

## IMIA Country Analysis 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<b>GERMANY</b>	<p>Total property premium income rose in 2010 by 2.4 % to 9.233 bn Euro. (1.223 bn in 2009).</p> <p>German Engineering premium income increased in 2010 by 3.5%.</p> <p>Compared to previous years, this trend was better than expected before (2009: 3.1 %), based on the final data published by the German Insurance Association in July 2011.</p> <p>In 2010 Engineering insurers faced slowing EAR market and lower demand in Guarantee insurance. Nevertheless, a total premiums fall was avoided again due to an ongoing Federal economic program and still growing German export.</p>	<p>Total claims were 923 mio Euro against 884 mio Euro in 2009 and 869 mio Euro in 2008, another increase.</p> <p>Loss ratios per line were 78.8 % for MB (2009 : 78.4%),</p> <p>64.2 % for MBI (2009 85 %)</p> <p>79.6% for EAR (2009 61.1 %),</p> <p>107.8 % for CAR (2009 : 95.2%)</p> <p>and 51.5 % (56 % in 2009) for Electronic Equipment.</p> <p>The 2010 overall loss ratio for all Engineering lines was 72.9% against 72.3% in 2009</p>	<p>The combined ratio for Engineering insurance lines in Germany was 92% in 2010 against 90.3 % in 2009.</p> <p>Profitability must be considered on the individual cost structure and possibly the respective financial income on premiums.</p>	<p>Germany Insurance Association's (GDV's) Engineering Premium forecast in 2011 is about +3% against 2010 with an unchanged Loss ratio and also unchanged Combined ratio.</p> <p>The German economic growth may cool off slightly. Forecast Gross Domestic Product will rise by about 3.5% and will be around 2% in 2012.</p> <p>It is expected that German Premium income in Property, Casualty and Accident insurance will grow by about 1 to 2% in 2012 if the general economic environment does not deteriorate more than expected.</p> <p>The German government's decision of May 30, 2011 to completely phase out nuclear power and shut down all its 17 nuclear power plants by 2022 will boost the demand across the alternative power value chain and the Engineering insurance of renewable energies as well.</p> <p>The share of German electricity supplied by renewable sources came to be around 17% as of year-end 2010 and may be possibly around 40% by 2022.</p>

