

## Press Release

February 9, 2021 - N° 3

### January 2021 P&C Renewal Results

## **SCOR achieves excellent January 1, 2021, renewals, with +15.9% premium growth**

SCOR begins 2021 with excellent renewal results, in line with the forecasts shared during its September 2020 Investor day, when the company was amongst the first reinsurers to outline a very positive outlook for the P&C reinsurance market.

Conditions for the Reinsurance treaty market hardened significantly, driven as anticipated by price increases and improved terms and conditions across all lines of business and all regions.

SCOR took full advantage of these favorable market conditions, growing its Reinsurance treaty premium income up for renewal by 15.9% at constant exchange rates<sup>1</sup>. Premiums increased by EUR 472 million to EUR 3,445 million, with an overall average price increase of 7.8%. In many instances, SCOR was able to get preferential terms with its key clients and benefited from a generalized reinforcement of terms and conditions, as demonstrated by the introduction of contagious disease exclusions on short-tail lines and selected long-tail lines.

On the Specialty Insurance book, which renews throughout the year, market trends were even more positive than for treaties, enabling SCOR Global P&C to record gross premium growth of 16% in 2020, on the back of 23% rate increases for large commercial lines business.

These successful renewals demonstrate the high quality of SCOR's franchise and the appropriateness of its business model in terms of seizing market opportunities, playing nimbly across its Reinsurance and Specialty Insurance platforms. The significant improvement in the technical profitability of the book will translate into our results progressively in the quarters to come.

SCOR expects the current hardening market trends to continue at subsequent 2021 and 2022 renewals. The Group is well positioned to take full advantage of these trends in both insurance and reinsurance, leveraging on its global underwriting platform.

In this supportive market environment, SCOR confirms the assumptions presented at the September 2020 Investor Day, including a combined ratio trending downwards towards 95% and below for financial year 2021.

### **January 2021 P&C Reinsurance Treaty Renewals**

The January 2021 renewals marked a strong acceleration of the P&C treaty reinsurance market hardening after years of high natural catastrophe losses, attritional inflation, and low interest rates. Demand for reinsurance was robust, driven by increased general risk aversion, and SCOR fully leveraged its deep client relationships and the strength of its positioning to achieve strong price increases. SCOR focused its growth on Europe, Fast Growth and Treaty Global Lines, actively steering its risk portfolio towards regions and lines of business offering the most attractive underwriting conditions.

<sup>1</sup> Exchange rates at December 31<sup>st</sup>, 2020

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Reinsurance treaties renewal book at January 1, 2021<sup>1</sup>:

	Gross Premiums renewed (in EUR millions)	Evolution vs. January 2020	Notable drivers
Treaty P&C Lines <sup>2</sup>	2,471	+12.2%	Europe, Fast Growth Markets
Treaty Global Lines <sup>3</sup>	973	+26.4%	Agriculture, Credit & Surety
<b>TOTAL</b>	<b>3,445</b>	<b>+15.9%</b>	

1. Approximately 64% of SCOR Global P&C's reinsurance premiums – representing 45% of SGPC's total premium income - renew in January (excluding SCOR's 3<sup>rd</sup> party capital provision business at Lloyd's)
2. Treaty P&C Lines include: Property, Property Cat, Casualty, Motor, and other related lines (Personal Insurance, Nuclear, Terrorism, Special Risks, Motor Extended Warranty, and Inwards Retrocession)
3. Treaty Global Lines include: Agriculture, Aviation, Credit & Surety, Inherent Defects Insurance, Engineering, Marine and Offshore, Space, and Cyber

Overall technical profitability from the January reinsurance book renewed in 2021 substantially improved, with all regions and lines of business contributing to this improvement. Price increases outpaced the estimated increase in risk costs. The technical profitability of the risk portfolio was further enhanced by improved contract terms and conditions, including the introduction of contagious disease exclusion clauses whenever deemed necessary. SCOR believes the current buoyant market cycle will be sustained in 2021 and 2022.

### Update on Specialty Insurance

Through its Specialty Insurance activity, SCOR continues to profit fully from a strong rate-on-rate compounding effect on large industrial and commercial single risks, particularly benefiting short-tail lines, which represent a large majority of the book. In 2020, the book grew by 16% vs. 2019, with a 23% price improvement through a broadening, globally and across all lines of business, of the hardening that started in 2018. SCOR's profitable Specialty Insurance growth over 2020 validates the strategic edge of its global underwriting platform, enabling it to actively steer the management of its risk portfolio towards the most attractive market conditions.

### Outlook for upcoming 2021 renewals

Looking forward to the April and June / July 2021 renewals, SCOR expects the market to show further price increases and improved terms and conditions. The Group is well positioned to support its clients, seize market opportunities and continue on its profitable growth trajectory, leveraging on its global underwriting platform.

**Jean-Paul Conoscente, CEO of SCOR Global P&C, comments:** *“The January 2021 renewals have shown a significant acceleration of market hardening for P&C reinsurance. In this supportive market environment, we fully leveraged our positioning and deep client relationships to achieve strong profitable growth, marked by a sizeable improvement of the profitability of our book across all regions and lines. Looking forward to future renewals, we are confident that price increases and improvements in terms and conditions will continue. We confirm the growth and profitability assumptions set for 2021 at SCOR's September 2020 Investor day, which have been revised upwards since the launch of our “Quantum Leap” plan.”*

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### General

Numbers presented throughout this document 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 document 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 document 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

The full impact of the Covid-19 crisis on SCOR’s business and results can still not be accurately assessed at this stage, given the uncertainty related both to the magnitude and duration of the Covid-19 pandemic and to the possible effects of future governmental actions and/or legal developments in this context. This uncertainty follows from the high difficulty in working on sound hypotheses on the impact of this crisis due to the lack of comparable events, the ongoing nature of the pandemic and its far-reaching impacts on world-wide economies, on the health of the population and on our customers and counterparties. These hypotheses include, in particular:

- the duration of the pandemic, its impact on health on the short and long term;
- the availability, efficacy, effectiveness and take-up rate of the vaccines;
- the response of government bodies world-wide (including executive, legislative and regulatory);
- the potential judicial actions or social influences;
- the coverage and interpretation of SCOR’s contracts under these circumstances;
- the assessment of the net claim estimate and impact of claim mitigation actions.

Therefore:

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- any assessments and resulting figures presented in this document will necessarily be rough estimates based on evolving analysis, and encompass a wide range of theoretical hypothesis, which are still highly evolutive;
- at this stage, none of these scenarios, assessments, impact analyses or figures can be considered as certain or definitive.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2019 reference document filed on March 13, 2020, under number D.20-0127 with the French Autorité des marchés financiers (AMF) and in the 2020 interim financial report for the six months ended June 30, 2020 posted on SCOR's website [www.scor.com](http://www.scor.com).

In addition, such forward-looking statements are not "profit forecasts" within the meaning of Article 1 of Commission Delegated Regulation (EU) 2019/980.

### Financial information

All figures in this document are unaudited unless otherwise specified.

Unless otherwise specified, all figures are presented in Euros.

Any figures for a period subsequent to September 30, 2020, 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, 2020, unless otherwise specified.

All figures are based on available information as at January 21, 2021, unless otherwise specified.