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**SCOR improves the expected  
technical profitability and  
risk-return profile of its P&C portfolio  
in a favorable market environment**

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# Disclaimer

## 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 SCOR's financial condition, results, business, strategy, plans and objectives, in particular, relating to SCOR's current or future projects.

These statements are sometimes identified by the use of the future tense or conditional mode, or terms such as "estimate", "believe", "anticipate", "expect", "have the objective", "intend to", "plan", "result in", "should", and other similar expressions.

It should be noted that the achievement of these objectives and forward-looking statements and information is dependent on circumstances and facts that arise in the future.

No guarantee can be given regarding the achievement of these forward-looking statements and information. These forward-looking statements and information are not guarantees of future performance. Forward-looking statements and information and information about objectives may be impacted by known or unknown risks, identified or unidentified uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by SCOR.

In particular, it should be noted that the full impact of the Covid-19 crisis on SCOR's business and results cannot be accurately assessed, in particular given the uncertainty related to the evolution of the pandemic, to its effects on health and on the economy, and to the possible effects of future governmental actions or legal developments in this context.

In addition, the full impact of the Russian invasion and war in Ukraine on SCOR's business and results cannot be accurately assessed at this stage, given the uncertainty related both to the magnitude and duration of the conflict, and the consequential impacts.

Therefore, any assessments and any figures presented in this document will necessarily be estimates based on evolving analyses, and encompass a wide range of theoretical hypotheses, which are highly evolutive.

Information regarding risks and uncertainties that may affect SCOR's business is set forth in the 2021 Universal Registration Document filed on March 3, 2022, under number D.22-0067 with the French Autorité des marchés financiers (AMF) 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.

SCOR has no intention and does not undertake to complete, update, revise or change these forward-looking statements and information, whether as a result of new information, future events or otherwise.

## 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 2022 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 of December 31, 2022 unless otherwise specified.

All figures are based on available information as of January 19, 2023 unless otherwise specified.

# SCOR improves the expected profitability and risk/return profile of its P&C portfolio

## A profitability objective underpinned by two key principles

- 1.1 renewals tackled with one clear objective: improve the expected profitability and risk/return profile of its P&C portfolio taking full advantage of the current favorable market conditions
- Approach underpinned by two key principles:
  - Optimizing capital allocation between lines and clients
  - Improving portfolio diversification and resilience of the technical results

## Balance the portfolio

- Growth in Global Lines pursued, +11% of EGPI (excluding Agriculture)
- Strengthened relationship with clients
- Exposure reduction to natural catastrophe risks (-14% in 1-in-250-year net Cat PMLs<sup>1</sup>)
- Reshaping of portfolio away from inflation-sensitive lines (-24% of EGPI for Casualty and Motor lines)
- Overall reduction in EGPI of -12% for renewed reinsurance

## Improve expected technical profitability

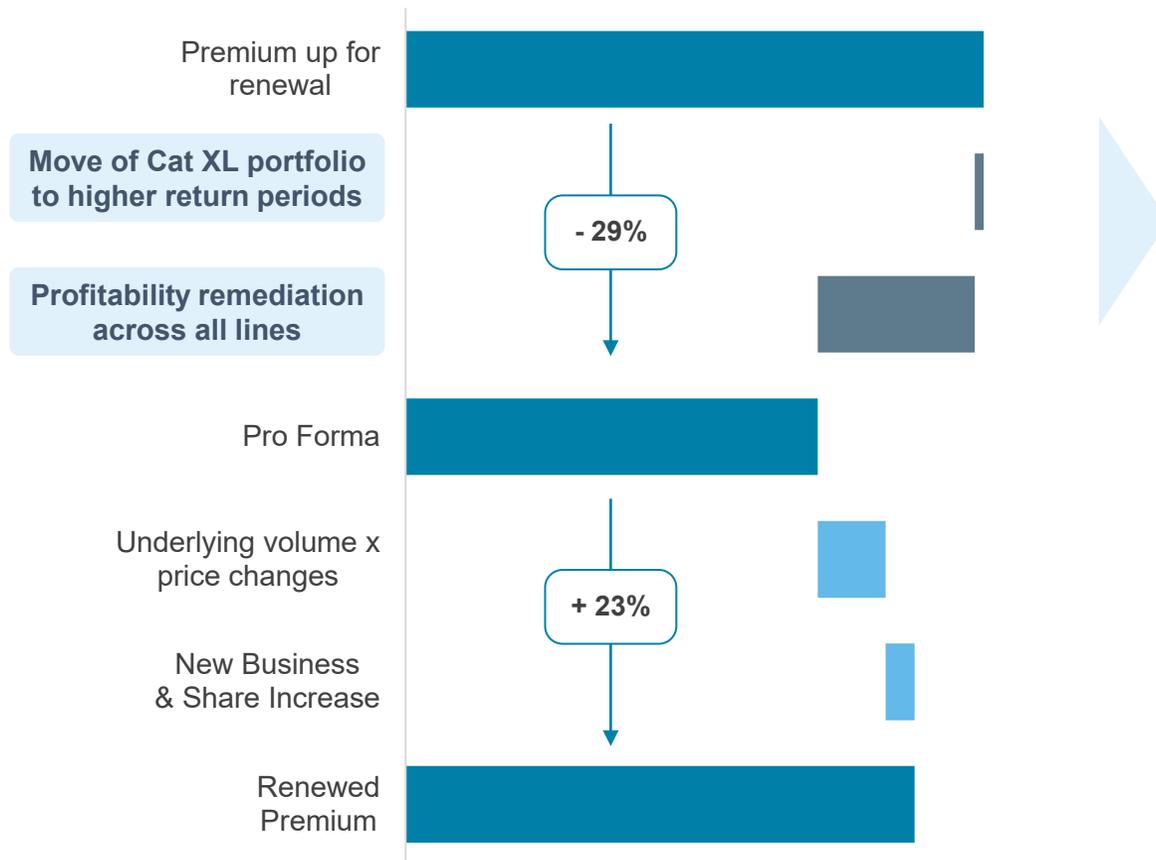
- Net underwriting ratio expected to improve by 2.5 to 3 pts mainly driven by a +9% rate increase<sup>2</sup> on the portfolio (o/w +35% for Property Cat and +24% for the Non-Proportional portfolio)

3 | 1. "PML" stands for Probable Maximum Loss  
2. SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure.

1

# Underwriting decisions leading to pruning of unprofitable part of the portfolio

## Change in Reinsurance EGPI at 1.1.2023



## Key underwriting decisions

### Climate-sensitive lines:

- Increase in cedants' Property Cat XL retentions.
- Reduction in Agriculture (increased weight of non-proportional).

### Inflation-sensitive lines:

- Pricing inadequacy in US Casualty, Credit & Surety, Motor.

4 |

FX rates at 31/12/2022.

Profitability remediation includes cancelled, restructured and share decrease decisions

Note: SCOR Price change is based on a sample of contracts for which price evolution can be computed per unit of exposure (e.g. notably excludes new contracts, contracts renewing with change in structure, multi-year non-proportional accounts)

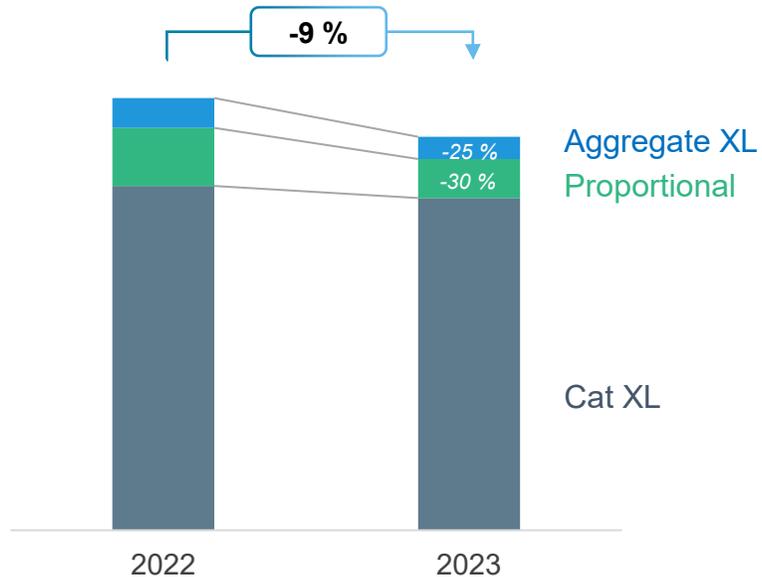
1

# Portfolio volatility reduced with lower Property Cat limits deployed on climate sensitive treaties and higher attachments



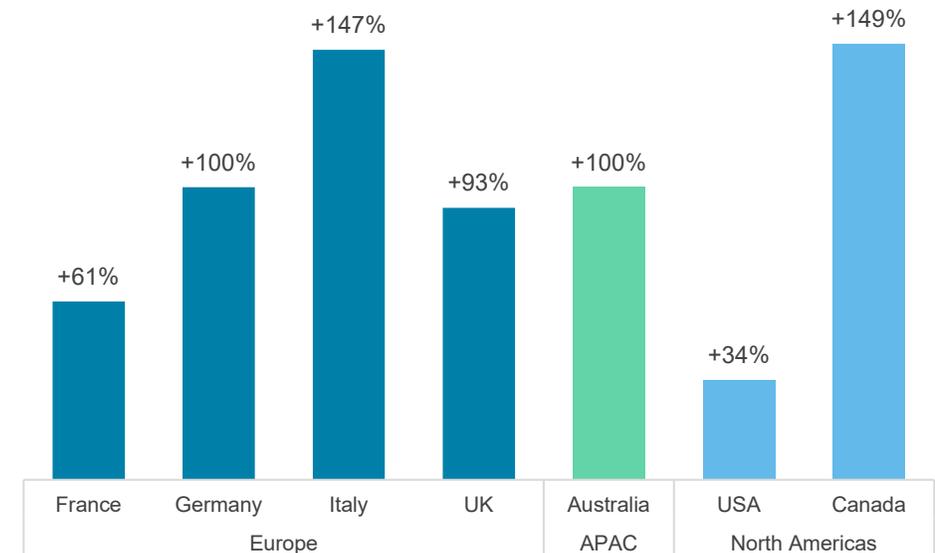
SCOR reduces its proportional and aggregate XL limits

Evolution of aggregated Property Cat limit in its main markets<sup>1</sup> (in EUR)



SCOR significantly increases the attachment points of its Cat XL book towards 1-in-10 year event

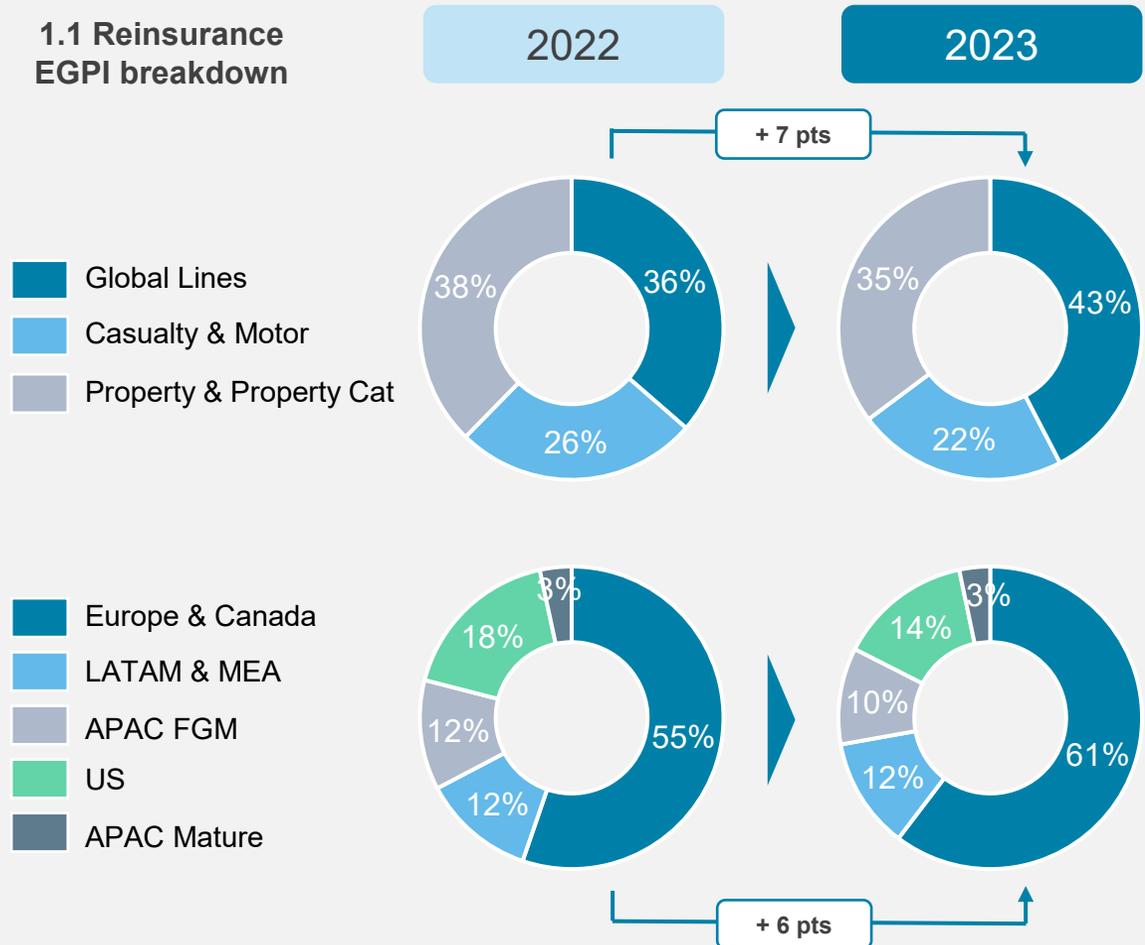
Increase of domestic Cat XL retentions by market<sup>2</sup>



5 | 1. Australia, Canada, Germany, France, Italy, UK and USA.  
2. Based on aggregated cedants' retention, excluding global programs

# 1 Significant rebalancing towards Global Lines and Europe & Canada

## 1.1 Reinsurance EGPI breakdown



### Continued growth in Global lines

- **Engineering** (+21%): adequate returns on capital
- **Cyber** (+41%): growth driven by primary rate increase
- **Decennial** (+5%): continued strong client demand
- **Marine & Offshore** (+3%): favourable environment in composite and non-proportional markets

### Remediation areas at 1.1

#### Volatility reduction:

- **Property Proportional** (-24%): reallocation of capacity to Property Cat XLs
- **Agriculture** (-39%): shift towards non-proportional

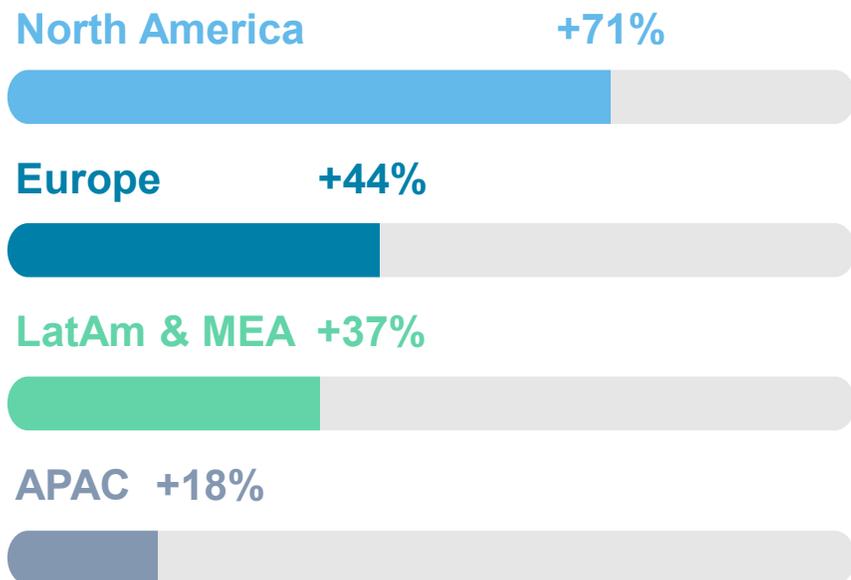
#### Profitability improvement (inflation-sensitive lines):

- **US Casualty Proportional** (-48%): reallocation of capacity to more profitable lines
- **Motor Proportional** (-29%): reallocation of capacity to more profitable lines

## 2 Property Cat: very favorable market dynamics with tightened terms and conditions for a better profitability

### ✓ Property Cat XL, increase in Rate on Line

Average increase in Rate on Line<sup>1</sup> of domestic Cat XL layers underwritten by SCOR at 1.1.23



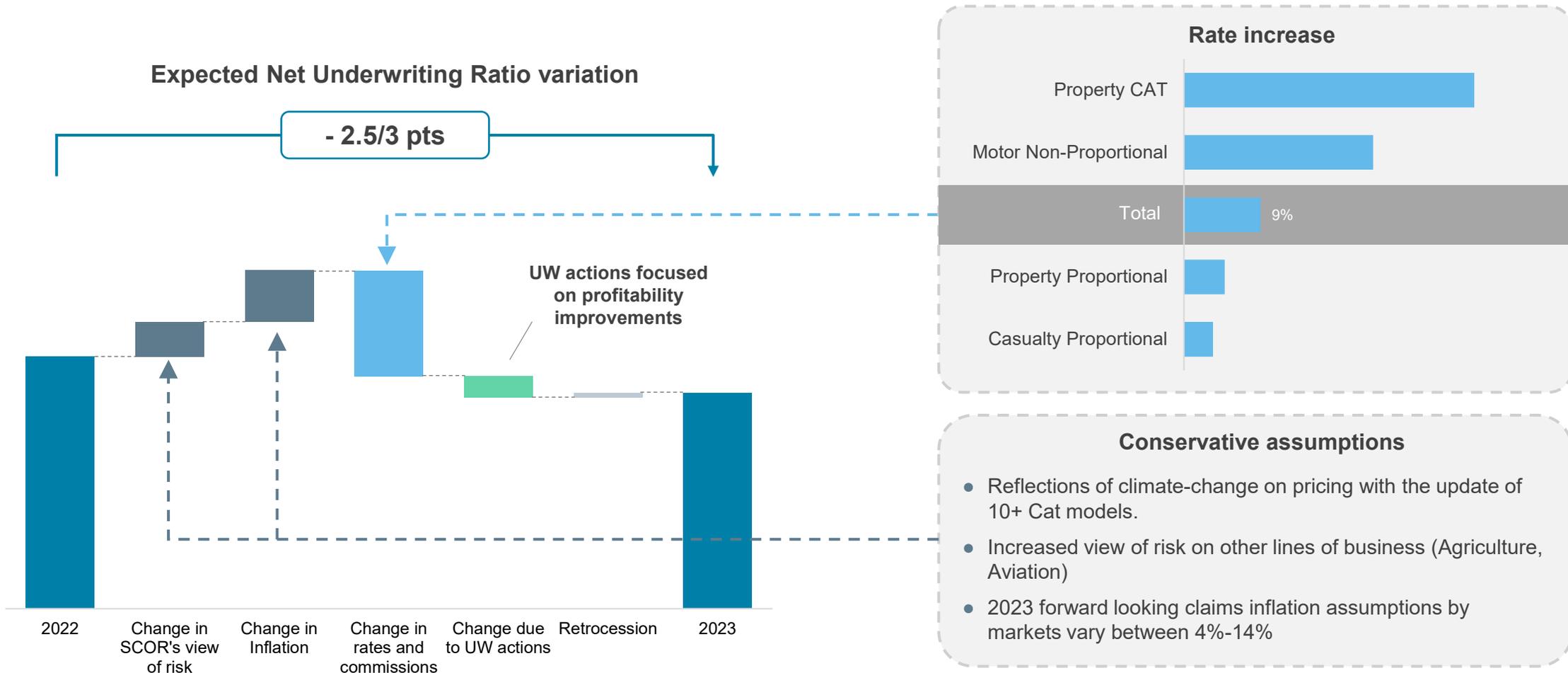
### ✓ Improved Terms and Conditions

SCOR obtained better terms at 1.1 renewal, such as:

- Exclusion of additional perils,
- Higher attachment points,
- Tightened reinstatement provisions.

7 | 1. Unlike SCOR's rate change methodology, the Rate on Line change is not adjusted for underlying exposure change, structure change and share change.

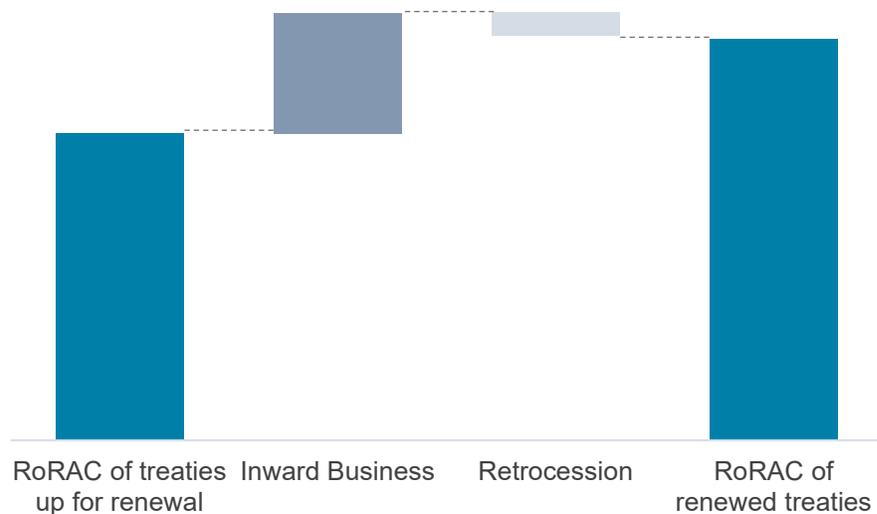
# 2 2023 expected underwriting ratio improved: strong price increases more than offset a forward-looking inflationary impact with a perspective of increasing risks



# SCOR improves its risk/return profile and is ready to tackle the upcoming renewals with strong ambitions



Illustrative net “expected” return on risk-adjusted capital<sup>1</sup>



Well positioned to make the best of the hardening market



Improved risk profile



Improved expected return



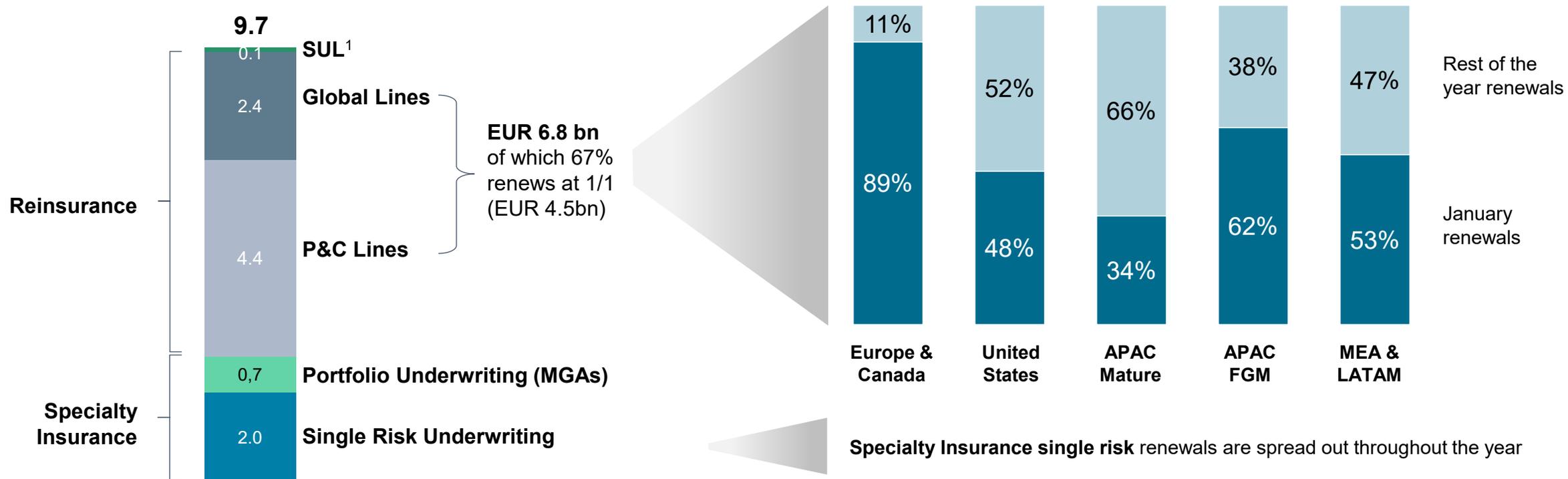
Supportive outlook at upcoming renewals

- Confidence in market hardening to continue in 2023
- Margin improvement opportunities
- Additional capital available for deployment

# Appendix

# Around 67% of SCOR's P&C reinsurance treaty premium renewed at 1.1, representing 47% of the overall P&C book

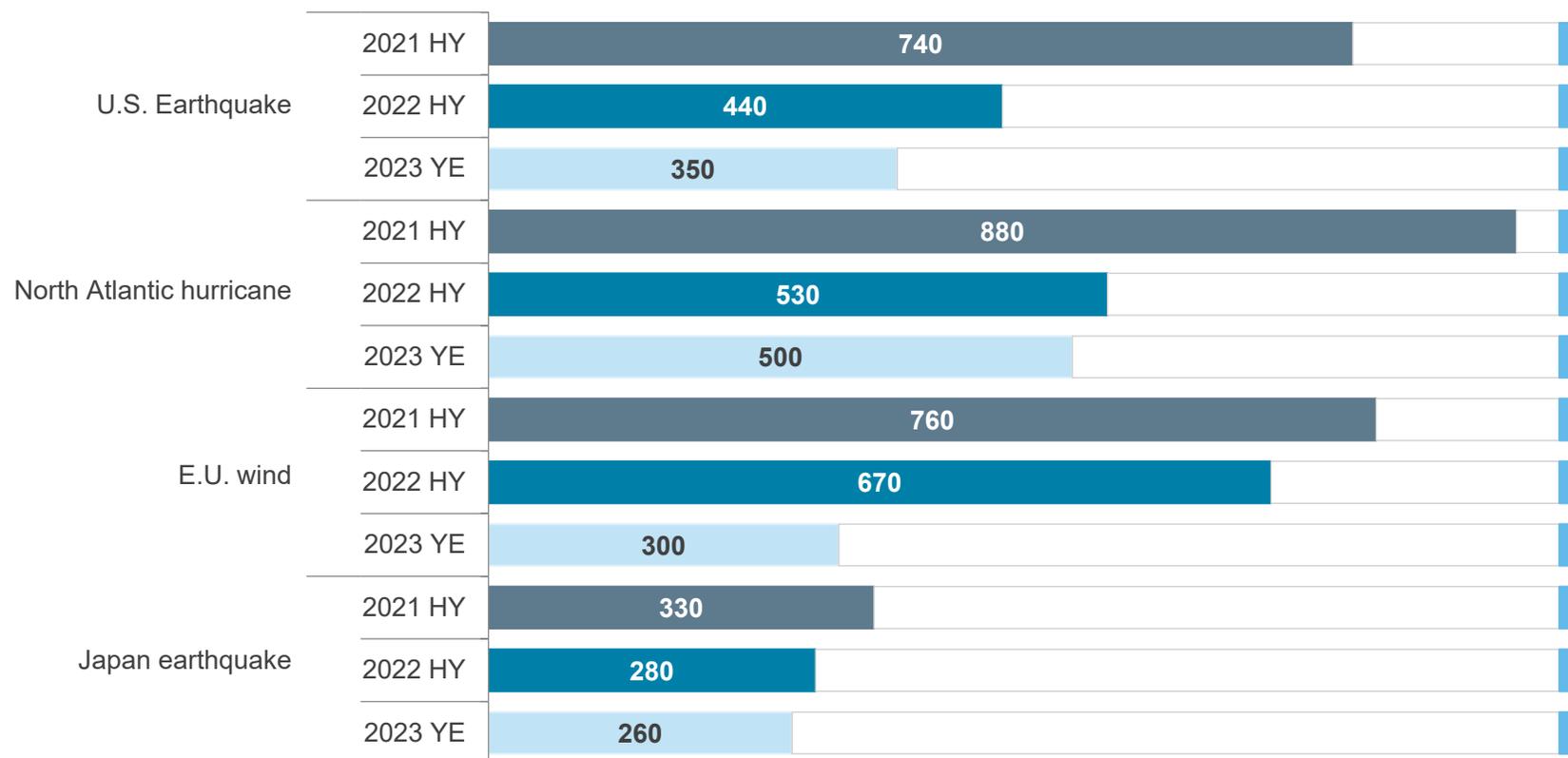
Estimated total 2022 UW Year premiums  
In EUR billions



# Reduced 1-in-200 year Net Cat loss over the past 2 cycles of renewals

## 1-in-200 year Net loss (in EURm)

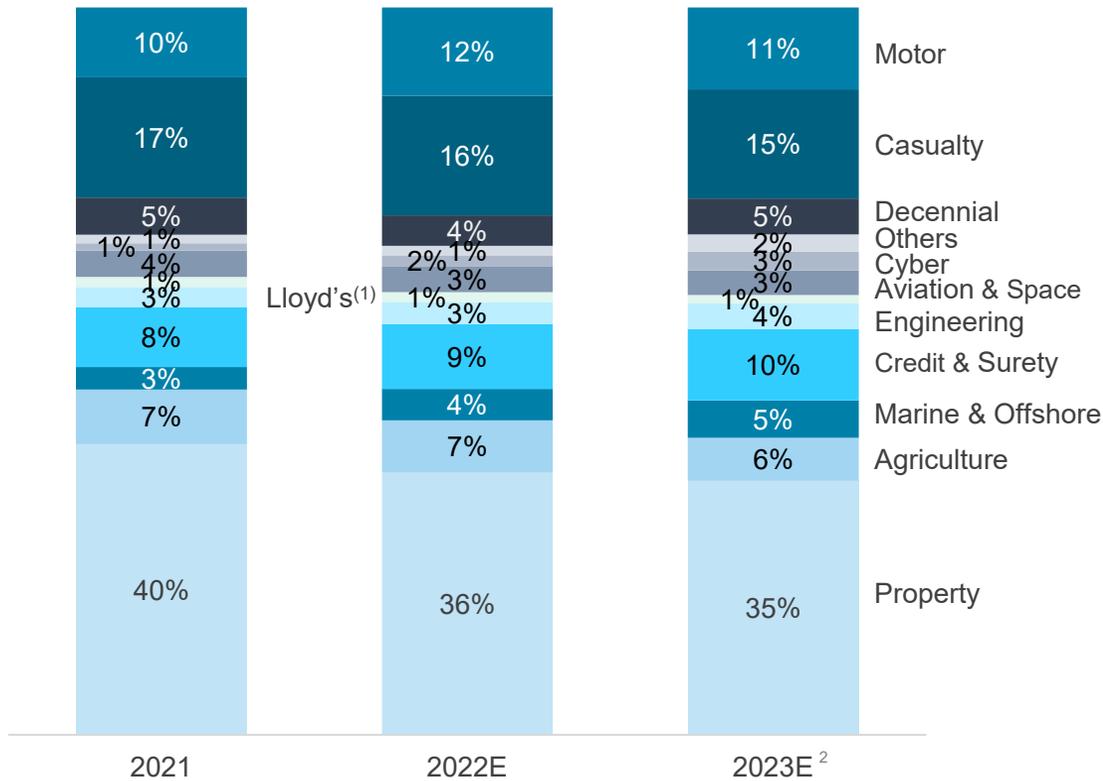
2022 Q3 Limit: 10% EOF (EUR 932m)



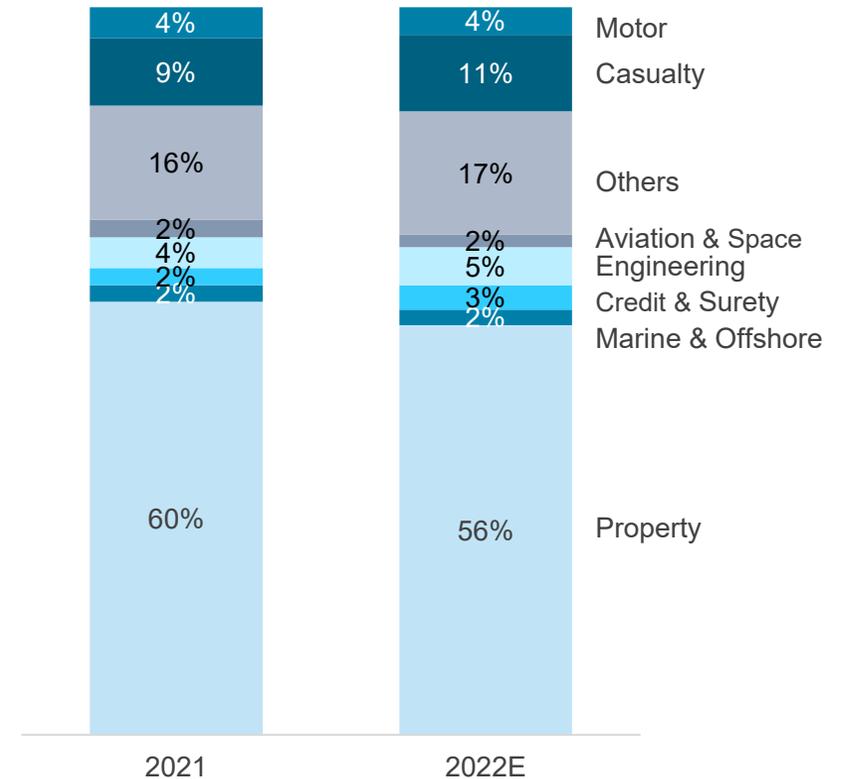
2023 figures include conservative inflation assumption in addition to increased view of risk for North Atlantic Hurricane

# Reshaping of the P&C portfolio towards Global lines and Specialty lines

## Reinsurance

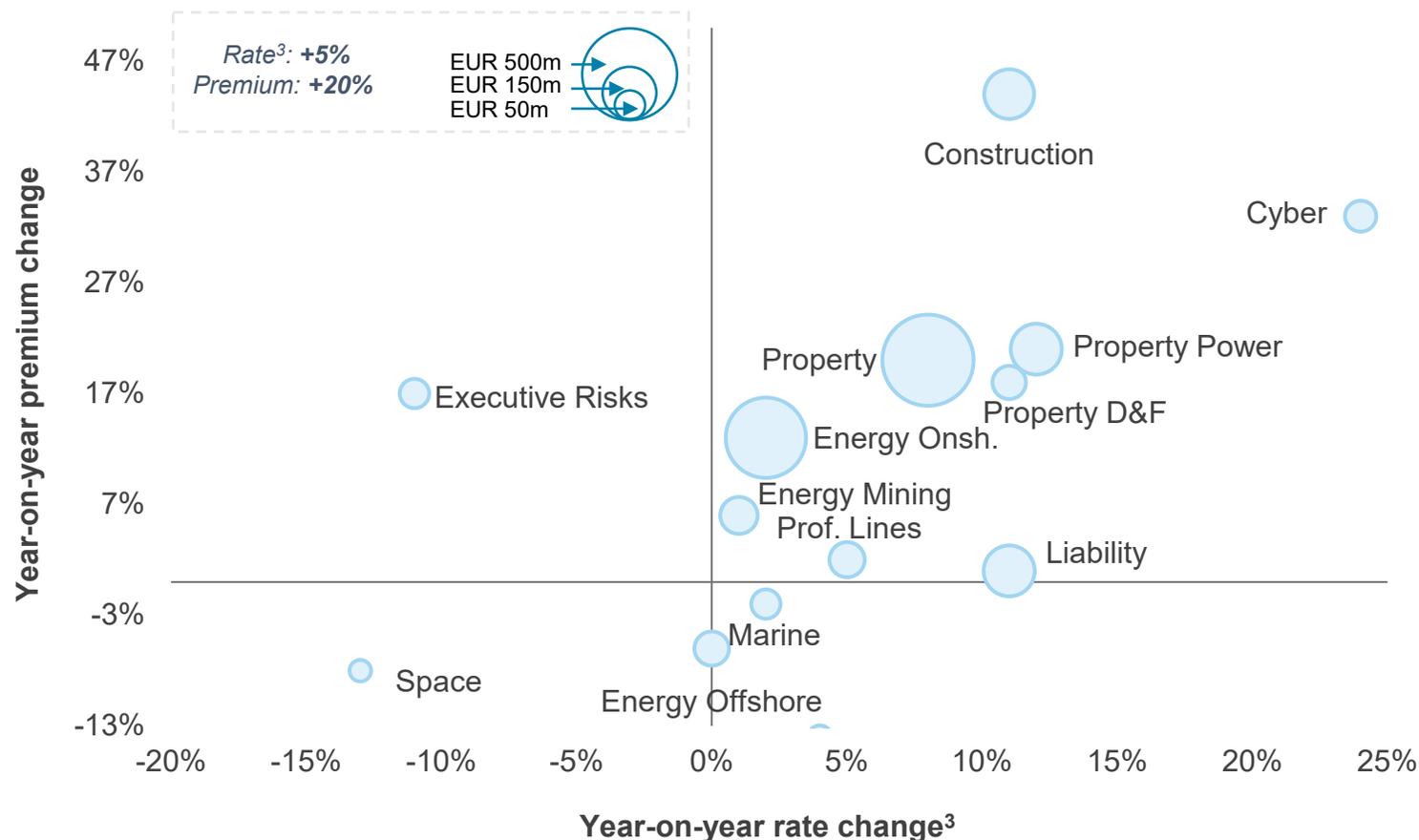


## Specialty Insurance



# In Specialty Insurance (Single Risks), rate increases continue, albeit at a lower pace

Single Risk insurance and Facultative reinsurance  
year-on-year rate vs premium change<sup>1,2</sup>



## Property Lines

- Rate increases trending down, albeit with regional discrepancies
- Renewed rate momentum in the US after hurricane Ian
- Inflation driving higher volumes and sums insured
- No tangible effect yet in 2022 of treaty reinsurance hardening

## Energy

- Market reaction towards year-end to the large loss experience in 2022

## Casualty and Financial Lines

- Downwards adjustment on D&O rates after large increases in prior years
- Cyber corrections progressively abating over the course of the year
- Moderate increases in excess Liability despite inflationary pressure

FX rates at 31/12/2022

14 | 1. Political and Credit Risks (rate: -5% / premium: +67%), Environmental Liability (rate: +4% / premium: -14%) cannot be displayed on this chart

2. Full underwriting year 2022 vs. full underwriting year 2021. Bubble size represents the 2022 booked premiums

3. Rate change is adjusted for exposure, coverage and program structure changes. It is computed for renewable business, based on SCOR's underwriting tools and complemented by expert judgement

# Definitions

- **APAC Mature:** Asia-Pacific mature markets (Australia / New Zealand, Japan, South Korea)
- **APAC Fast Growth Markets:** Asia-Pacific excluding APAC Mature markets
- **Cancelled/restructured:** client or SCOR decided to cancel the business/programs and/or to change their programs (e.g. from Proportional to Non-Proportional)
- **EGPI:** Estimated Gross Premium Income, Underwriting Year
- **LatAm & MEA:** Middle East & Africa, Latin America and Caribbean
- **LoB:** Line of Business
- **Price change:** “price change” defined as movement in price per unit of exposure and adjusted for structure change and share change. By definition, changes in commissions are not considered as price changes. All percentages based on weighted averages per segment and overall on premium volume.
- **Reinsurance Global Lines:** Agriculture, Aviation, Credit & Surety, Decennial, Engineering, Marine and Offshore, Space, Cyber and Alternative Solutions
- **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%)
- **Underwriting Ratio:** on an underwriting year basis, the sum of the gross loss ratio and the external charges ratio (cedant's commission and brokerage ratios).