Insurer)
	Best Argentina Reinsurer (Reactions Latin America Awards)
	Best Reinsurer in the rest of South America incl. Peru, Ecuador, Bolivia, Uruguay and Paraguay (Reactions Latin America Awards)
	Hannover ReTakaful "Best International ReTakaful Operator of the Year", "ReTakaful CEO of the Year": Mahomed Akoob (International Takaful Summit)




Unlike in the retail insurance sector, the reinsurance industry is not subject to statutory requirements to provide product or service information to its customers. On the contrary, in the context of taking out a reinsurance treaty it is normally the primary insurers that are required to provide detailed information to reinsurers about their business operations and the reinsured portfolio so that the reinsurer can accurately assess the risks. In the reporting period there were no incidents of non-compliance with our duties to provide information about prod-

ucts or services. Nor were there any incidents of non-compliance with voluntary codes governing requirements to provide information. We do not conduct any advertising measures aimed at end customers in the sense of product marketing. Isolated marketing activities are carried out for the Hannover Re and E+S Rück brands, for example through image advertisements and information brochures about the company's orientation. Sales promotion takes place solely through individual contacts with clients.

GRI Disclosures

103-1 , 103-2 , 103-3

More information

-  Legal framework
-  Stakeholder dialogue
-  Sustainable insurance solutions

 [Website: Awards](#)