

## Press Release

Joint news release by Talanx, Hannover Re and HDI Global

### **HDI Global and Hannover Re launch a joint growth initiative in specialty business**

- **Establishment of the joint venture “HDI Global Specialty”**
- **Broadly-based provider with gross premium of more than EUR 1 billion and excellent growth perspectives**
- **Focus on high-margin business**

Hannover, 11 May 2018: Under the umbrella of Talanx AG, Hannover Rück SE and HDI Global SE are launching a joint initiative in global growth and high-margin specialty business. The two companies are therefore merging their specialty activities in a new joint venture. The new company HDI Global Specialty SE will write agency and specialty insurance business in lines such as Errors & Omissions liability insurance, directors' and officers' (D&O) liability insurance, legal expenses insurance, sports and entertainment, aviation, offshore energy and animal insurance.

The first step towards establishing the joint venture HDI Global Specialty will entail HDI Global SE acquiring the majority of the shares in International Insurance Company of Hannover SE (Inter Hannover), a subsidiary company of Hannover Re. The purchase price to be paid for the shareholding is in the order of around EUR 100 million. After the transaction has taken place, Inter Hannover will be renamed HDI Global Specialty SE. HDI Global SE will contribute its specialty portfolio to the new company. HDI Global SE will hold 50.2 percent of the new company and Hannover Re will have 49.8 percent of the shares.

HDI Global Specialty is being launched with a premium volume of more than EUR 1 billion and will strive to achieve substantial organic growth. On account of the good organic growth opportunities, the individual share in earnings of Hannover Rück SE and HDI Global SE is projected to be above the individual earnings contribution for both units in the current separate structure already in the year 2019.

“This step strengthens our roots as an industrial insurer. The joint venture enables us to bring together the cross-business segment expertise we have in the area of specialty in one place within the Group and concentrate our know-how. This allows us to focus on particularly profitable and high-growth market segments. The move creates a company that has an outstanding position in the specialty

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market and enjoys excellent growth perspectives,” commented Torsten Leue, Chairman of the Board of Management of Talanx AG.

“We have a number of reasons for bringing together the agency and specialty primary insurance business of Inter Hannover in the joint venture. This strengthens the focus on our core business in accordance with our strategy of “Creating value through reinsurance”. At the same time, reinsuring the portfolio enables us to derive even more benefit from the growth opportunities available in specialty business. We can then make use of the capital that becomes available as a result to grow the business further,” said Ulrich Wallin, Chairman of the Executive Board of Hannover Re.

“The bundled know-how of the new joint venture will help us to expand our position in the specialty market. We are creating a very strong company in line with our strategy of profitable growth. It has a highly competent team with a focused profile and the company will be operating worldwide,” said Dr Christian Hinsch, Chairman of the Board of Management of HDI Global SE. “The speciality business has attractive above-average margins and is growing faster every year than classic industrial business. This highlights the demand and we want to benefit from that. We will provide our customers and broker partners with even more comprehensive service based know-how.”

When the purchase of the shareholding is approved by the supervisory authorities, the joint venture will roll out joint operational activities on 1 January 2019. The Works Councils will be involved in planning and implementation of the joint venture.

**Hannover Re**, with gross premium of EUR 17.8 billion, is the third-largest reinsurer in the world. It transacts all lines of property & casualty and life & health reinsurance and is present on all continents with around 3,300 staff. Established in 1966, the Hannover Re Group today has a network of more than 140 subsidiaries, branches and representative offices worldwide. The Group's German business is written by the subsidiary E+S Rück. The rating agencies most relevant to the insurance industry have awarded both Hannover Re and E+S Rück outstanding financial strength ratings: Standard & Poor's AA- "Very Strong" and A.M. Best A+ "Superior".

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