

ACTIVITY & CSR REPORT 2020

# MANAGING A YEAR OF TURMOIL

SCOR passes the real-life stress test

## MAKING THE WORLD RESILIENT

Our experts decode the new  
Art and Science of Risk

## SUSTAINABILITY AT THE CORE

The key to unlocking  
lasting value creation

## THE FUTURE OF RE- INSURANCE

Transforming what we do  
and how we do it



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# COVID-19: A HISTORIC SHOCK

Pandemic risk has always been well known to reinsurers: infectious diseases figure prominently in SCOR's risk maps and their study and modeling have been an integral part of our risk-management policy. In hindsight, we underestimated the truly global reach of the Covid-19 phenomenon, as well as the critical impact of the various - and un-modelable - decisions made by governments to contain the spread of the virus, which ultimately heavily impacted the (re)insurance industry's exposure to this crisis. The measures taken to contain Covid-19, particularly lockdowns, affected all areas of economic and social life. This has become a multi-faceted crisis, with health-related, social, economic, financial and even geopolitical implications. It has impacted reinsurers in both assets and liabilities, in both the Life and the P&C businesses.

I am proud to say the Group successfully passed this real-life stress test, absorbing this major shock. SCOR ended 2020 profitably and our fundamentals remain very strong.

I would like to express my warmest thanks to the Group's employees for having kept the company running at full steam and for delivering for our clients during this very challenging time.

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**Denis Kessler,**  
Chairman and CEO of SCOR  
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"ON THE P&C SIDE, THE IMPACT HAS BEEN QUITE UNEXPECTED. PANDEMIC RISK HAS ALWAYS BEEN ON THE RADAR, BUT IT WAS SEEN MAINLY AS A LIFE CATASTROPHE RISK."

Anne-Marie Cical

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The Covid-19 crisis has heightened general awareness of the uncertainties that can rule our lives. It is the job of SCOR's experts to develop in-depth knowledge of these uncertainties, so that they can help people and society to prepare and - when crisis strikes - recover.

**Wayne Ratcliffe**, Director of Group Risk Management, **Bruno Latourrette**, Chief Knowledge Officer at SCOR Global Life, and **Anne-Marie Cical**, Regional Chief Underwriting Officer Europe at SCOR Global P&C, discuss risk management, modeling and the Covid-19 pandemic.

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# A WORLD IN TURMOIL

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"ONE THING IS CLEAR: THE PANDEMIC IS IMPACTING THE LOWER SOCIOECONOMIC CLASS DISPROPORTIONATELY. IT IS UNFORTUNATE, BUT IT'S A REALITY."

Bruno Latourrette

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"MODELS ARE NECESSARY, BUT THEY'RE NOT SUFFICIENT. THERE ARE THINGS THAT CAN'T EASILY BE CAPTURED IN A MODEL. WE ALSO NEED 'WHAT IF' SCENARIOS."

Wayne Ratcliffe





"MORE AND MORE, WE ARE USING NEW TECHNOLOGIES TO TAP INTO OPEN-SOURCE LIBRARIES. THIS HELPS US TO BE FASTER IN TERMS OF MODELING AND ALSO SHARING WHAT WE KNOW."

**Bruno Latourrette**, Chief Knowledge Officer  
at SCOR Global Life

#### How do you manage risk in a context like the Covid-19 pandemic?

**W.R.** — As reinsurers, we try to spread the risks we take. In today's world, there are more and more risks and they're becoming increasingly interconnected, which makes the job of risk managers more challenging. The Covid crisis is a good example. Many people didn't foresee the potential ramifications and interconnections of the pandemic. Reinsurers need to be able to put a price tag on risks, to charge for insuring against them. We need to estimate how much it will cost before the event occurs. That's not an easy job. It takes a whole group of experts – actuaries, doctors, specialists, underwriters – to be able to do it.

#### How does that work, in practical terms?

**W.R.** — We look at past experience. For a pandemic, for instance, we look at all the pandemics that have occurred in the past. Then we try to estimate the frequency of such events and how lethal each would be if it were to happen again. We also have to adjust for things like medical advances, increased air travel and non-pharmaceutical interventions like lockdowns and masks.

All of these things are built into our models. We replicate them in a way that reproduces the frequency of the event, its severity and the probability of it happening now or in the future. Every time there is a big event, we learn and we adjust, recalibrating our models if necessary. It's a continual dynamic process.

**B.L.** — As Wayne mentioned, before Covid-19 we had models that allowed us to predict the occurrence of a pandemic in the future and estimate its severity from a risk management per-

spective. But we didn't have a model to assess, when a pandemic occurs, how it would develop, so we have had to create new ones. We have used new technology to develop a state-of-the-art SEIR model, the gold standard for epidemiological models, for which we enhanced and improved an open-source algorithm.

#### What are footprint scenarios?

**W.R.** — Models are necessary, but they're not sufficient by themselves. There are things that can't easily be captured in a model. We need "what if" scenarios as well. One of the techniques we use is what we call a footprint scenario. We take a historic event – for example it could be an earthquake in the 1600s in China or a tsunami off the West Coast of North America in 1700. We look at these events and we replicate them in today's portfolio to see how much they would cost. Then we overlay our own protections because we, as a reinsurer, are also protected against extreme events. And we ask, is this plausible? Should we be worried about it? Should we make some changes to our exposure? Should we buy more protection?

These are historical footprints, but possibly even more important are what I call "imagined footprints", and even "imagined combined footprints" – things that are all happening at the same time because of the interconnection of risks. This is where the art of risk comes in. It's about imagining things. They have to stay within the realms of possibility, of course. They can't be completely crazy. But if we don't do this, people will ask: why didn't you think of that? Hasn't it happened in the past? We've incorporated pandemic risk in our modeling using data from the past, and we've also imagined scenarios based on historical information about past pandemics.



### Aside from modeling, how did you build knowledge on Covid?

**B.L.** — SCOR has a lot of in-house expertise. We have epidemiologists, medical doctors, actuaries, data scientists, data engineers and behavioral specialists in 35 locations across the globe. Collaboration and connection are very important for us as they enable us to learn from each other. As an example, at the very early stages of the pandemic, we built networks of people across all our locations to monitor what was happening in each spot and to learn from the countries that were at advanced stages, such as China, South Korea and Italy. We also built a working group to address all aspects of the pandemic, from infection rates, lethality, the impact on morbidity and testing strategies to, for example, the impact of lockdowns on the diagnosis and treatment of cancer. We also leveraged the large networks of external experts with whom we work on an ongoing basis, as well as new experts who specialize in Covid-19, to understand critical things like vaccination protocols.

As another example, the SCOR Foundation for Science supported a paper on Covid-19 genetics that was published in *Science* magazine. This knowledge was shared internally at SCOR as well as externally with our clients, which allowed us to be very proactive in terms of adapting our pricing and medical underwriting approach. We issue a medical memo, which is updated regularly as the information moves very fast. We also help our clients to assess the impact of Covid-19 on their own portfolios.

### How do the models figure into SCOR's capital management?

**W.R.** — The most important thing from a capital management point of view is to continually monitor our solvency – in other words, the amount of capital we have available compared to the capital we're going to need. When interest rates are low, it can lower our capital. On the other hand, the capital required can increase when we discount future cash flows. Some extreme events are far in the future. In those numbers, the required capital is much higher and the solvency ratio goes down.

### What impact has the Covid-19 crisis had on SCOR's portfolio?

**A-M.C.** — On the P&C side, the impact has been to some extent quite unexpected. As both Wayne and Bruno have pointed out, pandemic risk has always been on the radar of the insurance sector, but it was mainly seen as a Life catastrophe risk. The government responses to prevent the propagation of the disease and the economic consequences of the crisis were underestimated by our sector. No one would have imagined a



“THIS IS WHAT RISK MANAGEMENT IS ALL ABOUT. WE LOOK AT THE BAD THINGS THAT COULD HAPPEN SO THAT WE CAN TRY TO MANAGE THEM BEFORE THEY ACCELERATE.”

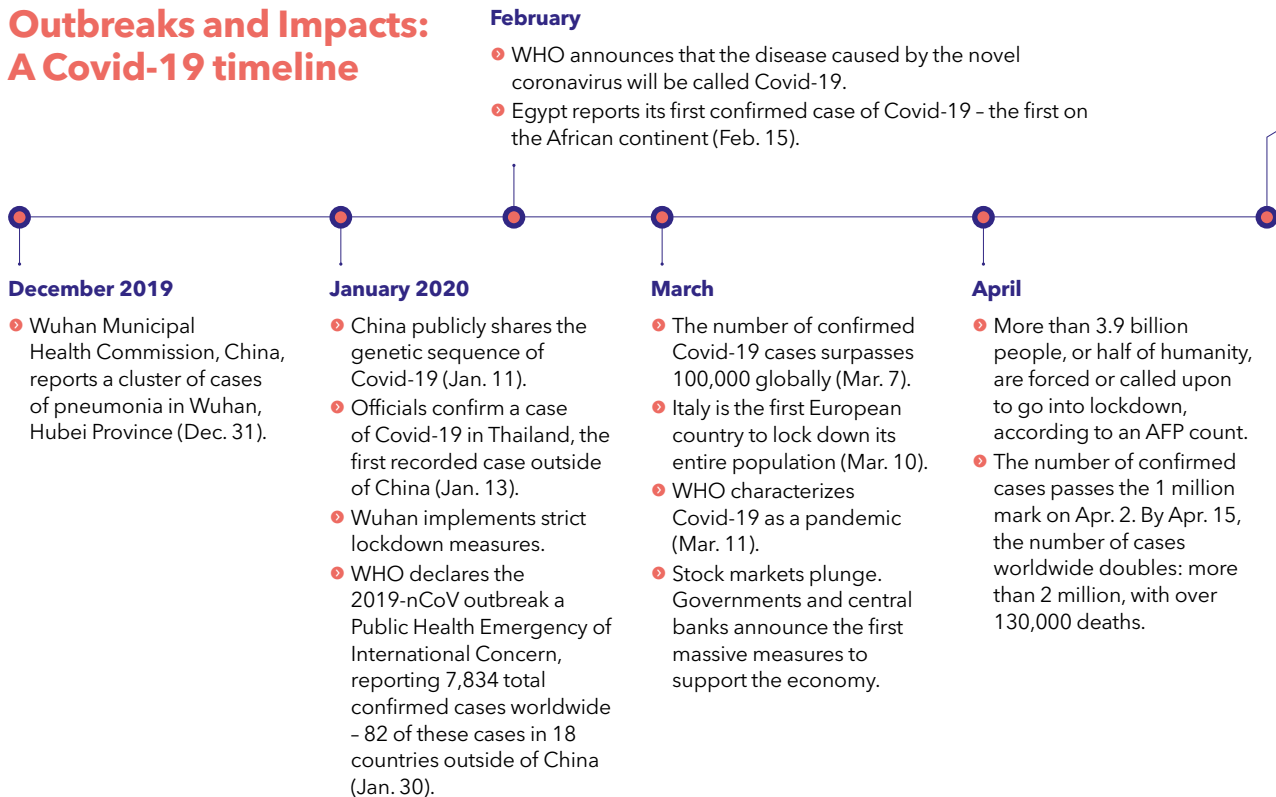
**Wayne Ratcliffe,**  
Director of Group Risk Management

global lockdown with a major impact on Business Interruption, among other impacted lines of business (Credit & Surety, Event Cancellation, etc.).

### Has this crisis revealed any other risks?

**W.R.** — We know that the risk universe is expanding – becoming more complex and more interconnected. For example, climate change carries risks far more significant than what we're living through at the moment. We haven't yet understood all the potential ramifications of climate change and how they can interact with risks like a pandemic. We know, for instance, that deforestation is changing ecosystems, creating situations where humans are much closer to wild areas, wild animals. This could increase the possibility of novel viruses becoming more transmissible, which could in turn increase the risk of pandemics in the future.

## Outbreaks and Impacts: A Covid-19 timeline



There's also global warming. Imagine a situation where some tropical viruses move further north and human migrants move away from uninhabitable areas, say in Africa. The combination of new viruses with a larger population, particularly in Europe, could create conditions where pandemics are more frequent and possibly even more lethal. Other aspects of global warming are even more complicated. The ocean currents are slowing down because large icebergs in polar regions are melting and as a result there is less salt in the sea. This causes the nutrients in the oceans to move around more slowly, which means aquatic animals and fish are having more difficulty finding food. And then there are plastics and pollution. All of this could impact the food chain for humans.

### What are the unexpected consequences of Covid-19?

**A-M.C.** — As I said, one big, unexpected consequence of the Covid-19 crisis has been Business Interruption, which is traditionally triggered by physical damage. For example, a fire burns everything to the ground and the business has to close.

It takes a lot of time to repair things before you can open again. In the case of Covid-19, businesses have had to close because of lockdowns or curfews, without any prior physical damage. Contract certainty has become a major issue. Some Non-Physical-Damage Business Interruption covers have been developed – mostly in European markets – with the intention of covering so-called on-premises risks, such as denial of access or administrative closures following the outbreak of an infectious disease (e.g., salmonella, legionella) in a specific location. In a lot of cases the wording has been considered vague or ambiguous, lending itself to interpretation.

Cases are being brought to court. The decisions depend on the judge's reading of the wording and it takes a lot of time to decide. Likewise with Business Interruption: it is complex to evaluate the loss as the compensation amount is linked to both the appreciation of the loss over a full fiscal year and the capacity of the insured to restart its business. Insurers had no intention of delivering cover in a pandemic situation, mainly because they didn't anticipate a global lockdown.

**May**

- The number of confirmed cases worldwide surpasses 4 million (May 9).
- President Trump threatens to permanently halt funding for WHO and “reconsider” U.S. membership of the organization.

**June**

- The number of Covid-19 cases surpasses 7 million globally, with over 400,000 deaths (June 7). Cases in Latin America surge, with Brazil the second most affected country worldwide after the U.S.
- A UNESCO report on inclusion in education shows 40% of poorest countries are not providing specific support to disadvantaged learners during the Covid-19 crisis.

**July**

- The 2020 edition of the UN’s State of Food Security and Nutrition in the World forecasts that the Covid-19 pandemic could tip over 130 million more people into chronic hunger by the end of the year.

**September**

- The threshold of 1 million deaths globally is crossed (Sept. 28).

**October**

- European countries re-impose partial or complete lockdowns to counter a second wave of Covid-19.

**December**

- Researchers in South Africa present preliminary findings of a new variant: 501Y.V2 (Dec. 4).
- National health authorities approve the first vaccines against Covid-19. The U.S. and U.K. are among the first countries to begin their vaccination campaigns.
- U.K. authorities report a SARS-CoV-2 variant (Dec. 14).

On the reinsurance side, we address natural perils, conflagration, terrorism, and social unrest as catastrophe risks. Now we are finding that we must handle potential claims with wording for which the contract was not initially designed.

**Is pandemic risk uninsurable?**

**A-M.C.** — Pandemics are considered by the insurance community as hardly insurable or even uninsurable. Why? Because the principle of insurance is based on risk pooling and diversification (in terms of space and time). When the economy is collapsing everywhere, you cannot address the issue.

None of the many ongoing initiatives on how to address this risk have led to a solution so far. To what extent public-private partnerships could be implemented remains an open question. The French Minister of Finance, after having called for an extensive study involving all insurers, reinsurers and associated stakeholders, has finally decided not to pursue an insurance solution that would acknowledge private capacity constraints. The amount at stake is so huge that, based on cur-

rent estimates, the capitalization of the insurance sector is nowhere near sufficient to cover the total cost of a pandemic.

SCOR has always been aware of the risk of a pandemic and has identified it as one of the biggest exposures, but mainly impacting the Life side. On the P&C side, we have been cautious not to overexpose lines of business which might add risks (e.g., Event Cancellation). Since the advent of the Covid-19 crisis, we have been working on our guidelines, pulling together our legal, underwriting and risk management teams in order to clearly exclude pandemic risk as far as property lines are concerned. We have warned our clients that pandemic risk does not fit with our risk appetite, as we can only write risks we can assess, measure and price.

**Has the crisis changed how you view things?**

**W.R.** — We have to have a certain amount of humility in risk management. Perhaps we didn’t imagine all of the economic repercussions of this pandemic. So yes, we’ve learned from that. We can’t always get it right. The two main risks of this



“ONE OF THE MOST CRUCIAL LESSONS WE HAVE LEARNED IS THAT WE NEED TO ENSURE THAT OUR CONTRACTS REFLECT THE INTENTION OF THE COVER, SO AS NOT TO FIND OURSELVES TAKEN BY SURPRISE.”

**Anne-Marie Cical**, Regional Chief Underwriting Officer Europe at SCOR Global P&C

crisis are the health and the economic risks. The economic risks have created tremendous stress for companies and sectors that may not, unfortunately, survive. One could argue that the pandemic has just been an accelerator of the natural decline of certain sectors.

Even so, this will inevitably have impacts for insurers. Presumably these sectors will be replaced by others – this is the natural flow of the economy. Central banks and governments have tried to absorb or help reduce the impact of the pandemic by injecting trillions of dollars into the various economies, as well as through interest rate management. We have historically low interest rates at the moment, but we don’t know how long this will last. This makes it particularly difficult for insurers because an important aspect of our job is capital management. Low interest rates reduce, to a certain extent, the amount of available capital, but at the same time they increase the

amount of required capital. We have to manage the solvency ratio and make sure it stays within reasonable limits.

#### What was the impact on the P&C renewals?

**A-M.C.** — In previous years, the discussions were mostly centered around price. During the last renewals, by contrast, the main issue was contract wording. We needed to clarify that we have no intention of covering pandemic exposure, by introducing proper exclusion clauses in all property lines. As you can imagine, the pressure on P&C reinsurers’ results also led to a price increase dynamic.

#### What have you learned from the crisis?

**W.R.** — There are so many things that we have all learned from this pandemic – insurers, governments, economic agents, the general public. There are enormous social and political implications and we still don’t know how this will pan out in the long term.

**B.L.** — One thing is clear: the pandemic is impacting the lower socioeconomic class disproportionately. It’s unfortunate, but it’s a reality.

**W.R.** — It’s true, the pandemic has really put inequalities into focus; some people have suffered a lot more than others and we need to take that on board, to think about what we should be doing. If we don’t, social tensions can lead to political instability. We also see geopolitical tensions between countries trying to blame one another. All of this will need to be managed.

From a reinsurance point of view, the crisis has highlighted even more strongly the extreme complexity and interconnectedness of risks. Covid is just one example and there are going to be many more in the future. We know that cyber-risks and climate change are real, but there are a whole host of economic interactions that didn’t exist before. Technology is moving fast. This means that the need to protect against these risks is going to increase – people and companies will need protection.

**B.L.** — To my mind, the crisis has confirmed that what we’ve been doing over the past two to three years is on the right track. There has been a fantastic acceleration in the use of technology, and we are fortunate that we were ready for that from the outset. The pandemic has also been a formidable accelerator for building community and sharing knowledge.

**A-M.C.** — On the P&C side, contracts need to be clear and not subject to interpretation. “Wording precision and consistency” is the new motto.

The event is still ongoing, and we have no idea how long the virus will be circulating. Of course, we have a lot of hope with the vaccines, but as we are still in the middle of the “storm”, it will take time to appreciate the full extent of the pandemic.



## In Focus: Shock absorption

The Covid-19 pandemic could be described as a “fractal shock”. Its extensive ramifications have generated multidimensional impacts and triggered chain reactions on a global scale, fragmenting and re-fragmenting into a multitude of diverse aftershocks: health-related, economic, financial, social and geopolitical. It emphasizes the growing importance of resilience – not only as a means of anticipating and managing risk, but as a fundamental way of being, thinking and acting.

# UNDERSTANDING SHOCKS, BUILDING RESILIENCE

in magnitude – and in nature, from one country to another – that are driven by a myriad of variables. These endogenous political decisions are variables that cannot be “probabilized”, and thus cannot be modeled. To complicate things further, little is known about this virus and thus the pandemic’s developmental pattern led many to underestimate or even deny the gravity of the situation at the outset.

**I**t is the business of (re)insurers to manage shocks and their impacts. Yet the Covid-19 crisis has required a type of shock absorption that is the exact opposite of what pandemic risk models had anticipated. Traditionally, pandemics have been considered Life catastrophe risks. The Covid-19 pandemic has become much more of a P&C shock, with a magnitude comparable to that of a major natural catastrophe.

Government-imposed containment and mitigation measures to control the spread of the Covid-19 virus have caused P&C risk exposures to take the place of Life mortality risk exposures. Lockdown orders have had extremely negative economic consequences, with differences

While the (re)insurance industry cannot be accused of having been unaware of pandemic threat, the Covid-19 crisis has demonstrated that most of the industry viewed pandemic risk through too narrow a prism. Due to a very strong Life focus, the modeling approach treated the P&C or macroeconomic components in a more simplified fashion. (Re)insurers will need to comprehensively analyze the new data as they seek to quantify future pandemic risk.

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## In Focus: Modeling Covid-19

Since the early stages of the pandemic, SCOR's data scientists, actuaries and epidemiologists have worked together to monitor and track Covid-19 – and to understand its consequences for our customers and partners, and for society as a whole.

# BREAKTHROUGH TECHNOLOGY: SCOR'S COVID-19 MODELING APP

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**U**sing a SEIR model (**Susceptible-Exposed-Infectious-Recovered**), SCOR teams have developed an app that maps the spread of the epidemic. The SEIR epidemiological modeling tool also helps to anticipate location-specific developments of the crisis, and the flexibility of the tool makes it possible to efficiently measure the impacts of the disease on a given population. Because this app is 100% internally developed, SCOR's teams can react quickly to new data as they acquire it, readily adapting the app – thanks to the tool's flexible architecture – to different countries and settings. The app integrates SCOR's in-depth knowledge of local markets in all the countries where our clients are established, for example to help understand the spread of the virus, predict multiple scenarios over time, simulate future waves, and assess the potential overload of hospitals. This enables the model to provide location-specific analysis of the situation as well as response actions.

SCOR's epidemiologists are a precious resource, filtering the vast amount of current research on Covid-19. Our teams share this knowledge freely through webinars and other outreach activities. The SCOR SEIR app also integrates milestone events that affect the transmission speed of the virus, from the emergence of clusters to non-medical measures implemented to contain the virus, such as lockdowns. How strictly people comply with containment measures (physical distancing, wearing masks, etc.) also has an impact. Understanding a population's mortality is a prerequisite to assessing an insurer's book of business. The SEIR model helps SCOR to engage in fully transparent discussions around the rationale behind our underwriting position. Despite extensive modeling expertise and close monitoring of the latest developments, however, there are still challenges in using such an application. SCOR's Knowledge Community comprises a network of experts that includes doctors, epidemiologists, actuaries and data scientists. These experts created the SEIR model and built the app to embed it. Likewise, they stand ready to calibrate it using relevant, granular data. This agile way of working together has enabled quick modification of the model to track the rollout of vaccination, for example, as well as the new, much more contagious strains of the virus. By modeling these two contrasting effects side by side, we can ensure that our forecast of the development of the disease remains pertinent for our teams and our clients.

**Frieder Knüpling**, Group Chief Risk Officer, describes the challenges, the tools, the innovations and the insights of SCOR's risk managers.

# ANTICIPATING AND MANAGING RISK

## What is the role of SCOR's risk management team?

**F.K.** — As a reinsurer, managing risk is at the heart of SCOR's activities. We are exposed to a range of risks – not only underwriting risks but also risks associated with our investment portfolio, as well as those arising from our own operations. Managing these risks is critical for SCOR's success, and this is the essential role of the Risk Management team.

## What tools do you use to calculate risk?

**F.K.** — SCOR's risk managers use a number of tools, models and processes to manage the risk profile and to identify new threats from the external risk universe. For example, we have developed a sophisticated model of the full range of potential profits or losses the company could incur from any of our business activities, as well as their inherent risks. The model takes into account the size and probability of individual events which could affect the various lines of business, and the likelihood of such events occurring.

This internal model is used to derive the amount of capital required to cover the risks to which SCOR is exposed. It also serves to assess the relative profitability of different activities, and thus to optimize the balance between the risks and returns of SCOR's business lines. The internal model is continually evolving, driven by enhancements in risk management and actuarial science, and in response to changes in the external environment. Another, very different example of the tools we use are footprint scenarios. SCOR's risk managers develop scenar-

ios using past extreme events or plausible imagined events to test the resilience of SCOR's business model and operations, in case these events were to occur today or in the future.

## How do you identify what risks you need to consider?

**F.K.** — Identifying new risks from the external risk environment is very important in our rapidly changing world. SCOR has a dedicated emerging risks team that meets to identify and assess the potential impacts of new and developing risks on SCOR's activities. To ensure that all types of risks to which SCOR may be exposed are well covered, the emerging risks team includes a wide range of experts from outside the Risk Management area.

However, as risk managers – and despite the tools and processes we have in place – we need to be aware that external events can be highly unpredictable. We need to be prepared for the unexpected. Covid-19 has reminded us of this. We have always considered pandemic risk a significant exposure for SCOR – in particular for our Life portfolio, and also for our P&C business and investments – but we have seen that pandemics can have very complex and long-term consequences in several other areas. For example, there are impacts on people's mental health, societal inequality and economic stability that need to be figured into the equation.

## What lessons have you learned from Covid-19?

**F.K.** — Covid-19 reminded us of the importance of monitoring the external risks to which SCOR is exposed and looking for new, unknown risks – but also of being aware of the many interlinkages that exist in the risk universe, which can give rise to unexpected consequences.

Climate change and environmental degradation are examples of trends that are likely to have wide-ranging impacts on the risk universe; these trends could lead, for example, to an increase in the emergence of new infectious diseases, with the potential to create more pandemics. As we move into the future, managing these trends will mean taking a holistic approach, including actions to support societal resilience by extending insurance coverage and to integrate new scientific knowledge to further the understanding of risk.



Watch the video interview with Frieder Knüpling:  
[scor.com/en/videos](https://scor.com/en/videos)



# RESILIENCE IN A RAPIDLY EXPANDING RISK UNIVERSE

**Risks are becoming increasingly pervasive and interconnected. As the role of digitalization in our everyday lives continues to grow, the risks related to data security, privacy and the occurrence of cyber-attacks are also increasing. Global climate change and environmental degradation, together with the pressures on society created by the Covid-19 pandemic, are exacerbating already existing social inequalities and increasing the risk of political division at a time when, more than ever, a cohesive global response to systemic threats is essential.**

## An industry built on risk

— Risk is the raw material of the reinsurance business. By understanding the risks we accept and managing them effectively, SCOR is able to provide financial relief to our clients when disaster strikes. This, in turn, contributes to the capacity of societies to absorb and recover from unforeseen shocks or stress, while maintaining essential functions. In this way our business helps build resilience in the communities we serve.

What does this mean, in practical terms? It means taking on risks that other companies cannot, or do not wish to keep on their balance sheets; it means anticipating potential shocks and developing expertise to deal with phenomena that are not yet fully understood, and for which data is often limited.

This puts us in a unique position. With our extensive expertise in data analysis, risk modeling and risk transfer mechanisms, SCOR can facilitate risk comprehension, mitigation and protection, building shock-absorbing capabilities that protect our clients and the wider society.

## Resilience for society and the planet

— Some of the risks in our expanding risk universe are still poorly understood, and it is not certain that all of them will be insurable. In this complex environment, a company like SCOR has a distinct advantage in terms of its breadth of experience and infrastructure. SCOR's global network and leading expertise, in both Property & Casualty and Life & Health (re)insurance, make us ideally placed to conduct research into new types of risk and to seize opportunities.

But no one can go it alone. To build resilience to future catastrophic events and negative long-term trends, the (re)insurance industry must share its expertise. By working with governments and other institutions, we can enable the provision of more inclusive insurance schemes which help to close the growing protection gap, i.e. the proportion of society that cannot afford insurance protection. In vulnerable developing countries, the insurance protection gap is huge and continues to grow. SCOR is committed to using its expertise to help bridge this gap. For example, SCOR has entered into partnerships with development finance institutions in the Philippines and in Africa, to expand the sphere of insurable risks in these parts of the world.

SCOR is committed to its support for risk research, the development of novel risk management techniques and the dissemination of risk-related knowledge to our stakeholders. Our teams are continuously examining the latest research on key issues and integrating this knowledge into our solutions. For example, since the beginning of the Covid-19 pandemic, SCOR has produced monthly medical memos that include key insights from our Life knowledge community on the latest research articles published on the subject, including potential risk factors that could be useful for underwriting and claims.

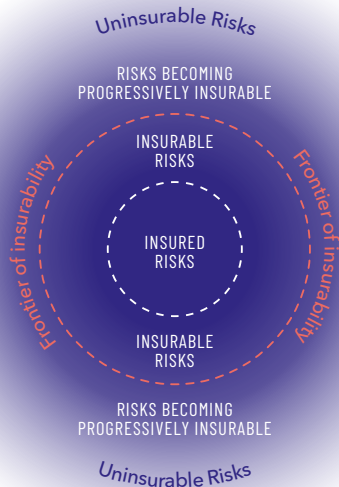
Climate change continues to be a subject of major importance for SCOR. Our approach to managing climate risk is based on a holistic framework centered around a continual assessment of all risks and profitable opportunities over different time horizons. This incorporates different lines of action including:

- developing and improving catastrophe modeling tools and partnering with scientific organizations to model climate events;
- assessing how climate change will impact SCOR's risk profile over different time horizons;
- supporting the transition to a low-carbon economy through active engagement with clients and issuers and through participation in industry bodies committed to facilitating the energy transition;
- continuing to expand our underwriting expertise and business in renewable energies;
- pursuing a phased approach to exiting the underwriting of/investment in carbon-intensive sectors.

These are just a few examples of the ways in which SCOR is contributing to building resilience for society and the planet.



THE RISK UNIVERSE



**Understand, anticipate, act**

— SCOR must be financially stable if it is to shore up resilience among its clients and stakeholders. Our risk managers work together with the Group’s executive management and the Board to determine what kinds of risks the Group is willing to accept, to establish how much risk it can afford to accept while remaining solvent, and to continually assess the company’s risk profile.

The Group’s capital base, its risk preferences and appetite, and its strategy for dealing with risk, are important factors in striking the right balance between the consequences of the risks that SCOR accepts (e.g., paying claims) and the monetary return from accepting them.

Making sure SCOR’s risk profile remains within the defined boundaries is a continual balancing act. Risk profiles are dynamic, with new business constantly being underwritten and older business expiring. The risk profiles of SCOR’s clients are also constantly evolving, making it necessary to regularly reassess contracts.

Given this complexity, SCOR’s risk managers use a number of tools and procedures to monitor the company’s risk profile within the context of the broader risk universe:

- Risk dashboards provide regular reporting on the risk profile and the external risk environment.
- In depth-risk analyses cover a range of risks and trends that could impact SCOR’s activities (e.g., climate risk, cyber risk, the opioid crisis, Covid-19 impacts).
- The emerging risks process identifies new or rapidly changing risks from the emerging risk universe that could impact SCOR in the medium to long term.

SCOR’s experts use actuarial skills and modeling tools, such as catastrophe models and SCOR’s internal capital model, to quantify the Group’s exposure to identified risks. We can also draw on our imagination to develop potential worst-case scenarios of events which may never have occurred in the past:

- SCOR’s exposure monitoring system measures the

Group’s exposure to major assumed risks, including pandemics, long-term mortality trends, social inflation trends and natural catastrophes such as hurricanes, earthquakes and windstorms.

- Footprint scenarios combine acumen and science to understand risk. The Group’s experts assess possible worst-case scenarios (e.g., a large earthquake, a sarin gas attack, a major cyber-attack, antibiotic resistance) either based on a historical event or by imagining an event, to quantify potential impacts and assess how resilient SCOR would be if such an event were to occur. The results are used to discuss the changes, if any, SCOR would need to make to its business mix, protection mechanisms or level of liquidity.

When events occur, SCOR has a number of mechanisms in place to both manage the event and to absorb the shock by mitigating its consequences. These mechanisms are designed to manage the potential financial and operational impacts of a given event.

SCOR’s Capital Shield Strategy comprises a range of mechanisms put in place to protect the Group’s capital with regard to large events reinsured by the company, and includes:

- retrocession, which consists in SCOR insuring itself against an extremely costly event;
- capital markets, which are used to complement the protection provided by retrocession;
- a solvency buffer, which aims to ensure that SCOR’s available capital remains within a target range, corresponding to 185%-220% of SCOR’s required capital.

SCOR’s Business Continuity Plan is in place to deal with the consequences of events that could impact SCOR’s own operations. The Business Continuity Plan ensures that SCOR’s activities can continue when people are prevented from working in SCOR’s offices. The plan was successfully deployed in response to the Covid-19 pandemic.

**SCOR’s risk culture: Everyone’s business**

— Risk Management is not only the responsibility of SCOR’s dedicated risk teams. A healthy risk culture is promoted throughout the company and everyone is expected to be aware of risk-related issues. This includes the consequences of employees’ actions and day-to-day activities. Top management sets the example, and a number of initiatives build awareness and understanding:

- All staff are encouraged to participate in the identification of new and emerging risks.
- Risk Tales – case studies of company failures – are shared with staff to illustrate what can go wrong when risk management mechanisms don’t work properly.
- The performance review process includes an Enterprise Risk Management (ERM) objective for every staff member.
- E-learning modules support risk understanding and awareness.
- Training in ERM is provided to all new employees.

## Emerging Risk Radar

### Evolving health trends

Numerous breakthroughs in science and technology will change the landscape of medicine, bringing new threats but also possibilities of better treatments. Health trends include antimicrobial resistance, the increased frequency of chronic diseases, obesity, medication overuse and genetic testing.

### Hyperconnectivity

Hyperconnectivity stems from the rise in the cyber dependency of people, things and organizations. Hyperconnectivity incorporates many topics such as the rise of social media, wearables and other health-monitoring devices, and the Internet of Things. Hyperconnectivity offers many opportunities, but may also represent an increased vulnerability of individuals, governments and organizations to potential, increasingly sophisticated cyber-attacks perpetuated by criminal organizations or rogue states.

### New business & finance models

The world of finance is undergoing radical changes. Following the banking sector, the insurance industry is now at the forefront of this revolution. For example, blockchain technology could lead to fundamental shifts in business models, the creation of new payment solutions and enhanced transaction security.

### Deterioration of the environment

Environmental degradation is one of the major challenges currently facing mankind. Mass species extinction, ocean acidification, declining land availability and pressures on the global water supply require urgent action. This trend encompasses environmental pollution, biodiversity loss, resource depletion and the alternative energy landscape.

### Global climate change

There is a consensus within the scientific community that human activities have initiated a global change in climate; there is also evidence that as warming of the planet accelerates, certain tipping points, such as permafrost thawing, will trigger further warming. The impacts of risks associated with these trends threaten to be more severe than currently assumed, especially as it seems unlikely that global warming will be kept to the Paris target of “well below 2°C” this century. Global climate change comprises global warming, extreme weather events, sea level rise, and climate-induced poverty and migration, among other risks.

### Shifting social & geopolitical landscapes

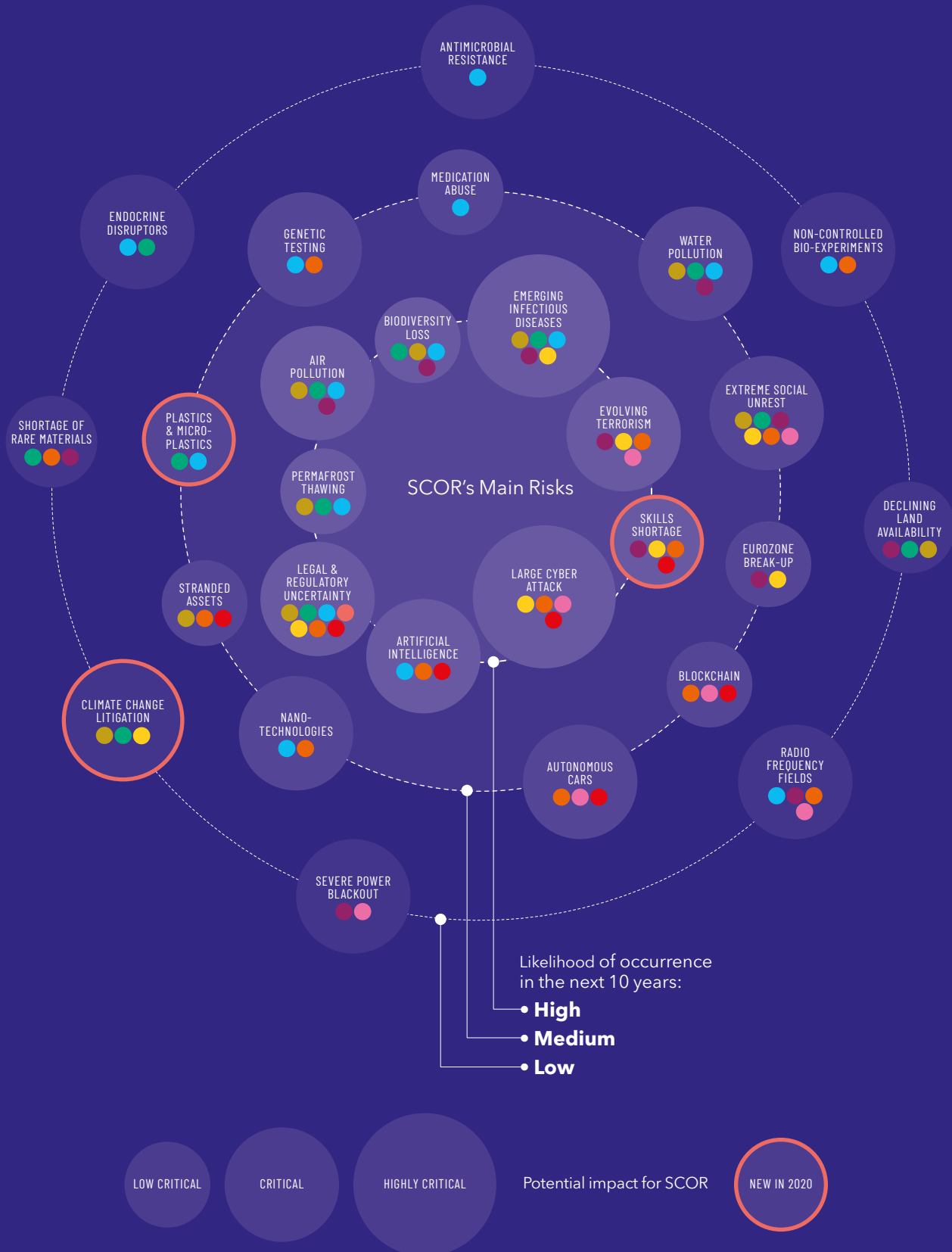
The increasing wealth gap within societies, the weakening of international governance and cooperation, and the increase of regulatory and economic uncertainty are significant trends with the potential to generate social and geopolitical instabilities. Terrorism also remains a major threat.

### Emerging technologies

Innovative technologies could disrupt industrial development, production and entire business value chains. The fourth industrial revolution includes breakthroughs in automation, autonomous mobility, artificial intelligence, augmented reality, robotics, new materials, energy use, big data and communication.

### Changing demographics

The planet's population is undergoing major demographic shifts, which may trigger political, economic, social, cultural and environmental upheavals, particularly in Asia and Africa. This trend encompasses not only population growth, but also the increase in the aging population, rapid urbanization with the development of megacities, and mass migration.





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Climate change and environmental preservation continue to be major concerns for SCOR and for society as a whole. At the same time, significant opportunities for responsible investment in this regard can generate good sustainable returns - for investors and for the planet.

**Claire Le Gall-Robinson**, Group General Secretary, and **Michèle Lacroix**, Head of Group Investment Risk and Sustainability, discuss SCOR's approach.

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# CREATING SUSTAIN- ABILITY OUT OF TURMOIL

1 "SCOR IS A SIGNATORY TO THE UN GLOBAL COMPACT AND HELPED TO FORMULATE THE PRINCIPLES FOR SUSTAINABLE INSURANCE, WHICH WE FOLLOW CLOSELY." **Claire Le Gall-Robinson**

2 "IT'S NO LONGER A QUESTION OF WHETHER YOU ACCEPT IT OR NOT: GREEN IS NOW TRULY MAINSTREAM." **Michèle Lacroix**



### What is SCOR doing to tackle climate change?

**C.L.G-R.** — SCOR has been actively involved in tackling climate change risks for many years now. We signed the UN Global Compact in 2003 and, since that date, we have taken part in many climate-related initiatives. For example, we are a founding member of the Principles for Sustainable Insurance, which we closely follow.

Our Climate Policy provides a dynamic framework for managing the Group’s environmental impact – both direct and indirect – and provides orientation in terms of addressing the risks and opportunities posed by climate change. We also help to make the companies we work with more resilient by encouraging appropriate practices and principles. Reflecting these commitments, we decided to publish our first Climate Report in 2019, largely based on the recommendations of the G20’s Task Force on Climate-Related Financial Disclosures. That was a real milestone for the Group.

SCOR is also very active regarding climate change issues on the market side. We share our expertise on the topic with public policymakers and participate in key initiatives led by regulators, such as the climate stress test initiated by the French Prudential Supervision and Resolution Authority. We

are also an active member of the Climate and Sustainable Finance Commission set up by the Autorité de Marchés Financiers, the French market regulator.

Reinsurers are directly exposed to climate change as risk carriers on the business and the liability sides. They are also exposed to climate change risks as institutional investors. SCOR is also participating to collective initiatives. On the investment’s side, SCOR joined the Net-Zero Asset Owner Alliance in 2020, pledging to take specific steps to reduce our carbon footprint through our investment portfolio. This initiative aims to provide science-based methodologies to define reallocation pathways to carbon neutrality by 2050. This is fully in line with our “Quantum Leap” strategic plan and is complemented by the exclusion of projects involving the coal and tobacco industries, among others, on the underwriting side.

### As an asset owner, how do you tackle climate change?

**M.L.** — More and more investors are joining the journey and taking sustainability into account, but they are at different levels of maturity. Europe is paving the way and has clearly taken the lead for years as far as sustainable finance is concerned. It’s also nice to see that with the Biden administration, the U.S. is back in the Paris Agreement and that they are likely to accelerate on their side.

Regulation helps, let’s be clear. In Europe, sustainable finance regulation is becoming more and more stringent. Sustainable investment is no longer a question of whether you accept it or not: green is now truly mainstream. It means that you need to act to raise awareness of internal challenges

“SUPPORTING BIODIVERSITY IS A REAL OPPORTUNITY AND IS IN NO WAY DETRIMENTAL TO THE PERFORMANCE OF THE PORTFOLIO.”

**Michèle Lacroix,**  
Head of Group Investment Risk and Sustainability

as well as external stakeholders expectations. Regulation demands that you disclose what you invest in to support the transition to net zero. So rather than asking whether or not we should do this, now it's more a question of how far we should go, and how fast.

#### **What new environmental initiatives has SCOR undertaken in 2020?**

**M.L.** — 2020 was a very exciting year for SCOR in terms of our commitment to the environment. We took three major steps.

First, in terms of decarbonization action we moved from an exit strategy to a best-in-class strategy. What does this mean? Instead of actually exiting from very carbon-intensive sectors, we are doing something a little smarter in certain sectors that have a role to play in the transition, like the energy sector. For instance, we agree to finance companies operating in upstream oil and gas if they have taken action and made credible commitments to decarbonize their own businesses. So instead of just getting out of a given sector, we support the transition to a low-carbon economy by financing companies that are best-in-class in their sector – companies that are able to provide business and utilities in carbon-heavy sectors in a less harmful way.

The second step was to join the Net-Zero Asset Owner Alliance, which Claire has already mentioned. This alliance comprises asset owners who have committed to becoming net-zero by 2050. But honestly, we know that it's very easy to make a commitment; the big difficulty is getting there. Members of the Alliance have agreed to set interim targets to

be reached by 2025. New and more ambitious targets will be set every five years, leading to net-zero carbon in investments by 2050. The Net-Zero Asset Owner Alliance relies on scientific and academic research to make sure that the decarbonization pathways proposed to members and really drive investments towards a zero-carbon economy.

By improving our strategy and delivering on our commitments to decarbonization, we intend to address the double materiality of sustainability, more precisely with regard to climate change. We have started to analyze the physical and transition climate risks on our portfolios over the past few years, assessing the impact of extreme climate events on them and mapping our assets to the most carbon-intensive sectors while running “what if” scenarios. The aim is to increase the resilience of the portfolio and protect SCOR's assets against the negative impacts of climate change. Steering the portfolio to limit global warming to below 2°C is our way of considering the impact of our investment decisions on ecosystems. Some 10% of the portfolio contributes to 70% of our emission intensity; we have room to maneuver on that 10% by supporting the best-in-class companies, as well as by decarbonizing the portfolio.

Finally, towards the end of 2020 we signed the Finance for Biodiversity Pledge. This new initiative is similar to the Net-Zero Asset Owner Alliance, only it extends environmental considerations to biodiversity. The signatories have all committed to making a positive contribution to biodiversity through their investments. They are also calling on world leaders to reverse biodiversity loss over the course of this decade.

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“DESPITE A CHALLENGING COVID-19 CONTEXT, OUR EMPLOYEES DONATED MORE THAN 430 HOURS AND RAISED MORE THAN EUR 120,000 DURING THE FIRST YEAR OF SCOR FOR GOOD.”

**Claire Le Gall-Robinson,**  
Group General Secretary

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#### **What role do investors play?**

**M.L.** — As investors, we have a critical role to play in tackling sustainability. When taking investment decisions, we need to consider our impact on the real economy. The Net-Zero Asset Owner Alliance is unique as it combines, within one single initiative, the main levers for impact: engagement, decarbonization of both the portfolio and sectors, and financing the transition. It goes beyond reallocating from carbon-intensive sectors to less harmful activities. The European Commission is also helping to address the double materiality I referred to earlier. The concept of “do no significant harm” is foundational to selecting activities that not only contribute to the EU environmental objectives, but also consider potential adverse impact of investment decisions.

As investors we also face various challenges, one of them being data and methodologies. The Net-Zero Asset Owner Alliance is instrumental in aligning methodologies when considering climate change and defining realistic decarbonization pathways. Committing to carbon neutrality by 2050 is already a challenge. But delivering is the hardest part of the job. While climate change is already at the top of the agenda

for policymakers, it cannot be viewed in isolation, away from the global environmental picture. Preserving biodiversity and restoring biodiversity loss is part of the climate change solution. All the elements involved need to be considered holistically. The Finance for Biodiversity initiative is likely to replicate the work of the Alliance, paving the way for the inclusion of this extended dimension in investment decisions.

#### **What is SCOR’s wider ESG strategy?**

**C.L.G-R.** — SCOR is very involved in the three environmental, social and governance (ESG) pillars. They are part of our DNA and our core activities. We have put in place a very solid governance framework to address ESG topics at all Group’s levels, based on SCOR’s mission statement: to contribute to the welfare and resilience of society by protecting insureds against the risks they face. ESG matters are handled by the Board of Directors with the help of its dedicated committees, particularly the CSR committee, and the audit and risk committees. From an operational standpoint, a dedicated corporate social responsibility (CSR) action plan covers all key initiatives of the Group under the environmental, social and governance pillars. The plan is presented every year to the Board of Directors annually and is monitored by the CSR committee on a quarterly basis. Each business unit in the Group is involved and contributes to this action plan.

To give you some concrete examples, under the environmental pillar, Michèle has already mentioned that the Group has decided to go beyond climate change and tackle other environmental issues, such as biodiversity. The SCOR Foundation for Science has launched a research project on bio-



diversity and is working with the French Natural History Museum to examine the impacts of biodiversity on our business. We have also joined an initiative called Act4nature International, launched by AFEP – the French Association of Large Companies. This initiative helps businesses to structure their biodiversity roadmap over the forthcoming years.

On the social side, in 2020 the Group launched SCOR for Good, a social engagement platform which encourages all employees to get involved in solidarity initiatives such as volunteering and fundraising, through one day a year of paid company time as well as in their own time. Despite a challenging Covid context, our employees donated over 430 hours to ESG projects and raised more than EUR 120,000 over the course of the first year. We are very proud of this.

#### What are the key objectives for 2021?

**C.L.G-R.** — Actively engaged in the fight against climate change, we also pay particular attention to managing our own carbon footprint. In terms of carbon neutrality, the Group has raised its objective to reduce carbon emissions by the end of the “Quantum Leap” period (2021): instead of the original projection of 15% per employee – compared to 2014 emissions – we will reduce them by 30%.

**M.L.** — On the investment side, as we have mentioned, the idea is to go beyond what we are currently doing. For a long time, we have been very vocal and active on climate change and we now want to extend our expertise to biodiversity. It is vitally important to avoid deforestation – this is the first step on the biodiversity path, and part of our journey towards a more sustainable world.

It’s important to note that all of these initiatives are possible with no negative impact on the expected income of our portfolio. Today, there are many opportunities we can leverage. There are also risks, of course – sustainability risks such as climate change and the negative impact that climate could have on the portfolio. But these can be offset by new opportunities, such as investing in green business, as we have done over the past 10 years. Similarly, supporting biodiversity is a real opportunity and is in no way detrimental to the performance of the portfolio. We are learning to navigate through the three dimensions of risk, performance and sustainability. This really unlocks value, especially over the long term, and that’s exactly what SCOR intends to do with its invested assets portfolio.

**C.L.G-R.** — Let me add that on the social pillar, SCOR has a strong commitment to gender diversity and equal pay between men and women: the promotion of diversity and gender equality is a key focus for the Board of Directors and the dedicated CSR committee, and an essential objective of the Group’s human capital management policy. We now target 20% women at the Group Executive Committee in 2021, and 30% by the end of 2025, from 10% in 2020.

As part of its CSR Action Plan, SCOR has also committed to taking a fresh look into its core values. We are conducting consultations with our internal stakeholders and, at the 2021 Annual General Meeting, we will present our *Raison d’Être*, based on the core values set forth in our mission statement.

We are very proud to be able to communicate and reaffirm our values through this statement.



# SUSTAINABLE VALUE CREATION

**SCOR provides reinsurance solutions in more than 160 countries and is actively expanding its geographic footprint across geographies and lines of business. Our current strategic plan, “Quantum Leap”, lays out a clear path for combining growth, profitability, and solvency in order to protect capital - whether financial, human, intellectual or social - from highly diversified risks. But beyond this, the plan is also designed to support the energy transition, to contribute to solutions for adapting to climate change risks, to finance a sustainable world, and to monitor our own environmental footprint.**

**R**einsurance involves deliberately taking calculated risks. In turn, major risks result in shocks, whose origins, scale and impacts vary. SCOR enables its clients to cover their risks, transferring a portion of them and paying a premium for doing so. This means that the selling price of reinsurance products and services is set before their actual cost is known. To sustain this process, we minimize the correlation between risks by creating diversified risk portfolios. We aggregate large risks, pooling them by business line and geographical area. And we limit our exposure by transferring part of the risk through retrocession and insurance-linked securities.

By providing clients with effective solutions to protect their capital, SCOR strengthens societal resilience. This places us at the center of key social, economic, and environmental issues, which are monitored and analyzed by our teams – for both risk purposes and development opportunities.

SCOR Global P&C covers a broad range of risks and capital:

- **Manufactured:** SCOR Global P&C covers damage to physical assets caused by fire, natural catastrophes and other perils. We are a leading player in the reinsurance of inherent defects in construction and have a prominent position in the engineering treaty market.

- **Environmental:** We provide customized risk transfer solutions for crops, livestock, forest, greenhouse and aquaculture resources.

- **Financial:** We have more than 40 years’ experience in credit, surety and political risk.

The natural catastrophe modeling teams within our P&C business unit factor the latest usable scientific knowledge into their models.

SCOR Global Life safeguards human, social and relationship capital, using its unique expertise in biometric and health-related risks to provide a broad range of health products for:

- Critical illnesses such as cancer, heart attack and stroke.
- Long-term care required by conditions such as Alzheimer’s disease.
- Longevity risks, which are important to the security of pension systems.

Our Life business unit stays at the cutting edge of biometric trends and scientific developments through numerous scientific partnerships, and through its own expert assessment of the key factors inherent to mortality, longevity, morbidity and policyholder behavior risks.

SCOR Global Investments and its asset management company SCOR Investment Partners contribute to economic growth and help to increase many forms of capital. On the asset owner side, the sustainable investment policy built on five key pillars:

1. Building a resilient investment portfolio with an integrated risk management approach.
2. Facilitating sustainable investment decisions through negative and positive screening.
3. Fostering sustainable behavior through engagement.
4. Financing a sustainable world through thematic and/or impact investments.
5. Supporting climate awareness through public debate and collective initiatives.

## Furthering knowledge by supporting scientific research

— SCOR contributes to the knowledge community through its Corporate Foundation for Science. Since its creation in 2011, the Foundation has devoted EUR 10.8 million to scientific research across a variety of disciplines. The Foundation also funds scientific and actuarial awards and research chairs, and invests in high-quality, medium-sized companies involved in the production and publication of “certified” knowledge.

## AN EYE ON CLIMATE

Climate variability, the increased frequency and severity of extreme events, and the growing vulnerability of society to natural hazards, have become defining traits of modern life. Taking its commitments one step further, SCOR published its Climate Report in 2020, based on the recommendations of the G20's Task Force on Climate-Related Financial Disclosures. The report provides an overview of SCOR's climate-related risks and opportunities, as well as information on how our business model and strategy are resilient to climate risks.

### Fostering a sustainable world

— Climate risk is at the core of SCOR's sustainable investment approach and we continuously invest in understanding and modeling the climate change-related risks threatening the world, taking a dual perspective: assessing the impact of climate change on our investment portfolio and assessing the impact of the portfolio's performance on the environment. This double approach is based on two main metrics: the Group's carbon footprint and the alignment of the asset portfolio with the Paris Agreement. In our "Quantum Leap" strategic plan, we pledge to make SCOR's investment portfolio carbon neutral by 2050.

As part of our commitment to the transition to a resilient, low-carbon economy, we pay special attention to the environmental certification of our real estate investment portfolio. In addition to office buildings acquired for SCOR's own use, this portfolio contains assets purchased solely for investment purposes, which for the most part are undergoing renovation with

the aim of obtaining environmental or energy efficiency certification. We also invest in real estate and infrastructure debt funds. These assets, together with investments in green bonds, represented 7.3% of the Group's invested assets at the end of 2020. The Group also participates in climate change resilience strategies by developing, distributing and investing in financial products to cover natural disasters (i.e. and insurance-linked securities).

In developing countries, where there can be a significant protection gap, SCOR contributes to climate risk adaptation and is involved in government-backed insurance pools to cover climate catastrophes. Recent examples of our engagement with development institutions to contribute to resilience include parametric insurance against climate-related natural disasters in the Philippines, with the World Bank, and livestock insurance for Ethiopian pastoralists, with the World Food Program. Programs like these are helping to increase insurance penetration and to improve the adaptability and resilience of insurance beneficiaries.

### Monitoring our own environmental footprint

— At an operational level, we have raised our target for reducing carbon intensity per employee to 30% by the end of the "Quantum Leap" strategic plan and have also extended our CO2 offsetting program. SCOR supports two projects – selected by our employees – to preserve forest environments in Brazil and Ethiopia. Upon delivery of the carbon credits generated by these two projects, SCOR will have offset all of its 2019 and 2020 emissions.



"WE'RE TAKING CONCRETE STEPS TO CONTRIBUTE TO COMBATING CLIMATE CHANGE, AND HELPING OUR CLIENTS TO DO THE SAME"

**Camille Mauguy**, Group Head of Sustainability

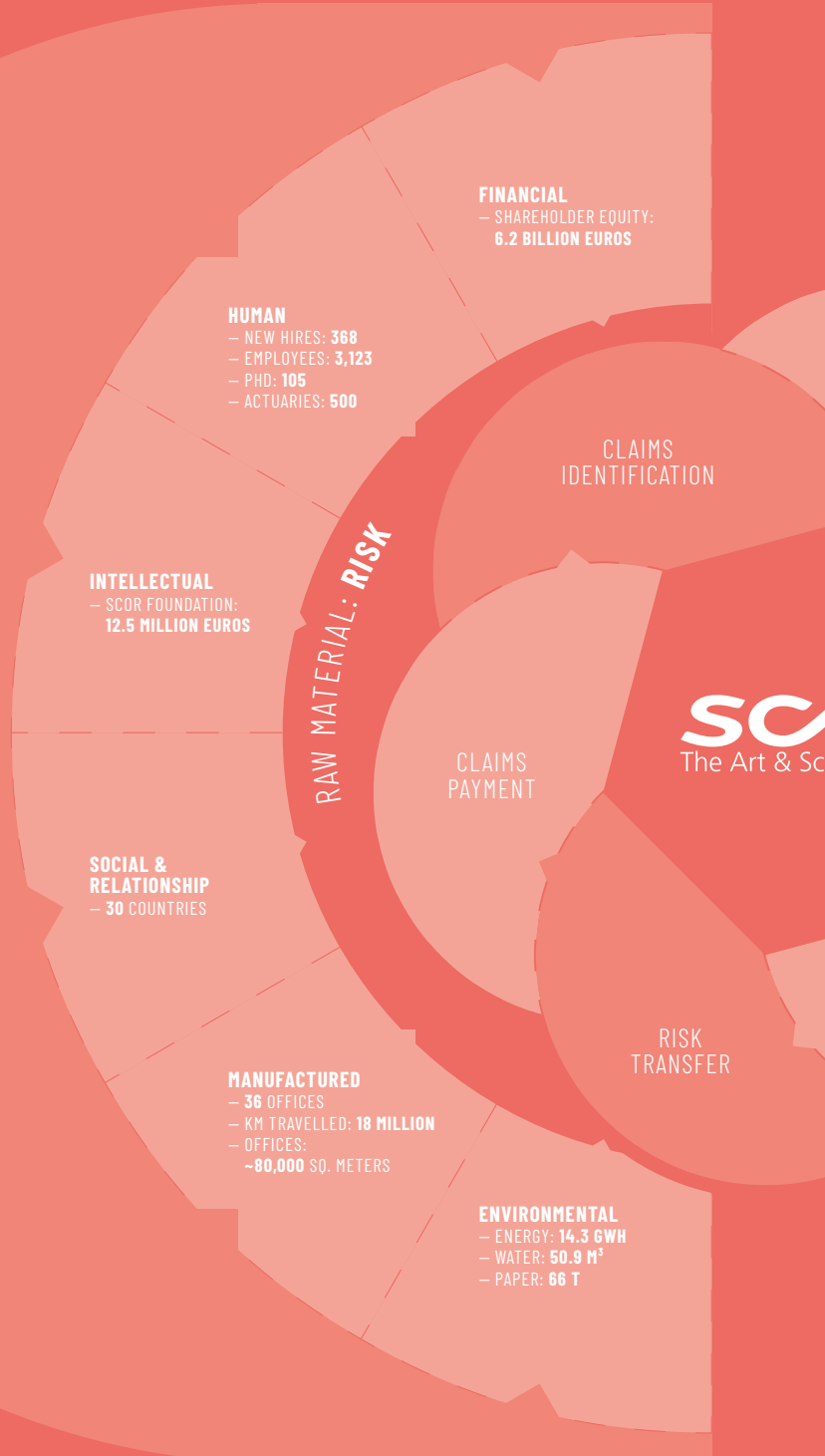


Business model and financial & non-financial value\*

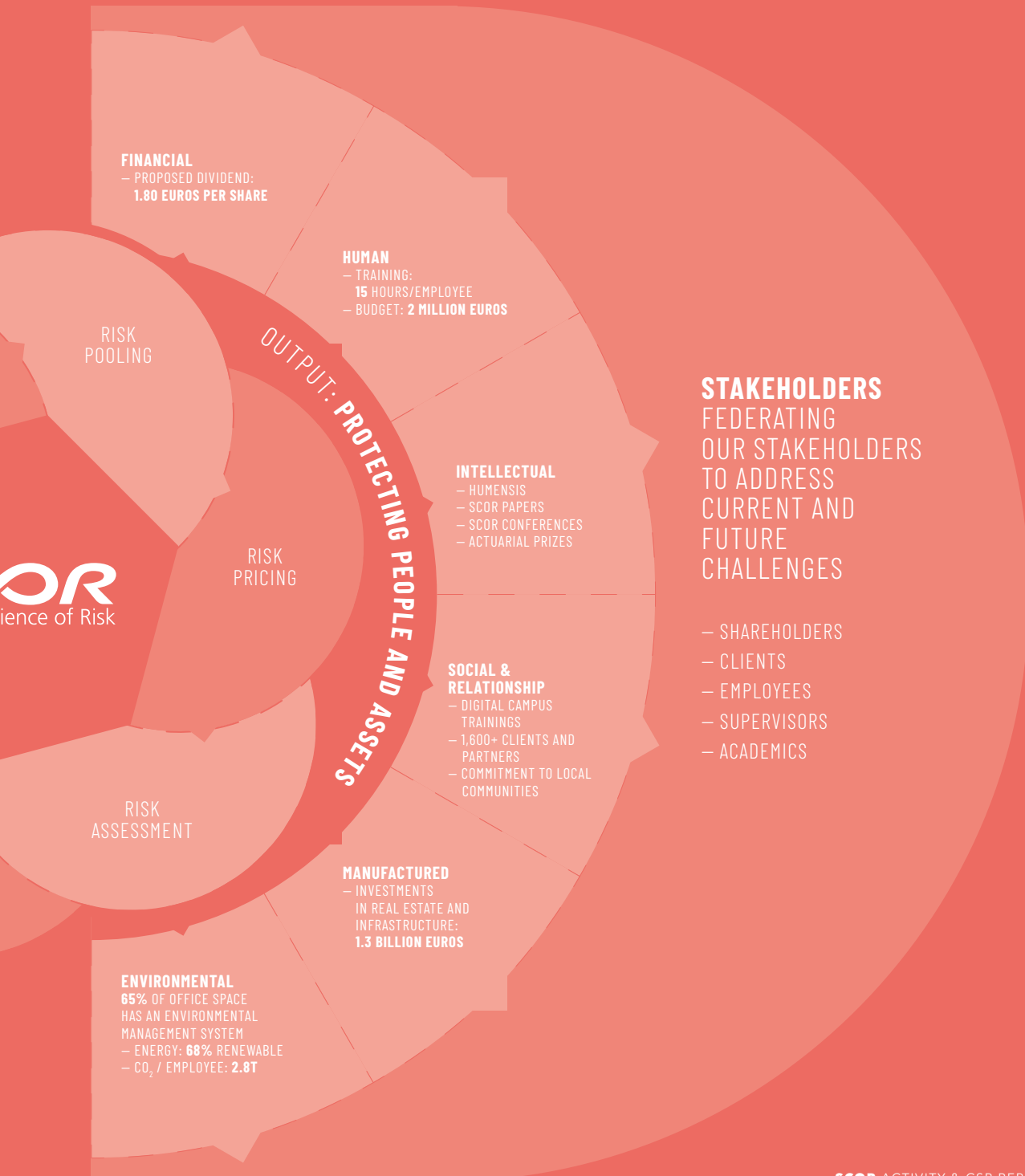
# MANAGING RISK

**RISK**  
A FAST-CHANGING AND EXPANDING RISK UNIVERSE

- ENVIRONMENTAL DEGRADATION
- TECHNOLOGICAL INNOVATION
- CHANGING DEMOGRAPHICS
- SHIFTING SOCIAL & POLITICAL LANDSCAPE
- REGULATORY ENVIRONMENT



\*As of December 31, 2020



# BUILDING A KNOWLEDGE COMMUNITY

## FUNDING THOUGHT LEADERSHIP

**Florence Clavaguera,**  
Researcher on Alzheimer's disease

The SCOR Foundation, together with the Alzheimer's Research Foundation, funds the annual European Young Researcher Award. Florence Clavaguera, a researcher on Alzheimer's disease at the Brain Institute of the Pitié-Salpêtrière Hospital in Paris, was the winner of the first award in 2013. In this interview, she reflects on her experience and on how this prize changed her career.

• I won the SCOR Foundation's European Young Researcher Award for my work on Alzheimer's disease, specifically on the Tau protein, in 2013. Since then, research in this field has evolved, although the article we published when I received the award is still a reference. Other researchers have also made important advances. Today, we are trying to understand why, in Alzheimer's disease, the Tau protein has one form, while in another Tauopathy, such as progressive supranuclearpalsy, it has another. Or why it doesn't spread to the same brain regions as it does in Alzheimer's. We try to understand each neurodegenerative disease linked to the



Tau protein so that we can treat and target the disease as well as possible.

I was working in Switzerland when I received the prize, but I always wanted to come back to France. Thanks to the SCOR Foundation, I was able to submit a research project to the Alzheimer's Research Foundation. The project was accepted and today I am working in France, at the Pitié-Salpêtrière hospital. The award and the links it created made this possible.



Watch the video interview with Florence Clavaguera:  
[scor.com/en/videos](https://scor.com/en/videos)



**SCOR has a longstanding tradition of good corporate citizenship, aligning its business activities and corporate values with the goal of contributing to prosperous and inclusive communities. This is part of SCOR's DNA: The Art & Science of Risk.**

**S**COR allocates considerable research and development resources to scientific risk management techniques, both within our company and in the greater community. Students from prestigious universities participate in many of SCOR's internal research projects and SCOR has developed corporate sponsorships and partnerships

with institutions around the world covering subjects linked to risk, uncertainty, and reinsurance.

The SCOR Foundation plays a key role in supporting the development of a healthy and flourishing knowledge society. To encourage the development of actuarial science and contribute to the improvement of risk knowledge and management, SCOR recognizes outstanding actuarial studies in numerous European and Asian countries each year. The SCOR Actuarial Awards are a mark of excellence in the (re)insurance industry. Since 2015, SCOR has partnered with the French Institute of Actuaries to organize five actuarial symposia in Paris. In addition, SCOR's teams regularly organize training sessions for its clients, and share their expertise through publications such as the SEAwatch newsletter and SCORacle.

The SCOR Foundation finances the SCOR-Natural History Museum Chair, which is designed to contribute to the understanding of the link between biodiversity and reinsurance. Bruno David, President of the French National Museum of Natural History since 2015, explains the importance of this Chair.

**Bruno David,**

President of the French National Museum of Natural History

• Attacks on biodiversity can weaken our societies. How? Humans depend on biodiversity. We cannot breathe without biodiversity. We cannot eat without biodiversity. Yet the influence of humans can lead to the erosion of biodiversity, which in turn creates risks that can destabilize societies. Risk is at the intersection of hazards such as species loss and ecosystem disruption, on the one hand, and human vulnerability on the other. Take pandemics, for example. There are about 60% of human diseases that are transmitted by animals. These can be domesticated animals, but pandemics are really favored by increased proximity to wild animals. Deforestation, as an example, causes habitat destruction, which may force the animals to come closer to us, or it may increasingly induce people to go after wild fauna for bush meat. Either way, the probability of a virus passing from one species to another - in this case to our own species - increases until it becomes almost a certainty. Our museum is the leading natural history museum in the world in terms of research. This Chair, funded by the SCOR Foundation, enables us to develop research in directions that will help us to shed light on these important interactions.



Watch the video interview with Bruno David:  
[scor.com/en/videos](https://scor.com/en/videos)

# STRENGTH IN DIVERSITY

**Diversity and inclusion are foundational to SCOR's success. They are part of who we are and how we work - from recruitment and hiring through career development - and as such underpin key objectives in all areas, including professional training, pay equity and work-life balance.**

**S** COR's strength is rooted in the motivation, professionalism, team spirit and integrity of our employees. We see diversity as an asset that generates understanding and innovation in our work, be it in terms of skills and experience; background and culture; personal abilities and disabilities; language and education; views and beliefs; or gender identities. We value what each individual brings to the mix of insights and experience that shapes SCOR's success. We recognize that our diversity management impacts our ability to retain and recruit top talent, enhance customer service, advance professional development, and improve our brand and reputation.

SCOR is committed to ensuring an inclusive workplace. We believe that all employees should be treated fairly and respectfully, have equal access to opportunities and resources,

and be encouraged to contribute fully to our mutual success. We actively reject all forms of discrimination and harassment and expect each employee to respect the security, rights and views of fellow employees. Regular training, digital programs and awareness activities promote the Group's values and Code of Conduct. Communications on diversity and inclusion are regular features of SCOR's intranet, internal social network, emails and newsletters.

The Group's harmonized management framework takes into account the specific cultural characteristics of each of our global locations. We seek to bring together, coordinate and promote all local or global initiatives related to employee diversity and inclusion.

The #WorkingWellTogether initiative is an important source of coordination, information and awareness building. This employee-led initiative covers a range of topics, such as:

- enhancing employee wellbeing
- promoting a multicultural environment
- ensuring gender diversity and equality
- leveraging generational diversity
- supporting disabled employees
- respecting sexual orientations and gender identification of employees.

#WorkingWellTogether helps us to build engagement among our teams. In 2020, it played a critical role in managing the impact of the Covid-19 crisis on our working environment.

In 2020 the SCOR International Gender Network (SIGN) was reviewed and renamed. The new SIGN+ (SCOR Inclusive Global Network) aligns and integrates all the Group's efforts to promote inclusion. Led by volunteers, the network proposes a range of events and activities, globally and in each hub.

“AT SCOR, WE BELIEVE THAT WE CAN USE OUR INFLUENCE TO COMBAT DISCRIMINATION AND UNFAIR TREATMENT, HERE AND WITHIN OUR RESPECTIVE COMMUNITIES. THIS IS OUR CULTURE, AND AS AN ORGANIZATION WE CAN BE PROUD OF IT.”

**Amanda Bill**, Leadership and Development Manager



## The inside story

**Shannon Levister**, Director, IT Project Management at SCOR in Charlotte, North Carolina, tells her #InsideStory



**I started with SCOR 20 years ago as an administrative assistant in our finance area.** I moved into IT because part of my career in finance was dealing with financial systems. When I told people that, they would say: "That is not the most direct path." I agree, but fortunately I've had a lot of support along the way. I'm African-American and I'm from the South. I am the first generation in my family that has not lived on a farm. My mother was the first generation to finish college and there were a lot of barriers she faced along the way. But she went on to graduate school at Harvard,

which for a little girl from a farm was not too bad! One of the things that she instilled in me is that we, as black women, can be anything we want to be. We just have to lean in. What that means for me, in terms of my role with SCOR, is recognizing that I have a responsibility to myself, to my organization, to my community, to lean in, to connect, to try to empower and uplift myself, other women and our community as a whole. I believe that as we achieve female parity, as we achieve full diversity, we will see growth throughout the company, the Group, and then we'll also see growth throughout our community.



Watch the video interview with Shannon Levister: [scor.com/en/videos](https://scor.com/en/videos)

**"I HAVE A RESPONSIBILITY TO MYSELF, TO MY ORGANIZATION, TO MY COMMUNITY, TO LEAN IN, TO CONNECT, TO TRY TO EMPOWER AND UPLIFT MYSELF, OTHER WOMEN AND OUR COMMUNITY AS A WHOLE."**



SCOR for Good, a new Group-wide community engagement platform, provides concrete opportunities to give back to society and contribute to shaping the world we want to live in. We believe that everyone can make a difference. From skills-based and field volunteering to donating, fundraising and collecting goods, SCOR for Good connects, empowers and encourages employees. It also allows all employees to devote one day per year, as part of their working hours, to a charitable activity.

## WORKING FOR GOOD



### Americas

#### Argentina

- Masks donated for children's hospitals
- Blankets donated for the homeless

#### Brazil

- Funds donated to old people's homes
- Water donated for the homeless
- Meals distributed

#### Colombia

- Clothing and school items collected
- Donations made for Covid-affected families

#### USA and Canada

- Funds raised for United Way
- Donations made for animal shelters; family and friends in need; community needs

#### USA

- Holiday gifts given to children in hospitals
- Funds raised in the Komen Race for the Cure (breast cancer)
- Meals delivered to frontline healthcare workers
- Meals donated for the families of children hospitalized with cancer



### APAC

#### Australia

- Trees planted

#### Mainland China

- Trash collected

#### Hong Kong

- Leadership training for ethnic minority students

#### India

- Funds donated to education institute

#### Singapore

- Clothes donated
- Trash collected
- Food packing and fundraising
- English lessons for migrant workers

#### South Korea

- Clothes donated
- Covid-19 funds raised



### Europe

#### France

- Funds raised for cardiovascular disease research and prevention

#### Italy

- Funds raised for terminally ill cancer patients

#### Spain

- Funds raised for children with congenital heart disease

#### Switzerland and Germany

- Clothing donated for refugees
- Bicycles collected for Africa
- Toys donated at Christmas
- Run4Kids charity race
- Language courses for social/professional integration

#### United Kingdom

- Funds raised for social inclusion
- Professional development of people with mental disabilities
- Funds raised to fight poverty/support child and adolescent cancer patients



# WE ARE BETTER TOGETHER

**At SCOR we firmly believe that an inclusive culture, which attracts and retains the best talent, is crucial to our resilience in an increasingly complex industry.**

**U**nconscious bias is omnipresent in society and has created widespread inequalities. SCOR is not immune to these dynamics. Our ambition is to be an actor of change for a more inclusive tomorrow and we believe that by working collectively, we can turn the tide. We seek to eradicate biases that can lead to prejudice and to remove hurdles to equal opportunity, while also promoting psychological safety, respect, courage, empathy, support and emotional intelligence among our people. At the same time, we know that our responsibility in this regard does not apply to our company alone – it extends beyond us to our industry and the wider community.

## Key actions in 2020

- **June** SCOR's management issued a message to all staff in the United States after the death of George Floyd: "We can use our influence to denounce hatred, combat discrimination and unfair treatment, embrace humanity, speak truth and foster a workplace culture that respects all people and

celebrates the inherent values we possess as individuals."

- **June:** More than 550 people across the Group's locations in the Americas participated in discussions around mental health, including suicide awareness, the impacts of racism, and how to deal with Covid-19 stressors.
- **June:** In London, a series on BlackLivesMatter and understanding racial prejudice prompted discussion and awareness.
- **November:** In line with the Manifesto for the Inclusion of People with Disabilities in Economic Life, which it signed in 2019, SCOR took part in the European Week for the Employment of People with Disabilities, through various initiatives designed to raise awareness around disability in the workplace.
- The Black History Month and Racial Equity series created discussions around ethnicity and race in the workplace, encouraging tangible action to address gaps.
- The Group restructured its governance frameworks for Corporate Social Responsibility and Diversity & Inclusion, allocating resources where necessary to make progress.
- SCOR launched the RAISE D&I grant to support projects promoting social progress and equity, including:
  - a wellbeing start-up for the Black community, created by a SCOR employee;
  - the charity Corali, chosen by London employees, which promotes dance as a means of social integration for people with learning disabilities.
- SCOR became a sponsor of the Afro-Caribbean Insurance Network, working to increase ethnic diversity in the industry through events, placement opportunities and skills volunteering.



"SCOR SUPPORTS EMPLOYEES WITH DISABILITIES BY FOCUSING ON CHANGING NEGATIVE AND SUBCONSCIOUS ATTITUDES, ON THE ONE HAND THROUGH INTERNAL COMMUNICATION, AND ON THE OTHER BY INFORMING DISABLED EMPLOYEES OF THEIR RIGHTS AND OFFERING TOOLS AND SOLUTIONS TO ENSURE THEIR FULL INTEGRATION."

**Sabrina Kruse**, Head of HR for the UK, Ireland and South Africa





1

2



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SCOR's business teams have a strong appetite for innovation and are increasingly integrating new technologies into their work. The IT teams are a key part of this process, working closely with the business side and providing vital support whenever innovation moves into the implementation phase. This cooperation is at the heart of SCOR's technological transformation.

**Marc Philippe**, Chief Information Officer, **Rodolphe Herve**, CEO North America & Global Head of Operations, Specialty Insurance, and **Corinne Trocellier**, Chief Operating Officer of SCOR Global Life, discuss the current and future impact of new technologies on the company and the reinsurance industry as a whole.

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# TECHNOLOGY AND THE FUTURE OF RE- INSURANCE

① "DESPITE THE COVID-19 CRISIS, WE PROGRESSED ON OUR TRANSFORMATION AGENDA, AND IN SOME AREAS EVEN MORE THAN EXPECTED." **Marc Philippe**

② "WE ARE GOING THROUGH A TIME OF SIGNIFICANT TRANSFORMATION AND WE WANT TO PLAY OUR ROLE AS A TECH REINSURER USING KNOWLEDGE AND DATA." **Corinne Trocellier**



“DATA AND  
TECHNOLOGY  
ARE AT THE  
FOREFRONT OF  
WHAT WE DO.  
AT SCOR, WE  
AIM TO LIFT  
THE INDUSTRY  
STANDARD.”

**Rodolphe Herve,**  
CEO North America &  
Global Head of  
Operations, Specialty  
Insurance

3







**"ONLY BY ADOPTING AN AGILE MINDSET AND EMBRACING NEW TECHNOLOGIES CAN WE TAKE ADVANTAGE OF INNOVATION AND HAVE A POSITIVE IMPACT ON PEOPLE'S LIVES."**

**Corinne Trocellier,**  
Chief Operating Officer of SCOR Global Life

**What role do data and technology play in terms of ensuring SCOR's success?**

**M.P.** — In our industry, anything that provides additional capacity to collect and analyze data and statistics – be it about weather, health or cyber attacks – provides a competitive advantage in terms of assessing and modeling risks. With new technologies, we can dramatically increase our capacity to store and analyze data.

**C.T.** — At SCOR Global Life, data is our most valuable asset. We have created a Data Analytics Solution (DAS) team, comprising over 40 data scientists with multi-sector skills. They use state-of-the-art technologies to deliver ready-to-use artificial intelligence applications adapted to client needs. We have also launched the DAS platform, a unique collaborative system that allows actuaries, data scientists and data engineers to share knowledge across our organization, building innovative solutions for our clients. Last year, as the Covid-19 crisis raged across the world, the DAS team developed a SEIR model to forecast the evolution of the pandemic. The model was integrated into an app showcasing key figures and trends.

**R.H.** — To keep providing our customers with the excellent service they've come to expect from SCOR, we need to pursue several objectives with data and technology.

Number one is reducing risk. The risk universe is expanding and becoming more and more complex and interlinked. We need to master a future of increasing data richness while fully connecting all of our systems, both internally and with the outside world.

Number two is efficiency. With toughening market conditions, cost leadership will be crucial. We are already very competitive at SCOR, so our goal is not to cut costs for the sake of it, but to fuel our ambitious growth plans efficiently.

Number three is compliance. In all the countries where we operate, oversight of regulatory legal compliance is increasing. Crises like the current pandemic have accelerated this trend. We need to ensure that our operating platforms maintain the highest degree possible of external and internal controls, and that they guarantee safe access to business. But everything we

do comes back to providing value to our customers; technology is a strong enabler for that.

**Where is SCOR in its digital transformation process?**

**M.P.** — As part of the "Quantum Leap" strategic plan, we identified five technologies that we felt would bring the greatest added value: artificial intelligence, big data, cloud computing, e-business and robotics. Despite the Covid-19 crisis, we have progressed according to plan, and in some areas we have even gone much further than expected.

**C.T.** — In our increasingly complex environment, we know that we cannot simply keep pace with change – we must anticipate it. Already in 2017, our IT Roadmap put data at the core of all SCOR's systems and processes. It provided us with a framework that helped to anticipate the significant transformation we are going through today. Using Agile methodology we delivered SCOR hELIOS, a cloud-based platform that



“TECHNOLOGY IS PUSHING US TO DEVELOP NEW COLLABORATION MODELS, FULLY EMBEDDING BUSINESS WITHIN IT, AND VICE VERSA.”

**Marc Philippe,**  
Chief Information Officer

collects, transforms and manages data from our clients in a secure and compliant environment. hELIOS provides us with accurate information on the risks stemming from our portfolio. Combined with our data analytics and data science capabilities, it supports business development and innovative solutions.

#### Where can we see the transformation taking place today?

**M.P.** — One example is the automation of information capture. Our clients and partners provide a large amount of data in the form of Excel files, which are always complicated to transform, validate and import into our systems. Using robotics, we can do this more fluidly and efficiently. And by automating low value-added tasks, we free up our people’s time for more high value-added ones. We work with partners of many kinds to develop our capabilities, including big technology providers, but we also work with smaller partners such as startups in the Insurtech area, who are sometimes more agile.

**R.H.** — A few examples for SCOR Global P&C include our new MGA Bordereaux technology (Alpha), with which we have cut the onboarding process of our MGA partners to hours/days – it used to take months – partnering with Amazon Web Services to process historical data.

I would also point to the work of our SCOR Ventures team, which is investing in and bringing Insurtech innovations to the organization: for instance, our investment in Branch, a U.S. home and auto personal insurance company, which we see as the future of personal lines. From a prospect’s name and address, Branch can pull available information on an individual and determine risk profile and claims history, providing that customer with an attractive quote for a unique, bundled policy in a matter of seconds.

**C.T.** — SCOR Global Life is also partnering with startups and Insurtech to offer innovative health solutions. Our subsidiary ReMark is a great example of transformation from a direct marketing company to a true Insurtech. ReMark helps our clients gain, retain and engage policyholders by delivering the best consumer experience possible – from quote to claim.

#### What are the main challenges now?

**C.T.** — Our industry is undergoing a full transformation, accelerated by the Covid-19 pandemic. SCOR will need to continue to invest in digital skills – from product development to cloud computing – and in new profiles to complement our current talent pool. The main challenge, however, is to move from the innovation mindset to implementation and deployment, fully introducing all the technologies we are now mastering into our systems, our processes and the services we provide to our clients.

**M.P.** — We need to be close to our clients for this to happen. Anything we provide can only be efficient if it is deployed all along the value chain – insurers, brokers, other partners, reinsurers – we all need to be able to work together in the digital experience. This means continuing to introduce standards for exchanging data, such as Rushlikon, and to participate in initiatives like B3i, which is aimed at introducing blockchain into our processes.



### How is the digital transformation affecting your teams?

**M.P.** — To some extent, in terms of intention, SCOR has not changed. We are still trying to get more and more information, and to develop our expertise, methodologies and models to assess risk. But the technology is changing, and because of this we have changed the way we collaborate.

**C.T.** — Our Knowledge community and IT teams recently co-developed Vitae, a new biometric risk calculator that uses machine learning to offer improved assessments of biometric risk, a better experience for the end user and fairer pricing. This would not have been possible without the close collaboration of our actuaries, who account for 27% of our workforce at SCOR Global Life, and our underwriters, our Knowledge teams and the SCOR IT team.

**M.P.** — Capturing more data also creates risks in terms of security. To maintain the level of security required in our industry, we believe that key people on our teams – who have an overview of the end-to-end information system – are the ones who can allow us to provide security exactly where it's required.

**R.H.** — The digital transformation enables processing simplification and efficiency. We continue to modernize our back office and claims functions with eProcessing, robotics and artificial intelligence technologies to bring automation and agility to our workforce.

### Which technology has the most potential for impact?

**M.P.** — One of the key game-changing technologies is certainly the cloud. It provides flexibility to our operations, as well as much greater capacity in terms of processing and managing data. That's why we have put this technology at the heart of our "Quantum Leap" ambitions. We are progressively moving all our systems into the public cloud. Of course, there are risks in terms of cyber-attacks. But it's certainly much riskier not to update our technology, to stick with technologies that are aging. Moving to the cloud enables us to operate our processes efficiently, and we believe that this is the best way to innovate for our clients.

"EVERYTHING WE DO COMES BACK TO PROVIDING VALUE TO OUR CUSTOMERS. TECHNOLOGY IS CERTAINLY A STRONG ENABLER FOR THAT. WE BELIEVE IN THE OPPORTUNITIES AVAILABLE BY COMBINING OUR INDUSTRY KNOW-HOW WITH BEST-IN-CLASS STARTUPS."

**Rodolphe Herve,**  
CEO North America & Global Head of Operations,  
Specialty Insurance

**Romain Launay**, Group Chief Operating Officer at SCOR, discusses how the Covid-19 crisis added impetus to SCOR's transformation, enhancing the digital culture, prompting innovation and optimizing business processes.

# TECHNOLOGY AT THE SERVICE OF OUR TEAMS, OUR CLIENTS AND OUR BUSINESS

**Prior to the pandemic, SCOR had embarked on a technological transformation journey. Did the crisis hinder this progress?**

**R.L.** — Despite the impact that Covid-19 had on the insurance and reinsurance industries in 2020, we are pleased to say that we advanced on our “Quantum Leap” strategic plan, pushing our reinsurance model forward and taking full advantage of new technologies. We enriched our operational model in key areas, from product development and underwriting to the back office. And in several areas of our businesses, the crisis gave added impetus to our transition towards the full digitalization of our processes. For example, to meet changing industry requirements, we accelerated the delivery of our plan by enhancing technology and the digital culture of our teams, developing innovative products and services for our clients, and optimizing our business processes.

**How were SCOR's teams able to advance on their goals?**

**R.L.** — We boosted innovation and enhanced our digital culture by creating an internal data lab, bringing together data scientists, data engineers and data analysts from the IT and Business teams. Together, they tested ideas and built projects using data analytics and machine learning. Since the beginning of our strategic plan “Quantum Leap”, 45 projects have been incubated, some of which have already been deployed, including two highly anticipated applications to assess the financial impact of Covid-19. In parallel, through training and development we deepened the skills and expertise of all our teams in cloud-computing, data science, artificial intelligence, and programming.

As a result of the Covid-19 crisis, our clients are also facing increasing and multi-faceted risks. To respond to their needs, we brought them innovative products and services:

- Vitae, a cutting-edge biometric risk calculator based on advances in medical research, employs innovative machine learning capabilities. Automation enables more accurate risk assessment – encompassing a wider array of medical factors – and streamlines the underwriting process. Vitae is available to our teams and our clients through application programming interfaces (APIs), ultimately leading to a better experience.



- Cyber-risk modeling, developed through partnerships with leading players in the industry, integrates cyber-risk into other existing natural catastrophe models in our CAT Platform.

The roll-out of our multi-cloud strategy has allowed us to upscale our product development capabilities and service offerings at an affordable cost.

Finally, technology has helped us to optimize our business processes. By accelerating the use of robotic process automation, combining machine learning and artificial intelligence, we improved business efficiency and facilitated the daily activities of our teams. As an example, our claims examiners now use natural language processing and bots to manage claims and classify 160,000 documents per year. By doing so, they spend significantly less time treating e-mail claims and more time focusing on higher-value-added activities.

**What’s the outlook for the future?**

**R.L.** — On the back of these accomplishments, we are ready to continue our transformational journey. This is not just about adopting new technologies and investing in digital tools. Our teams, adapting with agility to the evolving world, are committed to providing our customers with best-in-class products and services.



“OUR TEAMS, ADAPTING WITH AGILITY TO THE EVOLVING WORLD, ARE COMMITTED TO PROVIDING OUR CUSTOMERS WITH BEST-IN-CLASS PRODUCTS AND SERVICES.”

Romain Launay

60

bots deployed

160,000

documents processed by bots

45

projects incubated

# THE PEOPLE WHO ARE TRANSFORMING SCOR

Through the “Quantum Leap” strategic plan, we are transforming SCOR into the reinsurer of the future. Our people are the key to our success, they enable SCOR to ride the waves of risk that are at the core of our business. Our objective: to have the best profiles possible in each field so that we can meet and master any challenge.



“The concept we use is that of a software factory; by orchestrating application development at SCOR, we reduce development time and quickly deliver added value.”

**Paul Jouët,**  
Departmental Production Lead, IT

• My main activity is to manage a software factory that enables the different project teams to deliver applications and bring added value to SCOR. The idea is built around the principle of orchestration at a global level. By doing this internally we reduce the time-to-market for delivering an application and increase its security, because we control the rules of the factory. The most important thing is that we do it once and we do it properly. The teams that use this technology - that use our models - do not have to reinvent the wheel every time.



Watch the video interview with Paul Jouët:  
[scor.com/en/videos](https://scor.com/en/videos)



“There are two layers to the benefits of automation: the quantitative, which is about gaining time, and the qualitative, which is about making the business process cleaner.”

**Abdelnour Guemache,**  
Head of the SCOR Automation Factory

• Automation helps people to concentrate on their true abilities, enabling them to do their jobs instead of having to focus on mechanical tasks. The other advantage of a digital assistant is that it works 24/7, without “human error.” The Group started its research on bots in 2016 and ended the year with three of them up and running. We’re now running around sixty bots, and today we have a clear objective to further expand SCOR’s automation capabilities. We’re continuously imagining more ways to deliver our services.



Watch the video interview with Abdelnour Guemache:  
[scor.com/en/videos](https://scor.com/en/videos)



“We create a feedback loop early on in the development process, so that project teams can guide us through the whole experience. This makes their products more impactful.”

**Gabriel Manolache,**  
Head of Data Engineering at SCOR

• At SCOR, we rely on past experiences to predict the future. Data is at the core of the Art and Science of Risk. When we onboard data and host it on our infrastructure to conduct research or analysis, there is a component of appropriating that data. As data engineers, it’s our job to make sure the data makes sense, that it is secure, and that we comply with privacy considerations and all appropriate regulations.



Watch the video interview with Gabriel Manolache:  
[scor.com/en/videos](https://scor.com/en/videos)





Watch the video interview with Denis Kessler:  
[scor.com/en/videos](https://scor.com/en/videos)



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**Denis Kessler**, Chairman and Chief Executive Officer of SCOR, reflects on 2020, the Covid-19 crisis, SCOR's continuing - and successful - transformation, and the outlook for 2021. The Group has demonstrated its strength throughout the crisis and looks forward to a successful future.

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# A YEAR OF CHANGE AND CHALLENGE



"THE PANDEMIC IS DRIVING A GENERAL INCREASE IN RISK AVERSION, WHICH IN TURN IS DRIVING HIGHER DEMAND FOR RISK COVERAGE THROUGHOUT THE WORLD." Denis Kessler

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# 234

million euros net income in 2020



**The reinsurance industry in general, and SCOR in particular, have not been spared the dramatic consequences of Covid-19, which started to ravage the world over a year ago. This pandemic has impacted societies and economies on a global basis as never before.**

**How has SCOR weathered the pandemic storm?**

**D.K.** — The Group has successfully passed this real-life stress test, absorbing this major shock. SCOR ended 2020 profitably – with a net income of EUR 234 million – and solvently. SCOR’s solvency ratio at the end of 2020, which takes into account projected future Covid-19 claims, remains very strong, standing at 220%. This is at the upper end of the Group’s optimal solvency range.

Furthermore, the Group maintains a very robust level of liquidity, at almost EUR 2 billion, and the four major rating agencies have affirmed the Group’s financial rating at a level of “AA-”.

**Was this success reflected across the business units?**

**D.K.** — If we look at the three business engines in more detail: On the P&C side, growth was maintained despite contraction in some lines of business, such as marine and aviation, due to the slowdown of the wider economy. Technical profitability was strong, with a normalized combined ratio in line with the “Quantum Leap” assumptions. In addition, we had a strong start in 2021, with excellent January renewals delivered in favorable market conditions.

On the Life side, growth was driven by continuous strategic expansion in the Asian markets. We delivered robust technical results to absorb the ongoing impact of the active phase of Covid-19. Finally, on the investment side, we maintained

our prudent portfolio positioning and delivered a strong return on invested assets, despite the low-yield environment.

**Has the pandemic impacted SCOR’s fundamentals or strategic plan?**

**D.K.** — The Covid-19 pandemic has been like an enormous tax on the industry and on the Group. Of course, this has impacted our financials, but the underlying business model remains sound. SCOR’s fundamentals are very strong, as demonstrated, firstly, by the excellent results we would have recorded in the absence of Covid-19, which cost the Group EUR 640 million before tax in 2020; and secondly, by the level of solvency achieved at the end of December.

With the Group’s very strong capital position – and in line with our capital management process and dividend policy – we will be proposing an attractive cash dividend of EUR 1.80 per share for the fiscal year 2020 at the Annual General Meeting.

Throughout 2020, SCOR’s teams were fully mobilized and continued to actively implement our “Quantum Leap” strategic plan, focused on the twofold targets of profitability and solvency and on accelerating our use of new technologies, while continuing our activity in terms of sustainable development and social responsibility.

**What were the main advances on the technological side?**

**D.K.** — SCOR’s technological transformation aims to improve our performance and create long-term value. We delivered several ambitious digital projects in 2020, notably the integration of CyberCube’s risk model on the P&C side, to boost our cyber exposure management capabilities, and the development of HELIOS on the Life side, providing accurate knowledge of risks stemming from our in-force portfolio. We also introduced

“SCOR WILL CONTINUE TO DEVELOP WITH THE TWOFOLD OBJECTIVE OF PROFITABILITY AND SOLVENCY, STICKING TO THE SAME CORE PRINCIPLES THAT HAVE ENSURED OUR SUCCESS.”

**Denis Kessler,**  
Chairman and Chief Executive Officer of SCOR

more than 60 automated robotic processes into the organization. The deployment of the IFRS 17 and IFRS 9 programs is on track. SCOR is actively preparing for the implementation of these new accounting frameworks, with a go-live date of January 1, 2022 for IFRS 9, and January 1, 2023 for IFRS 17.

#### **What was achieved in terms of SCOR’s environmental, social and governance ambitions?**

**D.K.** — SCOR strictly adheres to best-practice corporate governance rules. In 2020, the Group actively integrated ESG considerations across all our operations.

On the environmental side, we published our inaugural Climate Report, based on the recommendations of the G20’s Task Force on Climate-Related Financial Disclosures, and we joined the Net-Zero Asset Owner Alliance.

On the social side, following a proposal from management, the Board of Directors decided to set a target of 20% women on the Executive Committee in 2021 – up from 10% in 2020 – and 30% by the end of 2025. The Board also set a target of 27% women amongst our most senior Partners by the end of 2025, up from 19% in 2020.

On the governance side, as part of the succession plan announced in December 2020 and on the recommendation of the Nomination Committee, the Board of Directors decided to separate the roles of Chairman and CEO. The separation will come into effect following the General Meeting in the spring of 2022.

#### **What does the emerging reinsurance environment look like?**

**D.K.** — We have many reasons to be optimistic about the industry’s prospects. We believe that Covid-19 is helping to create the conditions for stronger reinsurance growth, along

with a positive pricing dynamic. On the P&C side, Covid-19 reinforces the general market hardening observed across all lines and all regions, with the low-yield environment acting as an additional catalyst. SCOR took full advantage of these favorable conditions, and of the depth of our franchise, to produce an excellent outcome at the January 2021 renewals.

Covid-19 is also creating the conditions for an epochal transformation of Life reinsurance. This is based not only on the growing awareness of the importance of Life & Health coverage in general, but also on the acceleration of SCOR’s use of new technologies, from underwriting to claims management.

#### **What is SCOR’s outlook for the future?**

**D.K.** — In this beneficial environment for the reinsurance industry, we are well-placed and will continue to scale our global platform and expertise to seize profitable market opportunities, leveraging our strong Tier 1 credentials.

We expect that these positive trends will translate into a P&C combined ratio trending towards 95% and below, an anticipated return of the Life technical margin to the “Quantum Leap” assumption range of 7.2-7.4% by the fourth quarter of 2021, and a return on invested assets of 2.4%-2.9% on average across the “Quantum Leap” period.

Building on the depth of our franchise throughout the world, our very strong financial rating and the richness of our human capital, the Group has strong potential for sustained long-term value creation.

## International presence

# LOCAL EXPERTISE, GLOBAL COMMUNITY

In an expanding and increasingly intertwined risk universe, our global community is more important than ever. Our extensive local expertise and global network mean that SCOR is uniquely positioned to benefit from innovation and positive long-term trends across the world, such as a progressive reduction in the protection gap. As we build the reinsurance company of the future, each of our 36 global offices will play a key role.

# 36

offices worldwide

# €16.4 B

gross written premiums

# €234 M

net income





**4<sup>th</sup>**

largest reinsurer in the world

**3,123**

employees  
and 65 nationalities

**4,400**

clients throughout the world

## 2020 Highlights

# EXCELLENCE

### SCOR is recognized for its stellar performance in handling claims

**SEPTEMBER** • At the Reactions North America Awards 2020, SCOR is awarded the Excellence in Claim Service award, which recognizes SCOR's performance on criteria that include speed of claims response, consistent efficiency and general service.

# SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

### SCOR demonstrates its commitment to a low-carbon economy

**MAY** • SCOR demonstrates its intention to build a sustainable investment portfolio by joining the Net-Zero Asset Owner Alliance. This international initiative brings together investors committed to transitioning their investment portfolios to carbon neutrality by 2050.

### SCOR takes a stand on Black Lives Matter

**JUNE** • SCOR management in the United States encourages staff to sustain the commitment to equality, progress and solidarity: "We can use our influence to denounce hatred, combat discrimination and unfair treatment, embrace humanity, speak truth and foster a workplace culture that respects all people and celebrates the inherent values we possess as individuals."

# FINANCIAL STRENGTH

### Fitch confirms SCOR's financial strength and stable outlook

**APRIL** • SCOR welcomes Fitch's decision to confirm the Group's Insurer Financial Strength Rating of "AA-" ("very strong") and Long-Term Issuer Default Rating (IDR) of "A+".

### Fitch confirms SCOR's financial strength and stable outlook

**SEPTEMBER** • SCOR welcomes Fitch's decision to confirm the Group's Financial Strength Rating of "AA-" ("very strong") and Long-Term Issuer Default Rating (IDR) of "A+". Fitch also confirms the ratings of SCOR's core operating subsidiaries and affirms that their outlooks are stable.

### A.M. Best confirms SCOR's ratings

**SEPTEMBER** • SCOR welcomes A.M. Best's decision to confirm SCOR's Financial Strength Rating of "A+" ("superior") and its Long-Term Issuer Credit Rating of "aa-".

# LEADERSHIP

## **Benoît Ribadeau-Dumas is chosen to succeed Denis Kessler**

**DECEMBER** ♦ The Board of Directors unanimously chooses Benoît Ribadeau-Dumas to succeed Denis Kessler as Chief Executive Officer of SCOR.

As of January 1, 2021, Mr Ribadeau-Dumas joins SCOR as Deputy CEO and member of the Group's Executive Committee. He is expected to join the Board at the 2021 General Meeting with a view to assuming duties as Chief Executive Officer at the General Meeting in 2022.

# GROWTH

## **SCOR becomes a major player in Brazil's agriculture insurance**

**FEBRUARY** ♦ With the acquisition of a majority stake in AgroBrasil (AgroBrasil Administração e Participações Ltda), SCOR acquires control of a leading, innovative, family-owned managing general agent. AgroBrasil provides Brazilian fruit and grain farmers with insurance protection against loss of crop quality and yield.

## **SCOR sponsors a new catastrophe bond**

**MAY** ♦ SCOR successfully sponsors a new catastrophe bond, Atlas Capital Reinsurance 2020 DAC, which provides the Group with a multi-year risk transfer capacity of USD 200 million to protect against storms in the U.S. and earthquakes in the U.S. and Canada.

## **SCOR is well positioned to capture growth opportunities**

**SEPTEMBER** ♦ At its annual Investor Day, SCOR's Executive Management team, led by Denis Kessler, reaffirmed the value of the "Quantum Leap" strategic plan with three positive messages: SCOR is absorbing the impact of the Covid-19 crisis; SCOR's prudent asset management has safeguarded the value of its investment portfolio; SCOR is expecting strong growth in the new P&C market and is well positioned to benefit from this improving environment.

## **SCOR secures attractive long-term financing**

**SEPTEMBER** ♦ SCOR successfully issues dated subordinated Tier 2 notes in the amount of EUR 300 million. The notes were nine-times oversubscribed, confirming the very high level of confidence placed in the Group by the credit market. SCOR intends to use the proceeds of the issuance for general corporate purposes.

## Financial performance

In 2020, the historic global shock of Covid-19, combined with a series of natural catastrophes and large man-made losses, challenged the Group's financial results. SCOR successfully passed this real-life stress test, once again demonstrating the resilience of its business model and its shock-absorbing capacity. The Group honored all its commitments to its clients, contributing to the protection of the people and property affected by these shocks while delivering a good set of results.

# ROBUST, RESILIENT, ON TARGET

**S**COR's solvency ratio at the end of 2020, which takes into account projected Covid-19 claims across 2021, stands at 220%, at the upper end of the optimal solvency range. Furthermore, the Group maintains a very strong level of liquidity standing at almost EUR 2.0 billion. All four rating agencies have affirmed the Group's credit rating at a level of "AA-". With this very strong capital position, SCOR is proposing a dividend of EUR 1.80 per share for the fiscal year 2020.

### SCOR's financial strength

— SCOR's financial strength is recognized both internally and externally. The regulatory solvency of the Group, based on Solvency II, is assessed by SCOR's internal model. The Group's financial strength is reflected in the credit market, via the development of a credit default swap. Independent rating agencies also assess the financial strength of the Group and provide credit ratings for its debt

• Standard & Poor's	<b>AA-</b> / stable outlook
• Moody's	<b>Aa3</b> / negative outlook
• Fitch Ratings	<b>AA-</b> / stable outlook
• AM Best	<b>aa<sup>-1</sup></b> / stable outlook

Please refer to the press releases from Moody's (published on May 7, 2020), S&P (published on June 18, 2020), Fitch (published on September 15, 2020) and A.M. Best (published on September 25, 2020). AM Best's Financial Strength Rating of "A+" (different scale from the other rating agencies) and Long-term Issuer Credit Rating (ICR) of "aa-" (same scale as the other rating agencies)

# 16.4

billion EUR  
gross written premiums

# 234

million EUR net income

# 220%

year-end 2020 solvency  
ratio

# 46.2

billion EUR balance sheet  
ratio

# 6.2

billion EUR shareholder  
equity

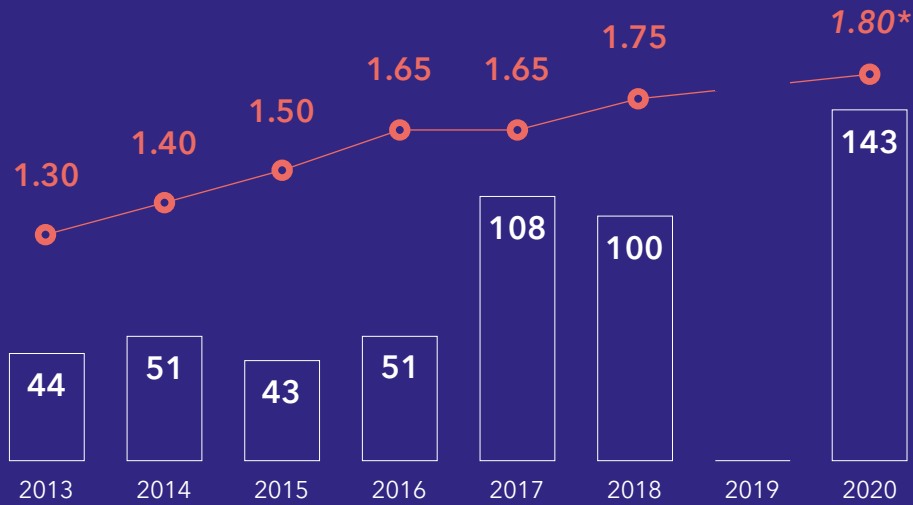
# 3.8%

return on equity



### A consistent shareholder remuneration policy

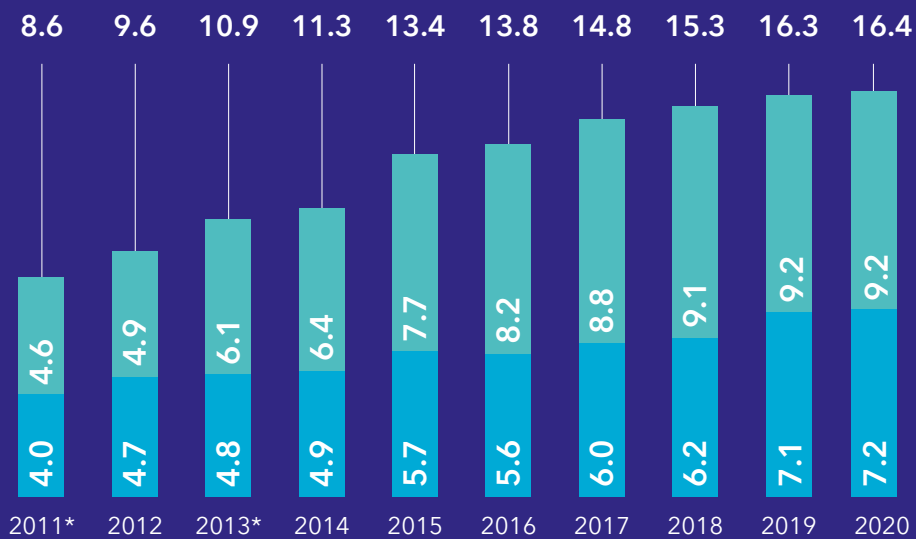
- dividend per share (EUR)
- distribution rate (%)



\*2020 dividend subject to approval of the 2021 shareholders' Annual General Meeting, pursuant to the decision of the Board of Directors at its meeting of February 23, 2021, to adopt the Group's accounts and consolidated financial statements as of December 31, 2020

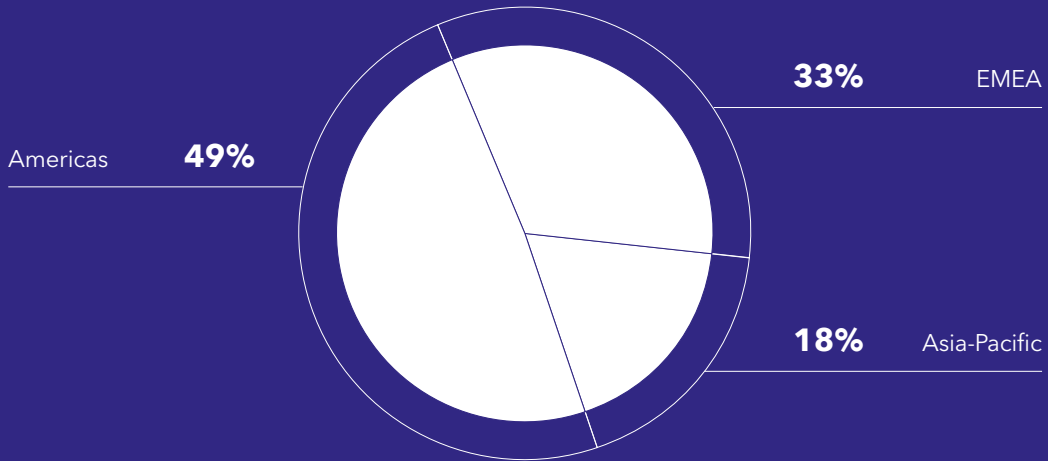
### Evolution of gross written premiums since 2010 (in billion EUR)

- Life & Health
- P&C

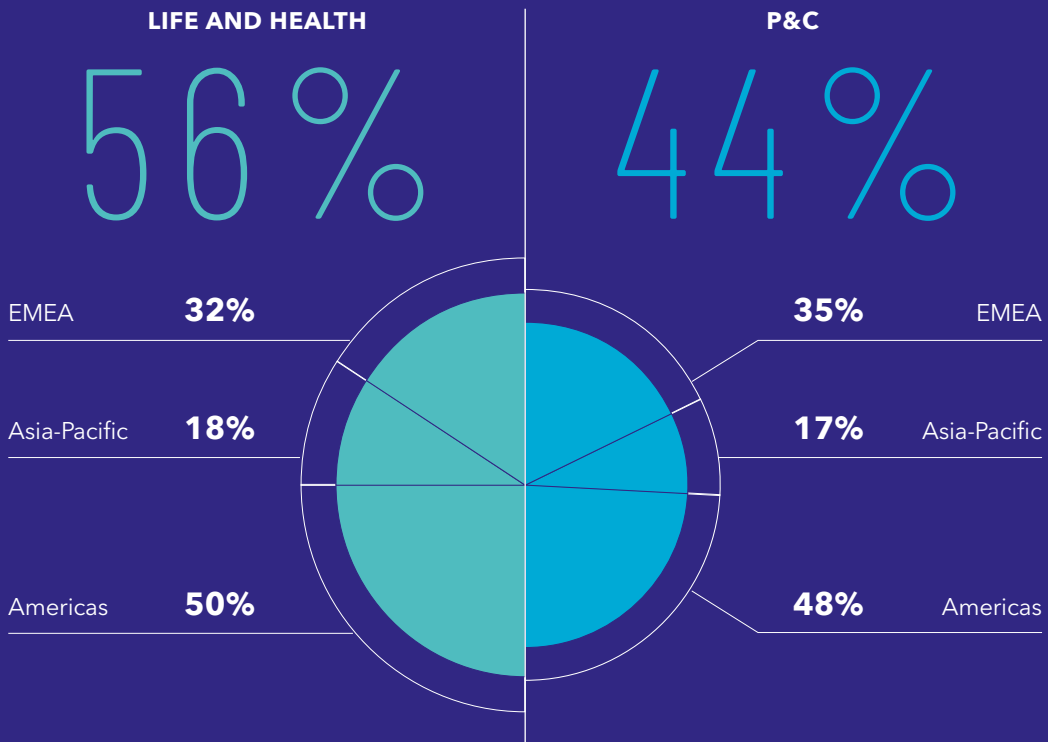


\*Proforma

**Geographical split in 2020**  
(gross written premiums)



**A well-diversified Group in 2020**  
(gross written premiums)



**Ian Kelly**, Group Chief Financial Officer, describes how the Group's resilient business model enabled it to meet the challenges of 2020.

# 2020: ROBUST PERFORMANCE AND SOLID RESULTS

## What were the performance highlights in 2020?

**I.K.** — Throughout 2020, SCOR has continued to demonstrate the relevance of its strategy and the resilience of its business model. The Group delivered solid financial results with net income for the year of EUR 234 million, despite the impact of the Covid-19 pandemic: EUR 284 million on the P&C side and EUR 314 million on the Life side. In addition, we faced a series of natural catastrophes, compounded by the continued pressure of a low yield environment.

SCOR wrote more than EUR 16.4 billion in gross written premiums during the year, a 1.8% increase over 2019 at constant exchange rates.

SCOR Global P&C grew by 2.4% at constant foreign exchange rates (FX). Excluding the negative impact of Covid-19 on gross written premiums, growth would stand at 5.6% at constant FX, in line with “Quantum Leap” assumptions.

At SCOR Global Life, growth stood at 1.4% at constant FX. The volume increase was driven by continued strategic franchise developments in the Asian markets, as well as in the U.S. and U.K. This was achieved despite targeted market exits and Covid-related delays in completing large transactions.

## What were the highlights in terms of technical profitability?

**I.K.** — In spite of the Covid-19 pandemic, SCOR delivered robust technical underlying profitability in 2020. SCOR Global P&C had a net combined ratio of just above 100%, including an impact of 4.7% related to Covid-19 and a natural catastrophe ratio of 6.8%, slightly below the budget of 7.0%. Overall, the normalized net combined ratio for claims related to natural catastrophes and Covid-19 stood at 95.7%. This is in line with the “Quantum Leap” assumptions.

SCOR Global Life maintained a robust performance in 2020 while absorbing the shock of Covid-19, demonstrating the resilience of its business model. The Life technical margin stood at 5.8% in 2020. The Covid-19 impact was offset by active portfolio management and a strong reserving position, benefiting from the positive underlying performance led by the Protection business. In spite of the low yield environment, SCOR Global Investments delivered a strong return on invested assets of 2.8% thanks to its prudent portfolio positioning. Realized gains stood at EUR 197 million over the year, mainly coming from the fixed income and real estate portfolios.

## What does this mean in terms of net income for the Group?

**I.K.** — Overall, the Group net income for 2020, at EUR 234 million, translates into a return on equity of 3.8%. Normalized for the impact of Covid-19 and natural catastrophes, the return on equity would have stood at 1,014 bps over risk-free, above our “Quantum Leap” profitability target of 800 bps above the five-year risk-free rates.

Finally, the solvency position of the Group was strong at the end of the year, standing at 220%. This is at the upper end of the optimal range of our solvency scale and takes into account the Covid-19 claims expected across 2021. Consequently, we propose a strong dividend of EUR 1.80 per share, which reflects the strength of our capital position.



Watch the video interview with Ian Kelly:  
[scor.com/en/videos](https://scor.com/en/videos)



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## The Board of Directors

SCOR adheres closely to best practices in corporate governance. The Group has adopted the Corporate Governance Code for listed corporations (Code de gouvernement d'entreprise des sociétés cotées) published by the AFEP (Association Française des entreprises privées) and the MEDEF (Mouvement des entreprises de France).

Our two governance bodies, the Board of Directors and the Executive Committee, ensure we meet our strategic objectives and manage risks appropriately.

# LEADING WITH DIVERSITY AND INDEPENDENCE

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**S**COR's Board of Directors establishes the Group's business plan and strategy and oversees their implementation, with a particular focus on the social and environmental implications of the Group's activity.

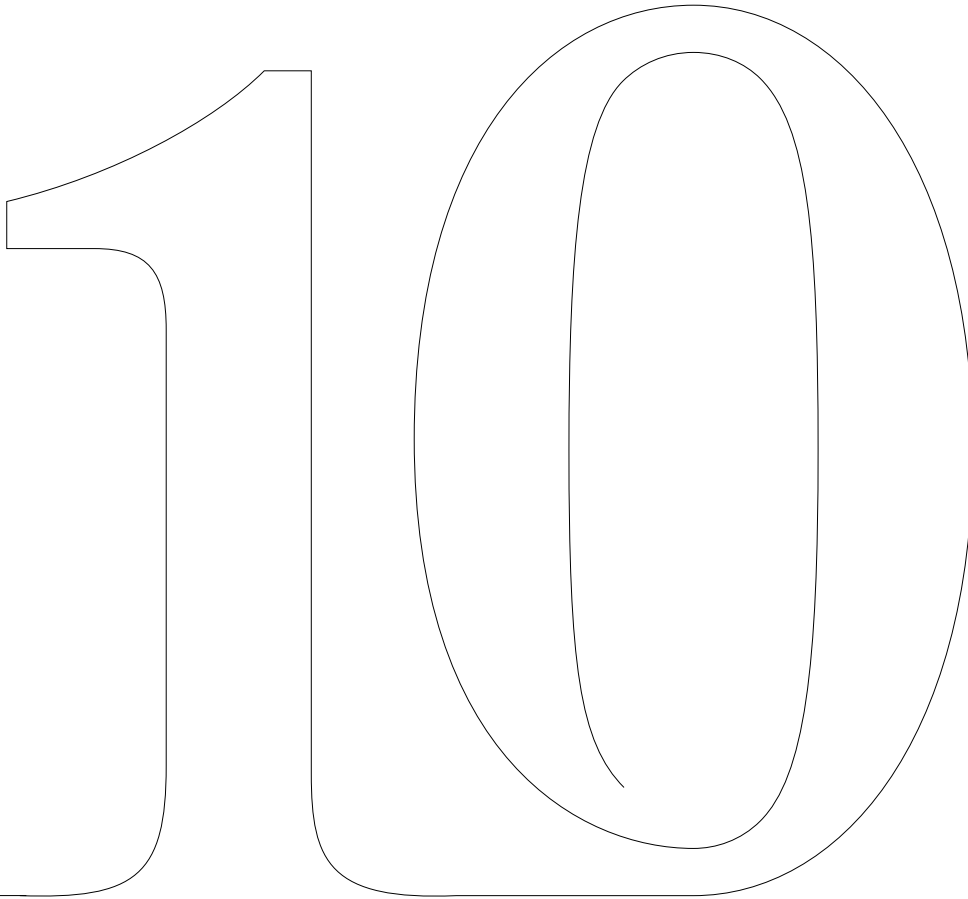
The Group seeks strong diversity on its Board in terms of nationality, background and gender. The members of the Board of Directors represent six nationalities: American, Belgian, British, Chinese, French and Swiss. As of December 31, 2020, half of SCOR's 14 Board members are women.

SCOR uses a skills matrix to ensure that Directors have the varied and complementary experience and skills needed to inform high-quality debate and decision-making. The number of SCOR's Board members (14) provides for meaning-

ful individual participation. They bring to the table expertise in a range of sectors, including economics, social science, finance, banking, IT, law and communications, among others. A majority of the Directors (10) are independent.

Employee-elected Directors are nominated by all of the Group's employees worldwide. They are elected by the employees of SCOR SE and its direct and indirect subsidiaries, whose head office is in France.





### Independent Directors

— The 14 members of SCOR's Board of Directors are:

**Denis Kessler** (Chairman and CEO), **Fabrice Brégier**, **Lauren Burns Carraud** and **Fiona Camara** (employee-elected Directors), **Adrien Couret**, **Vanessa Marquette**, **Bruno Pfister**, **Augustin de Romanet**, **Thomas Saunier** (representing Holding Malakoff Humanis), **Kory Sorenson**, **Claude Tendil**, **Natacha Valla**, **Zhen Wang** and **Fields Wicker-Miurin**.

### The Board's advisory committees

— The Board of Directors is supported by six specialized advisory committees:

- the Strategic Committee
- the Audit Committee
- the Risk Committee
- the Compensation and Nomination Committee
- the Corporate Social and Societal Responsibility and Environmental Sustainability Committee
- the Crisis Management Committee

### Lead Independent Director

— A Lead Independent Director assists the Chairman and CEO in the organization and functioning of the Board and its Committees, helps to ensure the efficiency of the Group's corporate governance, advises on operations for which Board meetings are convened, convenes meetings of the independent directors as needed (at least once a year), chairs the non-executive directors' session, and advises the directors on situations of potential conflict of interest. He may also, on behalf of the Board of Directors, meet with shareholders to answer their questions on corporate governance topics.

The Lead Independent Director is Augustin de Romanet.

## The Executive Committee

The Executive Committee supports the Board of Directors in the effective management and operations of the Group, implementing the strategy adopted by the Board.

# CONTRIBUTING EXPERIENCE AND INSIGHT

**S**COR's Chairman and Chief Executive Officer has executive authority to manage the Group's business, subject to prior authorization by the Board of Directors or the Shareholders' Meeting for certain decisions. The French Code des Assurances stipulates that the management of a company must be performed by at least two persons; in light of this, the Board of Directors has designated Jean-Paul Conoscente, Chief Executive Officer of SCOR Global P&C and Paolo De Martin, Chief Executive Officer of SCOR Global Life to carry out these functions.

**Denis Kessler** <sup>(1)</sup>  
Chairman and Chief  
Executive Officer

**Benoît Ribadeau-  
Dumas** <sup>(2)</sup>  
Deputy Chief Executive  
Officer

**Jean-Paul Conoscente** <sup>(3)</sup>  
Chief Executive Officer of  
SCOR Global P&C

**Paolo De Martin** <sup>(4)</sup>  
Chief Executive Officer of  
SCOR Global Life

**François de Varenne** <sup>(5)</sup>  
Chief Executive Officer of  
SCOR Global Investments

**Ian Kelly** <sup>(6)</sup>  
Group Chief Financial  
Officer

**Frieder Knüpling** <sup>(7)</sup>  
Group Chief Risk Officer

**Romain Launay** <sup>(8)</sup>  
Group Chief Operating  
Officer

**Brona Magee** <sup>(9)</sup>  
Deputy Chief Executive  
Officer of SCOR Global  
Life;

**Laurent Rousseau** <sup>(10)</sup>  
Deputy Chief Executive  
Officer of SCOR Global  
P&C

**Claire  
Le Gall-Robinson** <sup>(11)</sup>  
Group General Secretary



**Emmanuel Joffre**, Chief Human Resources Officer at SCOR, discusses how Covid-19 has accelerated the company's transformation, and how feedback has helped to create opportunity from the crisis.

# CULTIVATING A FEEDBACK CULTURE

## What are the foundations of SCOR's human resources strategy?

**E.J.** — Our success depends on our people – on attracting, developing and retaining the talent and expertise that allow us to achieve excellence. As part of our strategic planning process, we anticipate the skills we will need to build the workforce of the future.

## How has Covid-19 impacted people at SCOR?

**E.J.** — We already knew that the “Quantum Leap” period would be one of global transformation. The pandemic has made this transformation more urgent, particularly in terms of protecting our key resource – our people. So for us, the pandemic has been an accelerator of transformation.

Throughout the Covid-19 crisis, we have made it our top priority to stand by our people, protect their health and help them to be as productive as possible under challenging circumstances. Since the very beginning of the pandemic, we have worked hard to ensure that staff have the best and most flexible working conditions possible, promoting remote working and providing the logistical support to make this feasible. We have prioritized ongoing communication, which has enabled us to stay connected and maintain social equilibrium. We have also enhanced our mental health programs, learning resources and remote social events.

## How do you measure the success of all this?

**E.J.** — In 2020, the Group rolled out a new monthly “Pulse” survey to assess staff satisfaction, motivation and commitment. The feedback has been positive overall: our employees say they are proud to work for SCOR and feel a strong sense of belong-

ing; they appreciate our positive working environment. In particular, they feel that the support we have offered to deal with the Covid-19 environment – including remote work training, information and advice, technical support, psychological support, and so on – has been very satisfactory. To address areas flagged for improvement, we have defined tailor-made action plans. Beyond these immediate actions, the survey has helped us to create a real feedback culture – and this is key to our successful transformation.

## What learning options are available at SCOR?

**E.J.** — Career growth is critical to employee motivation and wellbeing, as well as to Group performance. We put the employee at the heart of the system, creating customized training opportunities tailored to our new ways of working. The global team of learning and development specialists behind SCOR University help people to build their own, tailor-made roadmaps. 2020 was marked by the digitalization of SCOR's training offering, with a significant rise in “just-in-time learning” and a preference for shorter learning formats. My Learning Platform, SCOR's one-stop-shop for training activities, was made accessible to all SCOR affiliates and external employees worldwide. This real-time, multimedia platform offers blended learning solutions that combine a variety of formats, such as face-to-face, virtual and digital content. It includes LinkedIn Learning, with 16,000 expert-led online courses and video tutorials, virtual language training in five languages through Speexx, and SCOR-specific content produced by our experts.

These are just some of the learning options available. From onboarding, to the prevention of cyber-risk, to unconscious bias in the workplace, our training modules ensure that staff are fully versed in our values and culture. For example, a new management program focuses on the transition from employee to manager, the development of a feedback culture, performance coaching, and the creation of trust and authenticity in an ever-changing environment.




“WE ARE PROUD OF HOW OUR PEOPLE RESPONDED TO THE COVID-19 CRISIS. THEY DEMONSTRATED THEIR ADAPTABILITY AND THEIR PROFESSIONALISM.”

We are continually working to create engaging, interactive e-learning content. In 2020, each employee completed approximately 15 hours of training on average.

**What is your vision for the future?**

**E.J.** — Covid-19 has sparked the need to conceive and implement a new way of working. It’s clear that remote working is here to stay in some form or other, and we will have to transform accordingly. We welcome this challenge and the opportunity to take part in forging the future, for our employees and our societies.

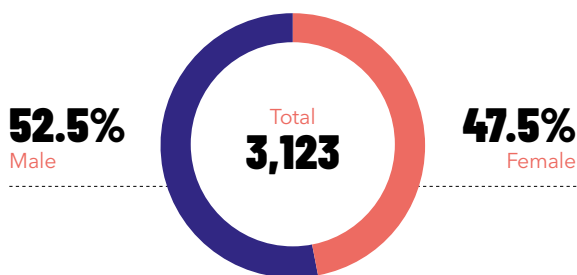
 Watch the video interview with Emmanuel Joffre: [scor.com/en/videos](https://scor.com/en/videos)



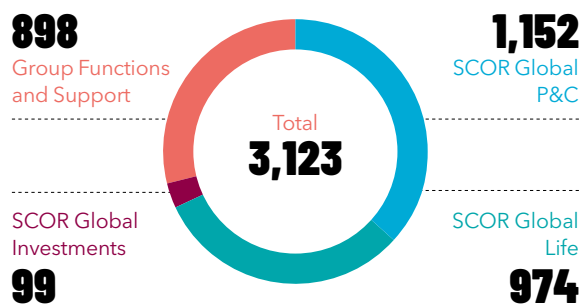
**45,300**

hours of training

**SCOR staff split by gender**



**SCOR staff split by functional area**



1



2



**€7.2 billion**

2020 P&C Gross Written Premiums

**160+**

Operating in 160+ countries

**100.2%**

Net combined ratio

**1,200**

professionals globally

1

"SCOR GLOBAL P&C IS PUTTING TECHNOLOGY AND INNOVATION AT THE SERVICE OF SUSTAINABLE, PROFITABLE GROWTH."

Jean-Paul Conoscente

2

"THE KEY INITIATIVES LAUNCHED AS PART OF OUR 'QUANTUM LEAP' STRATEGIC PLAN ARE BECOMING EVEN MORE RELEVANT IN THE COVID-19 ENVIRONMENT."

Laurent Rousseau

**Jean-Paul Conoscente**, CEO of SCOR Global P&C, and **Laurent Rousseau**, Deputy CEO of SCOR Global P&C and CEO of the Specialty Insurance unit, discuss how SCOR Global P&C has remained on track despite a challenging environment.

# SOLID FOUNDATIONS FOR P&C GROWTH

## How has SCOR Global P&C weathered the turbulence caused by Covid-19?

**J-P.C.** — Covid-19 has changed the way we operate. From a business point of view, the macro-economic environment generated by the Covid-19 crisis has led to a generalized market hardening, which we expect will carry well into 2022. However, despite this as well as heavy cat activity in 2020, SCOR's performance was strong. P&C premiums grew by 2.4%, notwithstanding the contraction in certain lines of business. Covid-19 represented a 4.7-point burden on SCOR Global P&C's profitability, leading to a 100.2% combined ratio for the year. Despite this, SCOR still delivered good underlying technical profitability with a normalized combined ratio of 95.7%, in line with the "Quantum Leap" assumptions and representing an improvement over 2019.

**L.R.** — Taking this a step further, the key initiatives launched as part of our "Quantum Leap" strategic plan are becoming even more relevant in the Covid-19 environment. Over 2020 we pruned our book, largely at the January 1 renewals, exiting from blocks of business that were not satisfying our profitability targets – namely a few large quota shares in China and the U.S. – and also by reducing our Lloyd's books. This pruning exercise, which is now over, has created solid foundations for strong and profitable growth. SCOR Global P&C is ready to accelerate, in terms of growth as well as improvements in pricing and expected profitability, as demonstrated by the excellent outcome of our January 1, 2021 treaty reinsurance renewals.

## What advances have you made in terms of technology and innovation?

**J-P.C.** — SCOR Global P&C is putting technology and innovation at the service of sustainable, profitable growth. I'll highlight three examples. First, we completed a quantitative study of the impact of climate change on our peak Property cat and Agriculture exposures. This detailed assessment will form the basis for future portfolio management actions, as well as for detailed discussions with our clients regarding the likely impact on their own portfolios. We also developed a cyber-risk accumulation management tool, integrating CyberCube's risk-model engines with our internally developed cat platform. The new system will enable SCOR to take advantage of sector hardening, while carefully managing our accumulations. Third, in 2019 we launched a back-office digital and technological transformation project to improve efficiency. This project began to reap benefits in 2020, with close to one quarter of our back-office transactions being automated.

**L.R.** — In 2020 we also largely completed the integration of our Specialty Insurance 360° risk-taking platform, enabling SCOR to achieve a globally consistent risk approach and appetite. In this way we further leveraged our infrastructure, systems and tools to boost profitable growth and share risk expertise with the wider SCOR group. SCOR's strong developments in Specialty Insurance over 2020 validate the strategic edge of our global underwriting platform, enabling us to actively steer the management of our risk portfolio towards the most attractive market conditions. The acquisition of a majority stake in the Brazilian agriculture managing general agent AgroBrasil testifies to the value of our Specialty Insurance platform, as well as our ability to expand our understanding of complex specialty risks.



Watch the video interview with Jean-Paul Conoscente and Laurent Rousseau: [scor.com/en/videos](https://scor.com/en/videos)



# ADAPTATION, INNOVATION AND GROWTH

Through its mastery of the Art & Science of Risk, SCOR's Property and Casualty (P&C) business unit helps to protect people and society, leveraging the Group's global strength and diverse workforce to do so.

**W**e support our clients' strategies with bespoke solutions and capital within the global P&C risk-to-capital ecosystem. With 50 years' experience covering multiple lines of business in more than 160 countries, we are recognized for our spirit of long-term partnership. We evolve alongside our clients while ensuring a consistent underwriting philosophy, harnessing advanced, integrated tools and systems to provide proportional, non-proportional and facultative reinsurance in many forms.

Fully tailored to today's rapidly changing risk ecosystem, our innovative and adaptable P&C risk transfer platform is capable of taking on risks of all kinds, in all lines of business and geographies, covering all forms of insurance and reinsurance – traditional or alternative – and at all levels of aggregation.

Against the backdrop of the Covid-19 crisis, SCOR Global P&C continues to deliver profitable growth by:

- actively redeploying capital on value-creative segments, markets and clients;
- growing SCOR P&C Partners as an enabler of innovation, a deal maker and a provider of high value-added services;
- increasing the digitalization of all our processes and automating low value-added tasks;
- deploying integrated insurance and reinsurance risk-taking platforms.

In September 2020, we updated our "Quantum Leap" strategic plan assumptions to account for the more supportive environment of the current reinsurance market. We plan to deliver gross written premium growth of 11% over the 2021 financial year, with a net combined ratio trending towards 95% and below, and annual growth of 7-10% in the value of new business.

## BUSINESS ORGANIZATION

To achieve our goals and meet clients' needs efficiently, our teams are organized into three business units: Reinsurance, Specialty Insurance and P&C Partners. These global teams work transversely to ensure strong technical drive, supervision and consistent governance.

★  
"BY CONTINUING TO PROTECT SOCIETY AND THE ENVIRONMENT WE CAN HELP TO SECURE A MORE SUSTAINABLE FUTURE."

Paul Nunn, Senior Advisor to SCOR Global P&C's CEO





## In focus: Climate change risks

Climate change, the collapse of ecosystems and biodiversity loss are major threats to a sustainable future. SCOR is uniquely placed to address these issues and is redoubling efforts to assess and manage the impact of climate change on society, as well as on its own portfolio and those of its clients.

# PROTECTING PEOPLE AND THE ENVIRONMENT

**T**he insurance industry plays an important role in protecting people and society from the risks they face and helping them to recover when calamity strikes. In addition to the “usual” catastrophes – such as tropical cyclones, earthquakes and floods – which can devastate cities, regions and even whole countries, society today faces some profound environmental challenges that affect everyone on the planet. As a reinsurer, SCOR is exposed to the changing patterns of loss brought on by climate change.

We are strongly motivated to help society mitigate the potential impacts of climate change, transitioning to a much-needed low-carbon economy. To support this transition, we have invested in renewable energy expertise, strengthened our underwriting teams and developed new products and partnerships to protect investors in projects such as solar energy and windfarms. In parallel, we have put in place restrictive underwriting policies for thermal-coal power

generation, the most carbon-intensive means of energy production. The world’s poorest people are particularly vulnerable to climate change. With no savings and limited access to financial services, many are just a step away from destitution. A failed crop or a natural disaster can also have knock-on effects in terms of migration and political unrest. As a founding member of the Insurance Development Forum and InsuResilience, SCOR is helping to close the “protection gap” by actively contributing to projects that increase protection for people and livelihoods in developing economies.

## In focus: Catastrophe modeling

SCOR is committed to improving the quality of the catastrophe models and techniques it uses to assess and price the perils that are likely to become more frequent – and more severe – in a warming world.

# SCENARIOS OF GLOBAL WARMING

**S** SCOR's recent **Climate Report, Resilient Together**, explores how the most severe scenarios of global warming may deeply transform our risk universe, raising insurability challenges. In addition to increasingly destructive weather events, climate change may have an impact on many other risks, including food insecurity, threats to biodiversity, forced migrations, social tensions and political crises, as well as global pandemics. On the asset side, (re)insurers must face the implications of climate change on their investments, considering both physical and transition risks.

In 2020, SCOR initiated an ambitious climate change campaign to better understand the impact of global warming

on our risk modeling and to identify key natural perils for the property and agriculture lines.

More than 1,000 scientific papers and industry reports were reviewed, thanks to which we were able to:

- elicit a "SCOR view" of the latest climate science
- assess the extent to which current hazards are reflected in our catastrophe models
- design realistic scenarios for key perils, by region, over a 5-10-year horizon
- compute loss impacts for peak property catastrophe perils (e.g., U.S. tropical cyclone, Japanese tropical cyclone, European extratropical cyclone) and agricultural risks.

This major study has allowed us to make significant improvements to SCOR's risk modeling, including enhanced modeling of rainfall from tropical cyclones, the development of a flood model for China and the creation of more accurate U.S. wildfire scenarios. These models and scenarios are a great resource for decision makers and our clients.



"IN A WORLD WHERE THE RISK LANDSCAPE IS EVOLVING AT HIGH SPEED, WE STRONGLY BELIEVE THAT INVESTING IN COMPLEX PROJECTS WHICH LEVERAGE THE ART & SCIENCE OF RISK IS VITAL."

**Tobias Hoffmann**, Head of Reinsurance Pricing & Cat Modeling

## Reinsurance

— We develop innovative solutions and services for our clients, combining a deep understanding of their needs with strong technical expertise. The Treaty P&C teams are based locally in geographic and cultural proximity to clients, and take a strong client management approach. They work closely with our network of global sector experts, basing their underwriting on sophisticated risk assessment and pricing.

## Specialty Insurance

— Specialty Insurance offers a broad range of products, solutions and services to our clients through:

- **single-risk underwriting**, including large industrial and specialty risks or facultative reinsurance, provided globally through company licenses or SCOR's fully owned Channel Syndicate;
- **portfolio underwriting**, focusing on niche and small and medium enterprise (SME) risks, with underwriting authority delegated to partners in the U.S., Brazil and EMEA.

Along with our proximity to clients, the size of the risks we cover through Specialty Insurance enables us to reinforce our technical expertise, while accessing profitable pockets of risk which would otherwise be inaccessible at attractive terms.

## P&C Partners

— The P&C Partners Business Unit is a global technical expertise center designed to provide rapid responses to cedants, corporate clients and internal SCOR teams. By boosting innovation, P&C Partners enables deals and provides services

that ultimately enhance our relationships with clients and strengthen our position in the value chain.

P&C Partners concentrates in particular on:

- **Technical development, encompassing**
  - > cyber solutions – one of the fastest growing but most challenging areas in the reinsurance sector – including risk expertise and modeling tools
  - > alternative solutions – developing customized, non-traditional solutions designed to optimize capital and to manage the volatility of earnings and cash flow
  - > product development and innovation in underwriting and strategic partnerships
- **P&C ventures**, focusing on technological innovation, expertise sharing and Insurtech investments
- **Retrocession and third-party capital**, leveraging the SCOR franchise to attract capital partners (traditional and alternative) to meet the evolving needs of clients, while maintaining the level of security and services expected from SCOR
- **Underwriting management**, ensuring business consistency across geographies and client segments, while facilitating non-delegated deals.

## GOING DIGITAL

SCOR Global P&C launched a transversal digital transformation project in 2020, called “BOOST”. The BOOST project combines technological and process optimization measures to increase the use of automation in our business administration, eliminate manual processing, streamline our organization and ultimately create a more agile and flexible workforce.



“IT IS EXCITING TO ENVISION HOW TECHNOLOGY WILL TRANSFORM OUR WORK, SHIFTING RESOURCES TO ANALYTICS AND CLIENT SERVICE.”

**Jonathan Beerman**, Senior Vice President,  
Chief Officer Technical Accounting  
& Administration



70

1



2



**€9.2 billion**

2020 Life Gross Written Premiums

**Top 4**

one of the top four reinsurers in Life & Health worldwide

**1,100**

Professionals globally

**5.8%**

Life Technical Margin

1

"A PANDEMIC OF THE SCALE OF COVID-19 IS THE ULTIMATE TEST FOR A LIFE REINSURANCE BUSINESS." Paolo De Martin

2

"THE INDUSTRY IS IN FULL TRANSFORMATION AND ATTITUDES ARE DEFINITELY CHANGING." Brona Magee



**Paolo De Martin**, CEO of SCOR Global Life, and **Brona Magee**, Deputy CEO of SCOR Global Life, discuss the Covid-19 pandemic, its impact on the business unit and on the future of Life insurance.

# WEATHERING THE CRISIS TO MAP THE FUTURE

## How has SCOR Global Life coped with the pandemic?

**P.D.M.** — Covid-19 represents a huge human tragedy with incredible suffering and loss of life and livelihoods, and we never forget this when we enter into a business discussion around the pandemic.

A pandemic of this scale is for a Life reinsurance business the test of a lifetime. Thanks to the incredible work done by our teams, not only we have been able to withstand the shock, but we are successfully delivering our “Quantum Leap” plan, accelerating the transformation of our business and of our value proposition. The pandemic will have a financial impact for our business, but thanks to the work we have done over the years on diversifying our book across geographies and product lines, we expect this impact to be manageable. We are very proud of the support we have been able to give, through the Life insurance policies we ultimately reinsure, to over 10,000 families impacted by Covid-19 in 2020. Ultimately, that is what we are here for.

## How do you envision the future of Life insurance in a post-pandemic world?

**B.M.** — We knew, when we developed the “Quantum Leap” strategic plan, that our industry was on the verge of a major transformation. The pandemic is dramatically accelerating that transformation. People crave security, they want the protection and peace of mind that Life insurance brings. Digital distribution channels are booming. Medical underwriting in many

markets had to change overnight due to a lack of availability of medical professionals and consumer unease with presenting for medical exams. Our Global Consumer study highlights the facts that people are more focused than ever on their own health and welcome support and encouragement to live healthier and happier lives.

This is an exciting time for the Life insurance industry and our clients are reacting fast. The use of new technologies is allowing the creation of a Life insurance experience centered around the consumer – with Life insurance products that are relevant and desirable and a proposition that is truly engaging. At SCOR, we are committed to building this future with our clients, contributing our data, knowledge and technological skill set and forging innovative partnerships to enhance the value we can bring.

## What did SCOR Global Life learn from this crisis?

**P.D.M.** — We learned even more the importance of collaboration, of personal connections, of what I would call “the human dimension” of our work. We thought we knew all of this, but the pandemic taught us a hard lesson on how precious our lives are, and how much we need to give value to life. Our transformational journey has now accelerated. The more we embrace the value of life, the more our people are flourishing and the more we are realizing the positive ripple effect we are producing around us, touching our clients and business partners and the lives of people buying innovative Life insurance products. There has never been a time where we have felt the relevance and impact of what we do as much as today, and we feel called more than ever to build for impact.



Watch the video interview with Paolo De Martin and Brona Magee: [scor.com/en/videos](https://scor.com/en/videos)

# GLOBAL LIFE & HEALTH: ADDING VALUE TO PEOPLE'S LIVES

**At SCOR Global Life, we are building the future of Life insurance together with our clients and partners. A well-established and diversified franchise, SCOR Global Life combines growth, profitability and productivity to create a positive impact on people and society.**

**T**oday more than ever, SCOR Global Life's focus is on value creation. We feel a strong call to build for impact, to bring Life insurance to as many people as possible, to make our products relevant and desirable, and to do our share to improve health and wellbeing – all of this while constantly expanding our risk knowledge. Impact is what energizes us, what inspires our teams. Only by making an impact can we create sustainable value. By helping to add value to people's lives, we create value for our business.

★

“WE ABSOLUTELY BELIEVE THAT A GREAT CONSUMER EXPERIENCE IS ESSENTIAL IN ORDER TO HAVE IMPACT. WE WANT TO PARTNER WITH CLIENTS TO ENABLE THAT.”

Na Jia, CEO of ReMark

## EXTENDING PROTECTION AND PEACE OF MIND

At SCOR Global Life, we want as many people as possible to experience the peace of mind that comes from having Life insurance and access to the best possible health care. Using data, knowledge and cutting-edge technology, we are pushing underwriting to become more inclusive and developing solutions that focus on improving health outcomes.

Inclusive underwriting evaluates individual risk to provide evidence-based ratings and offer applicants the most adapted insurance option possible. The right approach to disease management can significantly improve health outcomes. For example, cancer is a complex disease influenced by multiple factors, including genetics. Personalized medicine – including DNA testing as well as support from oncology experts – is highly effective in treating the disease through each step of the cancer journey. SCOR Global Life is working to increase the options available:

- The new Vitae biometric risk calculator uses machine learning to offer improved assessments of biometric risk, a better experience for the end consumer and fairer pricing. In addition to the usual medical factors, Vitae takes into



## In focus: The optimal consumer experience

ReMark is a global insurance consultancy that helps transform banks and insurers with insights, campaigns and technology solutions. Part of the SCOR group, ReMark helps our clients gain, retain and engage policyholders by delivering the best consumer experience possible – from quote to claim.

# COMPETENCE, COMPASSION AND IMAGINATION

**R**eMark is an example of transformation – from a direct marketing company to a true Insurtech. Over 37 years, ReMark has carried out more than 12,000 insurance marketing campaigns by phone, mail, SMS and digital channels, reaching 1 billion people around the world. ReMark also conducts a comprehensive annual Life insurance consumer survey each year, providing industry insight on topics such as data privacy, health and wellness, and artificial intelligence (AI). ReMark engineers industry-leading tech solutions, such as the Velogica digital underwriting platform and the Good Life Health & Wellness engagement app, powered by SCOR's Biological Age Model BAM™.

"At ReMark we want to make insurance purchasing simpler, easier and more inclusive through digitalization. In China, for example, we worked with an insurer and a pharmaceutical company to create a product targeting 90 million hepatitis B patients. They enroll by scanning a code on their medication box and the more boxes of medicine they scan, the higher their insurance coverage. This helps to ensure that the patient continues to manage their health. The plan includes comprehensive insurance benefits as well as a twice-yearly physical exam." Na Jia, CEO of ReMark

### The Global Consumer Survey 2020-21

– Reaffirm Life, the 7th edition of ReMark's Global Consumer Study, clearly shows how the pandemic has resulted in a growing demand for personalization, security and protection, as well as increasing awareness regarding health and wellbeing.

### Reaffirm Life findings

#### Life insurance awareness and attitudes:

- lower appetite for risk, with 40.6% of people having changed their minds on Life insurance as a direct result of Covid-19
- increased demand for insurance in growth markets and younger population

#### Health awareness:

- heightened awareness of the importance of managing chronic conditions
- Covid-19 has encouraged 76% of respondents to become more proactive about their health
- 69% of whom say they would like to exercise more and stay more physically active
- 83% changed their behavior in terms of personal hygiene

#### Growth of digital opportunities:

- increased demand for digital products/digitalization of traditional products
- increased access to data
- older consumers embrace digital technology
- insurers need to integrate a new "phygital" dimension that brings the reassuring "faces" of offline services online.

## In focus: Reimagined underwriting

In partnership with innovative companies, SCOR is leveraging our medical and risk knowledge, our volumes of data, and our capabilities in data analytics and science, to radically transform the experience of purchasing Life insurance.

# REVOLUTIONIZING MEDICAL UNDERWRITING

**D**evelopments in technology and the availability of large volumes of customer-related information from multiple channels are enabling a revolution in medical underwriting. This is accelerated by the Covid-19 outbreak, with the unavailability of doctors and general patient discomfort driving demand for alternative medical underwriting solutions that allow risk classification in a non-intrusive manner. Artificial intelligence (AI) covers an extensive range of concepts, from cognitive computing to natural language processing and image analytics. Advanced analytics, such as machine learning, enable us to better understand risks and translate data and knowledge into enhanced offerings for our clients. Text mining technology coupled with machine learning enables the detection of natural language text patterns that are

“OUR STRATEGIC INVESTMENT IN HUMAN API SUPPORTS OUR EFFORTS TO MAKE THE PURCHASING PROCESS EASIER AND LESS INVASIVE BY ALLOWING CONSUMERS TO SHARE THEIR EXISTING HEALTH DATA STORED IN ELECTRONIC HEALTH RECORDS.”

**Brona Magee,**  
Deputy CEO of SCOR  
Global Life

generally missed by conventional approaches. At SCOR we are embracing this new technology to build solutions for greater efficiency and an optimal consumer experience. This includes building predictive models for immediate risk classification, and interpreting and transforming data from electronic health records (EHRs) to avoid lengthy medical exams.

- In Singapore, SCOR Global Life developed a text mining solution that helps to automate the classification of medical reports for critical illness claims, leading to better health data analysis and improved decision making. SCOR's Data Analytics Solutions team developed the machine learning algorithm and helped its client deploy the solution in their IT systems, adapting it to the specificities of the Chinese language.
- SCOR Global Life partnered with Human API, the first national, consumer-controlled health data platform in the U.S. Human API normalizes unstructured data from thousands of fragmented health information systems, giving people a free, simple, transparent and secure way to share their health data with companies they trust.
- SCOR Global Life partnered with Verisk, a leading data analytics provider, to develop the EHR Triage Engine, a tool that helps Life insurers fast-track applications using data from consumer authorized EHRs. This potentially cuts decision times from weeks to minutes.



account various factors, such as physical activity and calcium scores, to provide fairer and more precise risk assessments. Vitae will allow SCOR to automate 50% of substandard risks and improve the access to insurance for those not in perfect health.

- SCOR's breast cancer survivor calculator combines medical expertise with data science and machine learning to provide personalized risk assessments for breast cancer survivors seeking insurance. Breast cancer affects 12.5% of women and can also affect men. Thanks to medical advances, more and more patients – 85% – are surviving. Once medical treatments are behind them, however, patients must contend with a number of challenges – personal, psychological, familial, social, professional and economic – as they return to normal Life. Insurance coverage can play a major role in easing this transition. Our calculator uses predictive algorithms to enable insurers to offer personalized ratings, allowing these cancer survivors to meet their Life insurance needs.
- SCOR Global Life Korea worked with a leading Korean insurer to launch a comprehensive cancer insurance product, which provides services from prevention to post-care. With some 100,000 policies sold in the first month, this was the leading cancer product on the insurance market in 2020.
- SCOR and Wamberg Genomic Advisors, an innovator in personalized, cancer-related medicine, have announced a collaboration to build personalized cancer programs for Life insurance clients and their policyholders. This partnership will bring Cancer Guardian™ into an insurance product offering policyholders valuable information and services not typically made available or covered by health insurance, such as hereditary risk screening, dedicated specialist support, comprehensive genomic profiling, nurse advocates, a clinical trial explorer, financial support and a cancer information line.

## LIFE INSURANCE AS A HEALTH ECOSYSTEM

SCOR Global Life is making insurance more desirable and relevant, transforming it from a product to a positive experience that adds value to people's lives.

In Korea, SCOR Global Life has developed an innovative insurance platform that illustrates how Life insurance can really add value to people's lives. This allows clients to offer much more than financial protection in their Life insurance products through a comprehensive health ecosystem. The platform:

- uses gamification to make people aware of cancer risks and give them early health advice;
- allows for optimal insurance benefit selection based on AI-informed risk prediction;
- offers mental health checks and food and lifestyle analysis
- maintains engagement, encouraging policyholders to stay healthy and practice preventive care;
- supports regular check-ups and offers coaching as well as disease scanning, including genetic tests;
- in the event of illness, provides the best possible care, from pain relief and rehab to home care;
- allows policyholders access to a holistic network of health-care and technology providers.

By reinventing the insurance experience, it offers seamless engagement and support throughout the policy lifecycle. This is the Life insurance model of the future!



THE INNOVATION HAS JUST BEGUN.  
WE WILL CONTINUE TO STRIVE TO PROVIDE NEW VALUE TO THE MARKET.

**Don Rho**, Head of North Asia of SCOR Global Life





**€20.5 billion**

invested assets

**7.3%**

of the Group's portfolio in green assets

**2.8%**

Return on invested assets (full year 2020)

**3.3**

years duration of the fixed-income portfolio



"AS REINSURERS, WE'RE AT THE FOREFRONT OF CLIMATE RISK AND WE UNDERSTAND THE URGENCY OF TAKING ACTION ON CLIMATE CHANGE."

François de Varenne

**A+**

average rating of the fixed-income portfolio

**François de Varenne**, CEO, SCOR Global Investments, discusses sustainable investment in the context of Covid-19, as well as future market opportunities.

# A SOLID AND SUSTAINABLE INVESTOR

## How do you balance a sustainable approach with a profitable investment strategy?

**F.D.V.** — For SCOR, sustainable investment is not an approach – sustainability is at the core of our investment DNA. In 2020, we were once more able to confirm that sustainable investment strategies generate superior returns. We have reached a level of maturity on climate change that enables us to steer the portfolio. For instance, by implementing a best-in-class strategy with regard to fossil fuel divestment we can actually build the resilience of the portfolio; by setting decarbonation targets, we can better control and reduce our impact on the environment.

As reinsurers, we're at the forefront of climate risk and we understand the urgency of taking action on climate change. Our integrated approach is clear in our Sustainable Investing Policy, which directly sustains and complements our Climate Policy. Together, they ensure that environmental, social and governance criteria are integrated in all our investment decisions. At the same time, including these objectives in our criteria directly serves our aim of generating superior long-term returns.

## How did SCOR Global Investments respond to the Covid-19 pandemic?

**F.D.V.** — In 2019 we had already adjusted the risk of our investment portfolio to align it with the “Quantum Leap” strategic plan. This allowed us to face the pandemic with a prudent and defensive portfolio, which demonstrated its resilience

throughout the crisis. We froze our reinvestment activity between March and May 2020, focusing on the portfolio's liquidity and resuming prudent asset allocation in the second half of the year.

## What are your expectations for 2021?

**F.D.V.** — We are committed to delivering on the objectives set out in the “Quantum Leap” strategic plan and to generating a strong and recurring financial contribution from the invested assets portfolio. With an increasingly positive economic outlook, we are ideally positioned to capture upcoming market opportunities.



Watch the video interview with François de Varenne:  
[scor.com/en/videos](https://scor.com/en/videos)

# SUSTAINABLE INVESTMENT FOR SUPERIOR VALUE

**SCOR Global Investments strongly believes that integrating sustainability within the investment strategy supports superior value creation over the long term. Our “Quantum Leap” objectives are built around this concept.**

## Experts in creating superior value

— As the business unit responsible for defining, implementing and centrally controlling asset allocation in the investment portfolios of the Group’s legal entities, SCOR Global Investments is organized around two areas: Asset Owner functions and Asset Management functions.

### Asset Owner functions are structured around:

- the Group Investment Risk & Sustainability department, which manages and services the Group and its legal entities in all financial and non-financial topics related to investment risks, including the sustainable resilience and impact of the portfolios;
- the Investment Business Performance department, which provides investment services to the Group, as well as financial analysis, planning and controlling.

**Asset Management** is carried out through SCOR Investment Partners, our dedicated portfolio management company regulated by the French Autorité des Marchés Financiers. SCOR Investment Partners deploys sustainable investment strategies that deliver superior returns over the long term. We oversee the investment portfolio of the Group’s entities and also manage assets for a wide variety of institutional investors across the EMEA region. As of December 31, 2020, assets entrusted to us by external clients amounted to EUR 5.1 billion.

At SCOR Investment Partners, we leverage our diverse skills to provide innovative solutions to external clients. With the expertise developed over the past decade in insurance-linked securities (ILS), private debt and liquid credit strategies, we have expanded our business model.

## Insurance-linked securities

— Since 2011, SCOR Investment Partners has managed investment strategies on the ILS market, which is well known for its low correlation with other financial assets. We deliver a remarkable and recurring high financial performance in this market, thanks to our in-depth knowledge of the market, our factoring in of the impact of climate change, and to our high degree of selectivity concerning the securities held in the portfolio.

## Consolidating a leading position

— In 2020, SCOR Investment Partners consolidated our position in the ILS market by entering the select circle of ILS managers with over USD 2.5 billion in assets under management. Following the acquisition of Coriolis Capital Limited in September 2019, the company – operating from Paris and London – saw strong inflows, with the flagship Atropos fund exceeding USD 1.1 billion in assets under management at the end of 2020.

By focusing our strategy on transactions with clearly defined, limited and modelable risks – and with returns in line with our medium-risk appetite – SCOR Investment Partners has demonstrated a strong capacity to absorb shocks in the event of natural catastrophes. Our investment principles demonstrated their resilience in 2017, 2018 and 2019 in markets that were affected by a succession of major natural catastrophes.

This robustness was verified in 2020, in a context that was marked by contrasting performance among the various players. For the second year in a row, the Atropos fund was among the top two performers on the Eurekaledge ILS Adviser Index; the Atropos Catbond fund came in third.

## Key dates

**August 2011:** launch of the first strategy

**September 2019:** acquisition of Coriolis Capital Limited

**December 2020:** USD 2,514 billion outstanding in ILS



## In focus: Unlocking value

SCOR Global Investments is using its expertise to help the Group unlock value throughout the “Quantum Leap” period, via a roadmap based on five pillars

# A ROADMAP FOR UNLOCKING VALUE

**01**

Acting as a sustainable investor to manage risks and generate superior long-term returns.

**02**

Enhancing portfolio diversification towards value-creation assets to increase portfolio returns.

**03**

Maximizing value creation while safeguarding portfolio value.

**04**

Fully leveraging, with the acquisition of Coriolis Capital, SCOR's position as a leading player in insurance-linked securities.

**05**

Maintaining strong momentum in third-party asset gathering through a comprehensive product offering and best-in-class returns.

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## Forward-looking statements

### 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 impacted 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 considerable 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 the global economy, 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, take-up rate and effect of the vaccines;
- the response of government bodies worldwide (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 estimates and impact of claim mitigation actions.

#### Therefore:

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 hypotheses, 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 2020 universal registration document filed on March 2, 2021, under number D.21-0084 with the French Autorité des marchés financiers (AMF) and in the SCOR SE 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

The Group's financial information contained in this document is prepared on the basis of IFRS and interpretations issued and approved by the European Union. Unless otherwise specified, prior-year balance sheet, income statement items and ratios have not been reclassified.

The calculation of financial ratios (such as book value per share, return on investments, return on invested assets, Group cost ratio, return on equity, combined ratio and life technical margin) are detailed in the Appendices of the Q4 2020 presentation (see page 23).

The financial results for the full year 2020 included in the presentation have been audited by SCOR's independent auditors.

Unless otherwise specified, all figures are presented in Euros. Any figures for a period subsequent to December 31, 2020 should not be taken as a forecast of the expected financials for these periods.

The Group solvency ratio disclosed in this document is not audited. The Group solvency final results are to be filed to supervisory authorities by May 2021, and may differ from the estimates expressed or implied in this report.

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# SCOR AROUND THE WORLD

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**Americas:** Argentina / Barbados / Brazil / Canada / Chile / Colombia / Mexico / United States / **Asia-Pacific:** Australia / Mainland China / Hong Kong / India / Japan / Malaysia / New Zealand / Singapore / South Korea / Taiwan /







To learn more about  
SCOR's strategy, goals,  
commitments  
and markets, visit our  
website.

**[www.scor.com](http://www.scor.com)**

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