

# Product responsibility

## Risk expertise

In the context of our business operations we purposely enter into a broad range of risks. As a leading player in the reinsurance industry, our commercial success is crucially dependent on the correct assessment of present and Emerging risks. 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 among our customers and business partners.

As a general principle, every identified risk that is considered to be material 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 emerging and strategic risks as well as reputational risks.

In property and casualty reinsurance we make a fundamental 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 default and spread risks within the (capital) market risks and 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 events involving a high number of fatalities.

Social and environmental risks are considered primarily in the context of our reputational risks under "Other risks" in both main lines of business.

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### 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 Group-wide 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, the world economy, the agricultural sector and much more besides. Further examples of emerging risks include technology risks, shortage of resources 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. The Risk Committee takes responsibility for the fine-tuning of position papers and risk assessment. Within the working group the trend radar continuously tracks long-term and mega-trends and explores

whether the latest trends, such as the sharing 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.

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. All in all, the focus of all our activities – without losing sight of our corporate objectives – is on the needs of our customers. We aspire to be a long-term and expert partner in every situation.

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

Our activities in relation to risk expertise and risk assessment can be broken down into the subject areas of digitalisation, climate change, demographic change, financial inclusion, innovations and dialogue, which are displayed in the following chart.

**Selected activities in the area of risk expertise and risk assessment**

Digitalisation	Innovation and dialogue	Climate change	Demographic transition
<p>We participate in the German Insurance Association (GDV) project group "<b>Flood information in ZÜRS</b>". 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.</p>	<p>We are a member of the Geneva Association working group on "<b>Global Ageing</b>" and are committed to exploring the demographic transition.</p>	<p>In the context of the <b>Chief Risk Officer (CRO) Forum</b> we contribute to the development and sharing of best practices in risk management.</p>	
<p>On the life side we have <b>expert networks</b> covering a variety of topics, including for example financial solutions, health reinsurance, automated underwriting systems and medical underwriting. The networks are made up of experts from our subsidiaries, branches and our Hannover location.</p>	<p>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). An external study of underwriting automation carried out in 2017 found that our <b>automated underwriting systems</b> "hr   ReFlex" and "hr   Quirc" enjoy some of the highest rates of customer satisfaction. This is reflected in the increase in initial customer installations in 2017.</p>	<p>We are a partner on the "<b>Promoting Resilient Communities</b>" project, which targets the development of insurance solutions for extreme weather events with a view to closing the insurance gap in developing countries.</p>	<p>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 <b>longevity solutions</b>. 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.</p>

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. With member companies located in Asia, Europe and the Americas, B3i has evolved into a worldwide initiative. The members of the B3i project are seeking to explore jointly how distributed ledger technology (DLT) can be used to structure the exchange of data between insurers and reinsurers even more efficiently. The focus of the pilot project is on executing transactions between member companies that are based on reinsurance treaties. If blockchain technology proves its worth, the industry may undergo fundamental changes. After all, the joint, transparent capture of treaty-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.

Our electronic **underwriting manual "hr | 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.

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, we draw on the insights of not only insurance specialists and mathematicians but also **meteorologists, geographers and hydrologists** as part of the risk assessment process. They evaluate natural hazards and analyse their economic impacts on the global and regional level.

We cultivate a dialogue with various globally operating **risk managers**. This dialogue encompasses, among others, universities, other reinsurers, clients, political actors and industry associations such as the Geneva Association, the OASIS Initiative and the German Insurance Association (GDV).

In the area of functional disability insurance E+S Rück assists its customers with the aid of the **underwriting software "es | meRiT"** and thereby makes it possible to cover accident and other disability risks by means of risk-specific adjustments to terms and conditions – even for individuals with an already impaired state of health.

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.

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)**, whose mission is to improve public understanding and awareness of earthquake risks worldwide by promoting science and establishing consistent standards to reduce the impacts of earthquakes on the population.

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 400 scientific papers and is being continuously expanded. Among other things, the articles explore the influence of rising temperatures on natural disasters and the correlation between natural catastrophe events across different regions.

By cooperating with **insurtechs** we are also 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.

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.

Against a backdrop of advancing digitalisation, the market for insurance against cyber risks continued to grow substantially in 2017. Our experts evaluate the **cyber risks** facing our clients and offer them individually tailored coverage solutions. It remains the case that the bulk of the worldwide insurance premium is generated in the United States, although interest in such products also showed sustained growth in Europe. In Germany we have already responded directly to the growing need for such covers and we work together with a service provider to offer SMEs a service platform for cybersecurity solutions and risk management.

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 – such as "es | bebt", "es | hagelt" and "es | flutet" with a view to pinpointing potential risks. Similar tools have been developed to assess and evaluate accident risks ("es | unfallt").

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. We explore the demographic transition in coverage of topics such as "Supercentenarians" and "Dementia".

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 we support and encourage actions by governments and research institutions to mitigate the possible impacts on the population. We seek to provide financial relief for the consequences of the residual risks by means of innovative reinsurance solutions.

### GRI Disclosures

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

### More information

-  Stakeholder dialogue
-  Risk management
-  Advocacy groups and memberships

-  AR 2017: Opportunity and risk report
-  Website: ReCent Medical News
-  Website: hr | Ascent
-  Website: hr | ReFlex
-  Website: Charitable insurance
-  Website: Ladder & Hannover Re: A cooperation to serve today's consumers
-  Website: Sureify & Hannover Re: Enabling insurers to implement a digital engagement process
-  Website: Facultative Cyber and Technology E&O
-  Website: Emerging Risks
-  Website: Hannover Re to sponsor the Global Earthquake Model initiative
-  Website: Opportunities and risks

# Climate change

Developing countries in vulnerable climate zones are particularly exposed to increasing impacts from extreme weather events such as heat waves or windstorms.





Heat waves can lead to crop failures. New technologies such as remote sensing satellite systems enable us to develop parametric covers and hence offer protection against the effects of climate change.

In our internal position papers, such as those on the topics of climate-related catastrophe events and climate protection liability, we monitor the opportunities and risks associated with climate change and factor them into our underwriting.

## Sustainable insurance solutions

By offering sustainable reinsurance solutions and supporting sustainable primary insurance solutions and by integrating sustainability aspects into our underwriting, we are able to respond to the opportunities and risks associated with these issues and come up with innovations. What is more, we can prevent risks having adverse impacts on society and our company. In this way, we help to minimise negative environmental and social repercussions. Sustainable insurance solutions are therefore a topic of major concern to us. Extensive exclusions, however, can also cause the insurance gap to grow, with the result that the protection in place against risks is inadequate. It is therefore important for us to give comprehensive consideration to all the implications.

We transact all lines of property & casualty and life & health reinsurance worldwide. Our products and services are optimally tailored to the individual requirements of our clients and the specific conditions of each market. The ethical and moral standards that we set for our own actions also make themselves felt in our products and services and in our dealings with clients. As a reinsurer, i.e. a provider of business-to-business services, with few exceptions we have no direct con-

tact 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. Not only for this reason are sustainable insurance solutions fundamental to us. Furthermore, we assist not only established but also young insurance companies with the cost-intensive acquisition of new business and with increasing insurance density. By delivering insurance solutions such as microinsurance and agricultural insurance products we additionally contribute to social development in structurally deprived regions. These enable people with scant financial means to protect themselves against basic risks such as the consequences of natural disasters or crop failures. The further expansion of sustainable reinsurance solutions and stepping up of our collaboration with primary insurers was a goal of our Sustainability Strategy 2015 – 2017 that we shall carry over to the new 2018 – 2020 strategy cycle.

### 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 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 nations.

### Agricultural insurance

Demand for the insurance of agricultural land and livestock continues to grow, especially in view of a steadily increasing global population and the associated rising need for food as well as the effects of climate change.

Insuring agricultural production is particularly important for the development of poor regions. 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 400 million poor and at-risk individuals in developing countries by the year 2020. The resulting increasingly widespread implementation 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 online 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.

### Digitalisation

Around a third of the population suffers from **impairment** of the musculoskeletal system. With an innovative solution such as Qinematic Posture Scan software, we enable primary insurers to both mitigate adverse effects and improve their decision-making powers in risk and claim assessment through reliable 3D measurements. Body posture, balance and movement are scanned and generated as 3D video in a matter of just a few minutes. Physical weaknesses or asymmetries are easily identified and specific health issues can thereby be prevented. Reliable digital 3D measurements can significantly improve the insurer's decision-making powers during underwriting as well as claims management.

#### GRI Disclosures

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

#### More information

-  Company portrait
-  Advocacy groups and memberships
-  Website: Agricultural, Livestock and Bloodstock business - a growing sector
-  Website: Charitable insurance
-  Website: Discovery & Hannover Re: Vitality Active – „Shared Value“-insurance model
-  Website: Qinematic® & Hannover Re: Posture Scan Software
-  Website: Facultative
-  Website: Longevity risk on a bulk basis
-  AR 2017: Life & Health reinsurance
-  AR 2017: Property & Casualty reinsurance
-  Website: Property and casualty reinsurance
-  Website: Life and health reinsurance

# Sustainability in asset management

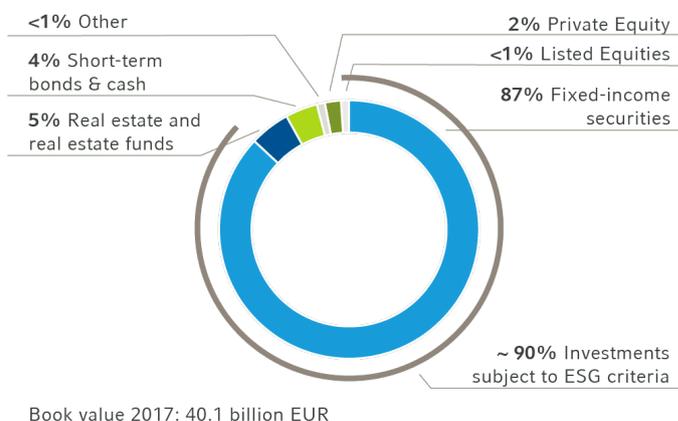
Along with our direct impacts on the environment and society, we are able to make a positive contribution to sustainable development through our investing activities by avoiding socially harmful investments. Sustainability in asset management is therefore a major concern for our company.

In the context of our investment policy we strive for stable and attractive 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 take into account environmental, social and governance (ESG) criteria. We have set out in writing our sustainability approach in the investment sector in our "Responsible Investment Policy", which was developed in 2011 and has been updated twice since then.

## Exclusions

When verifying entities as the issuers of bonds or equities, we are guided by, among other things, 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. 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 and, if so, what these sanctions are. Furthermore, we avoid exposures to issuers who are involved in the development and proliferation of controversial weapons. With regard to the fossil fuels sector, from 2018 onwards we are excluding issuers who generate 25% or more of their turnover from coal mining and coal-based energy generation.

## Asset allocation as at 31 December 2017



In total, virtually 90% of our investments (book value as at 31 December 2017: EUR 40.1 billion) have undergone half-yearly negative screening since 2012, depending on strategically motivated shifts in the asset allocation. 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. The portfolio subject to this voluntary screening encompasses the asset classes of fixed-income securities (government bonds and debt securities issued by semi-governmental entities, corporate bonds and covered bonds) as well as listed equities. 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.

In the year under review we moved forward with the conceptual design of our Best-in-class investment approach. The tool has now been implemented. The analysis according to ESG criteria encompasses the portfolio that is also subject to negative screening. Early results present a very pleasing picture of the sustainability quality of our current asset portfolio.

An ESG officer on the investment team ensures that ESG criteria are developed and applied and that the policy is followed. In addition, major investment decisions are discussed and approved by the Investment Committee, two of whose members belong to the Executive Board.

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 2% of our total invest-

ments, the effect of engagement in this area is 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. In the context of our responsibility as an investor we concentrate on the development of the previously dis-

cussed ESG criteria and the regular screening of our investments, now complemented by the best-in-class approach. Should the proportion of listed equities in our total portfolio increase significantly on a lasting basis, we shall revisit the topic of "active ownership" and 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 be considered the best option, we must offer prices commensurate with the risks, adequate capacities and a reliable value proposition. 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 world-wide.

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 2015 – 2017, we continued to step up our exchange of views with customers and expanded our international dialogue channels.

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 informational 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 management and risk management and 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 dis-

eases, 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 the form of the customer newsletter "ReCent Medical News" we have regularly published information since 2014 on medical and socioeconomic issues – including on social media platforms 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 move towards 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 only been used so far as a dialogue channel for internal 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.

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 found that the views of more than 90% of our German customers can be summed up as follows:

**"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 commission a market research agency to carry out 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 possibly make adjustments.

We process the results of our customer surveys and studies in-house so as to identify potential action fields. The steps taken such as intensive training programmes for our customers and market representatives 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 refined our automated underwriting systems, expanded them according to the wishes of our customers and brought new product ideas to market.

**Awards received over the past five years**

Year	Award
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)
2014	Ulrich Wallin „Reinsurance CEO of the Year“ (Reactions London Market Awards)
	Best Columbia Reinsurer (Reactions)
	Middle East Award: Best Reinsurer for Client Service (Intelligent Insurer)
	Best Argentina Reinsurer (Reactions Latin America Awards)
2013	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)
2013	Reinsurance Company of the Year (Insurance Day)
	London Market Award: Reinsurance Company Team of the Year Casualty and Aviation (Reactions)

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 products 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 , 417-1 , 417-2 , 417-3

#### More information

-  [Legal framework](#)
-  [Stakeholder dialogue](#)
-  [Sustainable insurance solutions](#)

-  [Website: Sustainability Strategy](#)
-  [Website: ReCent Medical News](#)
-  [Website: Media Centre](#)