

Further information

Branch offices and subsidiaries of the Hannover Re Group abroad

Australia

Hannover Life Re of Australasia Ltd

Level 7
70 Phillip Street
Sydney NSW 2000
Tel. +61 2 9251-6911
Fax +61 2 9251-6862

Managing Director & CEO:

Gerd Obertopp

Hannover Rueck SE Australian Branch

The Re Centre, Level 21
Australia Square
264 George Street
Sydney NSW 2000
G.P.O. Box 3973
Sydney NSW 2001
Tel. +61 2 9274-3000
Fax +61 2 9274-3033

General Manager – Property & Casualty:

Michael Eberhardt

Agent:

Ross Littlewood

International Insurance Company of Hannover SE (Australian Branch) – Underwriting Office

Level 12
20 Bond Street
Sydney NSW 2000
Tel. +61 2 8373-7580
Fax +61 2 9274-3033

Head of Branch:

Mark Fleiser

Bahrain

Hannover ReTakaful B.S.C. (c)

Al Zamil Tower
17th Floor
Government Avenue
Manama Center 305
Manama
Tel. +973 1721-4766
Fax +973 1721-4667

Managing Director:

Mahomed Akoob

Hannover Rueck SE Bahrain Branch

Al Zamil Tower
17th Floor
Government Avenue
Manama Center 305
Manama
Tel. +973 1721-4766
Fax +973 1721-4667

General Manager:

Mahomed Akoob

Bermuda

Hannover Life Reassurance Bermuda Ltd.

Victoria Place, 2nd Floor,
31 Victoria Street
Hamilton, HM 10
P.O. Box 2373
Hamilton, HM JX
Tel. +1 441 295-2827
Fax +1 441 295-2844

Managing Director:

Chantal Cardinez

Hannover Re (Bermuda) Ltd.

Victoria Place, 2nd Floor,
31 Victoria Street
Hamilton, HM 10
Tel. +1 441 294-3110
Fax +1 441 296-7568

President & CEO:

Dr. Konrad Rentrup

Brazil

Hannover Rück SE Escritório de Representação no Brasil Ltda.

Praça Floriano, 19 salas 1701/02
CEP 20 031 050
Rio de Janeiro
Tel. +55 21 2217-9500
Fax +55 21 2217-9515

Representative:

Jan Rössel

Canada

Hannover Rück SE Canadian Branch

220 Bay Street, Suite 400
Toronto, Ontario M5J 2W4
Tel. +1 416 867-9712
Fax +1 416 867-9728

General Manager:

Laurel E. Grant

International Insurance Company of Hannover SE (Canadian Branch)

220 Bay Street, Suite 400,
Toronto, Ontario M5J 2W4
Tel. +1 416 867-9712
Fax +1 416 867-9728

Head of Canadian Branch:

Derek Spafford

China

Hannover Rück SE Hong Kong Branch

2008 Sun Hung Kai Centre
20th Floor
30 Harbour Road
Wanchai, Hong Kong
Tel. +852 2519-3208
Fax +852 2588-1136

General Manager:

Wilbur Lo

Hannover Rück SE Shanghai Branch

Suite 701–703, Building 1,
Lujiazui Century Financial Plaza
729 South Yanggao Road
200127 Shanghai
Tel. +86 21 2035-8999
Fax +86 21 5820-9396
General Manager:
Fook-Kong Lye

Colombia

Hannover Rück SE
Bogotá Oficina de Representación
Carrera 9 No. 77–67
Floor 5
Bogotá
Tel. +57 1 642-0066
Fax +57 1 642-0273
General Manager:
Miguel Guarín

France

Hannover Rück SE
Succursale Française
33 Avenue de Wagram
75017 Paris
Tel. (Life & Health)
+33 1 4561-7300
Tel. (Property & Casualty)
+33 1 4561-7340
Fax +33 1 4006-0225
Managing Director:
Raphaël Rimelin

India

Hannover Re
Consulting Services
India Private Limited
C&B Square
Sangam Complex
Unit 502, 5th Floor
Andheri-Kurla Rd,
Andheri (East)
Mumbai 400059
Tel. +91 22 6138-0808
Fax +91 22 6138-0810
General Manager:
GLN Sarma

Ireland

Hannover Re (Ireland) Limited
No. 4 Custom House Plaza, IFSC
Dublin 1
Tel. +353 1 633-8800
Fax +353 1 633-8806
Managing Director L&H & CEO:
Debbie O'Hare
Managing Director ASI:
Kathrin Scherff

Italy

Hannover Re Services Italy S.r.l.
Via Dogana, 1
20123 Milan
Tel. +39 02 8068-1311
Fax +39 02 8068-1349
Head of Administration:
Giorgio Zandonella-Golin

Japan

Hannover Re Services Japan
Hakuyo Building, 7th Floor
3–10 Nibancho
Chiyoda-ku
Tokyo 102-0084
Tel. +81 3 5214-1101
Fax +81 3 5214-1105
General Manager:
Takayuki Ohtomo

Korea

Hannover Rück SE
Korea Branch
Room 414, 4th Floor
Gwanghwamoon Official Building
92, Saemunan-ro, Jongno-gu
Seoul 110-999
Tel. +82 2 3700-0600
Fax +82 2 3700-0699
General Manager:
Frank Park

Malaysia

Hannover Rueck SE
Malaysian Branch
Suite 29-01
Integra Tower, The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur
Tel. +60 3 2687-3600
Fax +60 3 2687-3760
General Manager:
Rohan Kananathan

Mexico

Hannover Services (México)
S. A. de C. V.
German Centre
Oficina 4-4-28
Av. Santa Fé No. 170
Col. Lomas de Santa Fé
C.P. 01210 México, D.F.
Tel. +52 55 9140-0800
Fax +52 55 9140-0815
General Manager:
Guadalupe Covarrubias

South Africa

Compass Insurance Company Limited
KPMG Wanooka Place
Ground Floor
St. Andrews Road
Parktown
Johannesburg 2193
P.O. Box 37226
Biram Park 2015
Tel. +27 11 745-8333
Fax +27 11 745-8444
www.compass.co.za
Managing Director:
Paul Carragher

Hannover Life Reassurance
Africa Limited
Hannover Re House
Cnr Hillside & Empire Roads
Parktown, Johannesburg 2193
P.O. Box 85321
Emmentaria 2029
Tel. +27 11 481-6500
Fax +27 11 484-3330/32
Managing Director:
Wesley Clay

Hannover Reinsurance Africa Limited

Hannover Re House
Cnr Hillside & Empire Roads
Parktown, Johannesburg 2193
P.O. Box 85321
Emmarentia 2029
Tel. +27 11 481-6500
Fax +27 11 484-3330/32

Managing Director:

Randolph Moses

Hannover Reinsurance Group Africa (Pty) Ltd.

Hannover Re House
Cnr Hillside & Empire Roads
Parktown, Johannesburg 2193
P.O. Box 85321
Emmarentia 2029
Tel. +27 11 481-6500
Fax +27 11 484-3330/32

Managing Director:

Achim Klennert

Spain

HR Hannover Re, Correduría de Reaseguros, S.A.

Paseo del General Martínez
Campos 46
28010 Madrid
Tel. +34 91 319-0049
Fax +34 91 319-9378

General Manager:

Eduardo Molinari

Sweden

Hannover Rück SE, Tyskland Filial

Hantverkargatan 25
P.O. Box 22085
10422 Stockholm
Tel. +46 8 617-5400
Fax (Life & Health)
+46 8 617-5597
Fax (Property & Casualty)
+46 8 617-5593

Managing Director:

Thomas Barenthein

International Insurance Company of Hannover SE (Scandinavian Branch)

Hantverkargatan 25
P.O. Box 22085
10422 Stockholm
Tel. +46 8 617-5400
Fax +46 8 617-5590

Managing Director:

Thomas Barenthein

Taiwan

Hannover Rück SE Taipei Representative Office

Rm. 902, 9F, No. 129, Sec. 3
Minsheng E. Road
Taipeh
Tel. +886 2 8770-7792
Fax +886 2 8770-7735

Representative:

Ryan Chou

United Kingdom

Hannover Re UK Life Branch

10 Fenchurch Street
London EC3M 3BE
Tel. +44 20 3206-1700
Fax +44 20 3206-1701

Managing Director:

Stuart Hill

Hannover Services (UK) Limited

10 Fenchurch Street
London EC3M 3BE
Tel. +44 20 7015-4290
Fax +44 20 7015-4001

Managing Director:

Nick Parr

International Insurance Company of Hannover SE (UK Branch)

10 Fenchurch Street
London EC3M 3BE
Tel. +44 20 7015-4000
Fax +44 20 7015-4001

Managing Director:

Nick Parr

USA

Hannover Life Reassurance Company of America

200 South Orange Avenue
Suite 1900
Orlando, Florida 32801
Tel. +1 407 649-8411
Fax +1 407 649-8322

President & CEO:

Peter R. Schaefer

Office Charlotte

13840 Ballantyne Corporate Place,
Suite 400
Charlotte, North Carolina 28277
Tel. +1 704 731-6300
Fax +1 704 542-2757

President & CEO:

Peter R. Schaefer

Office Denver

1290 Broadway, Suite 1600
Denver, Colorado 80203
Tel. +1 303 860-6011
Fax +1 303 860-6032

President & CEO:

Peter R. Schaefer

Office New York

112 Main Street
East Rockaway, New York 11518
Tel. +1 516 593-9733
Fax +1 516 596-0303

President & CEO:

Peter R. Schaefer

Hannover Re Services USA, Inc.

500 Park Blvd., Suite 805
Itasca, Illinois 60143
Tel. +1 630 250-5517
Fax +1 630 250-5527

General Manager:

Eric Arnst

Glossary

Accumulation loss: sum of several individual losses incurred by various policyholders as a result of the same loss event (e. g. windstorm, earthquake). This may lead to a higher loss for the direct insurer or reinsurer if several affected policyholders are insured by the said company.

Acquisition cost, deferred (DAC): cost of an insurance company that arises from the acquisition or the renewal of an insurance contract (e. g. commission for the closing, costs of proposal assessment and underwriting etc.). Capitalisation results in a distribution of the cost over the duration of the contract.

Aggregate excess of loss treaty: a form of excess of loss treaty reinsurance under which the reinsurer responds when a ceding insurer incurs losses on a particular line of business during a specific period (usually 12 months) in excess of a stated amount.

Alternative risk financing: use of the capacity available on the capital markets to cover insurance risks, e. g. through the securitisation of natural catastrophe risks.

American Depositary Receipt (ADR): share certificates written by US banks on foreign shares deposited there. The ADRs are traded instead of the foreign shares. In the United States Hannover Re has enabled trading on the OTC (over-the-counter) market through an ADR Level 1 program. New capital cannot be raised and the ADR is not listed on a US exchange under a Level 1 program. The main advantage of an ADR Level 1 program compared to higher-level programs is that there is no requirement for accounting or financial reporting in accordance with US GAAP.

Basic losses: Losses that occur frequently in a foreseeable amount, i. e. where the underlying risks are associated with relatively high probabilities of occurrence and usually low loss amounts.

Benefit reserves: value arrived at using mathematical methods for future liabilities (present value of future liabilities minus present value of future incoming premiums), primarily in life and health insurance.

Block assumption transaction (BAT): proportional reinsurance treaty on a client's life or health insurance portfolio, by means of which it is possible, inter alia, for our clients to realise in advance the future profits so as to be able to efficiently ensure the attainment of corporate objectives, e. g. in the areas of financial or solvency policy.

Capital asset pricing model (CAPM): the CAPM is used to explain the materialisation of prices/returns on the capital market based on investor expectations regarding the future probability distribution of returns. Under this method, the

opportunity cost rate for the shareholders' equity consists of three components – a risk-averse interest rate, a market-specific risk loading and an enterprise-specific risk assessment, the beta coefficient. The cost of shareholders' equity is therefore defined as follows: risk-averse interest rate + beta * enterprise-specific risk assessment.

Cash flow statement: statement on the origin and utilisation of cash and cash equivalents during the accounting period. It shows the changes in liquid funds separated into cash flows from operating, investing and financing activities.

Cedant: direct insurer or reinsurer which passes on (also: cedes) shares of its insured or reinsured risks to a reinsurer in exchange for premium.

Cession: transfer of a risk from the direct insurer to the reinsurer.

Claims and claims expenses: sum total of paid claims and provisions for loss events that occurred in the business year; this item also includes the result of the run-off of the provisions for loss events from previous years, in each case after the deduction of own reinsurance cessions.

Coinsurance Funds Withheld (CFW) Treaty: type of coinsurance contract where the ceding company retains a portion of the original premium at least equal to the ceded reserves. Similar to a → Modco contract the interest payment to the reinsurer reflects the investment return on an underlying asset portfolio.

Combined ratio: sum of the loss ratio and expense ratio.

Confidence (also: probability) level: the confidence level defines the probability with which the defined amount of risk will not be exceeded.

Contribution margin accounting level 5 (DB 5): this level of contribution margin accounting constitutes the clear profit after earning the discounted claims expenditure plus all external and internal costs including the cost of capital.

Corporate Governance: serves to ensure responsible management and supervision of enterprises and is intended to foster the trust of investors, clients, employees and the general public in companies.

Critical illness coverages: cf. → dread disease coverages

DB 5: cf. → contribution margin accounting level 5

Deposit accounting: an accounting method originating in US accounting principles for the recognition of short-term and multi-year insurance and reinsurance contracts with no significant underwriting risk transfer. The standard includes inter alia provisions relating to the classification of corresponding contract types as well as the recognition and measurement of a deposit asset or liability upon inception of such contracts.

Deposits with ceding companies/deposits received from retrocessionaires (also: funds held by ceding companies/funds held under reinsurance treaties): collateral provided to cover insurance liabilities that a (re-)insurer retains from the liquid funds which it is to pay to a reinsurer under a reinsurance treaty. In this case, the retaining company shows a deposit received, while the company furnishing the collateral shows a deposit with a ceding company.

Derivatives, derivative financial instruments: these are financial products derived from underlying primary instruments such as equities, fixed-income securities and foreign exchange instruments, the price of which is determined on the basis of an underlying security or other reference asset. Notable types of derivatives include swaps, options and futures.

Direct business: business focused on narrowly defined → portfolios of niche or other non-standard risks.

Direct (also: primary) insurer: company which accepts risks in exchange for an insurance premium and which has a direct contractual relationship with the policyholder (private individual, company, organisation).

Discounting of loss reserves: determination of the present value of future profits through multiplication by the corresponding discount factor. In the case of the loss reserves this is necessary because of the new profit calculation methods for tax purposes applicable to German joint-stock corporations.

Diversification: orientation of business policy towards various revenue streams in order to minimise the effects of economic fluctuations and stabilise the result. Diversification is an instrument of growth policy and risk policy for a company.

Dread disease (also: critical illness) coverages: personal riders on the basis of which parts of the sum insured which would otherwise only become payable on occurrence of death are paid out in the event of previously defined severe illnesses.

Earnings per share, diluted: ratio calculated by dividing the consolidated net income (loss) by the weighted average number of shares outstanding. The calculation of the diluted earnings per share is based on the number of shares including subscription rights already exercised or those that can still be exercised.

Earnings retention: non-distribution of a company's profits leading to a different treatment for tax purposes than if profits were distributed.

Excess of loss treaty: cf. → non-proportional reinsurance

Excess return on capital allocated (xRoCA): describes the → IVC in relation to the allocated capital and shows the relative excess return generated above and beyond the weighted cost of capital.

Expense ratio: administrative expenses (gross or net) in relation to the (gross or net) premium earned.

Exposure: level of danger inherent in a risk or portfolio of risks; this constitutes the basis for premium calculations in reinsurance.

Facultative reinsurance: participation on the part of the reinsurer in a particular individual risk assumed by the direct insurer. This is in contrast to → obligatory (also: treaty) reinsurance.

Fair value: price at which a financial instrument would be freely traded between two parties.

Financial Solutions: refers to reinsurance transactions which – in addition to the transfer of biometric risks – also include financing components. They generally employ the future profits contained in a block of new or inforce business to enable a ceding company to achieve a desired financial objective. Such reinsurance solutions provide direct insurers with an alternative means of accessing capital in order, for example, to pursue new lines of business or increase capital reserves.

Funds held by ceding companies/funds held under reinsurance treaties: cf. → deposits with ceding companies/deposits received from retrocessionaires

Goodwill: the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed.

Gross/Retro/Net: gross items constitute the relevant sum total deriving from the acceptance of direct insurance policies or reinsurance treaties; retro items constitute the relevant sum total deriving from own reinsurance cessions. The difference is the corresponding net item (gross – retro = net, also: for own account).

Hybrid capital: debt structure which because of its subordination bears the character of both debt and equity

IBNR (Incurred but not reported) reserve: provision for claims which have already occurred but which have not yet been reported.

Impairment: extraordinary amortisation taken when the present value of the estimated future cash flow of an asset is less than its book value.

Inflation swap: derivative financial instrument to hedge inflation risks, under which a fixed cash flow is swapped for a variable cash flow dependent on the inflation trend.

International Securities Identification Number (ISIN): ten-character universal code used to identify securities internationally. It is prefixed by a country code that specifies the country where the issuer entity is legally registered or in which it has legal domicile, e. g. DE = Germany.

Intrinsic value creation (IVC): the IVC is calculated according to the following formula: real operating value creation = adjusted operating profit (EBIT) – (capital allocated x weighted cost of capital). IVC is a tool of value-based enterprise management used to measure the accomplishment of long-term targets on the level of the Group, the individual business groups and the operating units (profit centres).

Investment grade: investment grade ratings are awarded to companies and assigned to securities that have a low risk profile. They contrast with non-investment-grade ratings, which by definition include speculative elements and therefore entail a significantly higher risk.

IVC: cf. → Intrinsic Value Creation

Issuer: private enterprise or public entity that issues securities, e. g. the federal government in the case of German Treasury Bonds and a joint-stock corporation in the case of shares.

Leader: if several (re-)insurers participate in a contract, one company assumes the role of leader. The policyholder deals exclusively with this lead company. The lead (re-)insurer normally carries a higher percentage of the risk for own account.

Letter of credit (LOC): bank guarantee; at the request of the guaranteed party, the bank undertakes to render payment to the said party up to the amount specified in the LOC. This method of providing collateral in reinsurance business is typically found in the USA.

Life and health (re-)insurance: collective term for the lines of business concerned with the insurance of persons, i. e. life, pension, health and personal accident insurance.

Life business: this term is used to designate business activities in our life and health reinsurance business group.

Longevity risk: in general terms, the actuarial risk that a person receiving regular living benefits – such as annuities or pensions – lives longer than expected.

Loss, economic: total loss incurred by the affected economy as a whole following the occurrence of a loss. The economic loss must be distinguished from the insured loss.

Loss, insured: the insured loss reflects the total amount of losses covered by the insurance industry (insurers and reinsurers).

Loss ratio: proportion of loss expenditure (gross or net) relative to the (gross or net) premium earned.

Major loss: loss which has special significance for the direct insurer or reinsurer due to the amount involved; it is defined as a major loss in accordance with a fixed loss amount or other criteria (in the case of Hannover Re more than EUR 10 million gross).

Major loss budget: modelled loss expectancy for business with natural perils exposure with respect to net losses larger than EUR 10 million plus the average of the past 10 years for man-made net losses larger than EUR 10 million.

Mark-to-market valuation: the evaluation of financial instruments to reflect current market value or → fair value.

Matching currency cover: coverage of technical liabilities in foreign currencies by means of corresponding investments in the same currency in order to avoid exchange-rate risks.

Modified Coinsurance- (Modco) treaty: type of reinsurance treaty where the ceding company retains the assets with respect to all the policies reinsured and also establishes and retains the total reserves on the policies, thereby creating an obligation to render payments to the reinsurer at a later date. Such payments include a proportional share of the gross premium plus a return on the assets.

Morbidity risk: in general terms, the actuarial risk that a person receiving health, disability or long-term-care benefits triggered by illness, malfunctioning of body parts, injury or frailty experiences a higher or longer than expected morbidity or disability leading to a higher payment amount, higher frequency or longer duration.

Mortality risk: in general terms, the actuarial risk that a person upon whose death a benefit is payable lives shorter than expected. From a (re)insurer's perspective, this is the risk that the observed mortality experience in an underlying portfolio deviates from what had previously been calculated on the basis of actuarial assumptions.

Net: cf. → Gross/Retro/Net

Non-proportional reinsurance: reinsurance treaty under which the reinsurer assumes the loss expenditure in excess of a particular amount (→ priority) (e. g. under an excess of loss treaty). This is in contrast to → proportional reinsurance.

Obligatory (also: treaty) reinsurance: reinsurance treaty under which the reinsurer participates in a → cedant's total, precisely defined insurance portfolio. This is in contrast to facultative reinsurance.

Other securities, available-for-sale: securities that cannot be clearly allocated to the “trading” or “held-to-maturity” portfolios; these securities can be disposed of at any time and are reported at their fair value at the balance sheet date. Changes in fair value are not recognised in the statement of income.

Other securities, held-to-maturity: investments in debt securities that can and are intended to be held to maturity. They are measured at amortised cost.

Other securities, trading: securities that are held principally for short-term trading purposes. They are measured at their fair value at the balance sheet date

(Insurance) Pool: a risk-sharing partnership under civil law formed by legally and economically independent insurers and reinsurers in order to create a broader underwriting base for particularly large or unbalanced risks. The members undertake to write certain risks only within the scope of the insurance pool. They include such risks – while maintaining their commercial independence – in the insurance pool against a commission fee. Each insurer participates in the profit or loss of the insurance pool according to its proportionate interest. Reinsurance is often ceded or accepted in order to further diversify the risk. Pools can be divided into two types: co-insurance pools, in which all members take the role of primary insurers according to their interests, and reinsurance pools, in which a primary insurer writes the risks and then spreads them among the participating insurers by way of reinsurance.

Portfolio: a) all risks assumed by an insurer or reinsurer in a defined sub-segment (e.g. line of business, country) or in their entirety; b) group of investments defined according to specific criteria.

Premium: agreed remuneration for the risks accepted from an insurance company. Unlike the earned premiums, the written premiums are not deferred.

Present value of future profits (PVFP): intangible asset primarily arising from the purchase of life and health insurance companies or portfolios. The present value of expected future profits from the portfolio assumed is capitalised and amortised according to schedule.

Price earnings ratio (PER): a valuation ratio of a company’s share price compared to its per-share earnings.

Primary insurer: cf. → direct insurer

Priority: direct insurer’s loss amount stipulated under → non-proportional reinsurance treaties; if this amount is exceeded, the reinsurer becomes liable to pay. The priority may refer to an individual loss, an → accumulation loss or the total of all annual losses.

Probability level: cf. → confidence level

Property & Casualty business: by way of distinction from operations in our Life & Health reinsurance business group, we use this umbrella term to cover our business group comprised essentially of property and casualty reinsurance, specialty lines and structured reinsurance products.

Property and casualty (re-)insurance: collective term for all lines of business which in the event of a claim reimburse only the incurred loss, not a fixed sum insured (as is the case in life and personal accident insurance, for example). This principle applies in all lines of property and casualty insurance.

Proportional reinsurance: reinsurance treaties on the basis of which shares in a risk or → portfolio are reinsured under the relevant direct insurer’s conditions. → Premiums and losses are shared proportionately on a pro-rata basis. This is in contrast to non-proportional reinsurance.

Protection cover: protection of segments of an insurer’s portfolio against major losses (per risk/per event), primarily on a non-proportional basis.

Provision: liability item as at the balance sheet date to discharge obligations which exist but whose extent and/or due date is/are not known. Technical provisions, for example, are for claims which have already occurred but which have not yet been settled, or have only been partially settled (= provision for outstanding claims, abbreviated to: claims provision).

Provision for unearned premiums (also: unearned premium reserve): premiums written in a financial year which are to be allocated to the following period on an accrual basis. This item is used to defer written premiums.

Purchase cost, amortised: the cost of acquiring an asset item including all ancillary and incidental purchasing costs; in the case of wasting assets less scheduled and/or special amortisation.

Quota share reinsurance: form of proportional reinsurance under which the reinsurer assumes a contractually set percentage share of the written risk. Since the insurer is responsible for acquisition, pricing, policy administration and claims handling, the administrative expenditure for the reinsurer is very low. The latter therefore participates in the aforementioned expenses through payment of a reinsurance commission. This commission can amount to 15% to 50% of the original premium depending upon the market and cost situation.

Rate: percentage rate (usually of the premium income) of the reinsured portfolio which is to be paid to the reinsurer as reinsurance premium under a → non-proportional reinsurance treaty.

Reinsurer: company which accepts risks or portfolio segments from a → direct insurer or another reinsurer in exchange for an agreed premium.

Reserve ratio: ratio of (gross or net) technical provisions to the (gross or net) premiums.

Retention: the part of the accepted risks which an insurer/reinsurer does not reinsure, i. e. shows as → net (retention ratio: percentage share of the retention relative to the gross written premiums).

Retrocession (also: Retro): ceding of risks or shares in risks which have been reinsured. Retrocessions are ceded to other reinsurers in exchange for a pro-rata or separately calculated premium (cf. → Gross/Retro/Net).

Risk, insured: defines the specific danger which can lead to the occurrence of a loss. The insured risk is the subject of the insurance contract.

Securitisation instruments: innovative instruments for transferring reinsurance business to the capital markets with the goal of refinancing or placing insurance risks.

Segment reporting: presentation of items in the balance sheet and income statement split according to functional criteria such as business sectors and regions.

Spread loss treaty: treaty between an insurer and a reinsurer that covers risks of a defined portfolio over a multi-year period.

Structured entity: entity with specific characteristics not bound to a particular legal form that is used to conduct closely defined activities or to hold assets and for which the traditional concept of consolidation – based on voting rights – is often inadequate for determining who exercises control over the entity.

Structured products: reinsurance with limited potential for profits and losses; the primary objective is to strive for risk equalisation over time and to stabilise the → cedant's balance sheet.

Structured reinsurance: reinsurance with limited potential for profits and losses. In most cases customers strive for risk equalisation over time or solvency relief, both of which have a stabilising effect on the ceding company's balance sheet.

Surplus reinsurance: form of proportional reinsurance under which the risk is not spread between the insurer and reinsurer on the basis of a previously agreed, set quota share. Instead, the insurer determines a maximum sum insured per risk up to which it is prepared to be liable. Risks that exceed the ceding company's retention (surpluses) are borne by the reinsurer. The reinsurer's lines thus vary according to the level of the retention and the sum insured of the reinsured contract. The reinsurer's liability is generally limited to a multiple of the ceding company's retention.

Surplus relief treaty: a reinsurance contract under which a reinsurer assumes (part of) a ceding company's portfolio in order to relieve strain on the insurer's policyholders' surplus.

Survival ratio: reflects the ratio of loss reserves to paid losses under a specific contract or several contracts in a balance sheet year.

Technical result: balance of income and expenditure allocated to the insurance business and shown in the technical statement of income.

Treaty reinsurance: cf. → obligatory reinsurance

Underwriting: process of examining, accepting or rejecting (re-)insurance risks and classifying those selected in order to charge the proper premium for each. The purpose of underwriting is to spread the risk among a pool of (re-)insureds in a manner that is equitable for the (re-)insureds and profitable for the (re-)insurer.

Unearned premium reserve: cf. → provision for unearned premiums

Value of in-force business (VIF): present value of expected future profit flows from the portfolio of in-force retained business, discounted by a currency-specific risk discount rate. It is determined in accordance with local accounting principles.

xRoCA: cf. → Excess Return on Capital Allocated

List of graphs, tables and charts

I	Introductory Sections
M	Management Report
N	Notes

I Introductory Sections

I01	Gross premium	inside front cover 2	I09	Highs and lows of the Hannover Re share	10
I02	Group net income (loss)	inside front cover 2	I10	Relative performance of the Hannover Re share	11
I03	Policyholders' surplus	inside front cover 2	I11	Shareholding structure as at 30 November 2015	12
I04	Book value per share	inside front cover 2	I12	Geographical breakdown of the shares held by institutional investors	12
I05	Dividend	inside front cover 2	I13	Basic information	13
I06	Key figures	inside front cover 3	I14	Key figures	13
I07	The Group worldwide	inside front cover 4	I15	Performance Excellence	19
I08	Strategic business groups	inside front cover 4			

M Management Report

M01	Target attainment	24	M19	Property & Casualty reinsurance: Breakdown of gross written premium in worldwide treaty reinsurance	44
M02	System of value-based management: Performance Excellence (PE) combines the strategic and operational levels	25	M20	Key figures for Life & Health reinsurance	47
M03	Intrinsic Value Creation and excess return on capital allocated	26	M21	Breakdown of gross premium by markets	48
M04	Gross premium by business group	33	M22	Value of New Business (VNB) growth	48
M05	Business development in the year under review	35	M23	Breakdown of gross written premium by reporting categories	48
M06	Gross written premium in P& reinsurance	36	M24	EBIT-margin per reporting category vs. target margins 2015	48
M07	Geographical breakdown of gross written premium in 2015	36	M25	Investment income	52
M08	Breakdown of proportional and non-proportional treaties by volume	36	M26	Investment income	52
M09	Breakdown into business written through brokers and direct business	36	M27	Investment portfolio	53
M10	Key figures for Property & Casualty reinsurance	37	M28	Breakdown of investments under own management	54
M11	Property & Casualty reinsurance: Major loss trend	38	M29	Rating of fixed-income securities	54
M12	Property & Casualty reinsurance: Key figures for individual markets and lines in 2015	39	M30	Capital structure as at 31 December 2015	55
M13	Property & Casualty reinsurance: Breakdown of gross written premium in target markets	39	M31	Development of policyholders' surplus	56
M14	Property & Casualty reinsurance: Breakdown of gross written premium in North America by line of business	40	M32	Development of Group shareholders' equity	56
M15	Property & Casualty reinsurance: Breakdown of gross written premium in Continental Europe by line of business	40	M33	Amortised cost of our subordinated bonds	57
M16	Property & Casualty reinsurance: Breakdown of gross written premium in worldwide specialty lines	41	M34	Consolidated cash flow statement	58
M17	Property & Casualty reinsurance: Breakdown of gross written premium in facultative reinsurance	43	M35	Cash flow from operating activities	58
M18	Property & Casualty reinsurance: Breakdown of gross written premium in global reinsurance	43	M36	Financial strength ratings of the Hannover Re Group	58
			M37	Financial strength ratings of subsidiaries	59
			M38	Issue ratings of issued debt	59
			M39	Condensed profit and loss account of Hannover Rück SE	60
			M40	Hannover Rück SE: Breakdown of gross premium by individual lines of business	61
			M41	Balance sheet structure of Hannover Rück SE	63
			M42	Staff turnover/absenteeism Hannover Home Office	65
			M43	Breakdown of employees by country	66
			M44	Resources consumed at Hannover Home Office	69
			M45	Implementation of strategy	72
			M46	Strategic targets for risk position	73

M47 Solvency II: Hannover Re is prepared	74	M69 Required risk capital for operational risks	93
M48 Available capital and required risk capital	75	M70 Opportunity management process	97
M49 Central functions of risk monitoring and steering	77	M71 Measurement basis and payment procedures for fixed remuneration	104
M50 Reconciliation (economic capital/ shareholders' equity)	80	M72 Overview of the composition of variable remuneration	105
M51 Required risk capital	81	M73 Measurement bases/conditions of payment for variable remuneration	106
M52 Risk landscape of Hannover Re	82	M74 Payment procedures for the total variable remuneration	108
M53 Required risk capital for underwriting risks in property and casualty reinsurance	83	M75 Total remuneration of the active members of the Executive Board pursuant to DRS 17 (amended 2010)	110
M54 Required risk capital for the four largest natural hazards scenarios	83	M76 Total expense for share-based remuneration of the Executive Board	112
M55 Survival Ratio in years and reserves for asbestos-related claims and pollution damage	84	M77 German Corporate Governance Code, Item 4.2.5 Para. 3 – Table 1 (target/minimum/maximum remuneration as nominal amounts)	114
M56 Stress tests for natural catastrophes after retrocessions	84	M78 German Corporate Governance Code, Item 4.2.5 Para. 3 – Table 2 (cash allocations in 2014 and 2015)	116
M57 Limit and threshold for the 200-year aggregate annual loss as well as utilisation thereof	84	M79 Defined benefit commitments	119
M58 Catastrophe losses and major claims in 2015	85	M80 Defined contribution commitments	119
M59 Ensuring the quality of our portfolios	85	M81 Individual remuneration received by the members of the Supervisory Board	120
M60 Combined and catastrophe loss ratio	86	M82 Group of participants and total number of eligible participants in variable remuneration systems	122
M61 Required risk capital for underwriting risks in life and health reinsurance	86	M83 Growth in gross domestic product (GDP)	126
M62 Required risk capital for market risks	87	M84 Property & Casualty reinsurance: Forecast development for 2016	128
M63 Utilisation of the trigger system	88	M85 Life & Health reinsurance: Forecast development for 2016	131
M64 Value at Risk for the investment portfolio of the Hannover Re Group	88		
M65 Scenarios for changes in the fair value of material asset classes	89		
M66 Rating structure of our fixed-income securities	90		
M67 Gross written premium retained	91		
M68 Reinsurance recoverables as at the balance sheet date	92		

N Notes

N 01 Consolidated balance sheet as at 31 December 2015	136	N 15 Maturities of the fixed-income and variable-yield securities	177
N 02 Consolidated statement of income 2015	138	N 16 Amortised cost, unrealised gains and losses and accrued interest on the portfolio of investments classified as held to maturity as well as their fair value 2015	178
N 03 Consolidated statement of comprehensive income 2015	139	N 17 Amortised cost, unrealised gains and losses and accrued interest on the portfolio of investments classified as held to maturity as well as their fair value 2014	178
N 04 Consolidated statement of changes in shareholders' equity 2015	140	N 18 Amortised cost, unrealised gains and losses and accrued interest on loans and receivables as well as their fair value 2015	179
N 05 Consolidated cash flow statement 2015	142	N 19 Amortised cost, unrealised gains and losses and accrued interest on loans and receivables as well as their fair value 2014	179
N 06 Further IFRS Amendments and Interpretations	148	N 20 Amortised cost, unrealised gains and losses and accrued interest on the portfolio of investments classified as available for sale as well as their fair value 2015	180
N 07 Valuation models	150		
N 08 Key exchange rates	155		
N 09 Scope of consolidation	159		
N 10 List of shareholdings	160		
N 11 Book values from business relations with unconsolidated structured entities 2015	168		
N 12 Book values from business relations with unconsolidated structured entities 2014	169		
N 13 Consolidated segment report as at 31 December 2015	172		
N 14 Investments	176		

N21	Amortised cost, unrealised gains and losses and accrued interest on the portfolio of investments classified as available for sale as well as their fair value 2014	181	N58	Effect on the defined benefit obligation	206
N22	Fair value of financial assets at fair value through profit or loss before and after accrued interest as well as accrued interest on such financial assets	181	N59	Other liabilities	207
N23	Carrying amounts before impairment	182	N60	Development of sundry non-technical provisions	208
N24	Rating structure of fixed-income securities 2015	183	N61	Maturities of the sundry non-technical provisions	208
N25	Rating structure of fixed-income securities 2014	183	N62	Debt and subordinated capital 2015	209
N26	Breakdown of investments by currencies 2015	184	N63	Debt and subordinated capital 2014	210
N27	Breakdown of investments by currencies 2014	185	N64	Maturities of financial liabilities 2015	210
N28	Financial information on investments in associated companies	186	N65	Maturities of financial liabilities 2014	211
N29	Investments in associated companies	186	N66	Net gains and losses from debt and subordinated capital	211
N30	Development of investment property	187	N67	Subsidiaries with material non-controlling interests	213
N31	Fair value hierarchy of financial assets and liabilities recognised at fair value 2015	189	N68	Gross written premium	214
N32	Fair value hierarchy of financial assets and liabilities recognised at fair value 2014	189	N69	Investment income	215
N33	Movements in level 3 financial assets and liabilities 2015	190	N70	Interest income on investments	215
N34	Movements in level 3 financial assets and liabilities 2014	190	N71	Net gains and losses on investments 2015	216
N35	Income and expenses from level 3 financial assets and liabilities 2015	191	N72	Net gains and losses on investments 2014	216
N36	Income and expenses from level 3 financial assets and liabilities 2014	191	N73	Reinsurance result	217
N37	Fair value hierarchy of financial assets and liabilities measured at amortised cost 2015	192	N74	Other technical income	217
N38	Fair value hierarchy of financial assets and liabilities measured at amortised cost 2014	192	N75	Commissions and brokerage, change in deferred acquisition costs	218
N39	Development of deferred acquisition costs	193	N76	Other technical expenses	218
N40	Age structure of overdue accounts receivable	193	N77	Other income/expenses	218
N41	Value adjustments on accounts receivable	193	N78	Income tax	219
N42	Development of goodwill	194	N79	Domestic/foreign breakdown of recognised tax expenditure/income	219
N43	Capitalisation rates	194	N80	Deferred tax assets and deferred tax liabilities of all Group companies	220
N44	Other assets	195	N81	Netting of deferred tax assets and deferred tax liabilities	220
N45	Development of the present value of future profits (PVFP) on acquired life reinsurance portfolios	195	N82	Reconciliation of the expected expense for income taxes with the actual expense	221
N46	Fixtures, fittings and equipment	196	N83	Expiry of non-capitalised loss carry-forwards and temporary differences	221
N47	Development of other intangible assets	197	N84	Maturity structure of derivative financial instruments 2015	223
N48	Technical provisions	198	N85	Maturity structure of derivative financial instruments 2014	223
N49	Loss and loss adjustment expense reserve	199	N86	Netting agreements 2015	224
N50	Net loss reserve and its run-off in the property and casualty reinsurance segment	200	N87	Netting agreements 2014	224
N51	Maturities of the technical reserves 2015	201	N88	Business assumed and ceded in Germany and abroad	226
N52	Maturities of the technical reserves 2014	201	N89	Stock appreciation rights of Hannover Rück SE	228
N53	Development of the benefit reserve	202	N90	Share awards of Hannover Rück SE	230
N54	Development of the unearned premium reserve	203	N91	Development of the provision for share awards of Hannover Rück SE	230
N55	Measurement assumptions	204	N92	Personnel information	231
N56	Movements in net liability from defined benefit pension plans	205	N93	Nationality of employees in 2015	231
N57	Provisions for pensions	206	N94	Personnel expenditures	231
			N95	Calculation of the earnings per share	231
			N96	Future leasing commitments	233
			N97	Rental income	234
			N98	Fee paid to the auditor	234

Financial calendar 2016/2017

10 March 2016

Annual financial statements 2015
Annual Results Press Conference, Hannover
Analysts' Meeting, Frankfurt

10 May 2016

Interim Report 1/2016
Annual General Meeting
Hannover Congress Centrum
Theodor-Heuss-Platz 1–3
30175 Hannover, Germany

4 August 2016

Interim Report 2/2016

20 October 2016

19th international Investors' Day, London

10 November 2016

Interim Report 3/2016

2 February 2017

Conference Call: Property and casualty treaty renewals

9 March 2017

Annual financial statements 2016
Annual Results Press Conference, Hannover
Analysts' Meeting, London

10 May 2017

Interim Report 1/2017
Annual General Meeting
Hannover Congress Centrum
Theodor-Heuss-Platz 1–3
30175 Hannover, Germany

10 August 2017

Interim Report 2/2017

19 October 2017

20th international Investors' Day, Frankfurt

8 November 2017

Interim Report 3/2017

Contact information

Corporate Communications

Karl Steinle

Tel. +49 511 5604-1500

Fax +49 511 5604-1648

karl.steinle@hannover-re.com

Media Relations

Gabriele Handrick

Tel. +49 511 5604-1502

Fax +49 511 5604-1648

gabriele.handrick@hannover-re.com

Investor Relations

Julia Hartmann

Tel. +49 511 5604-1529

Fax +49 511 5604-1648

julia.hartmann@hannover-re.com

A printed version of the Hannover Re Group's Annual Report is also available in German. The report can additionally be accessed online in English and German as an HTML version and downloaded in PDF format.

This is a translation of the original German text; the German version shall be authoritative in case of any discrepancies in the translation.

We would also be pleased to send you copies of the Annual Reports of the Hannover Re Group and Hannover Rück SE in English or German.

If you wish to receive paper copies of any of these versions please contact Corporate Communications on:

Tel. + 49 511 5604-2343

Fax + 49 511 5604-1648 or order them online at

www.hannover-re.com under

"Investors/Results and reports".

Imprint

Credits

Werner Bartsch, Hamburg/Germany

Page 2, 6/7

iStockphoto LP, Calgary/Canada

Page 8/9

F1online digitale Bildagentur GmbH, Frankfurt/Germany

Page 14/15

Getty Images International, Dublin/Ireland

Page 20/21, 28/29

Willem van Valkenburg, Pretoria/South Africa

Page 70/71

Corbis GmbH, Berlin/Germany

Page 124/125

Published by

Hannover Rück SE

Karl-Wiechert-Allee 50
30625 Hannover, Germany

Tel. +49 511 5604-0

Fax +49 511 5604-1188

Concept, design and realisation

Whitepark GmbH & Co., Hamburg

www.whitepark.de

