



GERMANY — TERRORISM RISK INSURANCE PROGRAMME

Name of programme	EXTREMUS Versicherungs-AG
Date of establishment	3 September 2002
Basic structure	Public Company

Extremus Versicherungs-AG

History and Purpose

Formed on 3 September 2002 as a consequence of 11 September 2001 on the initiative of the German Insurance Association (GDV) and leading (re)-insurers to provide terrorism insurance for domestic and non-domestic investors in Germany. The shareholders of EXTREMUS Versicherungs-AG are 15 insurance and reinsurance companies domiciled in Germany.

Start of operation: 1 November 2002.

Paid up capital: € 50 million.

Definitions

Terrorist acts - are any acts committed by persons or groups of persons to achieve political, religious, ethnic or ideological purposes that are likely to spread anxiety or fear amongst the population or parts of the population and thereby influence any government or government institution.

Operation, Extent, Lines Covered & Perils Covered

Material damage (commercial and industrial) including business interruption with the maximum limit per insured of € 1500 million.



The OECD International Platform on Terrorism Risk Insurance shares information and identifies good practices for the financial management of terrorism risk, to contribute to fast economic recovery in the event of attacks.



This country profile is regularly updated. It is the product of joint work between national terrorism insurance schemes, the OECD and the World Forum of Catastrophe Programmes.

www.oecd.org/daf/fin/insurance/terrorism-risk-insurance.htm



Exclusions

- Biological;
- Chemical;
- Nuclear;
- Cyber-attacks.

State Involvement & Layers of Cover

€ 7500million. xs 2500million.

Non-State Reinsurance/Retrocession

€ 2500million. xs 0million.

Extent of Compulsion & Choice

Voluntary, any market is free to offer coverage.

Period of Operation

Calendar year.

Main features

Layers of coverage	First - € 2.5 billion by private insurance market including international reinsurance. Second- € 7.5 billion by German Government.
Limitation of exposure of private sector	€ 2.5 billion plus all risks up to € 25 million. total sum insured with no limitation in total amount.
Temporary /permanent government participation	So far the system has always provided a government guarantee for 2 years, although the guarantee was provided for four years under the most recent renewal on 13 October 2015, with a reservation to make revisions after two years. The government guarantee now operates from 2016 to 2019.
Gratuity of government coverage	
Voluntary / mandatory	Voluntary
Minimum sum insured	€ 25 million. per contract
Coverage of NCBR terrorist attacks	Excluded
Lines covered	<ul style="list-style-type: none"> • Material damage; • Business interruption.
Pricing mechanism	Tariff <ul style="list-style-type: none"> • Introduced as per 1 January 2008 based on 3 regional zones (defined by concentration of population) and additional risk assessment.
Other public sector victims compensation schemes	None.