



February 7, 2019  
London



# SCOR Global P&C January 2019 renewal results

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# Disclaimer

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## **General:**

Numbers presented throughout this report may not add up precisely to the totals in the tables and text. Percentages and percent changes are calculated on complete figures (including decimals); therefore the presentation might contain immaterial differences in sums and percentages due to rounding.

Unless otherwise specified, the sources for the business ranking and market positions are internal.

## **Forward looking statements:**

This presentation includes forward-looking statements and information about the objectives of SCOR, in particular, relating to its current or future projects. These statements are sometimes identified by the use of the future tense or conditional mode, as well as terms such as “estimate”, “believe”, “have the objective of”, “intend to”, “expect”, “result in”, “should” and other similar expressions. It should be noted that the achievement of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future. Forward-looking statements and information about objectives may be affected by known and unknown risks, uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR. Information regarding risks and uncertainties that may affect SCOR’s business is set forth in the 2017 reference document filed on February 23, 2018 under number D.18-0072 with the French Autorité des marchés financiers (AMF) and posted on SCOR’s website [www.scor.com](http://www.scor.com), as may be updated in the 2018 reference document.

In addition, such forward-looking statements are not “profit forecasts” in the sense of Article 2 of Regulation (EC) 809/2004.

## **Financial information:**

All figures in this presentation are unaudited unless otherwise specified.

Unless otherwise specified, all figures are presented in Euros.

Any figures for a period subsequent to 30 September 2018 should not be taken as a forecast of the expected financials for these periods.

All definitions can be found in the appendix.

All figures are at constant exchange rates as at December 31, 2018 unless otherwise specified.

All figures are based on available information as at January 22, 2019 unless otherwise specified.

## Summary: Sound premium growth with stable expected profitability in a market characterized by supportive price trends

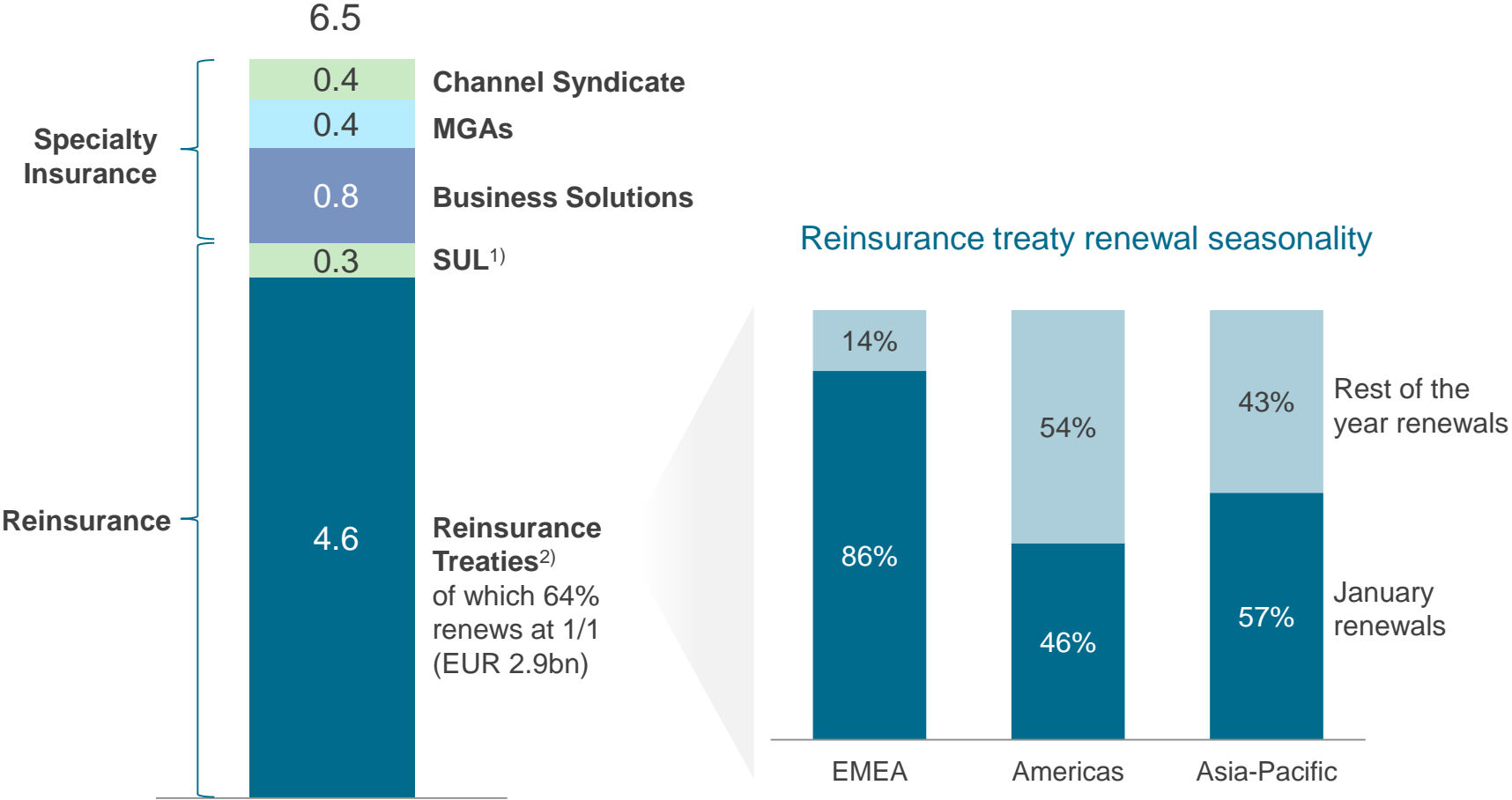
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- SCOR materially grew P&C gross **reinsurance** premiums by 9.7%<sup>1)</sup> at the January renewal with better prices and stable profitability
  - Stronger client relationships in both non-proportional treaties and proportional business. Largest growth in USA, in line with “Vision in Action”.
  - Risk-adjusted price is up 1.3% overall. Price improvements achieved across markets, 1.8% in non-proportional and 1.2% in proportional treaties.
  - Expected profitability is stable, both in terms of return on risk-adjusted capital and technical profitability (loss ratio + commission ratio). Portfolio management actions<sup>2)</sup> have improved the technical profitability by ~0.2% and the return on risk-adjusted capital by ~0.4%.
- SCOR’s P&C **Specialty insurance** businesses are benefitting from improved insurance conditions
  - SCOR Business Solutions: volume momentum and clear inflection points in most lines and regions
  - MGA: improved expected profitability but premium down slightly (-5%) due to portfolio management actions
  - Channel: continued progress on operationalizing SCOR’s London Market platform with continued portfolio management actions
- The outcome of these renewals is in line with the September 2018 IR Day update at 5%-8% p.a. of the “Vision in Action” strategic plan growth assumption for SCOR Global P&C

# About two-thirds of SCOR's P&C reinsurance premium renews at 1/1

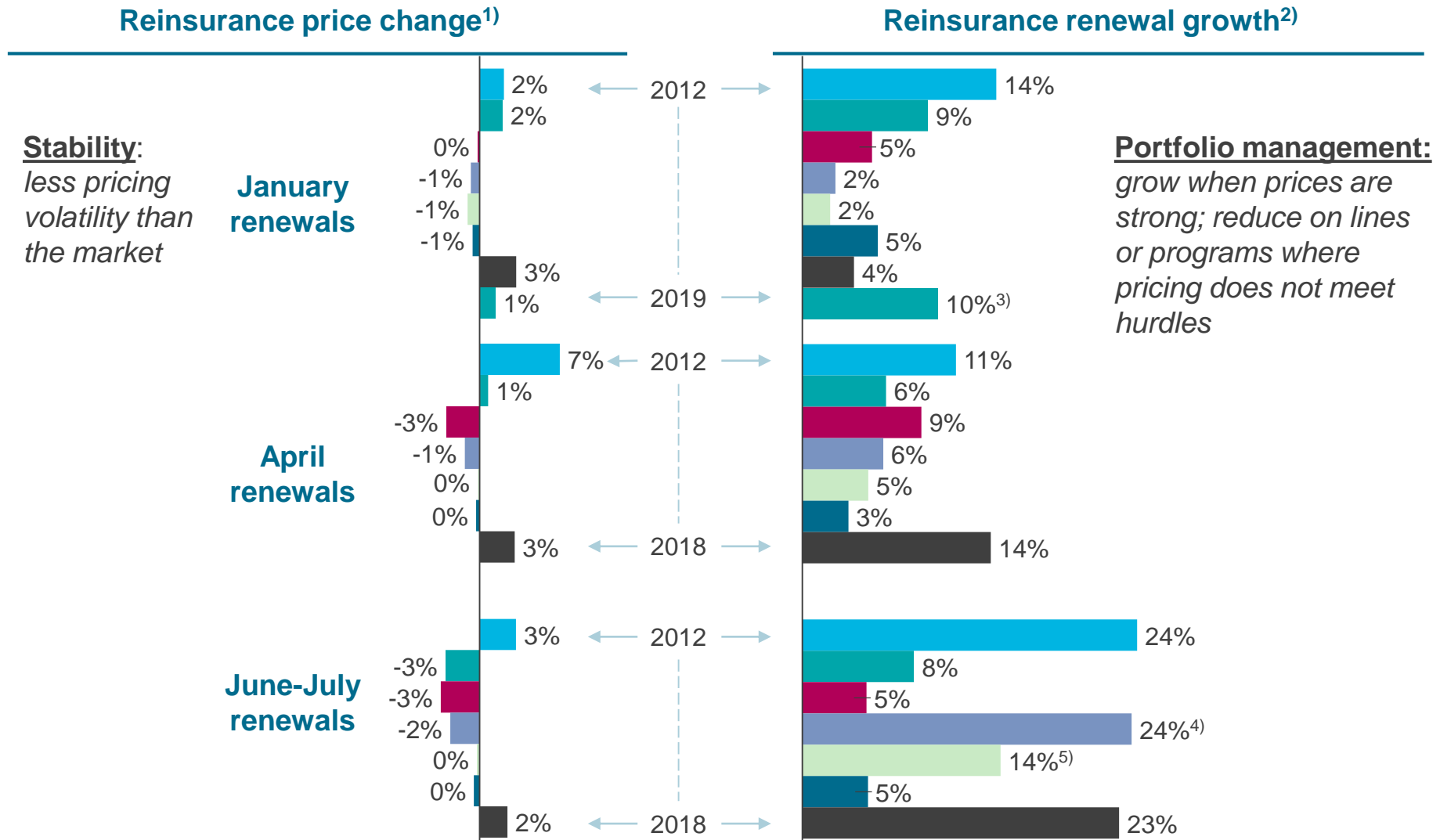
## Estimated total 2018 UW Year premiums

In EUR billions



1) SUL = SCOR Underwriting Limited, SCOR's capital provision business at Lloyd's  
 2) Reinsurance treaties include the annual premium of Alternative Solutions business line. All subsequent slides exclude Alternative solutions business for 2019

# Price improvement and premium growth continued in January 2019 renewals



**Stability:**  
less pricing volatility than the market

**January renewals**

**April renewals**

**June-July renewals**

**Portfolio management:**  
grow when prices are strong; reduce on lines or programs where pricing does not meet hurdles

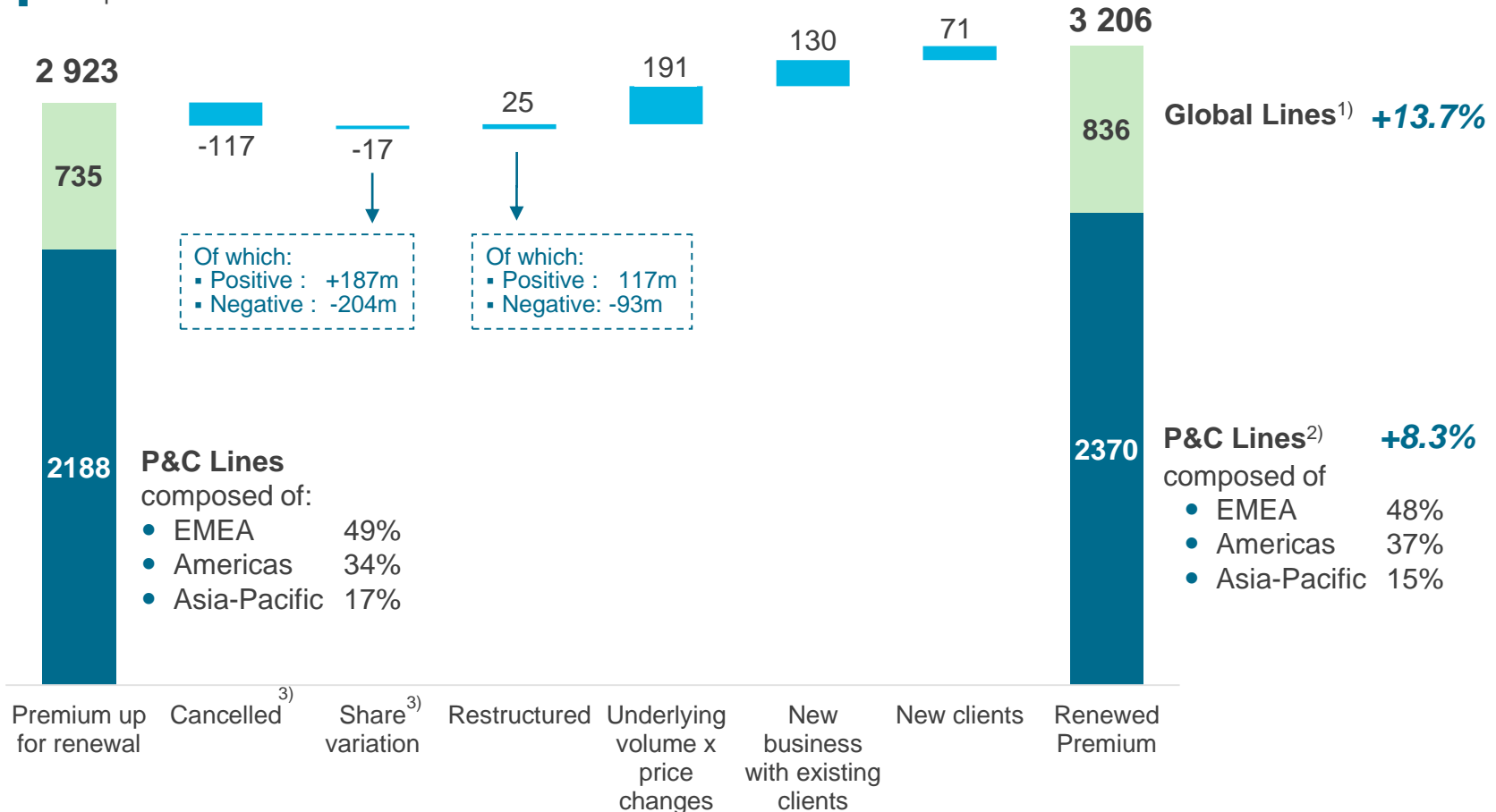
1) As published. Year-on-year price changes on a comparable basis  
 2) As published. Year-on-year renewal growth at constant exchange rates, e.g., 2012 growth computed with December 31, 2011, exchange rates and comparable basis. Hence different from annual premium growth. Includes MGA business, except for 2019.  
 3) Without specific large deal the growth would have been ~8%  
 4) Without specific large deals the growth would have been ~14%  
 5) Without specific large deals the growth would have been ~4%

# SCOR grew P&C reinsurance premium by 9.7% primarily through growth with existing clients, with portfolio actions to improve the overall profitability

Change  
in %

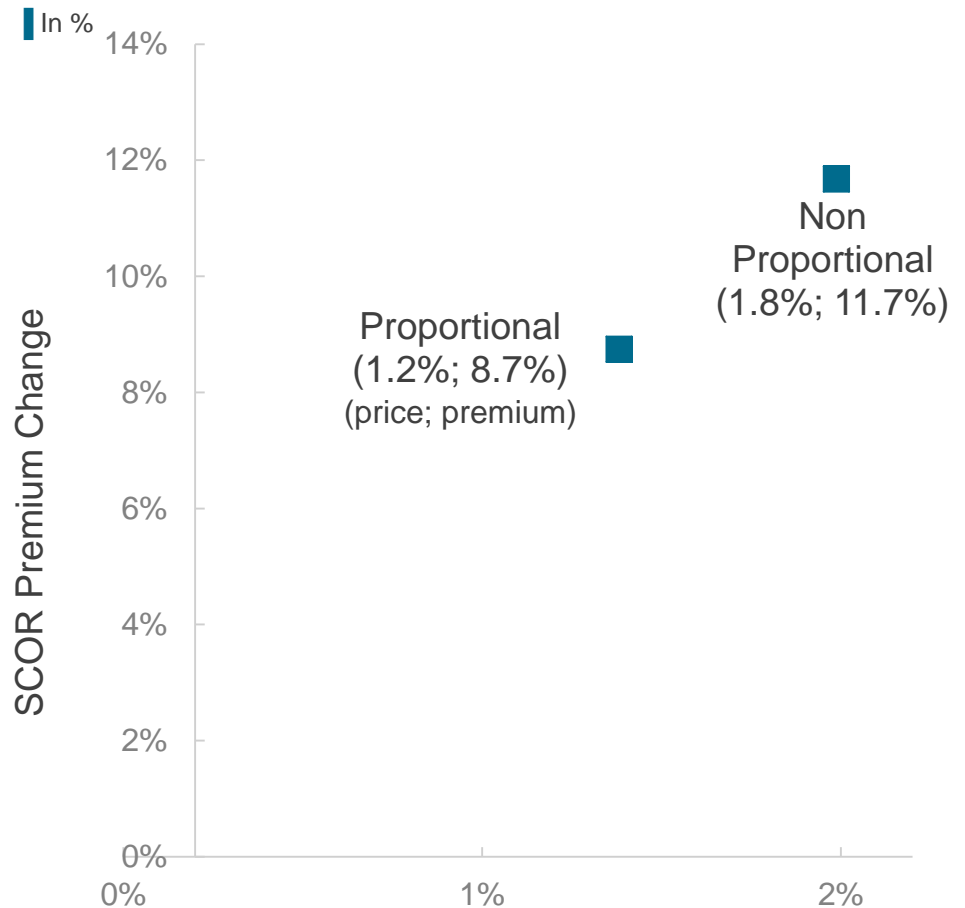
-4%   -1%   +1%   +7%   +4%   +2%   **+9.7%** ← *without a large deal the growth would have been 8%*

Gross premiums in EUR millions



# SCOR Global P&C secured price & premium improvements both in proportional and non proportional

## Reinsurance price and premium changes year on year

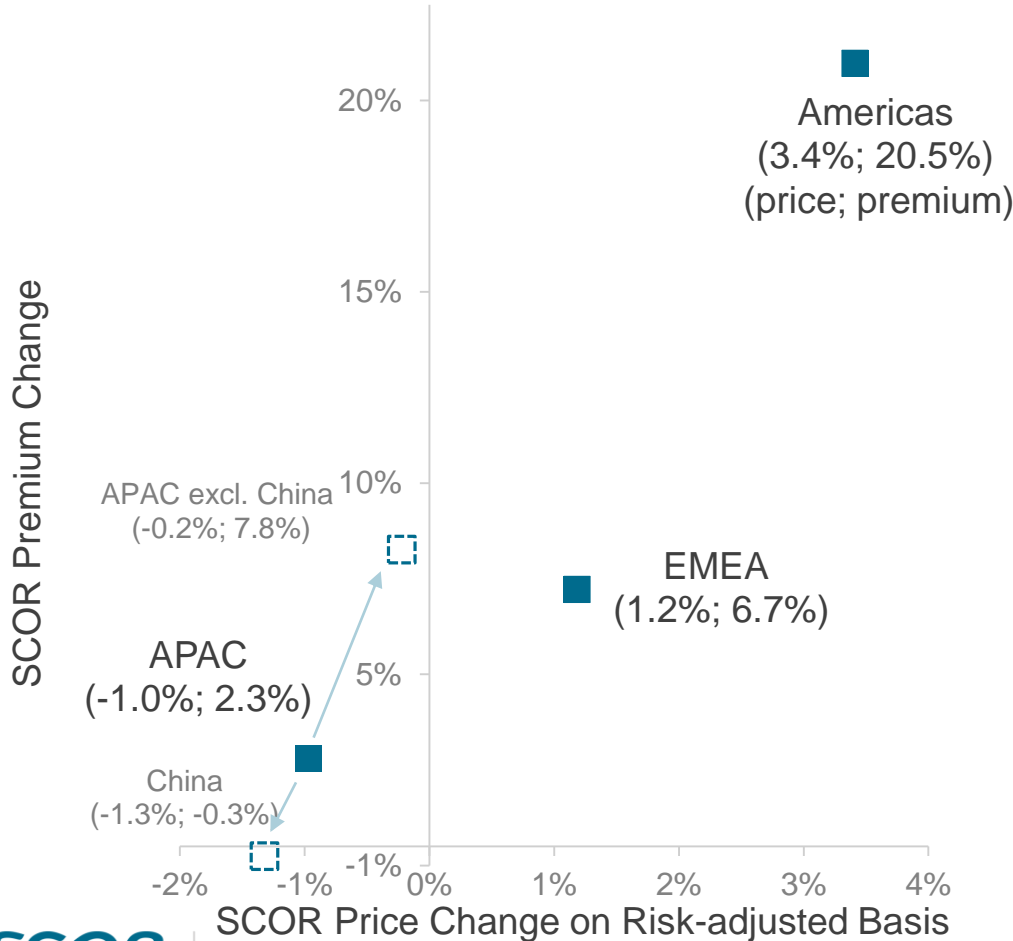


- Non Proportional rates improved
  - Lines most impacted by losses displayed largest improvements: Marine, Casualty and Auto
- Proportional renewals were driven by increases in large whole-account programs
- Cat pricing was broadly flat
  - Most of the loss affected programs renew later in the year

# SCOR Global P&C grew with improving Americas trends, while selectively growing in challenging EMEA markets, maintaining positions in China and growing in the rest of APAC

## Reinsurance price and premium changes year on year

In %

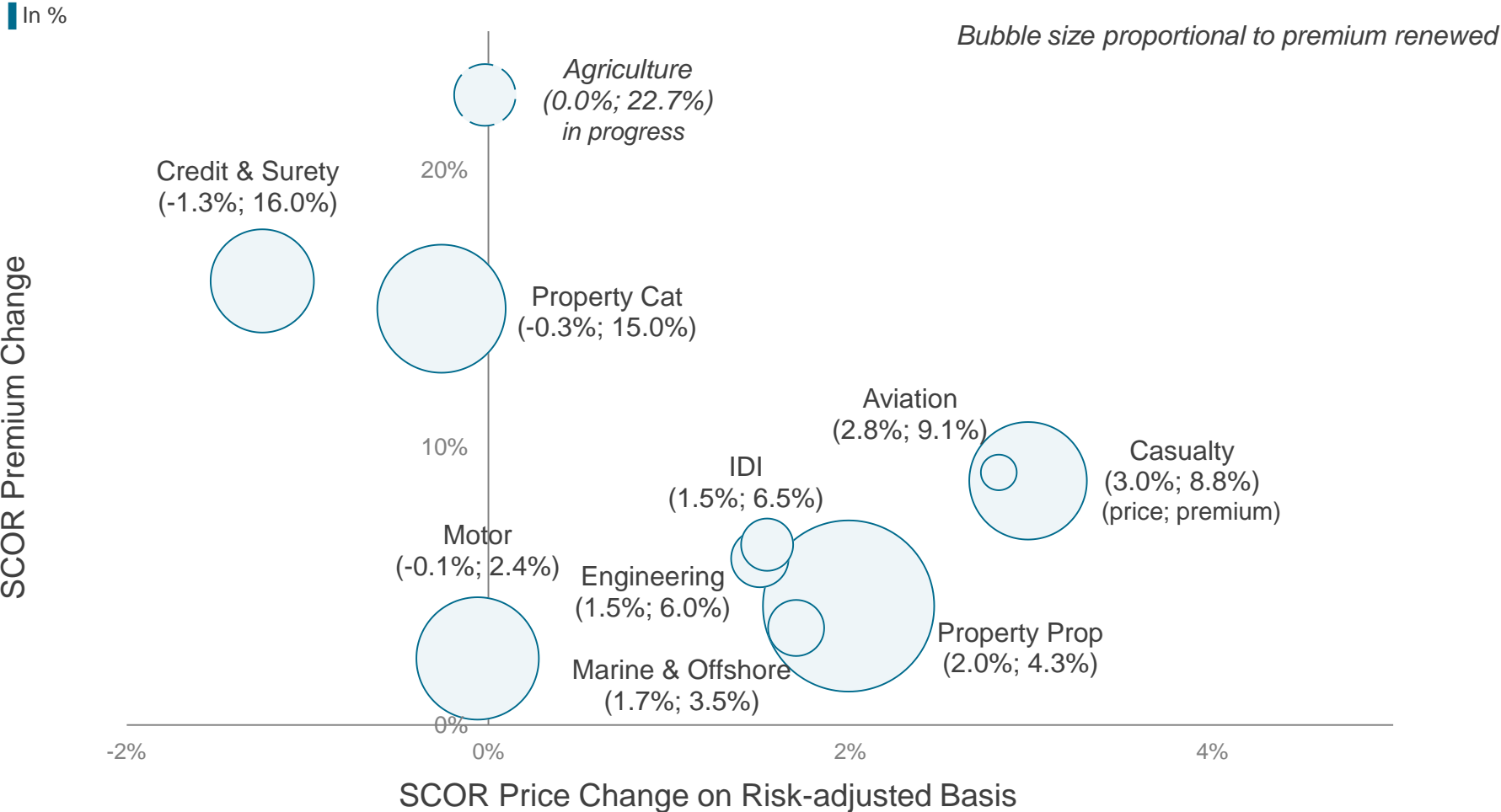


- Americas: SCOR Global P&C pursuing strong profitable growth across all lines despite flat Cat environment:
  - Non Prop rates +4.8%
  - Improved non Cat Property (+4.8%) and US casualty (+3.6%)
- EMEA: selective growth with existing clients
  - Prices driven by primary rates (+1.7%)
- APAC ~flat driven by China
  - Portfolio management actions in China



# SCOR Global P&C grew broadly while improving pricing and conducting portfolio management actions

## Reinsurance price and premium changes year on year



Note: SCOR Price monitoring only considers contracts renewing without any change in structure.

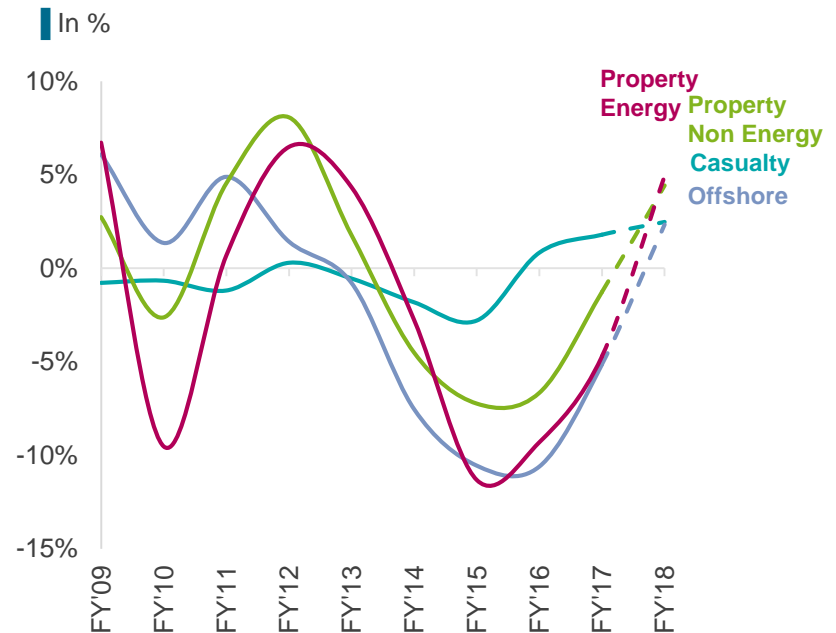
# SCOR's Specialty Insurance performed well thanks to strong SBS growth and MGAs portfolio management

- Winning new business and growing in all lines
- Positive price movements in most lines and regions
- Premium growth<sup>1)</sup>: +18%

## SBS

Main lines <sup>1)</sup>	Renewed Premium (EUR millions)	YOY Δ
Property Non Energy	139	+17%
Property Energy	81	+14%
Casualty	61	+14%
Offshore	20	+12%

## SBS price trends improving<sup>2)</sup>



## MGAs (USA)

- Slight reduction of premium (-5%) with improved expected profitability at January 2019 renewals
- Portfolio management: Growing with select partners and shedding low-performing business
- Expected technical profitability improved by 6 percentage points

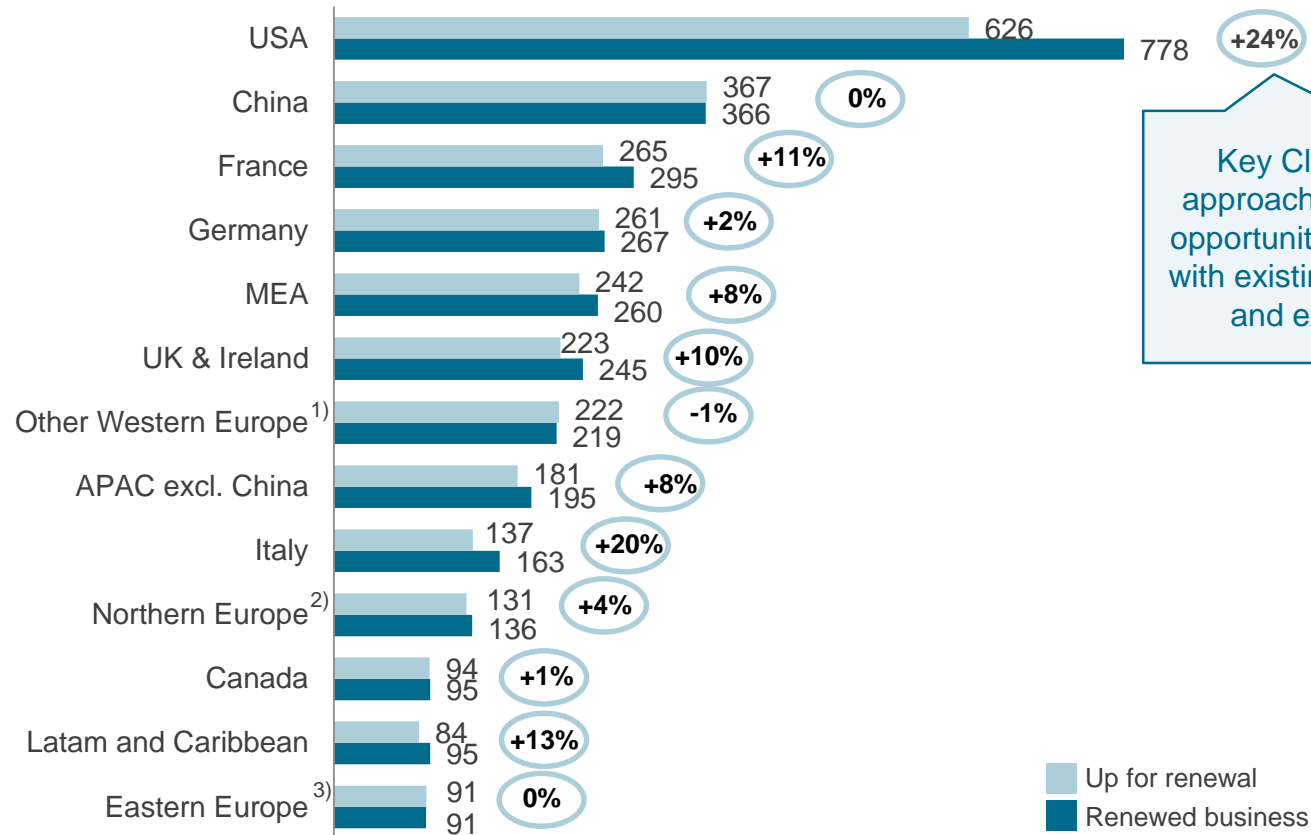
## Channel

- Estimated premium growth over Q4<sup>3)</sup>: +5% (excluding lines in run-off – Marine, Accident & Health, and Financial Institutions)
- Underwriting and operational alignment underway with formation of the London Platform. Service company approval received which will help geographical expansion notably in EIL<sup>4)</sup> and PCR<sup>4)</sup>
- Portfolio management actions in other lines of business

# SCOR Global P&C's reinsurance gross premium – By geography

## By Geography

Gross premiums in EUR millions



Key Client Management approach allowed us to seize opportunities to grow profitably with existing US clients on new and existing programs

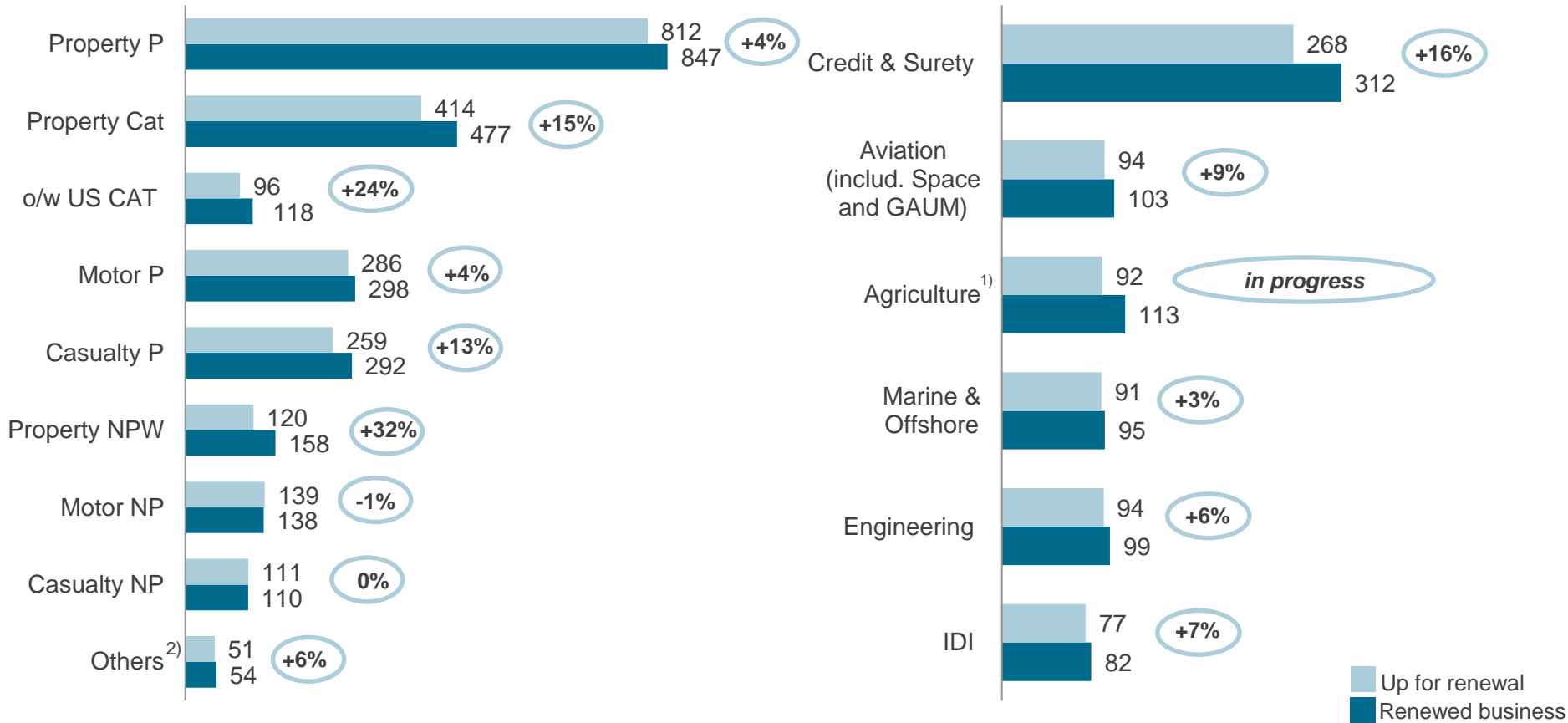
■ Up for renewal  
■ Renewed business

1) Other Western Europe: Austria, Cyprus, Greece, Malta, Portugal, Spain, Switzerland  
 2) Northern Europe: Belgium, Luxembourg, The Netherlands, Sweden, Denmark, Norway, Finland, Iceland  
 3) Eastern Europe: Albania, Bosnia, Bulgaria, C.I.S., Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia

# SCOR Global P&C's reinsurance gross premium – By line of business

Gross premiums in EUR millions

## By line of business



<sup>1)</sup> Position of the Agriculture renewals as at January 22, 2019

<sup>2)</sup> Includes Personal Accident, Special Risks, Workers' Compensation, Nuclear Pools, Terrorism Standalone, Motor Extended Warranty and Inwards retrocession

# Definitions

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- **Cancelled/restructured:** client or SCOR decided to cancel the business/programs and/or to change their programs (e.g. from proportional to Non-Proportional)
- **EMEA:** Europe, Middle East & Africa
- **IDI:** Inherent Defects Insurance (Decennial)
- **LoB:** Line of Business
- **MGA business:** business done with Managing General Agents / Managing General Underwriters (MGA/MGU)
- **New business with existing clients:** existing client decided to place new business/programs with SCOR (i.e. new to SCOR or new as such) and/or to change their programmes (e.g. from Proportional to Non-Proportional)
- **Price change:** “price change” defined as movement in price per unit of exposure. Therefore for most products, where the exposure unit is a monetary amount, the price movement is net of general inflation. By definition, changes in commissions are not considered as price changes. All percentages based on weighted averages per segment and overall on premium volume.
- **Share variation:** client or SCOR decided to reduce or increase the share participation (e.g. SCOR increases share with client X from 10% to 20%)
- **Underlying volume x price changes:** combined effect of variations in underlying primary volume, in exposures and/or in rates (= ceded EGPI change for existing clients)
- **Underwriting Ratio:** on an underwriting year basis, the sum of the gross loss ratio and the acquisition cost ratio (cedant's commission and brokerage ratios). Administration costs must be added to get the Combined Ratio
- **2017 Underwriting year premiums:** SCOR Global P&C premiums for contracts incepting between January 2017 and December 2017, expressed at December 31, 2017 closing exchange rates