

## Press Release

February 7, 2019 - N° 5

### January 2019 P&C Renewal Results

## SCOR grows reinsurance premiums 9.7% in a more favorable market; expected profitability stable

SCOR grew P&C reinsurance premiums by 9.7% at constant exchange rates at the January 2019 renewals, from EUR 2.9 billion to EUR 3.2 billion. 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.

SCOR’s client-focused strategy, based on long-term relationships with core clients across business lines and geographies, has facilitated the Group’s continued business expansion. As planned in “Vision in Action”, the largest renewal growth was in the U.S., where SCOR maintains a balance between short and long-tailed business. SCOR declined business with less attractive margins or risk profiles, particularly when pricing was insufficient, which included some very large proportional treaties.

Overall risk-adjusted pricing improved 1.3% compared to January 2018. Expected profitability, which is measured by both technical profitability (loss and commission ratios) and return on risk-adjusted capital, remained stable on both measures.

Reinsurance pricing is broadly stable across nearly all lines of business and geographic markets. SCOR benefits from improving P&C insurance pricing through both Reinsurance (e.g. proportional) and Specialty Insurance, which includes SCOR Business Solutions, the Channel Syndicate, and the MGA business.

Approximately 64% of SCOR’s P&C reinsurance premiums renew in January. There are no substantial changes to the division’s risk appetite and profile.

#### Treaties renewal book at January 2019:

	Gross Premiums renewed (in EUR millions)	Growth rate vs. January 2018	Notable drivers
P&C Lines <sup>1)</sup>	2,370	+8.3%	United States
Global Lines <sup>2)</sup>	836	+13.7%	Credit & Surety, Agriculture ( <i>in progress</i> )
<b>TOTAL</b>	<b>3,206</b>	<b>+9.7%</b>	

- 1) P&C Lines include: Property, Property Cat, Casualty, Motor, and other related lines (Personal Insurance, Nuclear, Terrorism, Special Risks, and Inwards retro).
- 2) Global Lines include: Agriculture, Aviation, Credit & Surety, Inherent Defects Insurance, Engineering, Marine and Offshore, Space, Cyber, and Motor Extended Warranty.

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Looking forward to the April, June & July renewals, the market is expected to stay firm, with the possibility of further hardening as contracts affected by the high number of nat cat and man-made losses in Q3 and Q4 2018 come up for renewal. In addition to being well above average in terms of the total amount of insured nat cat losses, 2018 presents an unusual loss profile due to the geography of those losses and the diversity of the perils that caused them.

Beyond the six losses that received wide media coverage (two hurricanes in the U.S., two typhoons in Japan and two wildfires in California), the market has been impacted by a large number of smaller but still significant events all over the world. This unusual loss profile, with a high frequency of medium to high severity losses, has always been monitored by SCOR's Enterprise Risk Management system and stands within our risk appetite as an earnings event.

For SCOR Global P&C, whilst the burden from nat cat losses for the full year 2018 is expected to be in the range of twice the annual budget (of 6 points of net combined ratio)<sup>1</sup>, the forecast is that the 2018 net combined ratio will nevertheless be below 100%.

**Victor Peignet, CEO of SCOR Global P&C**, comments: *"SCOR starts 2019 with strong January renewals, after having successfully renewed its capital shield back in fall 2018. Clients want to increase the business they conduct with SCOR; they value our client-focused strategy, strong ratings, and technical expertise. Thus we can grow premiums at the high end of the "Vision in Action" range, without sacrificing profitability. We expect favorable market conditions to be more pronounced through the spring/summer 2019 renewals."*

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Upcoming Events	
2018 Annual Results	February 20, 2019
Q1 2019 Earnings Release	April 26, 2019
Annual General Meeting	April 26, 2019

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<sup>1</sup> The estimated total natural catastrophe losses for the fourth quarter of 2018 stand at EUR 384 million net of retrocession and before tax.

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SCOR does not communicate "profit forecasts" in the sense of Article 2 of (EC) Regulation n°809/2004 of the European Commission. Thus, any forward-looking statements contained in this communication should not be held as corresponding to such profit forecasts. Information in this communication may include "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement which does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitations, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties and other factors, which may cause actual results, on the one hand, to differ from any results expressed or implied by the present communication, on the other hand.

Please refer to the 2017 reference document filed on February 23, 2018, under number D.18-0072 with the French Autorité des marchés financiers (AMF) posted on SCOR's website [www.scor.com](http://www.scor.com) (the "Document de Référence"), for a description of certain important factors, risks and uncertainties that may affect the business of the SCOR Group. As a result of the extreme and unprecedented volatility and disruption of the current global financial crisis, SCOR is exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, and the lowering or loss of financial strength or other ratings.

The Group's financial information is prepared on the basis of IFRS and interpretations issued and approved by the European Union. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting".