



**GAREAT**

*Gestion de l'Assurance et de la Réassurance  
des risques Attentats et actes de Terrorisme*

# GAREAT French Terrorism Schemes 2013 updates

*For information purposes only.*

Christiane de Bondy Secretary-General

## 2013 UNLIMITED TERRORISM FRENCH STATE WARRANTY

- **Terrorism reinsurance capacity is unlimited, backed by the French State. The French State warranty is renewed for 5 years as from January 1<sup>st</sup> 2013; it applies differently to each section. Next renewal January 1<sup>st</sup> 2018**
- **Large Risk Section:**  
**The State warranty is given to GAREAT by \*CCR through one unlimited annual aggregate treaty XOL triggered at 2,3 billion euros (0,1% of GDP), it covers all the members. The treaty is reinsured at 100% by CCR. Terms are negotiated by GAREAT with CCR.**
- **Small and Medium-sized Risk Section:**  
**The State warranty is triggered at a minimum 20 million euros threshold per company . It is given by \*CCR in two ways: individually to each company OR to a group of companies. The treaties are reinsured at 100% by \*CCR. It is a protection to the GAREAT programs,**

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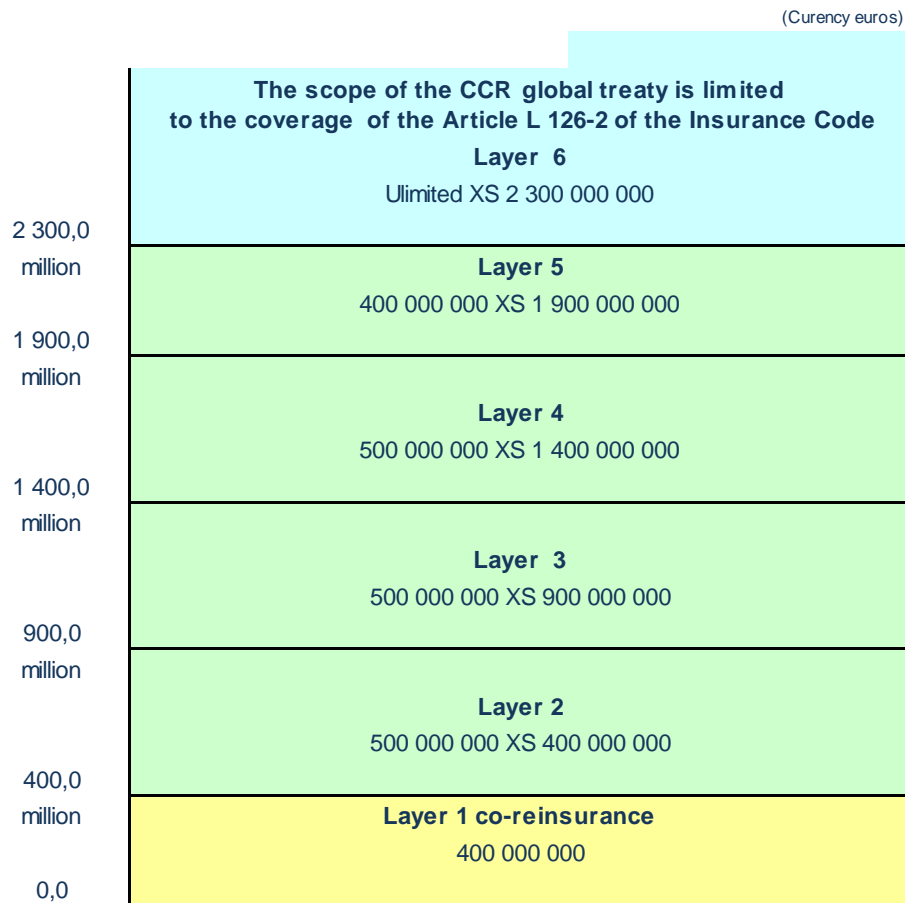
*CCR Caisse Centrale de Réassurance*

## 2013 LARGE RISK SCHEME

Members
CCR
Reinsurers

### 2013 Reinsurance Programme

**Stop Loss. 12 months at January 1st, 2013**



Basis: loss occurring during (January 1st 2013 - December 31st 2013)

2013: Estimated Premium Income: € 200 000 000

## FRENCH STATE UNLIMITED COVER TRIGGER LARGE RISK SECTION

Each year as from 2014 , the trigger is increased by 60 million euros

Euros Billion

Year	State warranty		GAREAT Member's retention Subject to change as from 2014	Reinsurance capacity Subject to change as from 2014	
	Trigger	$\Delta n / n-1$		Limit	$\Delta n / n-1$
2017	2,540	2,4%	tba	tba	tba
2016	2,480	2,5%	tba	tba	tba
2015	2,420	2,5%	tba	tba	tba
2014	2,360	2,6%	tba	tba	tba
2013	2,300	15,0%	0,400	1,900	18,8%
2012	2,000		0,400	1,600	

## LARGE RISK SCHEME PREMIUM DISTRIBUTION

U/Y//	PREMIUM				
	GAREAT 100%	REINSURERS (EXCLUDING MEMBERS)	CCR **	MEMBERS	
				1/ RETENTION +AND REINSURANCE PROGRAMME	2/ REINSURANCE PROGRAMME***
<b>2002-2013</b>	<b>2 798,7</b>	<b>1 041,9</b>	<b>329,8</b>	<b>1 427,0</b>	<b>178,6</b>
*2013 (est)	200,0	62,5	20,7	116,8	5,1
*2012 (est)	200,0	57,2	20,1	122,7	5,0
*2011 (est)	198,0	59,5	20,1	118,4	8,1
*2010 (est)	198,0	59,5	20,1	118,4	16,3
2009	246,7	72,5	21,6	152,6	25,6
2008	246,7	81,5	22,6	142,6	28,3
2007	250,8	112,1	28,2	110,5	15,8
2006	253,5	110,7	28,2	114,6	7,9
2005	262,5	119,5	31,8	111,2	8,7
2004	278,5	129,4	37,1	112,0	10,6
2003	264,5	106,1	39,4	119,0	18,9
2002	199,5	71,4	39,9	88,2	28,3

\* Opened underwriting years

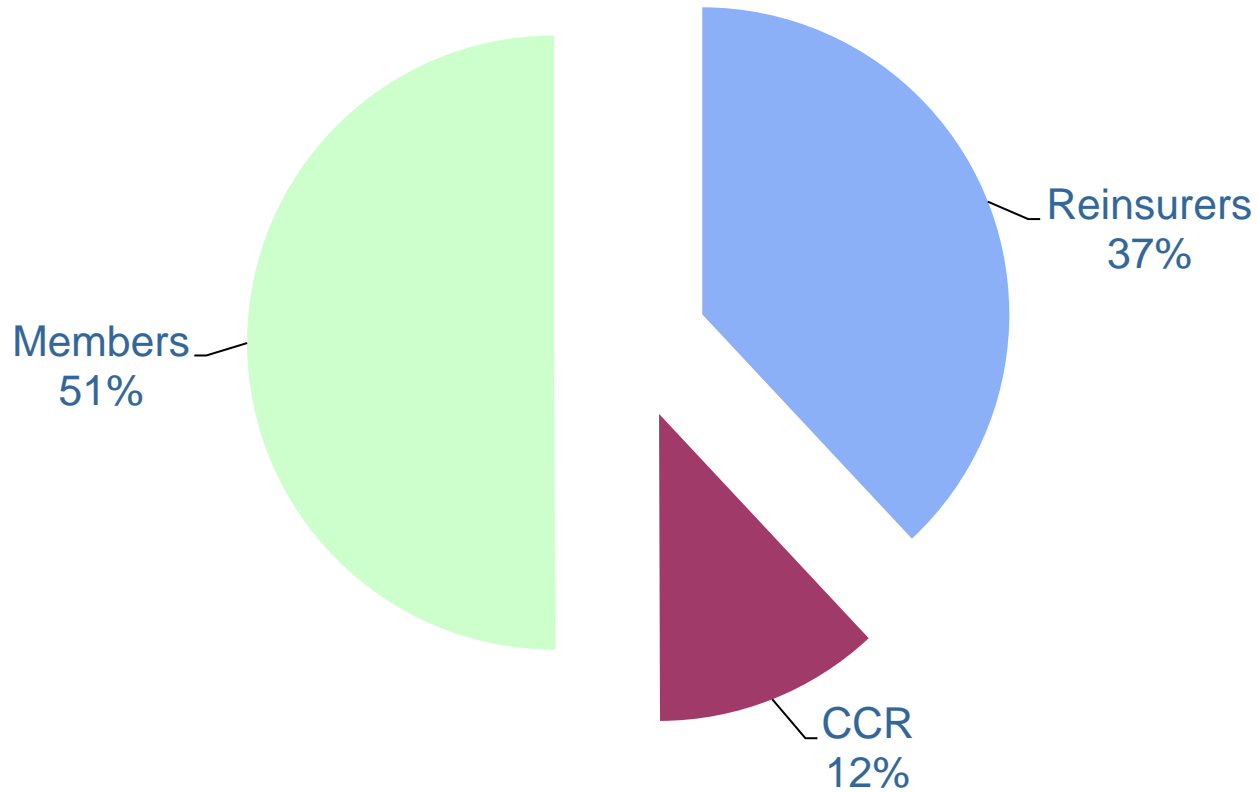
\*\* Unlimited and Railroad treaties

\*\*\* 2/ included in 1

(euros million)

# LARGE RISKS PREMIUM DISTRIBUTION

2002 - 2013



*\* Members : 51% premium breakdown are composed up to 44% per the premium of the co-reinsurance layer and 7% per the premium of their participation to the reinsurance programme.*

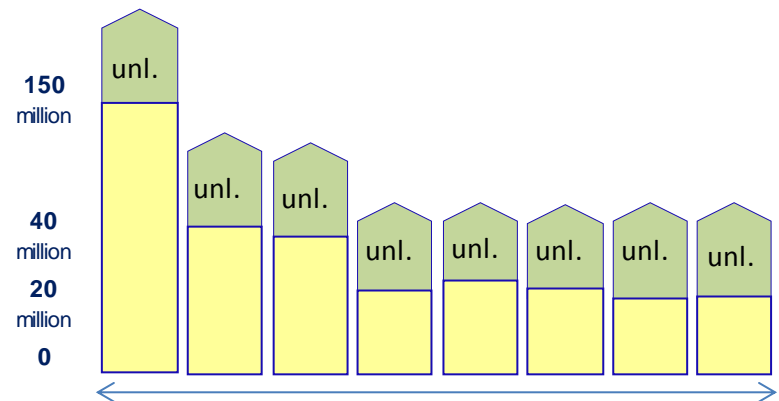
## 2013 SMALL AND MEDIUM SIZED RISK SCHEME

2013 REINSURANCE PROGRAM. ANNUAL AGGREGATE EXCESS OF LOSS. BASIS LOSS OCCURRING DURING  
GAREAT estimated market share : 10%

CCR  
REINSURERS

	( euros)
340 * million	<b>Layer 5:</b> retained by all the Members 40 000 000 xs 300 000 000
300 million	<b>Layer 4</b> 60 000 000 xs 240 000 000
240 million	<b>Layer 3</b> 100 000 000 xs 140 000 000
140 million	<b>Layer 2</b> 100 000 000 xs 40 000 000
40 million	<b>1st Layer:</b> co-reinsured by all the Members 40 000 000 XS 0
0	

Unlimited treaty 100% with CCR



\* The limit of 340 million euros is obtained by adding retention of each member  
2013 estimated premium income : 15 000 000 euros ( for GAREAT 10 % estimated market share)  
**The program is protected by the CCR treaty. Applies second,**

In case of loss (w within the scope of the Art L 126-2 of the Insurance Code)  
Treaty unlimited trigger: losses above minimum 20 million euro  
**The unlimited treaty applies first.**

## SMALL & MEDIUM-SIZED RISKS PREMIUM DISTRIBUTION

U/Y	PREMIUM				* ESTIMATED CCR PREMIUM
	GAREAT	LIMIT	REINSURERS	MEMBERS	
<b>2005 -2013</b>	<b>114,7</b>	<b>264,7 (1)</b>	<b>73,7</b>	<b>41,0</b>	<b>33,1</b>
2013	15,0	300,0	6,5	8,5	3,4
**2012 (est)	15,0	290,0	6,3	8,7	4,0
**2011 (est)	15,4	280,0	7,7	7,7	4,0
2010	15,8	297,0	9,5	6,3	4,0
2009	10,9	270,0	8,1	2,8	3,7
2008	12,5	293,7	9,3	3,2	4,1
2007	11,7	267,5	10,3	1,4	3,9
2006	11,9	284,0	11,0	0,9	3,9
2005	6,5	100,0	5,0	1,5	2,1

(Capacity and Premium in million euros, 10% estimated share in 2013)

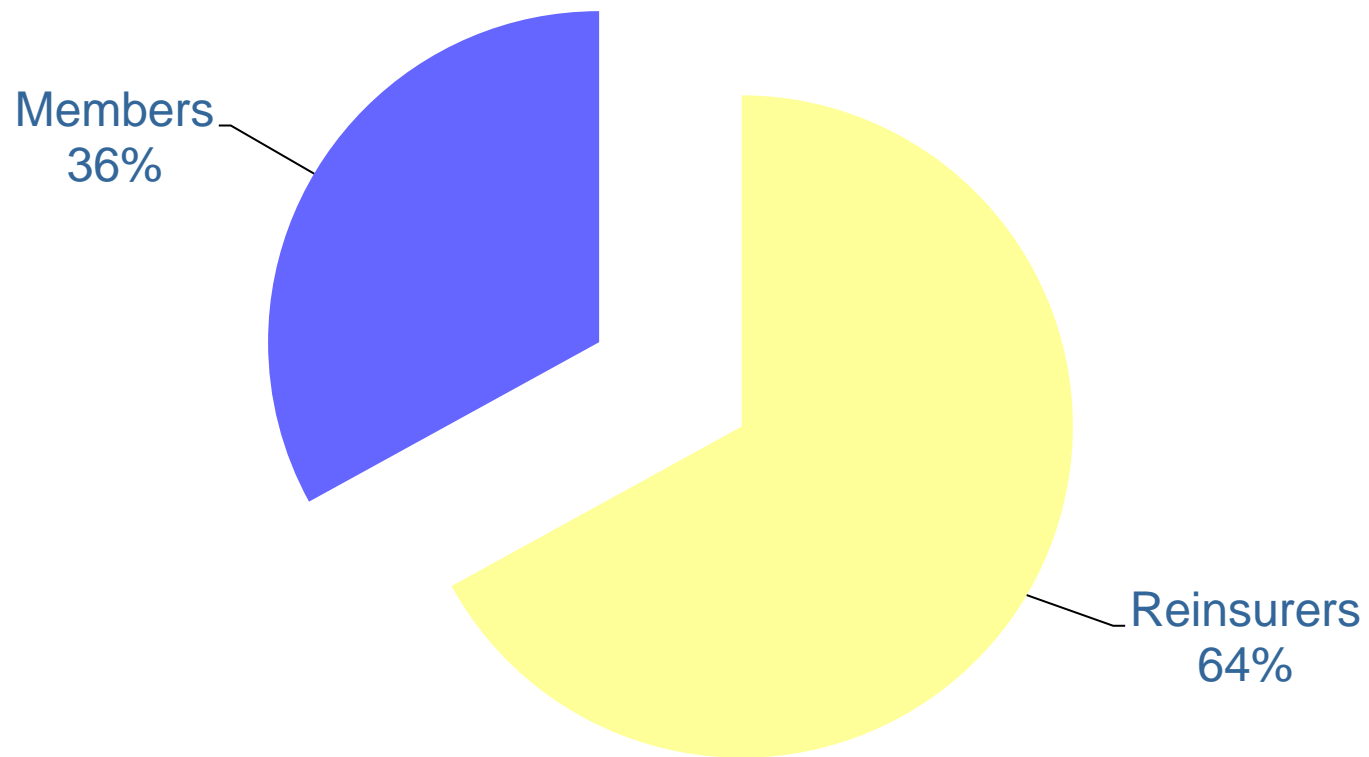
(euros million)

\*For information    \*\* Opened U/Y    (1) Overall Average Capacity



## SMALL AND MEDIUM - SIZED RISKS PREMIUM DISTRIBUTION

2005 - 2013



## CONCLUSION

- **Renewal of the State warranty terrorism for 5 years as from January 1<sup>st</sup> 2013 until January 1<sup>st</sup> 2018:**  
**Visibility secured for 5 years if no loss,**
- **Small and Medium –sized Risk Section:**  
**Global cover offered by CCR for grouped insurance companies: potential better coverage.**

**THANK YOU FOR YOUR ATTENTION**

**[WWW.GAREAT.com](http://WWW.GAREAT.com)**