



Motor Liability Reinsurance Central and Eastern Europe



BMS H&D MOTOR PORTFOLIO

- We are a leading broker for Motor reinsurance
- We protect over USD 1.1 billion of motor premium income
- With respect to motor business we reinsure 87 insurance companies in 15 countries world-wide

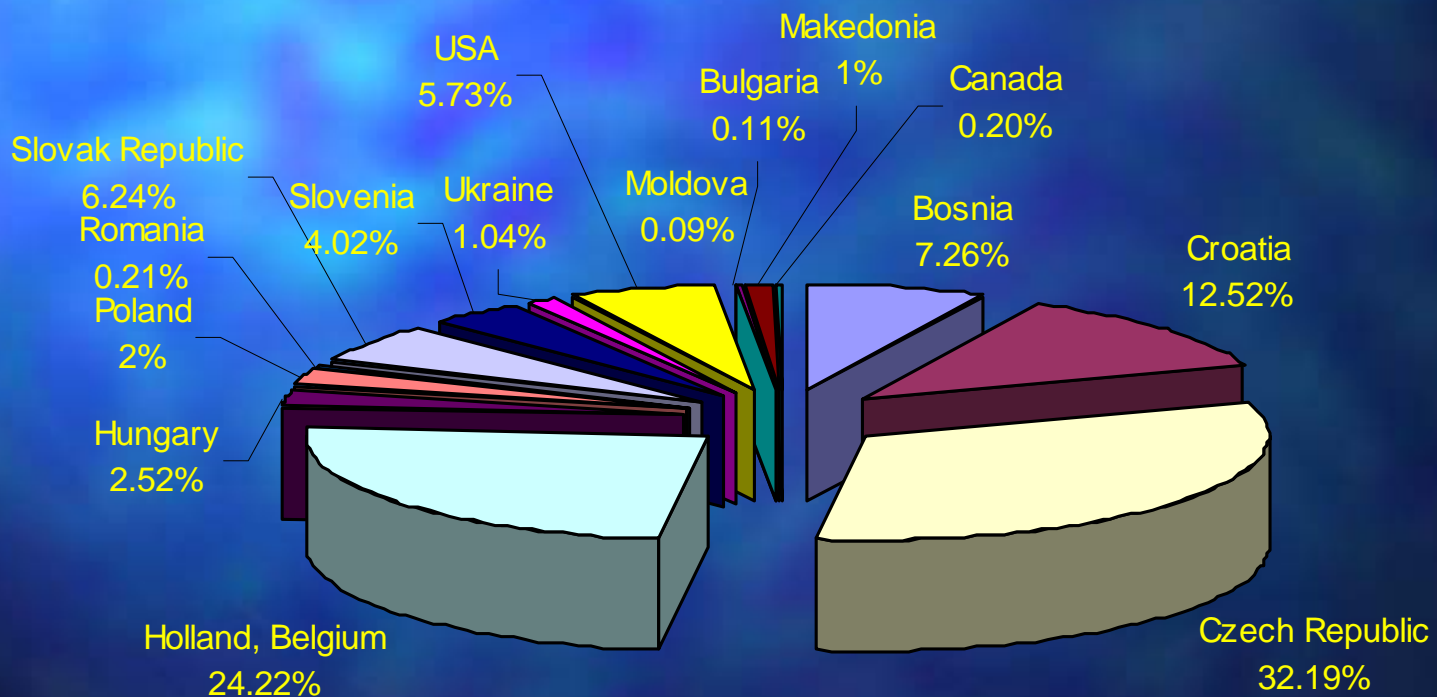


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Motor EPI Protected (over USD 1bn) Split by Country



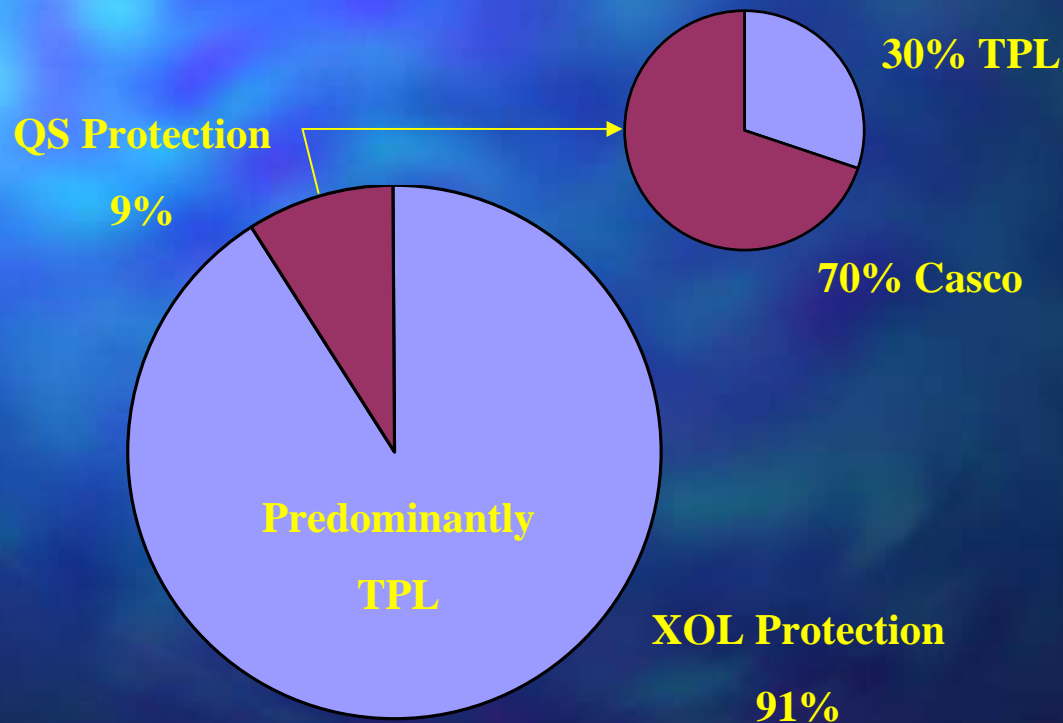


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Motor EPI Protected (over USD 1bn) Split by Type of Cover





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- We lead over 80%
- For 86% we place 100%
- Great flexibility is offered to clients with regards to programme covers and structures.



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- Non-proportional motor covers are arranged for 70 insurance companies
- 60% of non-proportional covers have unlimited top layers
- 26 insurance companies have proportional motor covers

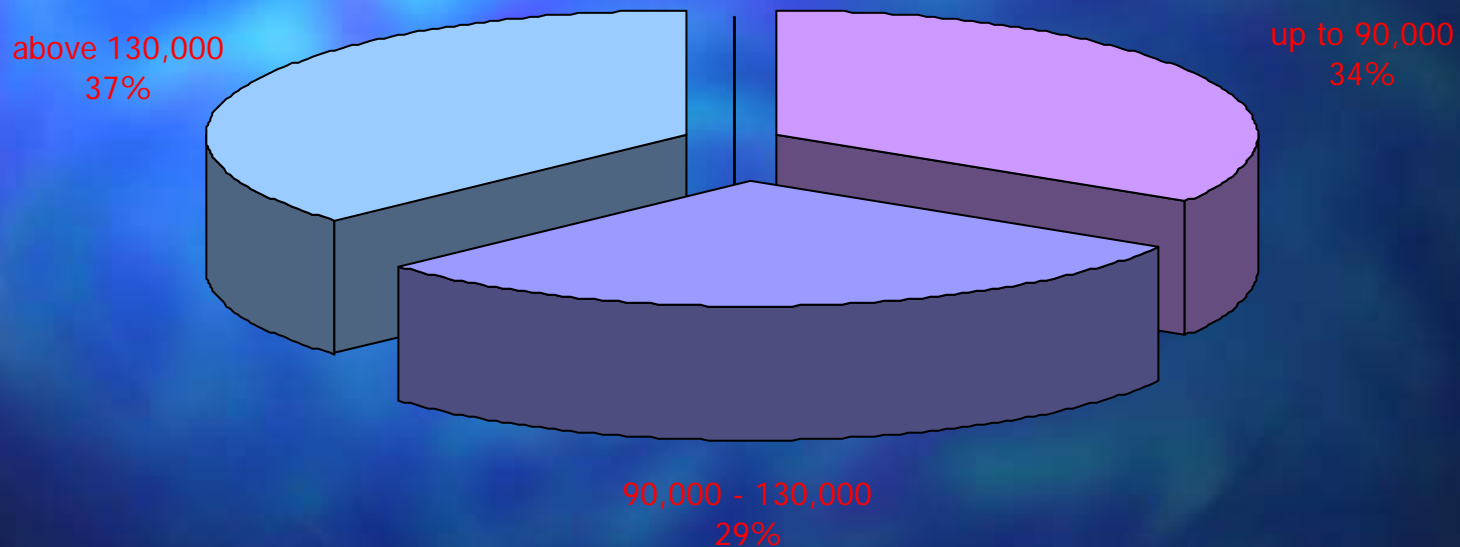


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Programme Structure by priority bands (USD)





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WHY REINSURE ?

- Individual large losses
- An accumulation of losses from one event
- An aggregate of individual large and small losses

BENEFITS

- Risk Spreading
- Capacity boosting
- Removal of uncertainty (Loss frequency, timing, severity)
- Catastrophe protection



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HOW MUCH REINSURANCE ?

- Capacity / Retention
- Solvency requirement
- Other requirements (Green card system)



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CALCULATION OF RETENTION

1) RETENTION TO PREMIUM INCOME

Example:

- EPI MTPL DEM 20,000,000
- Retention 0.5% - 1.5% i.e. DEM 100,000 - 300.000

2) RETENTION TO CAPITAL

Example:

- EPI MTPL DEM 20,000,000
- Allocated capital (5:1) DEM 4,000,000
- Retention 0.5% - 5.0% i.e. DEM 20,000 - 200,000



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PLACEMENT OF GREEN CARD REINSURANCE

- Market (number of reinsurers, written lines)
- Security (leaders, risk carriers)
- Long term commitment
- Layering
- Domestic / Green card



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GREEN CARD X/L PRICING

Price in DEM per MTPL policy - comparison

INSURED*	UNLIMITED REINSURANCE IN EXCESS OF DEM					
	150,000.00	200,000.00	300,000.00	500,000.00	850,000.00	1,000,000.00
B, H Market	2.88	-	1.87	-	1.04	-
Insured 1	2.93	-	-	-	-	0.76
Insured 2	-	-	-	1.46	1.10	0.70
Insured 3	-	3.62	2.83	-	-	-
Insured 4	-	2.60	2.20	1.92	1.40	-
Insured 5	-	2.10	1.90	1.73	1.30	-
Insured 6	-	-	1.94	-	-	0.78
Insured 7	-	-	-	1.34	-	0.57

* Insureds 1-7 (companies from various countries of former Yugoslavia)