

Our strategy

We seek to strengthen and further expand our position as a leading, globally operating reinsurance group, delivering profitability that is above the average for the sector. We are passionate about reinsurance and chart our own course. Quick, flexible and independent, we strive for excellence in our actions. We aspire to be the best option for our business partners when it comes to choosing a reinsurance provider. Our mission: Growing Hannover Re profitably.

01

Our business model

Optimise risk diversification across all lines and countries

Generate an exceptionally high return on equity by reducing the required capital

Expand primary insurance business in selected niche markets as a complement to our reinsurance activities

E+S Rück: Rank among the top 2 reinsurers in Germany

E+S Rück: Maintain or enlarge the number of minority shareholders and cultivate trusting cooperation

E+S Rück: Expand lead mandates in Life and Non-Life

02

We have ambitious profit and growth targets

Achieve triple-10 target

Grow premium volume (by more than the market average)

Generate profit clearly in excess of the cost of capital

Generate an IFRS return on equity of at least 750 basis points above the risk-free interest rate

Outperform RBS Global Reinsurance Index over a three-year period

Consistently pay an attractive dividend

03

We manage risks actively

Ensure protection of capital through quantitative and qualitative risk management

Maximise risk-adjusted profits

04

We are a preferred business partner

Enhance our clients' commercial success through our services

Respond undogmatically, flexibly and quickly to the needs of our clients

Offer standard products as well as specially tailored customer solutions that add value for both contracting parties

Foster customer relationships to both parties' mutual benefit irrespective of the size of the account

Safeguard our financial capability

Systematically seek and explore new business opportunities

Cooperate across business groups

Generate additional business opportunities on the basis of Solvency II

For many years now we have reviewed our corporate strategy in a three-year cycle. The present strategy is the product of the review conducted in 2011.

05

We aim for successful employees

Promote and require a goal-oriented working approach among our staff

Foster the qualifications, experience and commitment of our staff

Ensure the greatest possible delegation of tasks, responsibilities and authority

Offer attractive workplaces

Manage staff according to our management principles

06

We maintain an adequate level of capitalisation

Ensure that requirements for equity resources (economic capital model, solvency regulations, etc.) are met

Optimise composition of the available capital

07

We strive for stable investment income

Take into account the maturities of our liabilities and the liquidity requirements of our business

Ensure currency matching

Ensure stability of the return to be generated

Achieve target return – risk-free interest rate plus the cost of capital

Our employees contributed to the strategy revision. The high degree of familiarity and insight thereby created is a guarantor of successful execution.

08

We ensure a lean organisation

Ensure a lower administrative expense ratio than our competitors

Information and communication systems assure optimal support for business processes in light of cost/benefit considerations

Achieve efficient processes through excellent process management

Maintain lean structure and organisation

09

We are committed to sustained compliance

Ensure conformity with all legal requirements

Encourage sustainable actions with respect to all stakeholder groups

Support considered and pragmatic principles of corporate governance and recognise their central role in guiding our activities

10

We strive for Performance Excellence

Ensure rigorous derivation of strategic objectives across all areas of the company

Our strategy in practice

Our strategy encompasses ten strategic principles for ensuring the accomplishment of our mission “Growing Hannover Re profitably” across business units. The orientation of the business groups is guided by these principles, hence enabling them to contribute directly to attainment of the overarching objectives. Implementation takes the form of each organisational unit defining its contribution to goal attainment and aligning its activities and measures accordingly.

This systematic approach is of crucial importance to the execution of our strategy in daily actions. In the context of our holistic management system Performance Excellence 2.0 we align all our activities such that they advance our strategic objectives with a view to successfully implementing our strategy. All organisational units determine substantial strategy contributions to the strategic objectives of the Hannover Re Group. This also includes defining performance criteria and indicators that can be used to establish fulfilment of the relevant strategy contributions.

We have developed a Strategy Cockpit for implementation of the strategy and systematic steering of the target contributions. This Web-based management portal assists managers with the development and implementation of strategy-related measures. We thereby ensure a high degree of transparency within the organisation with an eye to execution of the strategy.

Strategy cascade of Hannover Re

