Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. (NHT)

Dutch Reinsurance Company for Terrorism damage

June 2010
**Cedents**
- 255 insurance companies
- > 93% market premium
- GPI (2008) € 67 billion
- All branches

**Dutch Association of Insurers**
- Supervisory board
- National association
- Life sector
- Non-life sector
- Care sector
- Committee for technical and reinsurance matters

**VAN**
- NHT Management
- Also management of
  - Nuclear pool
  - Environmental pool
NHT Objectives:

- to offer a (limited) insurance solution to Dutch society in the event of a terrorist attack
- simultaneously to assure the continuity of the Dutch insurance industry in the event of a terrorist attack
- to limit reinsurers’ terrorism exposure.
Structure of NHT capacity

Total capacity € 1 billion

- Up to € 400 m (Dutch market/ NHT Loss Pool)
- € 550 million (xs € 400m) (Retrocession market)
- € 50 million (xs € 950m) (Dutch state)
Retrocession program

- Direct placement (2010: 25%)
- Broker placement
- Retrocessionaire rating requirements: A- at least!
Coverage under NHT

- Damage following a terrorist attack

- All insurance classes covered (see limitations/exclusions below)
  - Limitation: Property (any one risk address € 75m)
  - Exclusions: Aviation/Terrorism written as such

- Dutch territorial risks only

- Reinsurance cover € 1 billion in the Aggregate per Annum (fgu)
  - Franchise: € 7.5m (market), 2.5% GPI (any one company)
Guiding principles for the NHT Retro placement

- Continuity (only 2 Retrocessionaires have declined since inception in 2003)
- Consensus pricing – NHT will seek consensus to keep retrocessionaires on board
- Fair price – the NHT members expect to pay a fair price reflecting market conditions.
Situation after 2010

- Structure
- Capacity
- Other subjects