

24 July 2012

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SCOR achieves a strong performance with 24% premium growth and a 3% price increase during the June-July P&C renewals

During the June-July renewals, SCOR Global P&C (SGPC) has delivered a strong 24% premium increase at constant exchange rates to EUR 462 million. Prices are up 3% compared to 2011 and conditions have met expectations, thereby helping to improve year-to-date expected technical profitability, which is in line with the objectives of Strong Momentum V1.1.

Around 12% of the annual P&C treaty premiums were up for renewal at June-July 2012. The EUR 372 million premiums up for renewal were mainly from Latin America (27% of the total), the US (24%), China (14%) and Australia (10%), split evenly between Specialty Lines (53%) and Treaties (47%).

These renewals have benefitted from the Group's excellent franchise and market positions, which have been reinforced by the recent rating upgrades. On a year-to-date basis, prices are up 3%, and the expected operational performance from renewed and newly underwritten business meets all internal profitability targets.

- **P&C Treaties:** premiums are up by 26% to EUR 220 million, with prices increasing by around 3% on average. This is a testimony to the fact that the Group is continuing to broaden and further deepen its franchise on a global scale. The portfolio continues to be actively managed, with around 12% of treaties having been either cancelled or restructured.
 - The June-July renewals are particularly important for the Latin American & Caribbean region, with close to half of the area's business up for renewal. This region has witnessed growth of nearly 14%, with improving expected returns thanks to a focused underwriting approach.
 - A significant part of Australia and New-Zealand premiums were up for renewal at 1st July, representing 20% of P&C Treaty premiums for the period. SGPC's Australian book is down by 17%, mainly due to some large treaties shifting from Proportional to Non-Proportional, but overall prices are up by close to 8% in Asia-Pacific, and the expected underwriting ratio has improved by 3 percentage points.
 - Many other areas, which typically do not represent a large proportion of the June-July renewals (Europe, South Africa, Near & Middle East) have witnessed strong growth, concentrated on a few selected large treaties, and benefiting from the recent upgrades to "A+".
- **Specialty Line Treaties:** premiums are up by 23% to EUR 242 million, with prices increasing on average by around 2%. Key drivers of this growth are:
 - Credit & Surety, with premium growth of 28%, led by a significant treaty in China, and positive development in Brazil.

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- US CAT, with premium growth of 25%, on the back of price increases of +6%. SGPC continues to re-profile its overall CAT portfolio towards more US exposures for better balance and diversification, and its US CAT book towards large regional and national companies.
- Agriculture business typically represents a significant part of the June-July renewals, much of it from Latin America. However, renewals for this business will actually continue through to August. Trends witnessed so far on the book are favourable.

Victor Peignet, CEO of SCOR Global P&C, comments: *“These very strong renewals, combining growth with the strict application of our technical profitability criteria, further demonstrate our confidence in the assumptions of Strong Momentum V1.1. In addition to reinforcing its pre-renewal existing positions, SCOR Global P&C has managed to seize interesting opportunities, thereby further reinforcing its strong and global franchise, as witnessed in the 1/1 and 1/4 renewals this year.”*

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