

A photograph showing a person's hands reaching towards a bright sunset over a field. The person is wearing a light-colored sweater. The sun is low on the horizon, creating a warm, golden glow. The background is a blurred landscape with hills and a field.

**somewhat  
different**

# Conference Call on Half-yearly Report 2021

Hannover, 5 August 2021

*hannover* **re**<sup>®</sup>

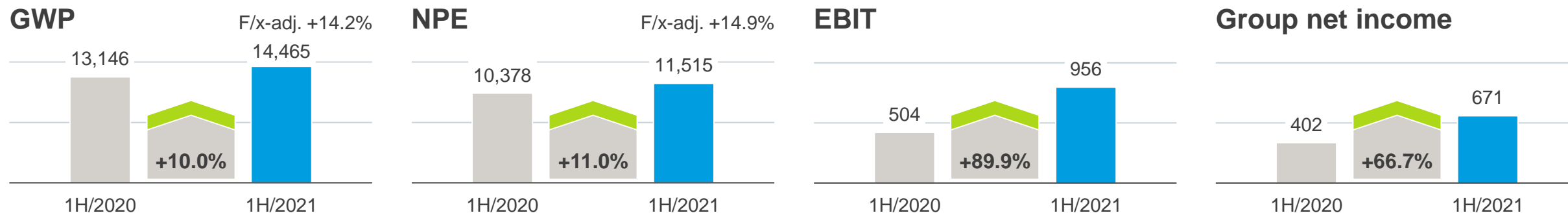
# Agenda

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# Group net income in line with full-year guidance

## Continued strong premium growth; RoE well above target



**12.2%**  
Return on Equity

**EUR 91.63**  
Book value per share

+0.5%; Dividend payment in Q2 comfortably covered by half-year earnings

**250%**  
Solvency II ratio

30.06.2021



### P&C R/I

EBIT: 778 m.

- Strong and diversified premium growth (f/x-adj. +17.2%)
- Combined ratio 96.0% in line with full-year target
- Large losses of EUR 326 m. below booked budget of EUR 476 m. for 1H/2021
- Covid-19 net loss estimate unchanged at EUR 950 m.



### L&H R/I

EBIT: 179 m.

- Premium growth (f/x-adj. +7.3%)
- Satisfactory EBIT in light of Covid-19 mortality claims of EUR 263 m., partly offset by positive one-off effect from restructuring within US mortality portfolio in Q1 (EUR 129 m.)



### Investments

NII: 866 m.

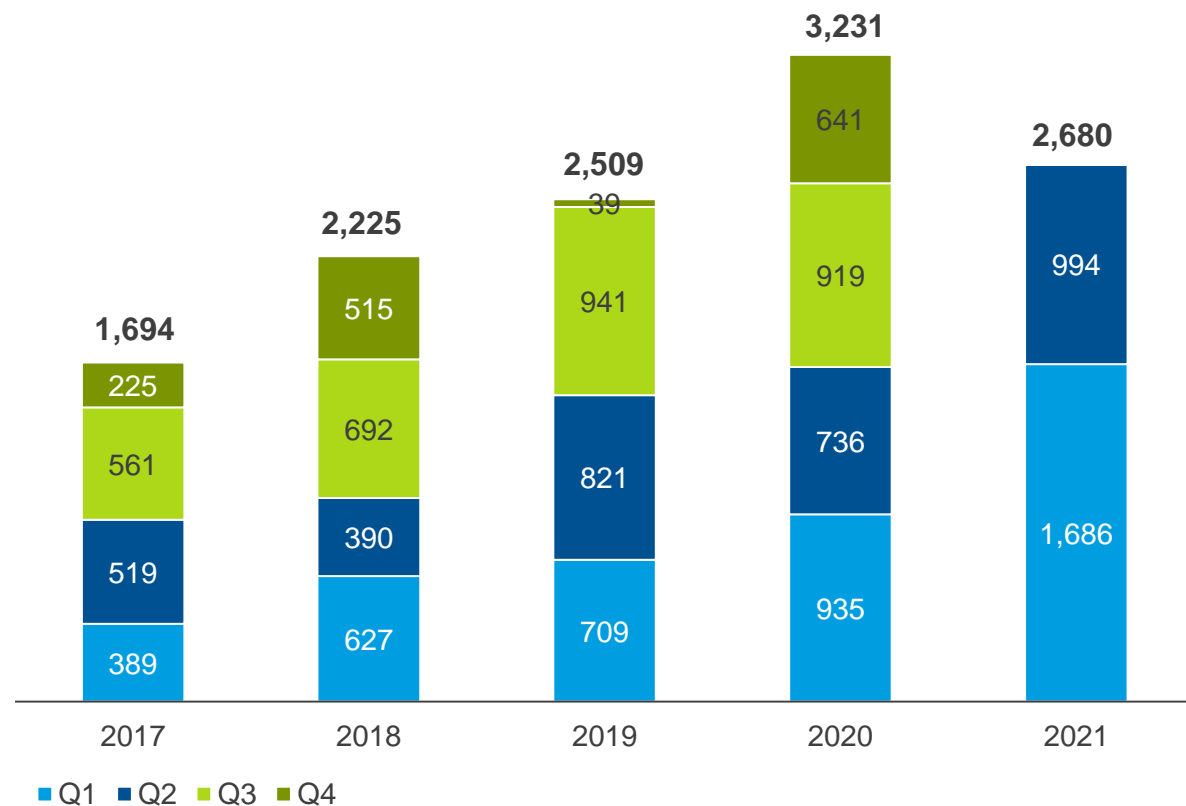
- AuM up by 7.8% to EUR 52.8 bn. due to very strong operating cash flow
- RoI from AuM: 2.7%, above full-year target of 2.4%
- Increase in ordinary investment income mainly due to higher contribution from alternative investments and volume growth

# Very strong operating cash flow driven by profitable premium growth

## AuM +7.8%, cash flow and f/x effects more than offset lower asset valuation

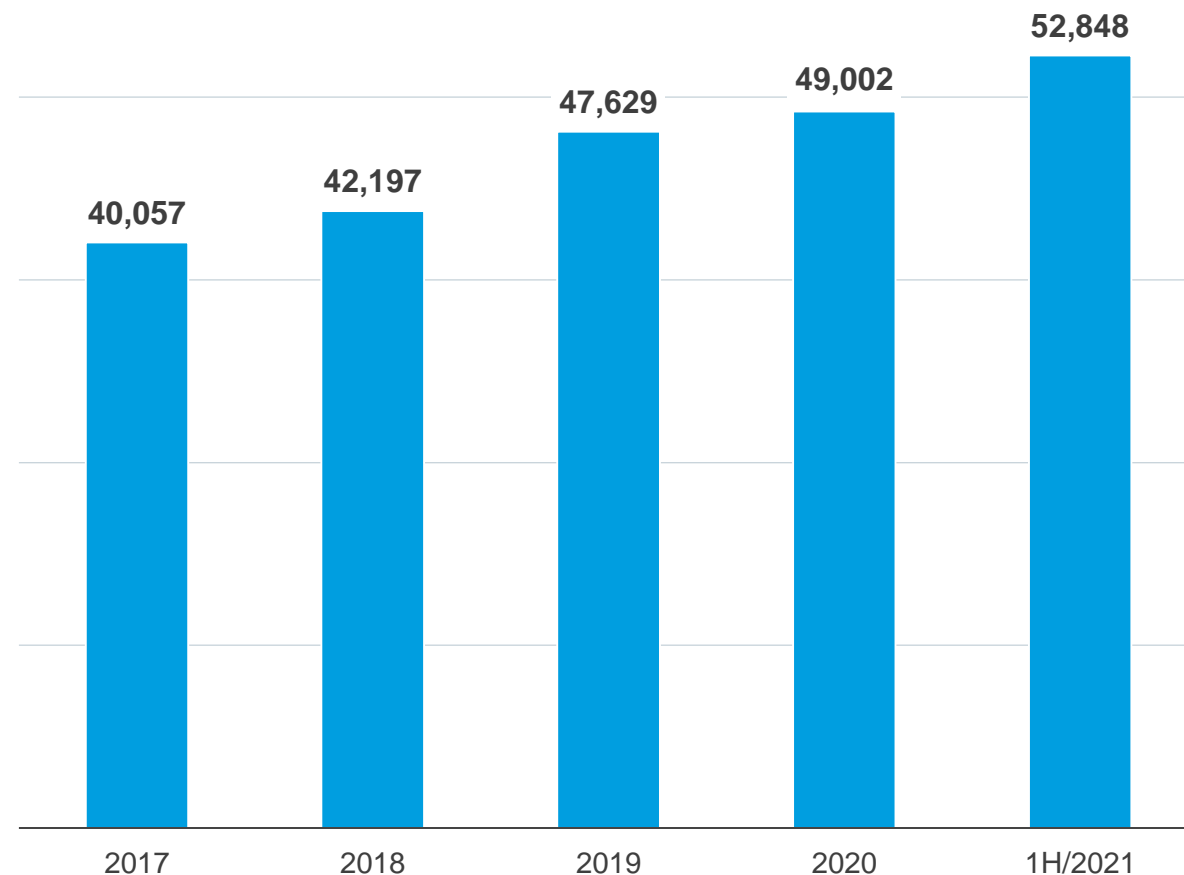
Operating cash flow

in m. EUR



Assets under own management (AuM)

in m. EUR

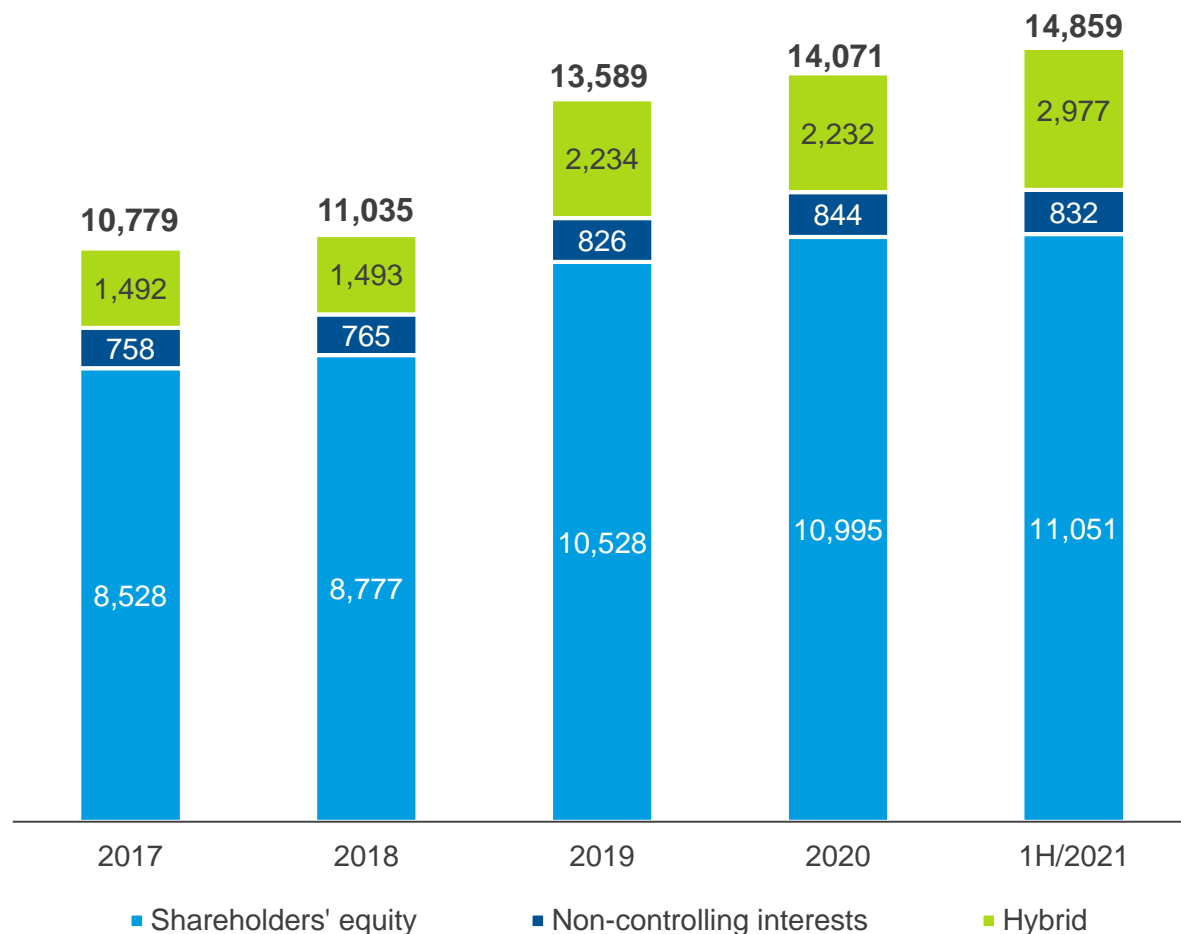


# Shareholders' equity up by +0.5%

## Dividend payment comfortably covered by half-year earnings

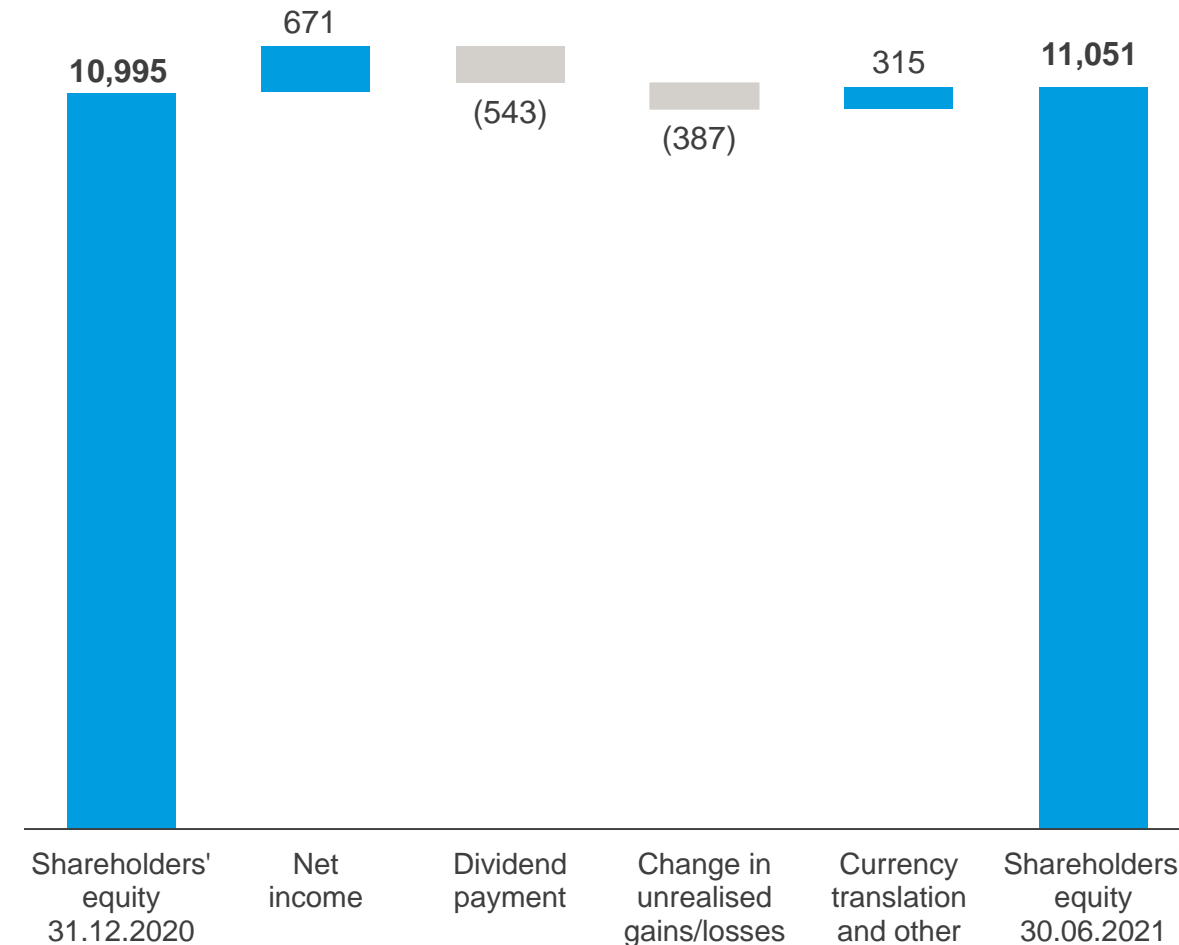
### Policyholders' surplus

in m. EUR



### Change in shareholders' equity

in m. EUR



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# Continued strong growth in an improving market environment

## Underwriting result in line with expectations, Covid-19 net loss estimate unchanged

Property & Casualty R/I in m. EUR	Q2/2020	Q2/2021	1H/2020	1H/2021
Gross written premium	4,188	4,574	9,174	10,267
Net premium earned	3,531	3,984	6,869	7,847
Net underwriting result incl. funds withheld	(168)	169	(161)	317
Combined ratio incl. interest on funds withheld	104.8%	95.7%	102.3%	96.0%
Net investment income from assets under own management	147	305	433	570
Other income and expenses	6	(8)	18	(109)
<b>Operating profit/loss (EBIT)</b>	<b>(15)</b>	<b>466</b>	<b>290</b>	<b>778</b>
Tax ratio	306.4%	24.7%	14.8%	19.6%
<b>Group net income</b>	<b>37</b>	<b>331</b>	<b>245</b>	<b>592</b>

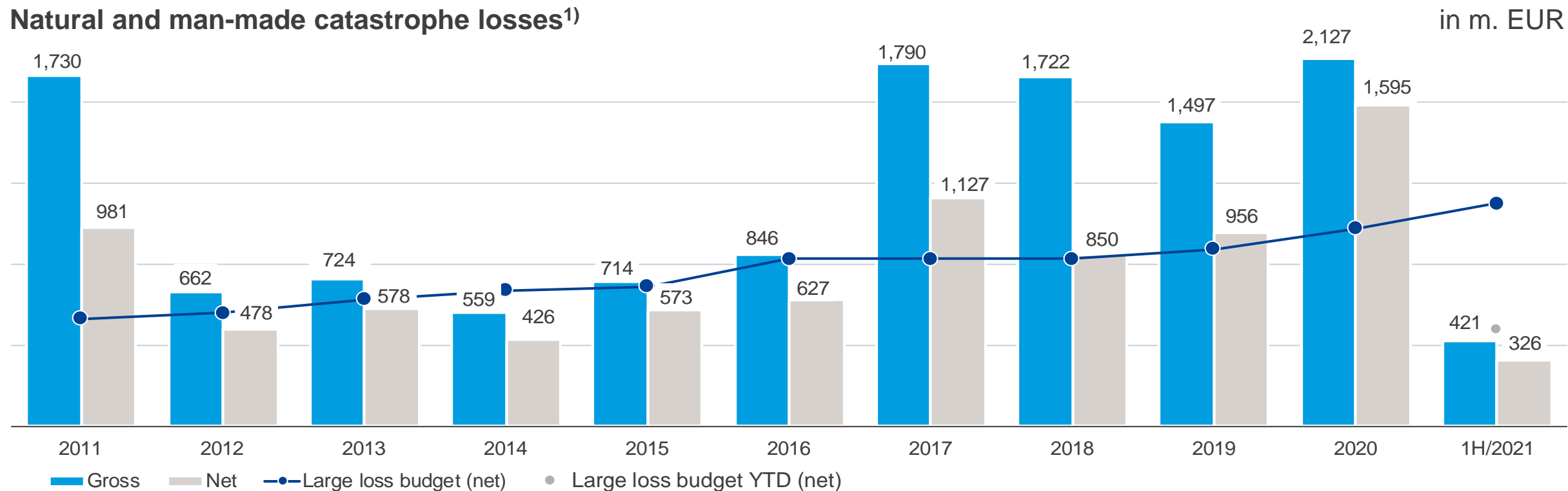
### YTD

- GWP f/x-adjusted +17.2%, diversified growth from traditional and structured reinsurance business
- NPE f/x-adjusted +19.2%
- Major losses of EUR 326 m. below booked budget of EUR 476 m. for 1H/2021
- Covid-19 net loss estimate unchanged at EUR 950 m.
- Net investment income increased due to favourable ordinary investment income and lower impairments
- Other income and expenses decreased mainly due to negative currency effects

# Large losses of EUR 326 m. below booked budget of EUR 476 m. for 1H/2021

## EUR 774 m. unused large-loss budget available for 2H/2021

### Natural and man-made catastrophe losses<sup>1)</sup>



### Natural and man-made catastrophe losses in % of Property & Casualty premium

25%	16%	9%	7%	9%	8%	7%	6%	8%	7%	9%	8%	17%	12%	14%	8%	10%	7%	13%	11%	4%	4%
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### Large loss budget (net) in m. EUR

530	560	625	670	690	825	825	825	875	975	1,100
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1) Up to 2011 claims over EUR 5 m. gross, from 2012 onwards claims over EUR 10 m. gross



# 1H/2021 mainly impacted by Texas winter storm and man-made losses

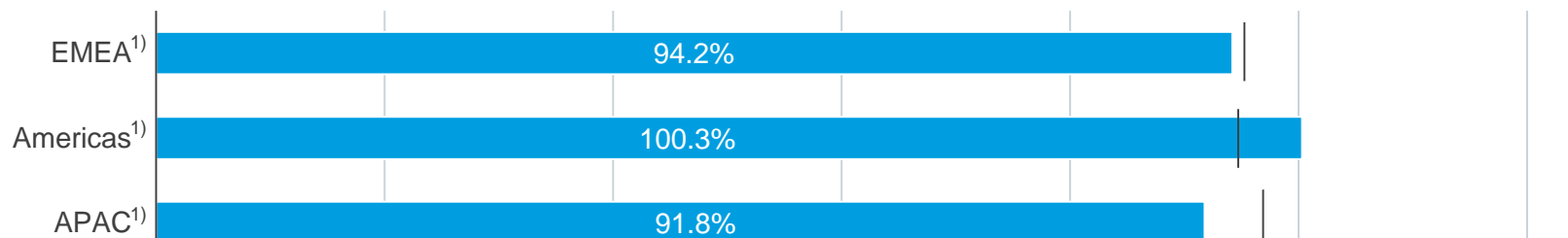
Catastrophe losses <sup>1)</sup> in m. EUR	Date	Gross	Net
Storm "Filomena", Spain	7 - 8 Jan	10.6	10.6
Texas winter storm/freeze, USA	9 - 21 Feb	220.9	136.4
Floods, Australia	18 - 23 Mar	16.9	14.4
Cyclone, Australia	11 - 14 Apr	11.2	11.2
Storm "Volker", Germany	21 - 25 June	10.0	10.0
<b>5 Natural catastrophes</b>		<b>269.7</b>	<b>182.6</b>
1 Aviation loss		13.5	13.5
1 Marine loss		21.0	13.3
1 Credit loss		20.7	20.7
6 Property losses		95.8	95.8
<b>9 Man-made losses</b>		<b>151.0</b>	<b>143.3</b>
<b>14 Major losses</b>		<b>420.7</b>	<b>325.9</b>

1) Natural catastrophes and other major losses in excess of EUR 10 m. gross  
 Large loss budget 2021: EUR 1,100 m. thereof EUR 225 m. man-made and EUR 875 m. NatCat

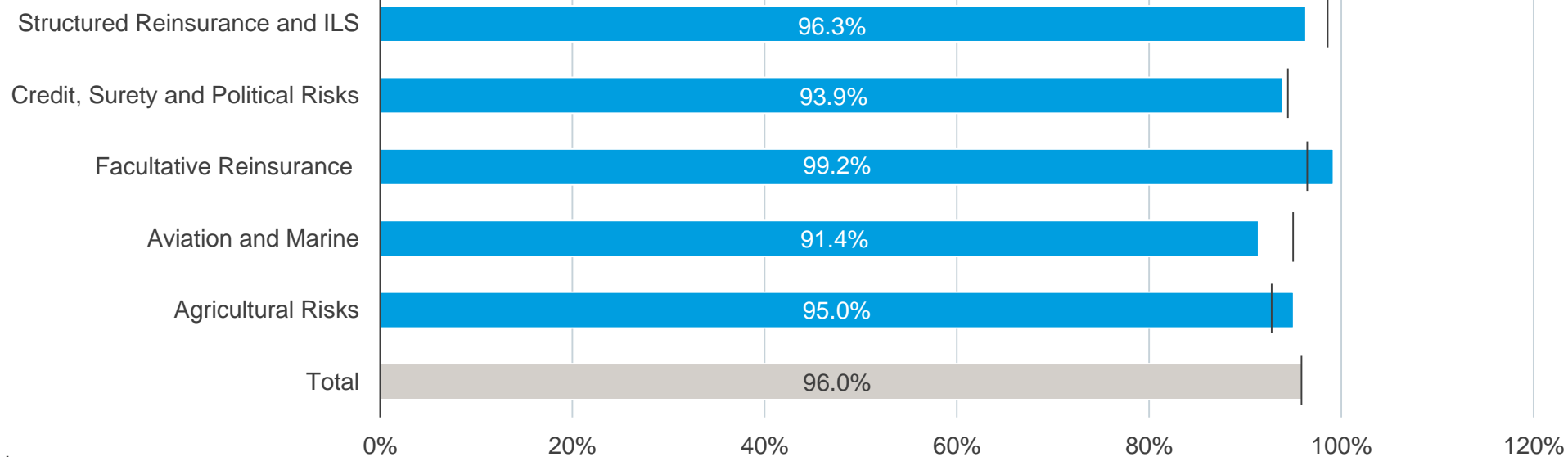
# Combined ratios in line with expectations

## 1H/2021: Combined Ratio vs. target combined ratios

### Regional markets



### Worldwide markets



■ Combined ratio | Target combined ratio

1) All lines of Property & Casualty reinsurance except those stated separately

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# Favourable premium growth

## Results impacted by Covid-19 pandemic; partly offset by one-off effect of EUR 129 m.

Life & Health R/I in m. EUR	Q2/2020	Q2/2021	1H/2020	1H/2021
Gross written premium	1,983	2,082	3,972	4,198
Net premium earned	1,756	1,839	3,509	3,669
Net underwriting result incl. funds withheld	(118)	(71)	(169)	(193)
Net investment income from assets under own management	123	78	222	123
Other income and expenses	85	80	161	249
<b>Operating profit/loss (EBIT)</b>	<b>90</b>	<b>87</b>	<b>214</b>	<b>179</b>
EBIT margin	5.1%	4.7%	6.1%	4.9%
Tax ratio	12.2%	44.3%	11.2%	40.7%
<b>Group net income</b>	<b>78</b>	<b>48</b>	<b>188</b>	<b>105</b>

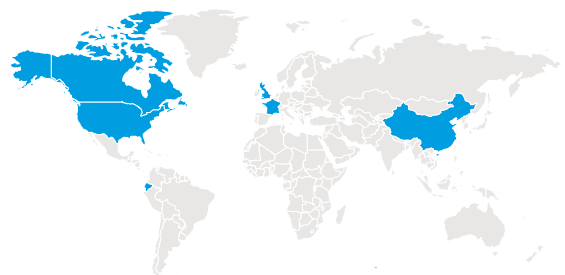
### YTD

- GWP f/x-adjusted +7.3%, mainly from Financial Solutions and Longevity
- NPE f/x-adjusted growth +6.4%
- Technical result impacted by Covid-19 losses of EUR 263 m. (thereof US: EUR 167 m., South Africa EUR 70 m.), positive one-off from restructuring within US mortality portfolio in Q1, improved underlying mortality experience
- Net investment income decreased primarily due to impact from fair value of derivatives
- Other income and expenses increased due to positive one-off effect from restructuring within US mortality portfolio in Q1 and strong contribution from deposit accounted treaties of EUR 184 m. (H1/2020: EUR 173 m.)

# Positive growth momentum for 2021

## Q2/2021 new and pipeline business<sup>1)</sup>

### New business



Financial Solutions



Mortality



Longevity

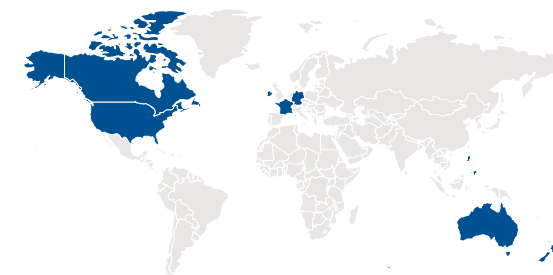


Morbidity



- Solvency relief (China, France) – Financial Solutions
- Reserve relief (USA) – Financial Solutions
- Risk relief (UK) – Longevity
- Risk relief (Ecuador) – Mortality
- Risk relief (Canada) – Morbidity

### Pipeline business



Financial Solutions



Mortality



Longevity



Morbidity



- Solvency relief (USA) – Financial Solutions
- Business financing (France, Germany, Philippines, USA) – Financial Solutions
- Risk relief (Canada, Ireland) – Longevity
- Risk relief (Australia, Canada, France, USA) – Mortality
- Risk relief (Australia, France) – Morbidity



<sup>1)</sup> Focus on most important deals and opportunities

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# Very satisfactory Return on Investment

## Increasing ordinary income offset by valuation of reinsurance-related derivatives

in m. EUR	Q2/2020	Q2/2021	1H/2020	1H/2021	RoI
Ordinary investment income <sup>1)</sup>	281	375	614	698	2.7%
Realised gains/losses	38	52	140	142	0.6%
Impairments/appreciations & depreciations	(57)	(17)	(85)	(38)	-0.2%
Change in fair value of financial instruments (through P&L)	39	7	51	(43)	-0.2%
Investment expenses	(31)	(33)	(63)	(65)	-0.3%
<b>NII from assets under own management</b>	<b>271</b>	<b>383</b>	<b>657</b>	<b>694</b>	<b>2.7%</b>
NII from funds withheld	51	42	136	172	
<b>Total net investment income</b>	<b>321</b>	<b>425</b>	<b>793</b>	<b>866</b>	

Unrealised gains/losses of investments	31 Dec 20	30 Jun 21
On-balance sheet	3,019	2,527
thereof Fixed income AFS	2,347	1,612
Off-balance sheet	557	552
thereof Fixed income HTM, L&R	217	170
<b>Total</b>	<b>3,576</b>	<b>3,078</b>

1) Incl. results from associated companies

### YTD

- Increasing ordinary returns from alternative investments; stable ordinary income from fixed-income investments and real estate investments
- Stable realised gains include disposal of parts of listed-equity portfolio as well as some reallocations due to regular portfolio adjustments
- Stable depreciation of direct real estate investments; impairments of private equity and alternative fixed-income funds as well as real estate at very moderate levels
- Change in fair value of financial instruments through P&L impacted by valuation of reinsurance-related derivatives
- Decrease in valuation reserves due to significantly higher minimal-risk yield curves; credit spreads on corporates rather stable; higher valuations in alternative investments

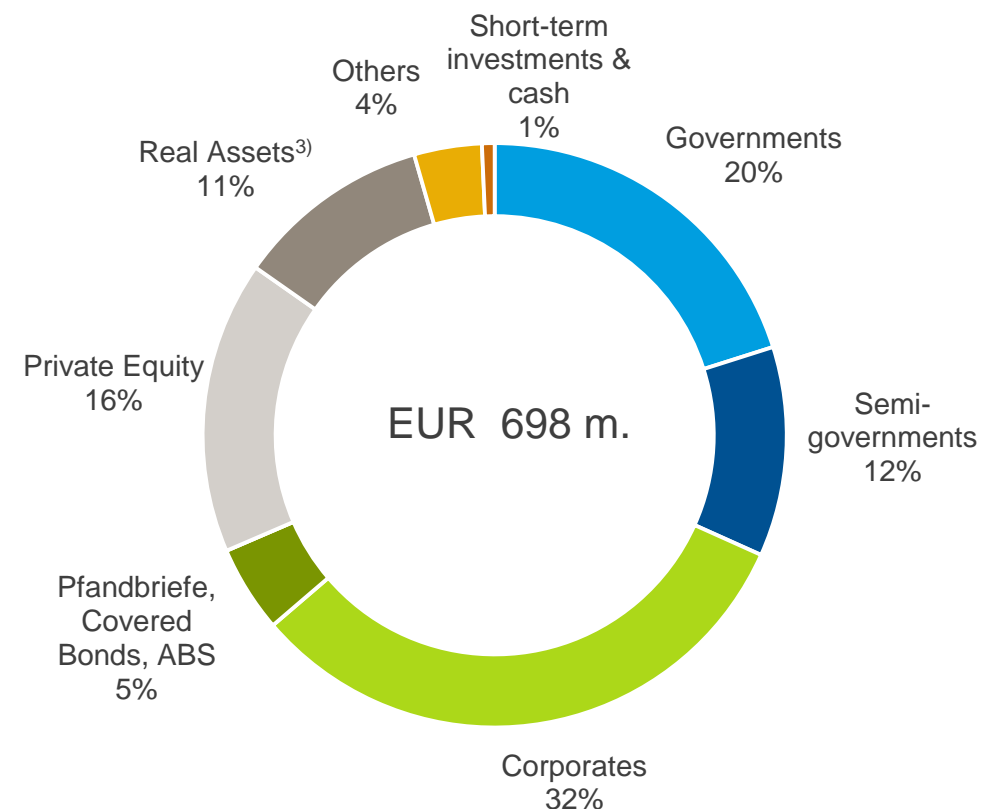
# Ordinary return with continued strong support from alternative assets

## Slightly higher share of corporates, partial disposal of listed equities

### Asset allocation <sup>1)</sup>

Investment category	2017	2018	2019	2020	1H/2021
<b>Fixed-income securities</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>85%</b>	<b>85%</b>
- Governments	30%	35%	35%	34%	32%
- Semi-governments	17%	16%	15%	15%	15%
- Corporates	32%	29%	31%	30%	32%
Investment grade	27%	25%	26%	25%	28%
Non-investment grade	5%	4%	4%	5%	4%
- Pfandbriefe, Covered bonds, ABS	8%	7%	7%	6%	6% <sup>2)</sup>
<b>Equities</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
- Listed equity	<1%	<1%	<1%	1%	1%
- Private equity	2%	2%	2%	3%	3%
<b>Real Assets</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Others</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>
<b>Short-term investments &amp; cash</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>Total market values in bn. EUR</b>	<b>40.5</b>	<b>42.7</b>	<b>48.2</b>	<b>49.8</b>	<b>53.4</b>

### Ordinary income split



1) Economic view based on market values without outstanding commitments for Private Equity and Alternative Real Estate as well as fixed-income investments of EUR 1,583.2 m. (EUR 1,275.6 m.) as at 30 June 2021

2) Of which Pfandbriefe and Covered Bonds = 63.3%

3) Before real estate-specific costs. Economic view based on market values as at 30 June 2021



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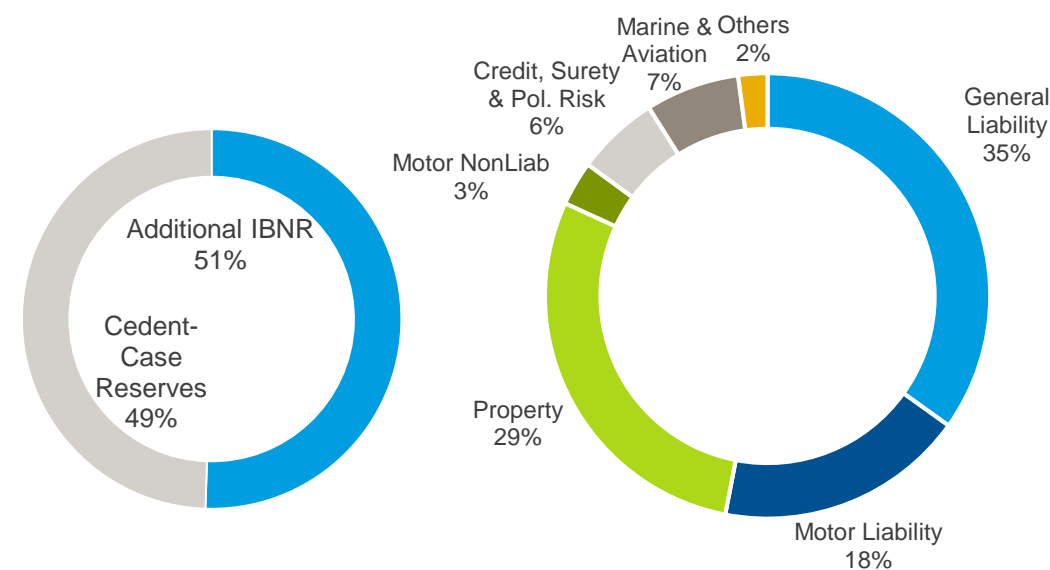
# Reserve strength increased and remains at high level

## Level of additional IBNR is 51% of total reserves

Year end <sup>1)</sup>	Redundancy <sup>2)</sup>	Change	Impact on loss ratio	P&C premium (net earned)
2010	956	89	1.6%	5,394
2011	1,117	162	2.7%	5,961
2012	1,308	190	2.8%	6,854
2013	1,517	209	3.1%	6,866
2014	1,546	29	0.4%	7,011
2015	1,887	341	4.2%	8,100
2016	1,865	-22	-0.3%	7,985
2017	1,813	-52	-0.6%	9,159
2018	1,694	-118	-1.1%	10,804
2019	1,457	-238	-1.9%	12,798
<b>2020</b>	<b>1,536</b>	<b>80</b>	<b>0.6%</b>	<b>14,205</b>

P&C gross loss reserves<sup>3)</sup>

EUR 29,194 m.



1) Figures unadjusted for changes in foreign exchange rate, i.e. based on actual exchange rates at respective year end.

2) Redundancy of loss and loss adjustment expense reserve net of reinsurance for its non-life insurance business against held IFRS reserves, before tax and minority participations. Willis Towers Watson reviewed these estimates - see appendix

3) As at 31 December 2020, consolidated, IFRS, IBNR – Incurred but not reported

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# Target Matrix: 1H/2021

## Strategy cycle 2021 - 2023

Business group	Key figures	Strategic targets	1H/2021	
Group	Return on equity <sup>1)</sup>	900 bps above risk-free	12.2%	✓
	Solvency ratio <sup>2)</sup>	≥ 200%	250%	✓
Property & Casualty reinsurance	Gross premium growth <sup>3)</sup>	≥ 5%	+17.2%	✓
	EBIT growth <sup>4)</sup>	≥ 5%	+168.2%	✓
	Combined ratio	≤ 96%	96.0%	✓
	xRoCA <sup>5)</sup>	≥ 2%	-	
Life & Health reinsurance	Gross premium growth <sup>3)</sup>	≥ 3%	+7.3%	✓
	EBIT growth <sup>4)</sup>	≥ 5%	-16.4%	—
	Value of New Business (VNB) <sup>6)</sup>	≥ EUR 250 m.	-	
	xRoCA <sup>5)</sup>	≥ 2%	-	

1) After tax; risk-free: 5-year average return of 10-year German government bonds

3) Average annual growth at constant f/x rates

5) Excess return (one-year economic profit in excess of the cost of capital) on allocated economic capital

2) According to our internal capital model and Solvency II requirements

4) Average annual growth

6) Based on Solvency II principles; pre-tax reporting

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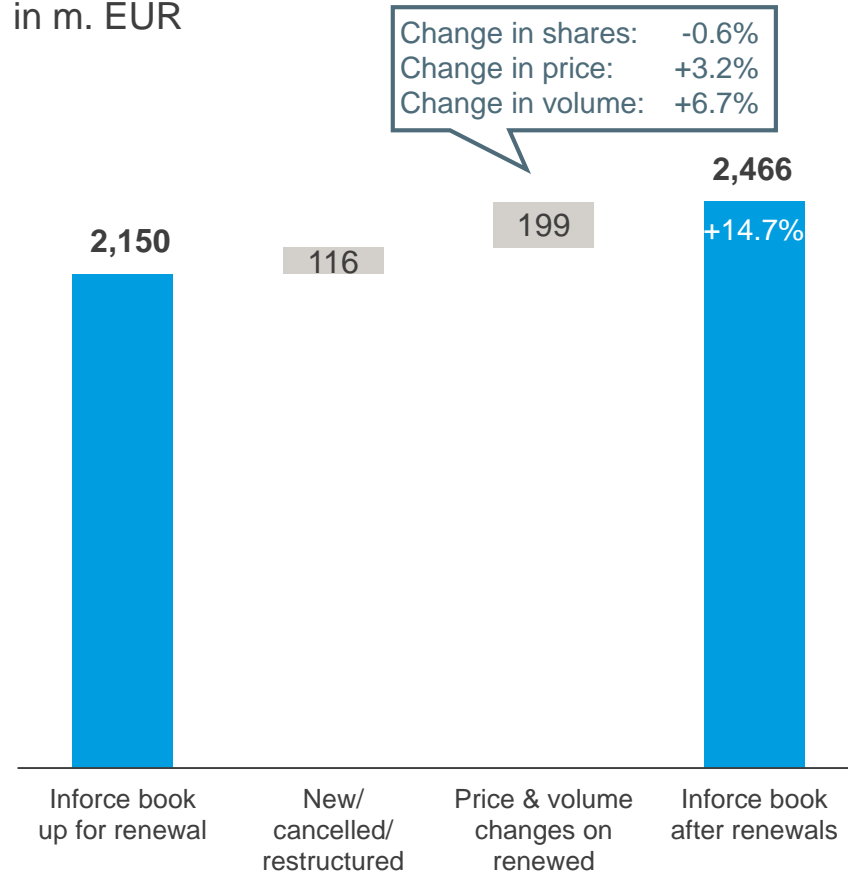
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# Improving market conditions increased P&C premium by 14.7%

## Overall risk-adjusted price increase of 3.2%; non-proportional 6.4%

### 2 Apr - 1 Jul 2021 P&C renewals

in m. EUR



#### Americas<sup>1)</sup>

- Continued increase in premium in North America
  - Continued positive momentum on insurance pricing
  - Organic growth in primary portfolios contributes to ongoing portfolio improvements
  - Sustained underwriting discipline in the reinsurance market
- Latin America: past SRCC<sup>2)</sup> losses lead to improvement in original rates, terms and conditions for this exposure

#### Australia

- Market remained disciplined with continued rate increases where necessary
- A slight trend towards increasing retention and streamlining reinsurance panel

#### Asia

- Significant premium growth under our APAC growth initiative
- Signs of hardening on the property market are becoming clearer

#### Credit & Surety

- Moderate increase in premium volume due to organic growth and new business
- Stable to slightly improved pricing

Underwriting year figures at unchanged f/x rates (31 December 2020)

1) Excluding specialty business mentioned separately

2) Strike, Riots, Civil Commotion

# Growing Property & Casualty portfolio at attractive profitability

## Financial year 2021

	Reporting categories	Volume <sup>1)</sup>	Profitability <sup>2)</sup>
<b>Regional markets</b>	EMEA <sup>3)</sup>		+
	Americas <sup>3)</sup>		+/-
	APAC <sup>3)</sup>		+
<b>Worldwide markets</b>	Structured Reinsurance and ILS		++
	Credit, Surety and Political Risks		+/-
	Facultative Reinsurance		+
	Aviation and Marine		+
	Agricultural Risks		+

1) In EUR, development in original currencies can be different





2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

3) All lines of business except those stated separately

# Profitability in Life & Health still impacted by Covid-19

## Financial year 2021

### Reporting categories

Reporting categories	Volume <sup>1)</sup>	Profitability <sup>2)</sup>
Financial solutions	 <sup>3)</sup>	++
Longevity		+
Mortality		-
Morbidity		+/-

1) In EUR, development in original currencies can be different

2) ++ = well above CoC; + = above CoC; +/- = CoC earned; - = below Cost of Capital (CoC)

3) Business volume including contracts not reflected in premium income



# Guidance for 2021

## Hannover Re Group

- Gross written premium<sup>1)</sup> \_\_\_\_\_ high single-digit growth
- Return on investment<sup>2)</sup> \_\_\_\_\_ ~ 2.4%
- Group net income<sup>2)</sup> \_\_\_\_\_ EUR 1.15 - 1.25 bn.
- Ordinary dividend pay-out ratio<sup>3)</sup> \_\_\_\_\_ 35% - 45%
- Special dividend \_\_\_\_\_ additional pay-out if profit target is reached and capitalisation is comfortable

1) At unchanged f/x rates

2) Subject to no major distortions in capital markets and/or major losses in 2021 not exceeding the large loss budget of EUR 1.1 bn.

3) Relative to Group net income according to IFRS

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# Our business groups at a glance

## 1H/2021 vs. 1H/2020

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	1H/2020	1H/2021	1H/2020	1H/2021	1H/2020	1H/2021
Gross written premium	9,174	10,267	3,972	4,198	13,146	14,465
Change in GWP		+11.9%		+5.7%		+10.0%
Net premium earned	6,869	7,847	3,509	3,669	10,378	11,515
Net underwriting result	(186)	302	(280)	(350)	(467)	(48)
Net underwriting result incl. funds withheld	(161)	317	(169)	(193)	(330)	124
Net investment income	459	584	333	281	793	866
From assets under own management	433	570	222	123	657	694
From funds withheld	26	15	111	157	136	172
Other income and expenses	18	(109)	161	249	177	138
<b>Operating profit/loss (EBIT)</b>	<b>290</b>	<b>778</b>	<b>214</b>	<b>179</b>	<b>504</b>	<b>956</b>
Financing costs	(1)	(1)	(1)	(1)	(47)	(40)
<b>Net income before taxes</b>	<b>289</b>	<b>777</b>	<b>213</b>	<b>178</b>	<b>456</b>	<b>916</b>
Taxes	(43)	(153)	(24)	(73)	(51)	(212)
<b>Net income</b>	<b>246</b>	<b>624</b>	<b>189</b>	<b>106</b>	<b>405</b>	<b>704</b>
Non-controlling interest	2	32	1	1	3	33
<b>Group net income</b>	<b>245</b>	<b>592</b>	<b>188</b>	<b>105</b>	<b>402</b>	<b>671</b>
Retention	91.4%	91.3%	89.4%	88.2%	90.8%	90.4%
Combined ratio (incl. interest on funds withheld)	102.3%	96.0%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	4.2%	9.9%	6.1%	4.9%	4.9%	8.3%
Tax ratio	14.8%	19.6%	11.2%	40.7%	11.3%	23.2%
Earnings per share (in EUR)	2.03	4.91	1.56	0.87	3.34	5.56

# Our business groups at a glance

## Q2/2021 vs. Q2/2020

in m. EUR	Property & Casualty R/I		Life & Health R/I		Total	
	Q2/2020	Q2/2021	Q2/2020	Q2/2021	Q2/2020	Q2/2021
Gross written premium	4,188	4,574	1,983	2,082	6,171	6,655
Change in GWP		+9.2%		+5.0%		+7.9%
Net premium earned	3,531	3,984	1,756	1,839	5,287	5,823
Net underwriting result	(183)	158	(153)	(102)	(336)	57
Net underwriting result incl. funds withheld	(168)	169	(118)	(71)	(286)	99
Net investment income	162	316	158	109	321	425
From assets under own management	147	305	123	78	271	383
From funds withheld	15	11	36	30	51	42
Other income and expenses	6	(8)	85	80	92	70
<b>Operating profit/loss (EBIT)</b>	<b>(15)</b>	<b>466</b>	<b>90</b>	<b>87</b>	<b>77</b>	<b>552</b>
Financing costs	(1)	(1)	0	0	(24)	(21)
<b>Net income before taxes</b>	<b>(15)</b>	<b>465</b>	<b>90</b>	<b>87</b>	<b>53</b>	<b>531</b>
Taxes	47	(115)	(11)	(38)	43	(146)
<b>Net income</b>	<b>31</b>	<b>351</b>	<b>79</b>	<b>48</b>	<b>96</b>	<b>385</b>
Non-controlling interest	(6)	20	0	0	(6)	20
<b>Group net income</b>	<b>37</b>	<b>331</b>	<b>78</b>	<b>48</b>	<b>101</b>	<b>365</b>
Retention	90.9%	89.8%	89.4%	87.8%	90.4%	89.2%
Combined ratio (incl. interest on funds withheld)	104.8%	95.7%	-	-	-	-
EBIT margin (EBIT / Net premium earned)	-0.4%	11.7%	5.1%	4.7%	1.5%	9.5%
Tax ratio	306.4%	24.7%	12.2%	44.3%	-80.2%	27.6%
Earnings per share (in EUR)	0.31	2.74	0.65	0.40	0.84	3.02

# Stress tests on assets under own management

## Focus still on credit exposures with further spread tightening

Portfolio	Scenario	Change in market value in m. EUR	Change in OCI before tax in m. EUR
Equity (listed and private equity)	-10%	-183	-183
	-20%	-367	-367
Fixed-income securities	+50 bps	-1,349	-1,300
	+100 bps	-2,623	-2,527
Credit spreads	+50%	-774	-772

As at 30 June 2021

# High-quality fixed-income book well balanced

Geographical allocation mainly in accordance with our broad business diversification

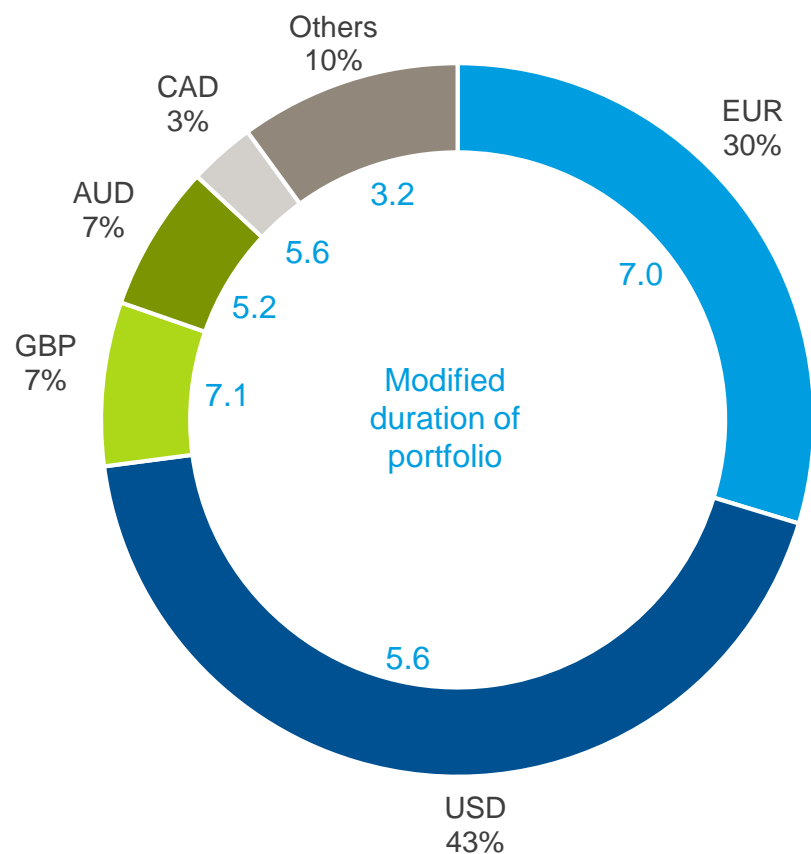
	Governments	Semi-governments	Corporates	Pfandbriefe, Covered bonds, ABS	Short-term investments, cash	Total
AAA	71%	59%	1%	58%	-	42%
AA	12%	23%	11%	16%	-	14%
A	11%	7%	33%	14%	-	19%
BBB	4%	2%	46%	10%	-	20%
<BBB	2%	9%	9%	2%	-	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>
Germany	15%	30%	4%	18%	15%	14%
UK	6%	2%	7%	8%	17%	6%
France	3%	2%	7%	7%	1%	4%
GIIPS	1%	1%	4%	4%	0%	2%
Rest of Europe	4%	20%	15%	26%	3%	12%
USA	48%	13%	34%	14%	15%	34%
Australia	6%	5%	6%	11%	9%	6%
Asia	13%	11%	10%	1%	31%	11%
Rest of World	4%	16%	14%	11%	9%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total b/s values in m. EUR</b>	<b>17,172</b>	<b>7,820</b>	<b>16,547</b>	<b>3,247</b>	<b>1,860</b>	<b>46,647</b>

IFRS figures as at 30 June 2021

# Currency allocation matches modelled liability profile

## Strict duration-neutral strategy continued

### Currency split of investments



- Modified duration of fixed-income mainly congruent with liabilities and currencies
- GBP's higher modified duration predominantly due to life business; EUR driven by hybrid bond issuance

### Modified duration

Q2/2021	5.8
2020	5.8
2019	5.7
2018	4.8
2017	4.8

# Details on reserve review by Willis Towers Watson

- The scope of Willis Towers Watson's work was to review certain parts of the held loss and loss adjustment expense reserve, net of outwards reinsurance, from Hannover Rück SE's consolidated financial statements in accordance with IFRS as at each 31 December from 2009 to 2020, and the implicit redundancy margin, for the non-life business of Hannover Rück SE. Willis Towers Watson concludes that the reviewed loss and loss adjustment expense reserve, net of reinsurance, less the redundancy margin is reasonable in that it falls within Willis Towers Watson's range of reasonable estimates.
- Life reinsurance and health reinsurance business are excluded from the scope of this review.
- Willis Towers Watson's review of non-life reserves as at 31 December 2020 covered 98.7% / 99.6% of the gross and net held non-life reserves of €29.2 billion and € 27.5 billion respectively. Together with life reserves of gross €4.7 billion and net €4.6 billion, the total balance sheet reserves amount to €33.9 billion gross and €32.0 billion net.
- The results shown in this presentation are based on a series of assumptions as to the future. It should be recognised that actual future claim experience is likely to deviate, perhaps materially, from Willis Towers Watson's estimates. This is because the ultimate liability for claims will be affected by future external events; for example, the likelihood of claimants bringing suit, the size of judicial awards, changes in standards of liability, and the attitudes of claimants towards the settlement of their claims.
- The results shown in Willis Towers Watson's reports are not intended to represent an opinion of market value and should not be interpreted in that manner. The reports do not purport to encompass all of the many factors that may bear upon a market value.
- Willis Towers Watson's analysis was carried out based on data as at evaluation dates for each 31 December from 2009 to 2020. Willis Towers Watson's analysis may not reflect development or information that became available after the valuation dates and Willis Towers Watson's results, opinions and conclusions presented herein may be rendered inaccurate by developments after the valuation dates
- As is typical for reinsurance companies, claims reporting can be delayed due to late notifications by some cedents. This increases the uncertainty in the estimates.
- Hannover Rück SE has asbestos, environmental and other health hazard (APH) exposures which are subject to greater uncertainty than other general liability exposures. Willis Towers Watson's analysis of the APH exposures assumes that the reporting and handling of APH claims is consistent with industry benchmarks. However, there is wide variation in estimates based on these benchmarks. Thus, although Hannover Rück SE's held reserves show some redundancy compared to the indications, the actual losses could prove to be significantly different to both the held and indicated amounts.
- Willis Towers Watson has not anticipated any extraordinary changes to the legal, social, inflationary or economic environment, or to the interpretation of policy language, that might affect the cost, frequency, or future reporting of claims. In addition, Willis Towers Watson's estimates make no provision for potential future claims arising from causes not substantially recognised in the historical data (such as new types of mass torts or latent injuries, terrorist acts), except in so far as claims of these types are included incidentally in the reported claims and are implicitly developed.
- In accordance with its scope Willis Towers Watson's estimates are on the basis that all of Hannover Rück SE's reinsurance protection will be valid and collectable. Further liability may exist for any reinsurance that proves to be irrecoverable.
- Willis Towers Watson's estimates are in Euros based on the exchange rates provided by Hannover Rück SE as at each 31 December evaluation date. However, a substantial proportion of the liabilities is denominated in foreign currencies. To the extent that the assets backing the reserves are not held in matching currencies, future changes in exchange rates may lead to significant exchange gains or losses.
- Willis Towers Watson has not attempted to determine the quality of Hannover Rück SE's current asset portfolio, nor has Willis Towers Watson reviewed the adequacy of the balance sheet provisions except as otherwise disclosed herein.
- In its review, Willis Towers Watson has relied on audited and unaudited data and financial information supplied by Hannover Rück SE and its subsidiaries, including information provided orally. Willis Towers Watson relied on the accuracy and completeness of this information without independent verification.
- Except for any agreed responsibilities Willis Towers Watson may have to Hannover Rück SE, Willis Towers Watson does not assume any responsibility and will not accept any liability to any person for any damages suffered by such person arising out of this commentary or references to Willis Towers Watson in this document.



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