

**OECD
TERRORISM INSURANCE IN 2010:
WHERE DO WE STAND?**

1-2 JUNE 2010, PARIS, FRANCE

**„Terrorism insurance programs:
overview, recent evolution, challenges ahead“**

EXTREMUS
Versicherungs-AG

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Background

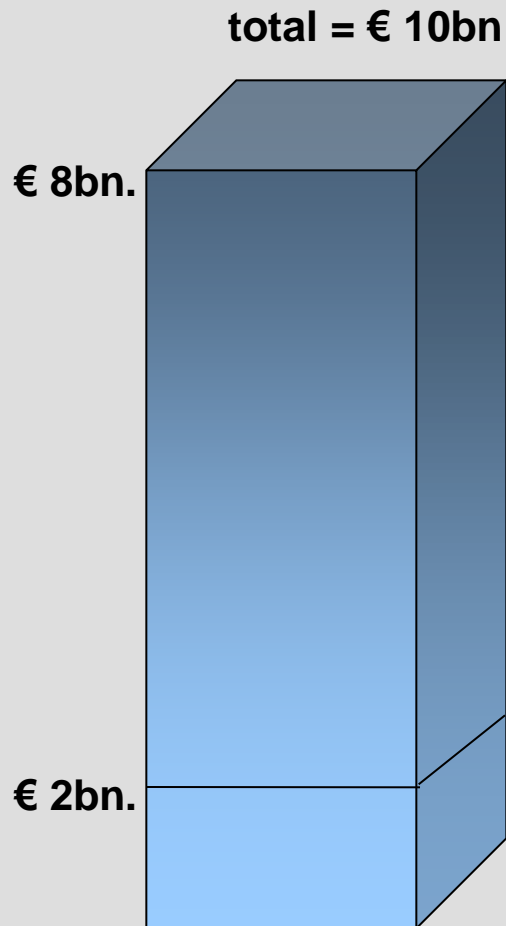
Foundation:	03/09/2002
Start of operation:	01/11/2002
Shareholders:	15 insurance and reinsurance companies domiciled in Germany
Paid up capital:	€ 50m
Free capital reserves:	€ 11,240m
Catastrophy reserves:	€ 28,736m
Loss experience:	./.

Figures as per 31/12/2009

Specifics of coverage

Compulsory:	no
Class of business:	material damage (com. and industrial) incl. business interruption for risks > € 25mio
Limit:	€ 1.500.000 per contract/policyholder
Deductible:	to be agreed, min. € 50.000
Exclusions:	nuclear, biological, chemical nuclear installations
Underwriting period:	01/01 – 31/12
Reinsurance period:	01/01 – 31/12
Total reinsurance capacity:	€ 10.000.000 (on ann. aggregate basis)
State guaranty:	01/01/2010 – 31/12/2011

Reinsurance construction (since March 2004)



Annual aggregate capacity

- 2. Layer

EUR 8.000.000.000 xs EUR 2.000.000.000

Guarantee of the German Government

- 1. Layer

EUR 2.000.000.000 xs EUR 0

Private sector (national primary and reinsurance market, intern. reinsurance market)

Premium calculation

As per 01.01.2008

introduction of new tariff

based on 3 regional zones (defined by concentration of population)
and additional risk assessment

Risk locations indicated to EXTREMUS

enables EXTREMUS to detailed analysis of
accumulations by postal code or city
highest concentrations

Premium development

	2005	2006	2007	2008	2009	2010
Premium (EUR)	60,22 mio.	63,27 mio.	61,36 mio.	49,88 mio.	51,99 mio.	51,07 mio.
No of contracts	1.109	1.163	1.256	1.302	1.327	1.247
Total sum insured (EUR)	402 bn.	417 bn.	465 bn.	445 bn.	491 bn.	488 bn.

Analysis by class of risk

	2006		2007		2008		2009		2010		
	no of contracts	prem in mio	no of contracts	prem in mio	no of contracts	prem in mio	no of contracts	prem in mio	no of contracts	prem in mio	
Financial institutions	223	10,33	214	9,43	224	6,4	238	6,8	235	6,7	
Industry and commerce	107	19,41	110	17,29	109	13,3	84	11,84	87	11,3	
Real estate	632	15,35	739	18,52	796	17,82	809	19,3	*	769	18,98
Traffic and transportation	76	10,86	66	9,5	65	9,21	61	8,86	57	9,2	
Media, communication and utilities	125	7,32	127	6,62	108	3,15	135	5,19	126	5,04	
Total	1163	63,27	1256	61,36	1302	49,88	1327	51,99	1274	51,22	

* = incl. 153
combined
single contracts

Risk locations / tariff zones (2010)

Risk locations	T1	T2	T3	TO (unknown)	Total T1 - T0
no	1703	2236	2414	110	6463
sum insured (in bn €)	82,55	159,09	75,49	25,51	343
exposed (no. of risks)	142	189	234	3	568
without specific exposure (no. of risks)	1561	2047	2180	107	5895

BI and costs not included as not assignable to individual risk locations

Terrorism risk location map

