

The APREF Letter

We have the pleasure of presenting you with the first APREF letter, published only on our website. Its aim is to report on the market news and to publicise an organisation representing the reinsurers as well as the professionals working in the reinsurance market.

This letter will report on the professional news and on APREF actions as well as being a letter of reflexion and of points of view, taking into account the awareness of the reinsurance market players.

Why APREF?

The reinsurance market is just about globalised, in terms of players operating at global level, looking for a geographical diversification and by type of risks and of markets generally open to all players.

Only some very developed markets with strong regulations and a lobbying culture have very structured reinsurers associations, in North America or on globalised markets such as the London one. There is no equivalent in Europe, which has not been a globalised reinsurance market, before the implementation of the Reinsurance Directive.

Within this global market, each market has, nevertheless, a specific technical approach and the French market is particularly rich in specificities, confirming our interest in staying close to projects and development. For a long time, reinsurers kept away from professional organisations and market debates, considering the latter were only the insurers' concerns.

Considering the growing complexity of the risks, the borders of their insurability being pushed further all the time, it appeared useful for professional organisations to take into account the reinsurers' point of view as they represent an important part in the cover of some risks.

APREF creation, by merging reinsurers representative organisations, is a new step towards integrating reinsurers within the market, therefore bringing an additional vision to the insured and insurers' one, particularly when analysing and managing the risk, which is, after all, the reinsurers core business.

APREF is essentially working towards optimising and diversifying the market risks, and wishes to contribute to the transparency, safety, attractivity, competitiveness and development of the reinsurance market in France. It will publicise any information or survey leaning in that direction.

It does not single out its members by their legal or commercial structure. In fact it puts together public, State or mutual reinsurers, working direct or through intermediaries or a mixed type of distribution.

What to consider and which action ?

APREF is aiming to bring together all the active reinsurers operating in the market as members or other companies linked to the market as associate members, to discuss any subject linked to reinsurance within the strict rules of competition. It is quite clear that beyond any specific wishes, the market will have the last say.

It wishes to be a think tank on the reinsurance problems as well as a discussion forum for all the market contributors. No reinsurance subject is out of bounds, nor is any kind of contributor, and it wishes to debate any market subject with the market representatives, the insured, the insurers, the public authorities and other organisations linked to the market. It will liaise with international institutions and other reinsurance markets, as well as being open to the best practices.

The association is designed to instigate a debate through commissions and groups of specialists, taking into account the associate members' points of view, consultants and brokers, followed by proposals at committee, then at executive committee levels.

APREF has representatives in some professional organisations and works ahead of some market subjects mainly concerning reinsurance. It expresses its positioning in a constructive dialogue with the insurers. It intervenes to favour professional solutions to insurability problems, as it did in 2006 to obtain an exemption to the 2006 January law on terrorism for the transport branch.

As for APREF and its relationship with the public authorities, it has recently met with the Treasury for a general talk, in particular on the natural catastrophes reform where it has expressed clear support.

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www.apref.org

What programme for 2007?

If 2005 was the year of merger for the APREF, 2006 was the one for organising and setting up the necessary infrastructure and financing while 2007 is the year of action as, on the one hand the association is ready, and on the other hand we consider 2007 to be very important from a professional and political point of view.

Our working plan is in step with the professional organisations. Unless events come up, we wish to consider the following points:

- **P & C**
 - **Motor**
 - **Follow up of large Bodily Injury claims**
 - **Follow up of the annuity clauses**
 - **For the victims, research of long term solutions**
 - **Catastrophes**
 - **Follow up of reforms on natural catastrophes**
 - **Follow up of the terrorism cover in the market, particularly the cover differential between the policies of origin and the CCR ones.**
 - **Development of the MPCCI insurance cover and of capacities.**
 - **Civil Liability**
 - **Follow up of the Civil Liability bill**
 - **Development of the class action plan**
 - **Follow up of the Medical Liability**
 - **Review of the bench mark clauses**
 - **Catastrophe exposures (nuclear, pollution, terrorism...)**
- **Life**
 - **Follow up of heavy risks**
 - **Follow up of the catastrophe covers (Pandemic, Terrorism, Nuclear...)**
- **The Legal instrument**
 - **Follow up of the Reinsurance Directive transposition**
 - **Evolution of the legislative bills**
 - **Analysis of Governance and of competition rules**
- **Finance**
 - **Survey on the implications of Solvency 2 for the reinsurers**
 - **The financial consequences of the Reinsurance Directive**
 - **Follow up of the IFRS, Securitisation, and Finite Reinsurance**

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- **International**
 - **Follow up of the CEA work on reinsurance**
 - **Follow up of the specific problems of the reinsurers not based in Paris**
 - **Seeking new members and associated members**
 - **Developing contacts and exchanges with associations and foreign markets**
 - **Compare the Paris market with foreign ones**

In terms of communication, having a website gives APREF and the reinsurance market in France a better visibility and a better idea of their action. This website aims to be a link with all the market contributors as well as a mean to express one's opinion.

I t was also created to welcome any contribution on reinsurance subjects and to open access to all reinsurance websites

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