



7<sup>th</sup> February 2017

# SCOR Global P&C January 2017 renewal results

Successful 1/1 renewals in line with “Vision in Action”

**Victor Peignet**  
CEO SCOR Global P&C

# Disclaimer

---

## **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 2015 reference document filed on 4 March 2016 under number D.16-0108 with the French Autorité des marchés financiers (AMF) and posted on SCOR’s website [www.scor.com](http://www.scor.com).

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 2016 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, 2016 unless otherwise specified. All figures are based on available information as at January 23, 2017 unless otherwise specified.

# SCOR Global P&C January 2017 renewal results

## AGENDA

### **1** Successful 1/1 renewals

- 2 Continuing to find attractive risk in competitive markets
- 3 Outlook

# 1/1 renewal highlights: on track to deliver “Vision in Action”

---

## Good growth

---

- **Gross premiums grew +5.4%:**
  - Treaty P&C +5.2%
  - Specialty Lines +5.8%
  - Led by the US
- **Price decrease -0.6%**
  - Proportional relatively stable
  - Non-Proportional showing more resilience than during previous renewals

## Successful execution of strategy

---

- **Continued portfolio management**
  - 0.7 percentage point<sup>1)</sup> improvement to the overall expected technical profitability
- **Preferential terms / private layers**
- **Favorable response to “Vision in Action” from clients**
- **Structured and bespoke solutions**

## Profitability in line with expectations

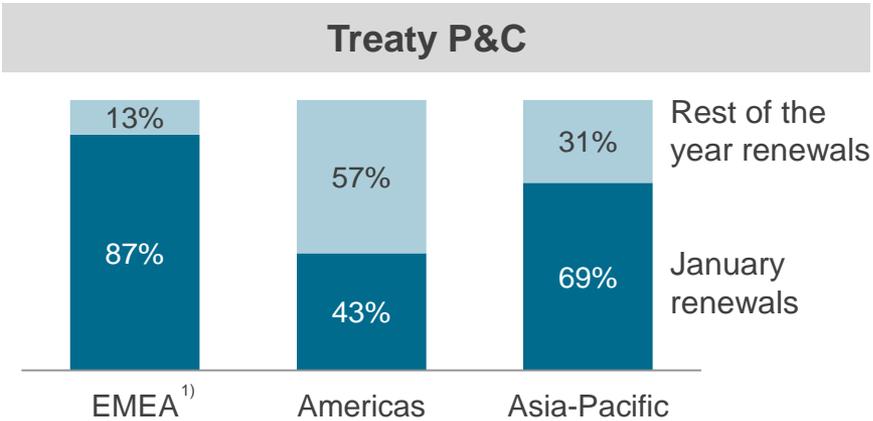
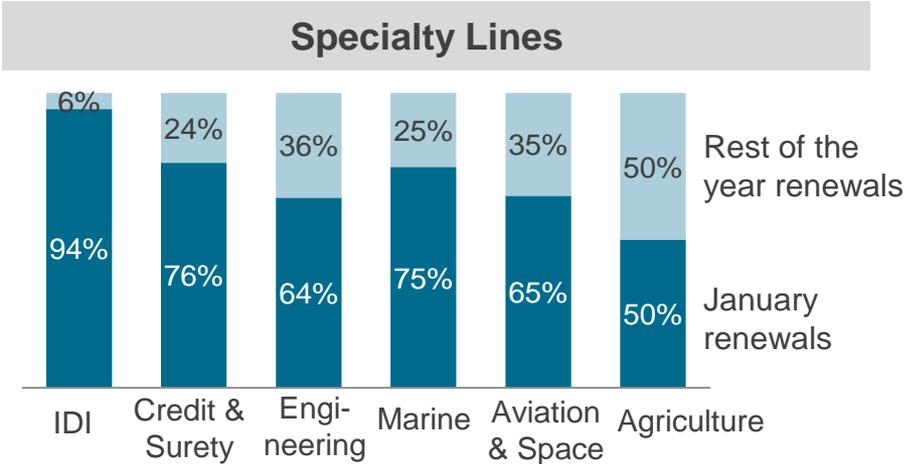
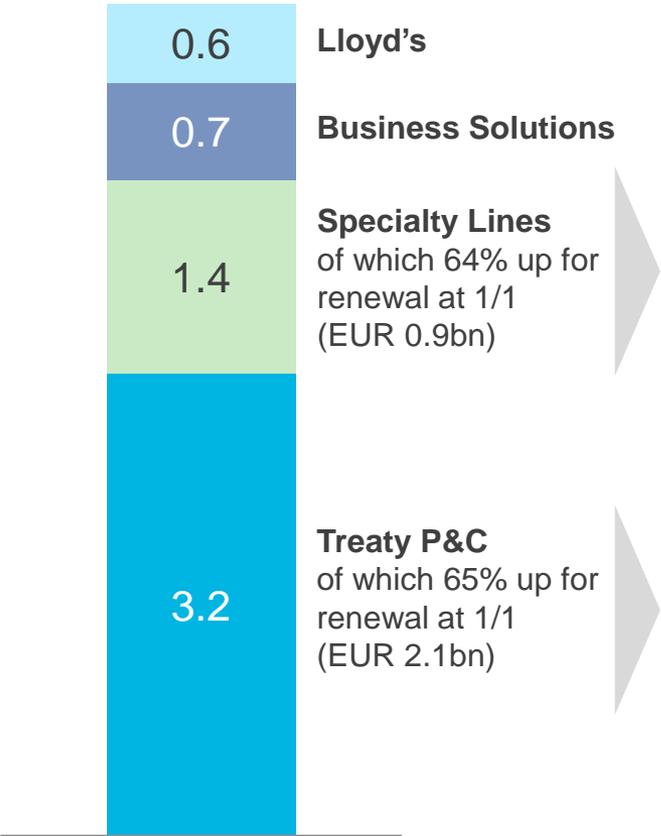
---

- **Expected technical profitability marginally declined by -0.3 percentage points**
  - Stability in commissions

# January renewals are the year's largest: 65% of Treaty and Specialty Line premiums up for renewal

Estimated total 2016 U/W Year premiums: EUR 5.8 billion

In EUR billions, rounded





# SCOR Global P&C January 2017 renewal results

## AGENDA

1 Successful 1/1 renewals

**2 Continuing to find attractive risk in competitive markets**

3 Outlook

# Overall risk-adjusted pricing decrease contained at -0.6%

## Price changes year on year

In %, rounded

### By Business

Treaty P&C	-0.5%	<ul style="list-style-type: none"> <li>Driven by Non-Proportional</li> </ul>
Specialty Treaty	-0.7%	<ul style="list-style-type: none"> <li>Slight reduction with most lines showing some decreases</li> </ul>

### By Region

EMEA	-0.3%	<ul style="list-style-type: none"> <li>EMEA: Motor improved; most mature markets slightly down; increased selectivity in Middle-East</li> </ul>
Americas	-1.7%	<ul style="list-style-type: none"> <li>Americas: Mostly from US primary rate reductions and decreases in the Caribbean Non-Proportional lines</li> </ul>
Asia-Pacific	-0.1%	<ul style="list-style-type: none"> <li>Asia-Pacific: Non-Proportional price increases offsetting softening primary rates</li> </ul>

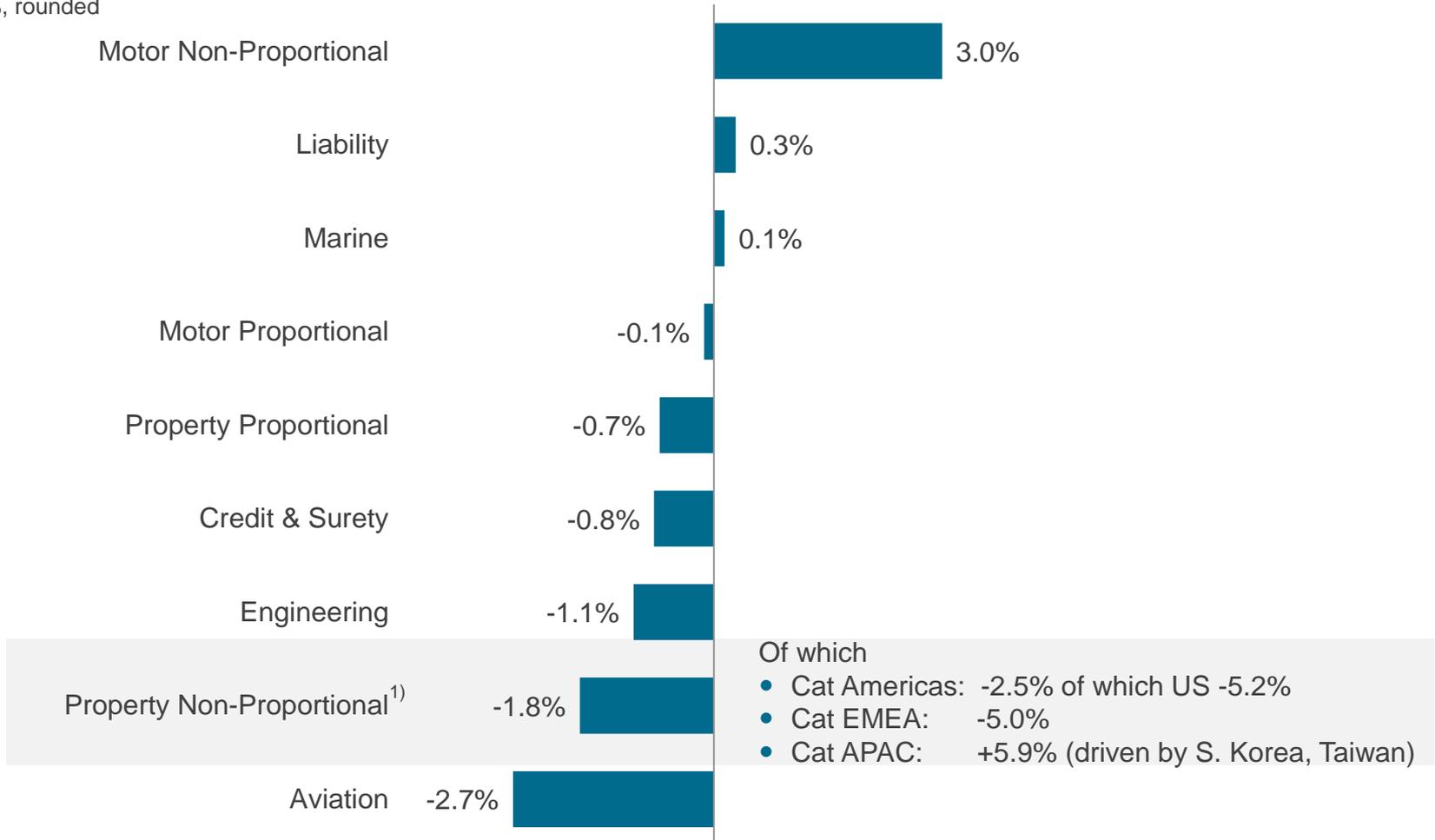
### By Type

Proportional	-0.6%	<ul style="list-style-type: none"> <li>Resilient primary rates in EMEA, except UK, partially offsetting decreases in Americas and APAC</li> </ul>
Non-Proportional	-0.6%	<ul style="list-style-type: none"> <li>Slight decreases in Non-Proportional Treaties, notably Property Cat, partially offset by increases in Specialties Non-Proportional. Reductions lower than in prior years</li> </ul>

# Different pricing depending on the market

## Price changes – by line of business

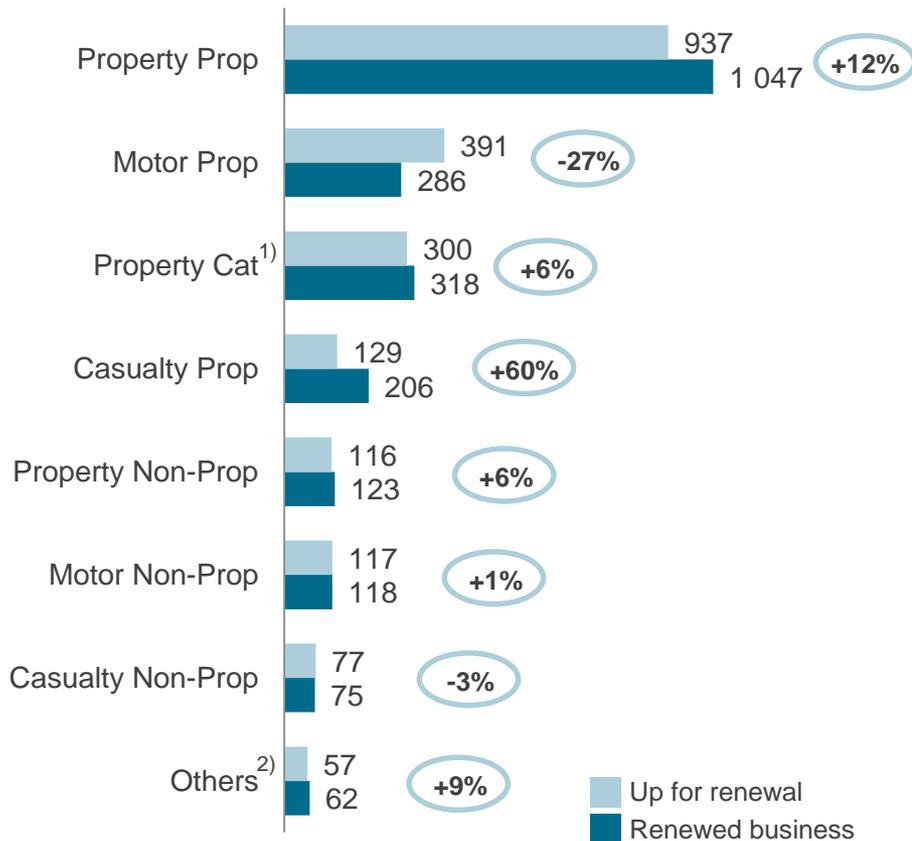
In %, rounded



# Treaties: growth mainly driven by US lines

## By line of business

Gross premiums in EUR millions, rounded

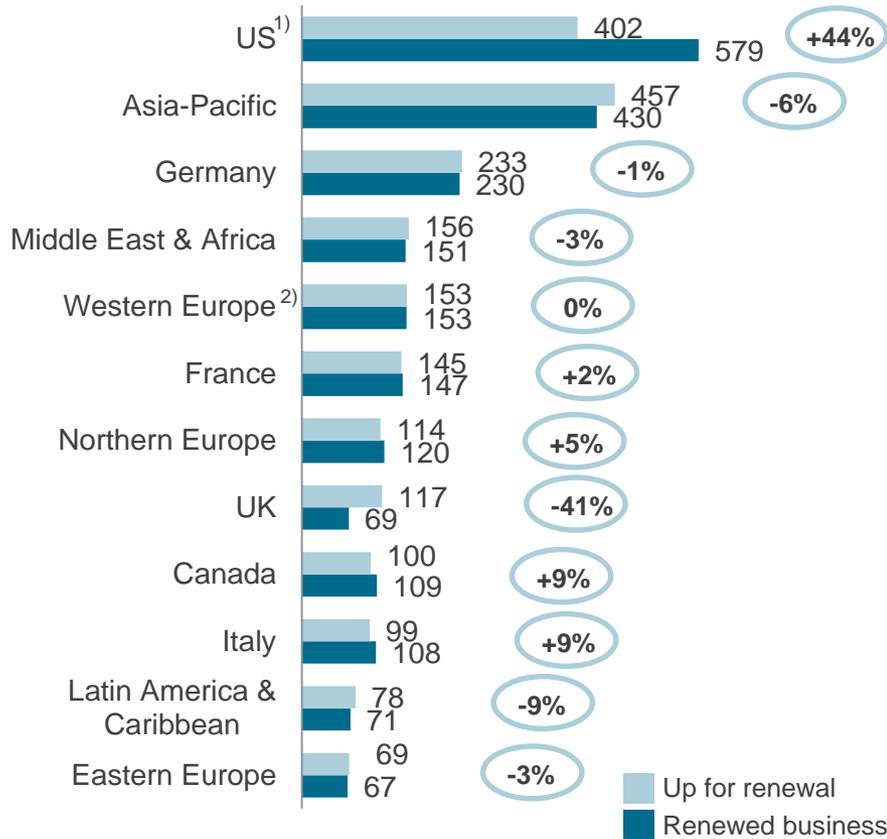


- **Property Proportional:** Growth in the US, including MGAs selectively
- **Motor Proportional:** Reduction in China and from portfolio management in the UK
- **Casualty Proportional:** Growth from target clients in the US
  - Book remains less developed in size / weight and less exposed to heavy casualty risks compared to major competitors
  - Continue to prefer diversified, non-systemic casualty
  - Cautious about maintaining good balance
- **Non-Proportional book:** Slight growth, driven by Property Cat

# Active portfolio management across markets

## By Geography

Gross premiums in EUR millions, rounded

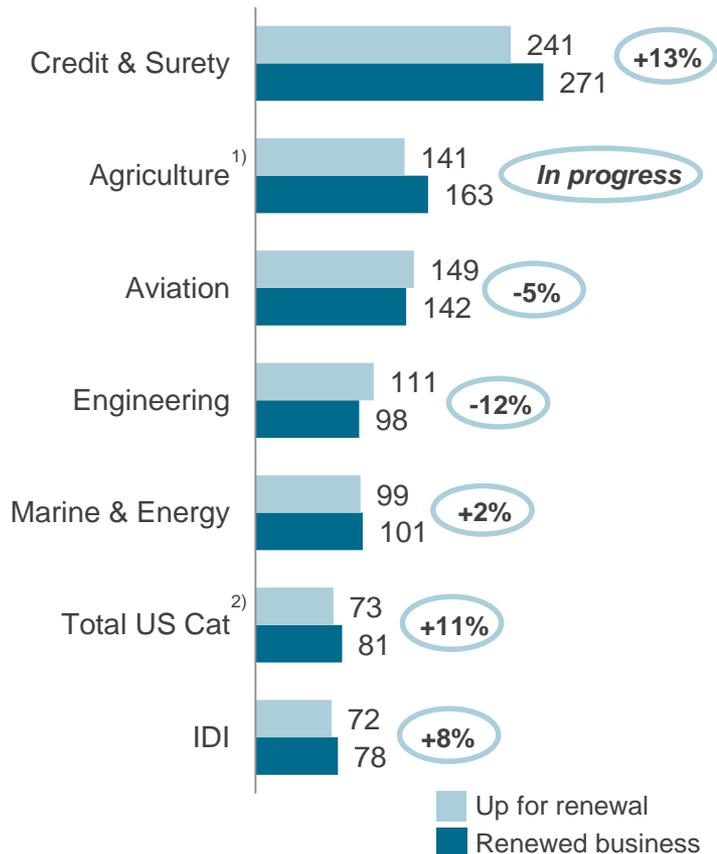


- **US:** Growth in line with “Vision in Action” assumptions. Large deals account for more than half of the growth
- **Asia-Pacific:** Decline driven by portfolio management in China
- **Middle East and Africa:** New private deals offset portfolio management in Middle East
- **UK:** Portfolio management on Motor Proportional was partially offset by growth in other lines

# Specialties show strong renewals

## By line of business

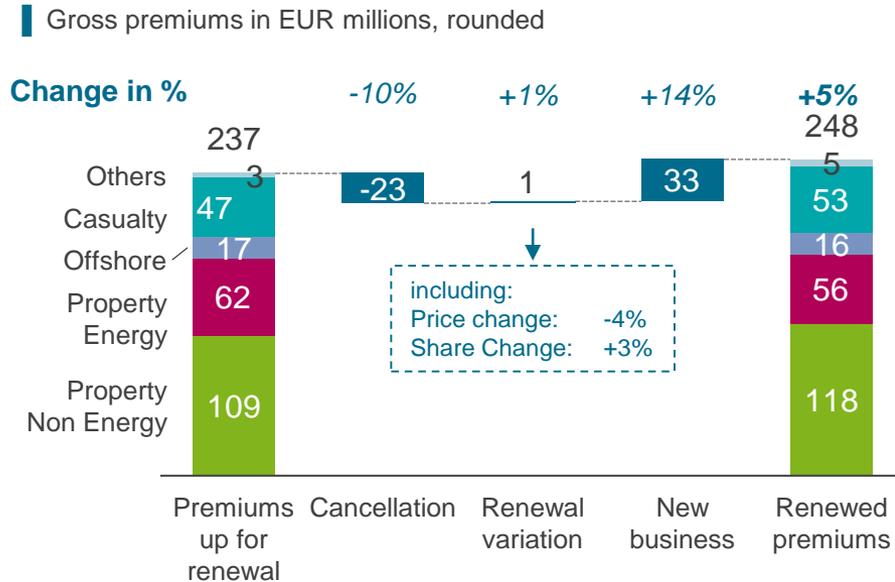
Gross premiums in EUR millions, rounded



- **Credit & Surety:** Growth in large accounts
- **Agriculture:** In progress. Growth in EMEA
- **Aviation:** Stable portfolio of selected partners but for one reduced cession
- **Engineering:** Portfolio management on international accounts. Slowdown of general building activity
- **US Cat:** Capacity deployed for key clients; limited interest in South East US business maintained
- **IDI (Inherent Defects Insurance):** Positive outlook from cedants on French market

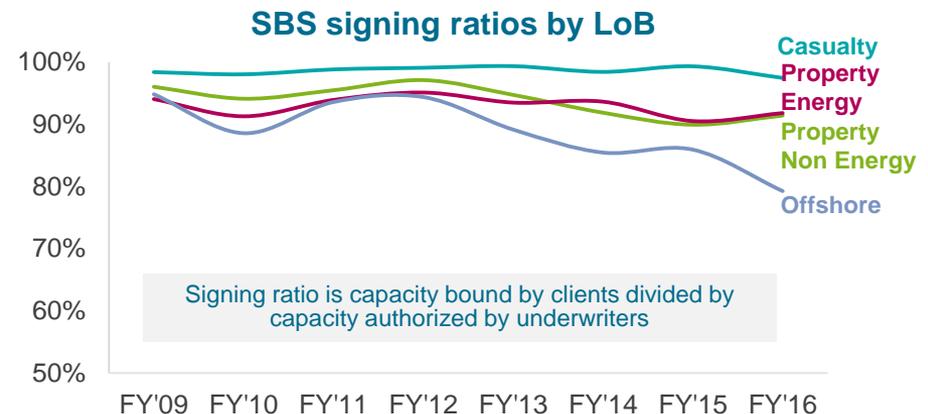
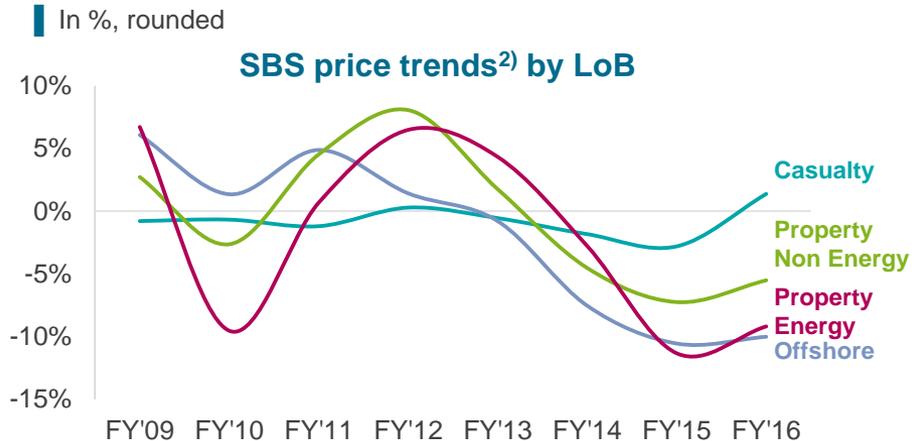
# SCOR Business Solutions (SBS) delivers positive results

## Underwriting activity<sup>1)</sup> shows profitable growth



- Retained profitable Energy business
- Development of Professional Indemnity book
- “New business” will increasingly benefit from synergies with Channel syndicate

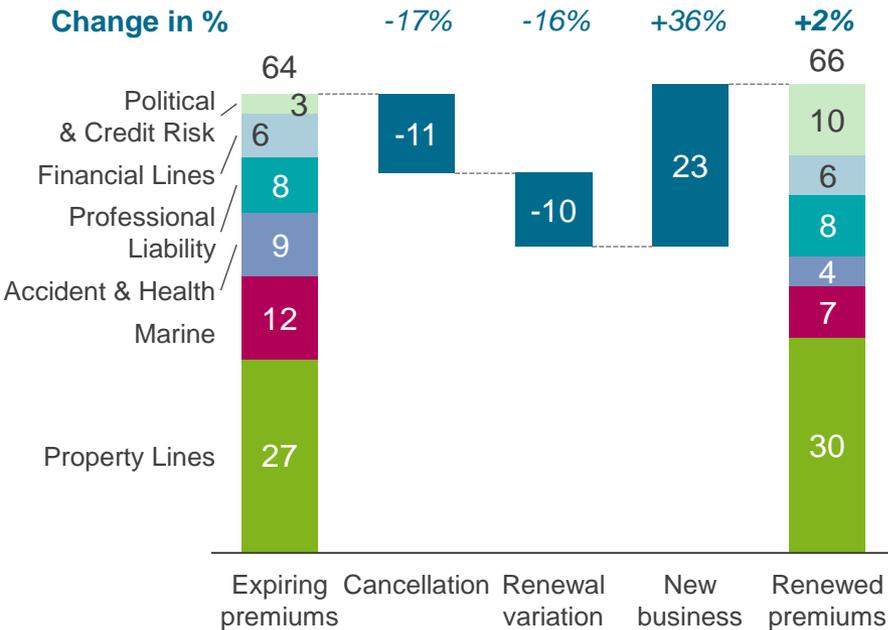
## Pricing down but less than expected Signings still strong



# Channel Syndicate continues to develop

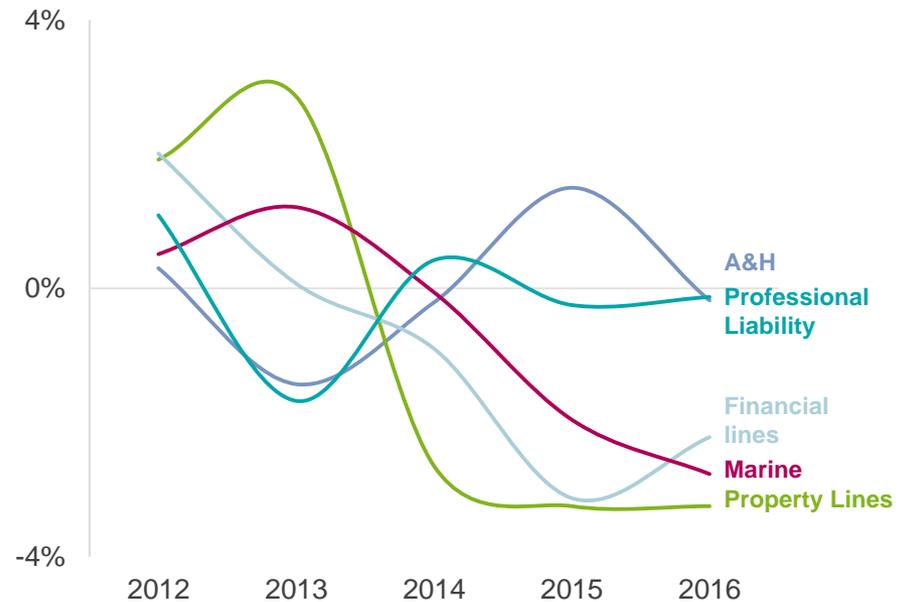
## Underwriting activity<sup>1)</sup> highlights portfolio management

Gross gross premiums in GBP millions, rounded



## Overall 2016 rates down ~2% against expectations of down ~3%

Channel price trends in %, rounded



- 2017 Syndicate Business Forecast approved by Lloyd's with 13% growth in capacity
- Delegated Underwriting Authorities (DUA) in the UK and the US: GBP ~20m on two accounts<sup>2)</sup>
- "New business" will increasingly benefit from synergies with SCOR Business Solutions

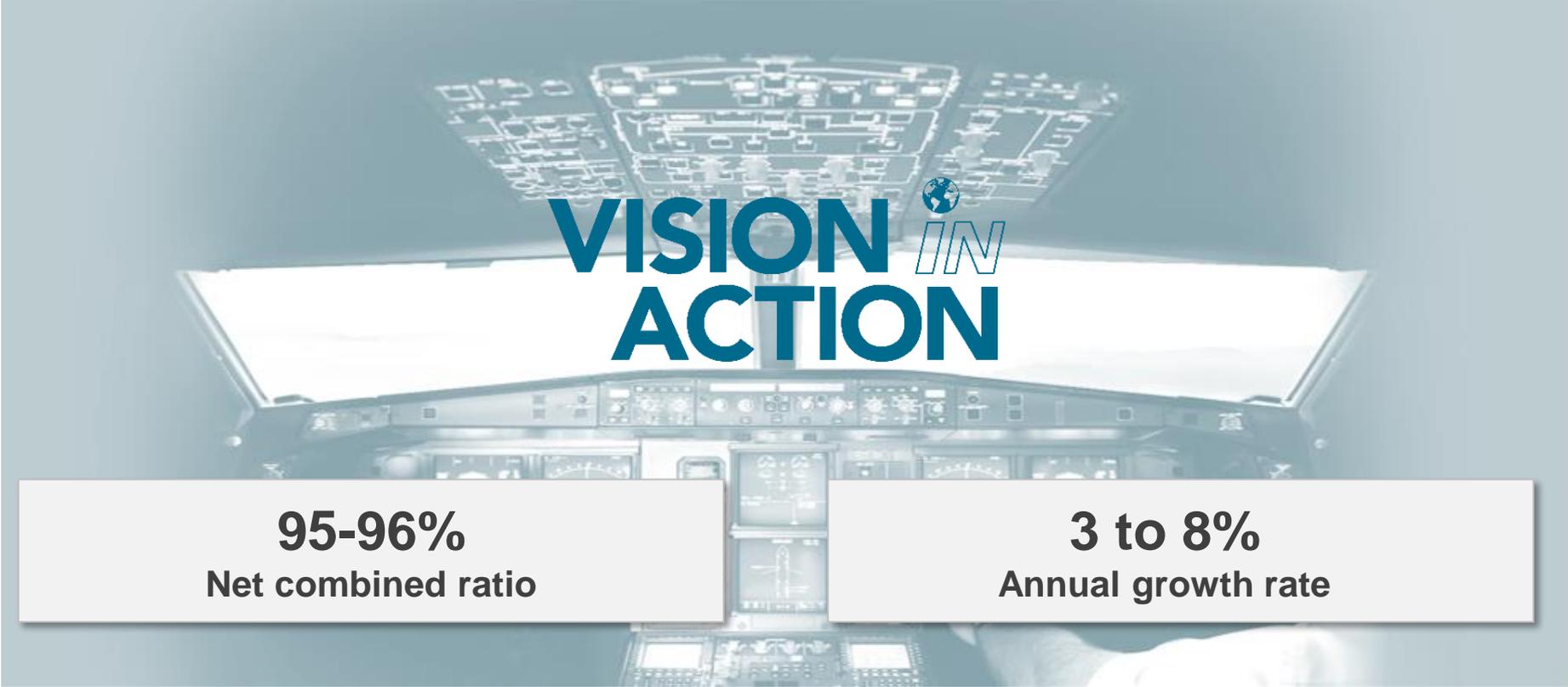
# SCOR Global P&C January 2017 renewal results

## AGENDA

- 1 Successful 1/1 renewals
- 2 Continuing to find attractive risk in competitive markets

### **3 Outlook**

# Outlook: P&C division is on track to deliver “Vision in Action” assumptions



## VISION <sup>IN</sup> ACTION

**95-96%**  
Net combined ratio

**3 to 8%**  
Annual growth rate



Plus contribution to Group targets: ROE & Solvency ratio

# Appendix

---

# SCOR Global P&C's assessment of current segment attractiveness, based on the profitability of its own book (1/2)

## Treaty P&C

		Western Europe <sup>1)</sup>	Germany	UK	Northern Europe <sup>2)</sup>	France	Middle East	Eastern Europe	Africa	Russia & CIS	USA	Canada	Latin America	Caribbean	Japan	China	Australia	India	South East Asia <sup>3)</sup>	South Korea	Northern Asia <sup>4)</sup>
Property	P	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Grey	Yellow	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Green	Yellow	Yellow
	NP	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Yellow	Grey	Yellow	Grey	Green	Yellow	Green	Green	Grey
	CAT	Green	Green	Red	Yellow	Yellow	Green	Yellow	Red	Grey	Green	Green	Green	Green	Green	Red	Green	Green	Yellow	Green	Green
Casualty	P	Green	Green	Yellow	Dark Blue	Dark Blue	Yellow	Green	Grey	Grey	Green	Yellow	Green	Yellow	Grey	Yellow	Grey	Grey	Yellow	Grey	Yellow
	NP	Yellow	Green	Yellow	Yellow	Yellow	Grey	Yellow	Grey	Grey	Yellow	Yellow	Yellow	Grey	Yellow	Red	Yellow	Grey	Grey	Grey	Grey
Motor	P	Yellow	Yellow	Red	Yellow	Red	Yellow	Red	Grey	Yellow	Yellow	Yellow	Yellow	Red	Grey	Yellow	Yellow	Grey	Grey	Grey	Grey
	NP	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Green	Green	Yellow	Green	Grey	Grey	Yellow	Yellow	Green	Grey	Yellow

January 2017

Monte Carlo 2016

January 2016

**P** Proportional  
**NP** Non-Proportional  
**CAT** Natural Catastrophe

**Business attractiveness<sup>5)</sup>**

■ Very attractive  
■ Attractive  
■ Adequate  
■ Inadequate  
■ Insufficient data

Very attractive	1%	2%	4%
Attractive	21%	18%	24%
Adequate	49%	57%	42%
Inadequate	8%	7%	11%
Insufficient data	20%	16%	19%

# SCOR Global P&C's assessment of current segment attractiveness, based on the profitability of its own book (2/2)

## Specialty lines and business solutions<sup>1)</sup>

Agriculture	Engineering	Credit & Surety	Marine & Offshore Energy	Aviation <sup>2)</sup>	IDI	Space	Business Solutions
<b>Total Agriculture</b>	<b>Total Engineering</b>	<b>Total Credit &amp; Surety</b>	<b>Total Marine &amp; Offshore</b>	<b>Total Aviation</b>	<b>IDI</b>	<b>Space</b>	<b>Total Business Solutions</b>
Hail	CAR	Credit	Hull	<b>Int. Airlines</b>			<b>ENR<sup>4)</sup> Worldwide</b>
MPCI	EAR	Surety	Cargo <sup>3)</sup>	Gen. Aviation			<b>C&amp;S<sup>5)</sup> Worldwide</b>
Live-stock	B&M		P&I <sup>3)</sup>	Prod. Liability			<b>CPC<sup>6)</sup> EMEA</b>
			Energy				<b>CPC<sup>6)</sup> APAC</b>
							<b>CPC<sup>6)</sup> Americas</b>

**Business attractiveness<sup>7)</sup>**

	January 2017	Monte Carlo 2016	January 2016
Very attractive	0%	0%	0%
Attractive	0%	5%	0%
Adequate	91%	86%	91%
Inadequate	9%	9%	9%

1) SUL, Channel & Alternative Solutions not considered  
 2) Including GAUM  
 3) Mainly Non-Proportional business  
 4) Energy and Natural Resources Property & Casualty (Energy Onshore + Offshore & Mines & Power)

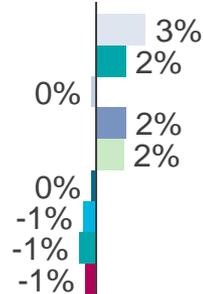
5) Construction and Specialties (Professional Indemnity & Captives protection)  
 6) Corporate Property & Casualty (large industrial & commercial risks)  
 7) Percentages are based on the number of segments in each category, not taking into account the respective segments' premium volume

# Resilience to pricing pressures; growing when pricing is more attractive

## Price change<sup>1)</sup>

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

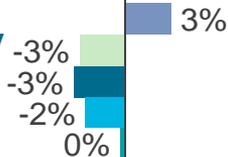
### January renewals



### April renewals



### June-July renewals



## Renewal growth<sup>2)</sup>

**Cycle management:**  
growth stronger in times of rising prices

2009

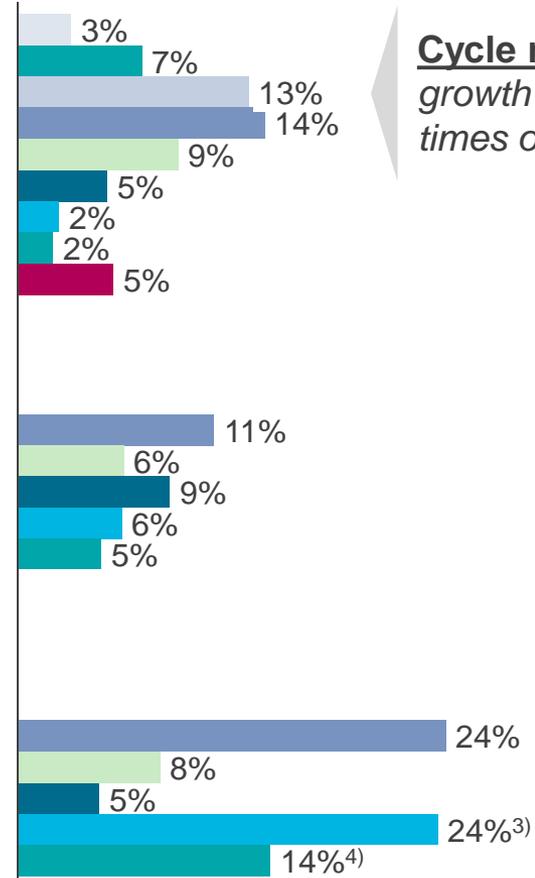
2017

2012

2016

2012

2016



1) As published. Year-on-year price changes on a "same stores" 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 "same stores" basis. Hence different from annual premium growth

3) Excluding three specific large deals, growth would have been ~14%  
4) Excluding specific large deals, growth would have been ~4%

# Definitions

---

- **B&M:** Boiler & Machinery
- **Cancelled/restructured:** client or SCOR decided to cancel the business/programs and/or to change their programs (e.g. from proportional to Non-Proportional)
- **CAR:** Contractors All Risks
- **EAR:** Erection All Risks
- **Gross written premiums:** actual and estimated premiums, expressed using Calendar Year-to-Date average foreign exchange rates at each quarter reporting, to be received for the period from the ceding companies. Gross written premiums represent the turnover for the accounting period
- **IDI:** Inherent Defects Insurance (Decennial)
- **LoB:** Line of Business
- **MPCI:** Multi Peril Crop Insurance
- **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)
- **P&I:** Protection & Indemnity
- **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.
- **Program business:** Program business refers to business done with Managing General Agents / Managing General Underwriters (MGA/MGU)
- **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
- **2016 Underwriting year premiums:** SCOR Global P&C premiums for contracts incepting between January 2016 and December 2016, expressed at December 31, 2016 closing exchange rates