

A helicopter is shown in flight at the top of the image, dropping a bucket of water into a forest fire below. The forest is filled with smoke and flames, with several tall evergreen trees visible. The helicopter is white with red and black accents. The background is a hazy, smoke-filled sky.

Product responsibility

The devastating forest fires in the Canadian province of Alberta destroyed some 200,000 hectares of forest in 2016. Physical injuries were avoided thanks to evacuation measures, but several thousand buildings burned to the ground. Every year forest fires claim lives and destroy valuable habitat around the world. By offering preferential terms for coverage of forestry and agricultural operations that use state-of-the-art technologies for early detection of forest fires, we work together with primary insurers to incentivise their wider use and are thus able to play a preventive role in reducing the damage caused by forest fires.

Product responsibility

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 customers.

In our Sustainability Strategy 2015 – 2017 we set ourselves targets for the sustainable design of our products and services as well. In 2015 we already took the first steps towards achievement of these goals: in the growing microinsurance market we intensified our collaboration with primary insurers in Pakistan, the Philippines and Indonesia. We are encouraging the development of products in response to climate change, such as weather insurance and the coverage of energy saving warranties, and we are extending the energy saving warranty solutions available in Germany to include other European countries. We are also taking an active part in the development of index-based disaster finance concepts that guarantee rapid financial assistance for countries in South America and Asia in the event of natural catastrophes. We pressed ahead with these activities in 2016 and transferred them to other countries where possible. For example, we also support initiatives in Malaysia, where government-assisted insurance covers for accident and disability risks are to be expanded.




In designing our range of products and services we apply insights gained from our research activities on topics such as the turnaround in German energy policy, climate change, new mobility and shifting demographics in order to be able to identify emerging risks and devise specific insurance solutions at an early stage. A Group-wide risk management system enables us to maintain a dedicated focus on our potential risks. Social and environmental risks are similarly taken into account in this context. Furthermore, our subsidiary E+S Rück also offers our customers – i.e. primary insurers – various services and applications for the purpose of risk analysis.

Along with our insurance solutions, our investments are also part of our focus on sustainable product responsibility. Our investment policy is geared to the generation of stable and risk-commensurate returns while at the same time safeguarding liquidity and solvency at all times. In addition, we incorporate Environmental, Social and Governance criteria (ESG criteria) into our investment policy. In the current financial year we have devoted special effort to the implementation of our best-in-class investment approach. A designated ESG officer on the investment team ensures that ESG criteria are developed and applied and that the policy is followed.

We are engaged primarily in business-to-business activities and maintain close contacts with our customers – either directly through our staff or indirectly through reinsurance brokers. By means of conferences that we hold on specific topics, seminars, business trips and our presence at trade fairs and specialist gatherings, we enable clients to share in our insights and thereby consolidate our customer relationships. Further examples of our efforts to promote dialogue are the newsletter "ReCent Medical News" launched in 2014 to report on medical research findings with a bearing on insurance and the "Building Bridges" seminar concept for property and casualty reinsurance. In the context of our company's drive towards digitalisation we are currently working on the development of a digital platform on the life insurance side. This involves a B2B platform, through which we envisage it will be possible not only for us to sell own reinsurance solutions and services but also, going forward, for third-party providers to offer their own innovative insurance products. The platform is currently still in the test phase and has so far only been used for purposes of internal information exchange.

We measure the satisfaction of our clients at regular intervals and are gratified by the positive outcome of the customer surveys conducted in the year under review. Various awards and distinctions, including for example the crowning of our company as "Reinsurance Company of the Year" by the highly regarded UK insurance magazine "Reactions", testify to our accomplishments.

More information on the topic at

-  [Group strategy](#)
-  [Sustainability Strategy](#)
-  [Code of Conduct](#)

Risk expertise

In the context of our business operations we enter into a broad range of risks, which we manage in order to be able to act on the associated opportunities. The parameters and decisions of the Executive Board with respect to the company's risk appetite, which are based on the calculations of risk-bearing capacity, are fundamental to the acceptance of risks. In this context crucial importance attaches to our system of risk management, in which roles are unambiguously assigned and tasks and reporting channels clearly defined and documented in guidelines. This makes possible a common understanding Group-wide of the holistic monitoring and steering of all material risks in order to ensure that they remain calculable for the reinsurance portfolio and hence also that exceptional major losses do not have an unduly adverse impact on Group net income.





Social and environmental risks are always considered in this context as well. At the present time our most significant risks are the default and spread risks within the (capital) market risks, the reserving and catastrophe risks within the underwriting risks of property and casualty reinsurance and the risk of changes in mortality within the underwriting risks of life and health reinsurance. 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 the area of other risks we pay particular attention to emerging risks. 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 this working group on "Emerging Risks and Scientific Affairs" analyse, for example, risks associated with possible climate change. Global warming would, for instance, affect not only natural perils, but also human health, the world economy, the agricul-

tural 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 regarding their handling in reinsurance practice. 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. In addition, we cultivate a dialogue with other globally operating risk managers. This dialogue encompasses, among others, universities, other reinsurers, customers, political actors and industry associations such as the Geneva Association, the OASIS Initiative and the German Insurance Association (GDV). At an industry gathering of the Geneva Association in 2015, for example, our Chief Executive Officer led an expert discussion on the challenges posed by pandemics. We also play a regular part in a Geneva Association working group on "Extreme Events and Climate Risks". In the context of the Chief Risk Officer (CRO) Forum we contribute to the development and sharing of best practices in risk management. Discussion papers on topical risk issues also assist us in the risk assessment process and play a part in fostering public discourse. In our Sustainability Strategy 2015 – 2017 we set ourselves the goal of further expanding the dialogue on emerging risks.

On the life side we maintain expert networks covering various fields such as financial solutions and medical underwriting. Groups are formed within them for specific current issues, among whose members information is shared worldwide. The networks are composed of employees from our subsidiaries, branches and the Hannover location. Meetings are held regularly in the form of conference calls or on a face-to-face basis.

Our clients similarly benefit from our risk expertise. Through our subsidiary E+S Rück, for example, we offer primary insurers a range of different services and applications for risk assessment.

More information on the topic at

-  [Stakeholder dialogue](#)
-  [Risk management](#)
-  [Advocacy groups and memberships](#)
-  [AR 2016: Opportunity and risk report](#)

Risk behaviour

Our risk strategy approved by the Executive Board defines both the strategic orientation and the risk appetite. Furthermore, we manage natural perils business – which is subject to particular volatility – by specifying risk measures, limits and thresholds in order to reduce potential accumulation risks. With our General Underwriting Guidelines and Special Underwriting Guidelines, which all underwriters are required to acknowledge and respect, we have at our disposal policies that substantiate our business decisions. Our underwriters receive regular training as required.

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.

Risk management is permanently integrated into our business processes. It is supported by transparent risk communication and an open approach to dealing with risks. Risk communication takes the form of, among other things, internal and external risk reports, information on current risk complexes published in the intranet and training activities for staff. The regular sharing of information between risk-steering and risk-monitoring units is fundamental to the proper functioning of risk management.

More information on the topic at

 [Risk management](#)

 [AR 2016: Opportunity and risk report](#)

Risk assessment

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). In the latter case, special importance attaches to the catastrophe risk. Licensed scientific simulation models, supplemented by the expertise 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 loss scenarios. Biometric risks, i.e. all risks directly connected with the life of an insured person, are the material factors that need to be assessed in life and health reinsurance. The risks associated with assessment include, in particular, the miscalculation of mortality, life expectancy, morbidity and occupational disability. Furthermore, we must also evaluate the lapse risk because the cash flows resulting from the 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. Emerging risks have direct implications for our treaty portfolio in both property & casualty and life & health 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. Close coordination therefore takes place between our working group on "Emerging Risks and Scientific Affairs" and our central risk monitoring function. 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. The insights and risk assessments of the working group are utilised Group-wide in order to determine any measures that may be needed. 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. The committee also takes responsibility for the fine-tuning of position papers and the assessment of newly emerging risks.

In addition, we evaluate trends and issues of the future (e.g. weather derivatives, shortage of resources, health market, cybercrime) and determine how any identified business opportunities can subsequently be acted on through marketable primary insurance and / or reinsurance products. For this purpose, specific subject fields are explored by interdepartmental and interdisciplinary teams and analysed with an eye to business potentials that can be leveraged. In this context we also tackle the question of what new insurance products can be developed in order to protect against cyber risks. Cyber attacks on critical systems are becoming increasingly prevalent. Along with causing heavy financial losses, they can lead to considerable impairments in private and public life, especially if critical infrastructures such as the health, transportation and traffic or energy sectors are impacted. In

such instances supply shortages with long-lasting effects as well as significant problems affecting public safety may occur. We have already been present in the market for some years now and have developed appropriate products. Demand for cyber risk covers grew in the year under review as part of the progressive trend towards digitalisation. While the bulk of the worldwide insurance premium was still generated in the US, we are now seeing increasing interest in Europe as well.

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, our company draws on the insights of not only insurance specialists but also meteorologists, geographers, hydrologists and mathematicians as part of the risk assessment process. They evaluate the natural hazards and analyse their economic impacts on a global and regional basis.

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 modelling we also cooperate with universities and research institutions and provide financial assistance to appropriate initiatives. For example, our company has been a long-time supporter of the Geo Research Center in Potsdam and the Global Earthquake Model (GEM) Foundation, whose mission is to improve public understanding and awareness of earthquake risks worldwide by promoting science and establishing consistent standards as well as to reduce the impacts of earthquakes on populations and concentrations of values. Our natural hazards modelling unit sets standards for the management of natural catastrophe risks. We develop and license models for managing windstorm, flood, hail and earthquake risks and assure their quality. Since 2015, drawing on data from the Global Earthquake Model (GEM) Foundation, we have developed a probabilistic simulation model for the earthquake risk in Germany which has been successfully implemented in the business processes.

Furthermore, we participate in the German Insurance Association (GDV) project group "Flood information in ZÜRS". The goal is to publish a zoning system 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.

We are also represented on the Geneva Association working group "Extreme Events + Climate Risk Working Group". This working group seeks to identify the causes of social and economic risks and, in partic-

ular, to recommend actions to the insurance industry that will enable it to build economic resilience to extreme events and climate risks.

In cooperation with universities, research institutes and government organisations we are working to build an extensive knowledge base for the evaluation of climate risks. This digital library already encompasses more than 400 scientific papers and will be further expanded. They tackle a range of subjects, including the effect of rising temperatures on natural disasters and the correlation between natural catastrophe events across different regions.

In addition, experts from our company regularly attend conferences.

Services and applications






Our subsidiary E+S Rück, which bears responsibility for German business, has developed various services and applications so as to be able to identify potential risks for its clients. These include, for example, the simulation models "es | bebt" and "es | hagelt" (for the earthquake and hail risks respectively), a service offering for underwriting of the flood risk in Germany ("es | flutet") and simulation models used to calculate and capture (potentially extreme) events and the associated losses. Similar tools have been developed to assess and evaluate accident risks ("es | unfallt"). 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.

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.

We want to make available to our customers broad and individually tailored support that extends beyond pure risk assumption to include the successful provision of a diverse range of services. With "hr | ReFlex", for example, we offer our customers in life and health reinsurance a modular automated Underwriting system that facilitates quick and expert underwriting directly at the point of sale (e.g. over the counter at banks, during a telephone interview or online). In the field of medical underwriting we discuss topical and relevant medical issues through various channels, including our "ReCent Medical News" newsletter. Similarly, when it comes to our electronic underwriting manual "hr | Ascent" – which gives our customers comprehensive support for individual risk assessment – we focus on continuous revision and enhancement so as to be able to map the latest market developments at all times. Furthermore, our international network enables us to quickly and directly transfer innovative reinsurance solutions to other markets.

More information on the topic at

-  Risk management
-  AR 2016: Opportunity and risk report
-  Website: ReCent Medical News
-  Website: hr | Ascent
-  Website: hr | ReFlex

Sustainable insurance solutions

We transact all lines of property & casualty and life & health reinsurance worldwide. Our product range helps many people to access insurance protection. It is frequently only thanks to internationally operating reinsurers that Primary insurers are even in a position to cover large individual risks and risks associated with natural perils. 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 fundamental risks such as illness, disability, the consequences of natural disasters or crop failures. In our sustainability strategy we have set ourselves the goal of further expanding sustainable reinsurance solutions and stepping up our collaboration with primary insurers.

Solutions in property & casualty insurance

Demand for the insurance of agricultural land and livestock continues to grow, especially in view of a steadily rising need for food and the effects of climate change. This is especially true of developing countries. In 2016 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.

Safeguarding agricultural production is particularly important for the development of poor regions. 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. The growing availability of new technologies, such as remote sensing by satellites, will enable us to further enlarge our scope of business through innovative insurance products.

Minimising adverse environmental effects is an important goal for our company. With this in mind, we are always interested in working together with our clients to develop insurance solutions specifically designed to deliver environmental benefits. In China, for example, we support the crop insurance programme that is controlled and subsidised by the government. The use of nitrogen fertilisers was long considered in China to be an indispensable means of protecting the grain harvest. The new insurance solution has helped make it possible to avoid excessive use of nitrogen fertilisers and counteract the resulting groundwater pollution.

By supporting aquaculture insurance solutions in Norway, among other countries, we promote programmes for controlled breeding and avoidance of overfishing. In so doing, we play a part in the development of sustainable aquaculture systems.

In addition, we have made a commitment to the development of carbon sequestration by offering reinsurance solutions for forests in Australasia that serve to slow global warming through the long-term storage of CO₂. Not only that, in our coverage of forestry operations we give preferential treatment to those businesses that use state-of-the-art technologies for early detection of forest fires and are therefore able to act promptly to prevent the destruction of large wooded areas and the associated release of considerable quantities of carbon dioxide into the atmosphere.

We also offer reinsurance solutions for covering the construction and operation of offshore wind farms, thereby encouraging the development and use of renewable energy sources.

In cooperation with our partners "Energi" in the United States and "b2bProtect" in Europe, we offer concepts that create incentives for businesses to invest in energy-saving technologies. In this connection we cover the energy savings warranties given by energy service providers. Working together with "b2bProtect", we have also developed parametric weather insurance products for our customers that enable companies to protect themselves against financial losses. These help to alleviate the impacts on business operations of adverse weather situations, which are becoming increasingly severe against the backdrop of climate change.

Generally speaking, insurance can also create incentives to invest because the possibility of receiving deficiency payments makes the investment decision easier. The "Energie Einspar Protect (EEP)" programme, for example, incentivises commercial customers to invest in energy-saving technologies and solutions through the guaranteed return on investment (RoI). Particularly in areas such as building control systems, LED installation and energy management, demand for this product is growing.

Through our activities in the Insurance-Linked Securities (ILS) sector we support work on index-based Disaster Finance concepts for countries in South America and Asia. Such solutions would enable these countries to access funds in a short space of time should a natural disaster occur. The money could then be used in an emergency for first aid, helping the uninsured, repairing infrastructure and even to make up for lost tax revenues. Only a small number of these concepts have been realised to date. Nevertheless, organisations such as the World Bank have given their seal of approval to the development of these types of risk management concepts on the country level.

Solutions in life and health reinsurance

On the life and health reinsurance side, we are active in the area of government-assisted health microinsurance solutions. Poor sections of the population receive basic coverage for the most important hospital treatments through state-subsidised covers offered by private and government health insurers alike. These programmes are able to reach millions of insureds thanks to their respective government's support. In addition to assisting with risk management functions, we help our customers and the various government agencies in particular with securing on a lasting basis and further expanding the development and supervision of these state-supported health insurance programmes for poorer sections of the population. In India we have been actively involved in health microinsurance products since entering the market. The microinsurance sector is also expanding in less mature markets such as Pakistan, the Philippines and Indonesia. Here, too, we offer appropriate products in cooperation with primary insurance partners.

Through the online sale of life insurance products in Malaysia we are extending our reach to previously uninsured sections of society and offering coverage that delivers value for money while also being easy to buy. In so doing, we are helping to reduce social hardship among the population.

Furthermore, we support and promote holistic lifestyle insurance concepts that are geared towards insureds' healthy living and factor this accordingly into the pricing. The design and marketing of these insurance products is carried out in cooperation with primary insurers and

local partners. Initially rolled out in selected markets, the concept is being extended to other international markets such as North America, Asia and Europe after enjoying a thoroughly positive response. The combination of insurance protection and an informed and healthy lifestyle are the key drivers behind the considerable appeal and (continuing) dynamic growth of this concept.

With our worldwide range of longevity products we are tackling the trend towards a rise in the average age and we are helping to ensure both financial security and a stable quality of healthcare well into retirement.

Particularly in markets with a low insurance density, such as Zambia or Mozambique, we actively support health business and contribute to local healthcare provision. In Central and Eastern Europe we assist our customers with the development of product solutions for private health insurance. The purpose of these initiatives is to safeguard the delivery of adequate healthcare to insureds that complements the medical treatment available under the government-run scheme, which is not always sufficient or readily available.

In addition, in South Africa we also support a primary insurer that enables its customers to invest part of the premium for charitable purposes when they purchase an insurance policy. As a general principle, we support primary insurers seeking to develop innovative products or to become active in new regions by providing financing solutions, thereby increasing insurance density.

More information on the topic at

-  [Company portrait](#)
-  [Advocacy groups and memberships](#)
-  [AR 2016: Life & Health reinsurance](#)
-  [AR 2016: Property & Casualty reinsurance](#)
-  [Website: Life and health reinsurance](#)
-  [Website: Property and casualty reinsurance](#)
-  [Federal Ministry for Economic Cooperation and Development](#)

Sustainability in asset management

In the context of our investment policy we strive for stable and attractive returns while also taking into account Environmental, Social and Governance criteria (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 updated in 2016. 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. Furthermore, we avoid exposures to issuers who are involved in the development and proliferation of controversial weapons.

Since 2012 virtually 90% of our investments have undergone half-yearly negative screening based on individual ESG criteria that we have developed and continuously review in cooperation with a service 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 reduced as far as possible. 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 criteria of the UN Global Compact are used to check entities that issue bonds or equities. Companies that fail to respect human rights or are complicit in human rights abuses thereby violate fundamental principles of the United Nations. Investments in securities of such entities are excluded, as are investments in instruments of issuers that disregard basic labour standards and environmental protection considerations. The primary concern here is with the use of forced or child labour and discrimination as well as with care for the environment and a heightened environmental awareness. Last but not least, exposures to entities that have attracted attention due to forced / child labour, discrimination or corruption are also ruled out. When checking government issuers the focus is on the question of whether – and if so, which – sanctions have currently been imposed on them.

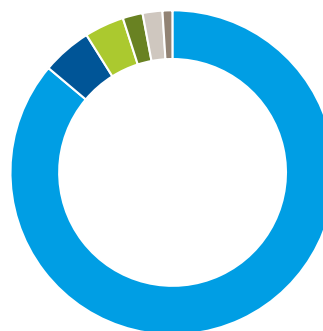
Active Ownership

In the case of listed companies we are able to influence the conduct of business through exercise of our voting rights. However, given that the proportion of listed equities in our asset portfolio is only around 2% of our total investments, 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 discussed ESG criteria and the regular screening of our investments. 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.

Asset allocation as at 31 December 2016

~90% of investments are subject to Environmental, Social and Governance criteria (ESG criteria).



- Fixed-income securities: 87%
- Real estate: 5%
- Short-term bonds & cash: 4%
- Private Equity: 2%
- Listed Equities: 2%
- Other: <1%

Book value 2016: EUR 42.3 billion

Customer orientation and satisfaction





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. In addition, we engage in an ongoing and regular dialogue with our clients around the world and use the direct feedback provided on our efforts for the purpose of further optimising 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. By means of a direct dialogue we share insights with our customers on (re)insurance topics and regularly engage with the feedback given by our contacts. Through informational events such as the seminar series "Building Bridges" in property and casualty reinsurance we foster an exchange of ideas within the industry on a range of issues, including sustainability. In our customer newsletter "ReCent Medical

News" the Life & Health reinsurance division regularly puts out information on medical and socioeconomic issues. 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 and the reform of insurance supervision law associated with Solvency II. Furthermore, as part of cooperation activities with primary insurers we support the development and delivery of sustainable insurance solutions.

We survey the satisfaction of our customers at regular intervals and are delighted by the favourable findings in the year under review. Our customers see us as a loyal, sympathetic and trustworthy company. This perception is shaped in part by our risk-appropriate prices, adequate capacities and a reliable value proposition. Numerous awards also testify to the satisfaction of our business partners. Most recently, for example, we were once again crowned "Reinsurer of the Year" in 2016 by the highly regarded UK insurance magazine "Reactions".

More information on the topic at

-  [Code of Conduct](#)
-  [Stakeholder dialogue](#)
-  [Sustainable insurance solutions](#)
-  [Website: Sustainability Strategy](#)

Customer relations

Our Customer Relationship Management (CRM) promotes an interactive exchange with our customers. Through a regular dialogue and in the context of events we initiate an exchange of knowledge on insurance topics and enable our customers to give feedback on our products and services in face-to-face discussions. We usually meet with our customers multiple times a year, not only on the occasion of the treaty renewals but also in connection with current developments and topical issues.

Customer relationships at our company are normally cultivated on the level of individual divisions. In life and health reinsurance – in contrast to property and casualty reinsurance – we have a direct local presence in most markets due to our decentralised approach and are thus able to engage in a quick and flexible exchange with our customers. In addition to business trips to visit individual clients, we also organise seminars – usually on specific topics – and education & 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 property and casualty reinsurance we cultivate our customer relationships both by direct means and through insurance brokers by making regular business trips or holding videoconferences. Furthermore, our employees attend trade fairs and expert conferences worldwide.

Customer dialogue

Unlike in the retail insurance sector, the reinsurance industry is not subject to statutory requirements to provide product or service information to its business clients. By way of an ongoing dialogue we nevertheless endeavour to pass on new information relating to the reinsurance industry to our clients. Going forward, we are also working to extend the dialogue on emerging risks.

In our Property & Casualty reinsurance business group a concept dubbed "Building Bridges" has been launched to cultivate closer customer relationships. 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".

The newsletter "ReCent Medical News", which has been published at regular intervals since 2014, exemplifies an established dialogue channel in life and health reinsurance. In addition, we have presented and explored a wide range of medical and socioeconomic topics on our website.




Further flyers on a broad spectrum of topics – ranging from automated underwriting to the latest information on topics such as the Zika virus – can be retrieved through our website's Media Centre in various languages (including Spanish, French, Polish, German, English and Chinese).

Our junior account managers on the life and health reinsurance side are offered a special training programme that goes above and beyond the delivery of purely technical and specialist expertise. The programme is designed to highlight to our employees ways in which customers can be offered the best possible services and value-adding reinsurance solutions according to their needs.

The annual expert conferences "Hannover Forum" organised by E+S Rück offer our German-speaking clients a broad range of information on specific and current specialist issues, such as motor insurance and telematics, as well as on more general overarching topics, such as regulation.

We also motivate our customers to engage more intensively with sustainability issues in order to expand the availability of sustainable insurance solutions. With this in mind, we further stepped up our cooperation with primary insurers in the year under review and supported the development and delivery of sustainable insurance solutions through cooperative ventures. For a detailed description of our cooperation activities and products please see the section "Sustainable reinsurance solutions".

More information on the topic at

-  Stakeholder dialogue
-  Sustainable insurance solutions
-  Website: ReCent Medical News

Customer satisfaction

We regularly conduct customer surveys in order to measure the satisfaction of our customers regionally and Group-wide; these are carried out both independently and, when it comes to certain markets, by drawing on the services of external market research institutes.

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 with the goal of achieving continuous quality improvement and an associated boost in customer satisfaction. In Germany we offer a range of products and services through E+S Rück that is geared to the specific features of the German market. 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 US, 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. The favourable perception of our activities in the eyes of our customers on international markets remained stable in 2016. The intensive and wide-ranging dialogue that we cultivate with our clients has 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 dif-

ferent 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 adjustments as needed.

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

Awards and distinctions

Over the years we have regularly been recognised for our work. In the current year, too, we have received some highly notable distinctions: the respected UK insurance magazine "Reactions" crowned us "Reinsurer of the Year" in 2016 for the second year in succession. Altogether, this is the tenth time that our company has been honoured with this accolade. In addition, our Specialty Team was recognised in 2016 – again by "Reactions" – as "Reinsurance Team of the Year".

Awards received over the past five years

Year	Award
2016	Reinsurer of the Year (Reactions London Market Awards)
2016	Reinsurance team of the Year: Specialty Team (Reactions London Market Awards)
2015	Best Reinsurer for Client Responsiveness; GWP > \$2bn (Intelligent Insurer North America Awards)
2015	Best Reinsurer for Innovation; GWP > \$2bn (Intelligent Insurer North America Awards)
2015	Best Reinsurer for Expertise and Market Knowledge: GWP > \$2bn (Intelligent Insurer North America Awards)
2015	Reinsurer of the Year (Reactions London Market Awards)
2015	Ulrich Wallin "Reinsurance CEO of the Year" (Reactions London Market Awards)
2015	Best Colombia Reinsurer (Reactions)
2014	Middle East Award: Best Reinsurer for Client Service (Intelligent Insurer)
2014	Best Argentina Reinsurer (Reactions Latin America Awards)
2014	Best Reinsurer in the rest of South America incl. Peru, Ecuador, Bolivia, Uruguay and Paraguay (Reactions Latin America Awards)
2014	Hannover ReTakaful "Best International ReTakaful Operator of the Year", "ReTakaful CEO of the Year": Mahomed Akoob (International Takaful Summit)
2013	Ulrich Wallin "CEO of the Year" (Obermatt / Zurich)
2013	Ulrich Wallin "Outstanding Contributor of the year - Risk" (Insurance Insider)
2012	Reinsurance Company of the Year (Insurance Day)
2012	London Market Award: Reinsurance Company Team of the Year Casualty and Aviation (Reactions)

Pricing

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 worldwide.

More information on the topic at

 Website: Sustainability Strategy