Full Analysis

Holding Company:
Talanx AG

Counterparty Credit Rating
A-/Stable/—
Operating Companies Covered By This Report
Financial Strength Rating
Local Currency
A/Stable/—

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HDI-Gerling Verzekeringen N.V.

Major Rating Factors

Strengths:

- Strategic importance to its parent.
- Track record of strong operating results.

Weaknesses:

- Concentration on the small and potentially volatile Dutch and Belgian industrial and commercial markets, which experience cyclical competitive pressure from global multi-line insurers.

Rationale

In Standard & Poor's Ratings Services' view, the ratings on Netherlands-based ***HDI-Gerling Verzekeringen N.V.*** (HDI-Gerling N.V.) benefit from being a strategically important subsidiary of the Talanx Primary Group (core operating entities rated A+/Stable), HDI-Gerling N.V.'s track record of strong operating results, strong capitalization, and the financial flexibility (defined as the ability to source capital relative to capital requirements) derived from its status as a strategically important subsidiary of the Talanx Primary Group. These strengths are partly offset by its concentration on the small and potentially volatile Dutch and Belgian industrial and commercial markets, which experience cyclical competitive pressure from global multi-line insurers.

HDI-Gerling N.V. is the second-largest industrial and commercial writer in the Dutch insurance market. Following the integration of Gerling-Konzern Allgemeine Versicherungs-AG's (GKA; not rated) branch operations in the Benelux, it is also a leading industrial insurer in Belgium through its core subsidiary HDI-Gerling Assurances S.A. HDI-Gerling N.V. forms part of the international Property/Casualty (P/C) division of Talanx Primary Group and is ultimately held through Talanx AG (A-/Stable/—) via HDI-Gerling International Holding AG**.**

Standard & Poor's considers HDI-Gerling N.V. to be a strategically important subsidiary of the Talanx Primary Group. Because of HDI-Gerling N.V.'s strategic importance to its parent, the rating factors in one notch of implicit support. In line with our criteria, the ratings could benefit from up to three notches, but are capped at one notch below the ratings on the core operating subsidiaries of Talanx Group. HDI-Gerling N.V. has demonstrated a successful track record of earnings and consistent outperformance of group financial targets. HDI-Gerling N.V.'s international strategy is focused on prominent industrial markets, which is a good indication of its long-term commitment to the Benelux region. It is small in a group context, however, representing less than 3.0% of Talanx Primary Group's total premium income.

In our opinion, HDI-Gerling N.V.'s consolidated operating performance is strong, despite recessionary economic conditions in The Netherlands and Belgium, which had a negative impact on premium volumes. The net combined ratio at 84.5% in 2009 (2005-2009 five-year average net combined ratio is 89.7%) was well below our expectation of 95% over the cycle and of less than 100% in 2009. This is further reinforced by good investment return, which translated into return on revenue (ROR) of 18.7% in 2009 (2005-2009 five-year average ROR is 19.6%).

In our opinion, HDI-Gerling N.V.'s capitalization is at a strong level. The company's quality of capital is good, with no external debt, and it has a consistent track record of reserve releases. However, there is a high reliance on reinsurance capacity at 73% of gross premiums. HDI-Gerling N.V.'s financial flexibility mirrors that of Talanx and we view it as strong. Talanx AG has committed to making financial resources available should the need arise.

HDI-Gerling N.V. is the market leader in engineering risks in the Benelux region and now ranks in the top-three across most other classes of industrial business in The Netherlands. However, with a strong position in Benelux industrial and commercial insurance markets, it has limited sustainable competitive advantages in a small and cyclical Benelux insurance market.

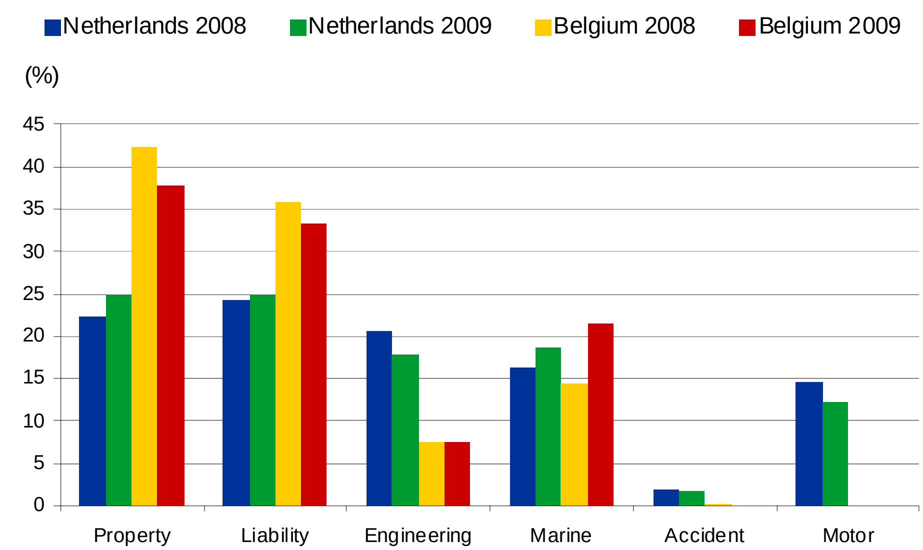
Outlook

The stable outlook is based on Standard & Poor's anticipation that HDI-Gerling N.V. will remain a strategically important subsidiary of the Talanx Primary Group. Our view is based on the expectation that HDI Gerling N.V. will continue to maintain a strong competitive position translating into strong operating performance in line with its parent's targets. Specifically, we expect HDI-Gerling N.V. to achieve its internal targets of return on equity (ROE) above 18% and return on premium above 3%, as well as our expectation of a net combined ratio of about 95%-97% and a return on revenue (ROR) of about 12%-15% in 2010 and 2011. We also expect the company's capitalization to be maintained at its current level or at least within a comfortable level in the 'BBB' range based on our insurer risk-based capital adequacy model.

Corporate Profile: HDI-Gerling Is Second-Largest Dutch Commercial Underwriter

HDI-Gerling N.V., founded in May 1978 as an industrial insurer, is the second-largest Dutch industrial and commercial underwriter in The Netherlands. HDI-Gerling N.V. reportedly has significant market shares ranging from well over 10% to almost one third of the market in certain lines of business in The Netherlands and in the 9%-20% range across certain lines in Belgium. Talanx AG, the intermediate management holding company of Germany-based Talanx insurance and reinsurance group, owns via HDI-Gerling INTERNATIONAL Holding 100% of HDI-Gerling N.V. In March 2007, HDI Verzekeringen N.V. changed its name to HDI-Gerling Verzekeringen N.V. following Talanx AG's acquisition of the primary insurance operations of the Germany-based Gerling group, including GKA in 2006. The legal merger of HDI-Gerling N.V. and GKA's branch in The Netherlands was effective Jan. 1, 2008. HDI-Gerling N.V.'s subsidiary in Belgium, which was in run-off, has been reactivated and renamed HDI-Gerling Assurances S.A. ahead of its merger with GKA's Belgian branch in 2008, which was successfully completed. The Belgian business has a heavier weighting to nonprofessional lines liability business and property compared with more balanced Dutch portfolio (see business mix below).

HDI-Gerling N.V. 2008-2009 Gross Premiums Written By Line Of Business



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Competitive Position: Strong, Reinforced By Merger With GKA Branches

Table 1

HDI-Gerling Verzerkeringen N.V./Competitive Position

	—Year ended Dec. 31—				
(Mil. €)	*2009*	*2008**	*2007*	*2006*	*2005*
Net premiums earned	94.3	84.8	67.8	65.4	68.5
Non-life gross premiums written	346.5	342.0	180.3	193.7	209.7
Non-life annual change in gross premiums written (%)	1.3	85.6	(4.9)	(7.6)	1.7
Non-life net premiums written	94	88.4	69.4	67.5	76.7
Non-life annual change in net premiums written (%)	6.3	26.4	3.6	(12.0)	6.7
Non-life revenue	94.5	84.8	76.5	72.1	74.4
Non-life unearned premium reserves/net premiums earned (%)	42.4	47.2	54.2	54.8	49.8

*Figures for 2008 are consolidated and for the first time include both Dutch & Belgium operations. Prior years (2004-2007) are for Dutch operations only; five- or three-year averages are therefore distorted.

Through the integration of GKA's Dutch and Belgian branches, we consider that HDI-Gerling N.V. has further enhanced its strong competitive position by increasing business, customer, and, to a lesser extent, distribution diversity. HDI-Gerling N.V. is the market leader in engineering risks in the Benelux and now ranks in the top three across most classes of industrial (property, liability, marine, motor) business domestically. The additional scale, particularly in liability business that the former GKA units bring to HDI-Gerling N.V., provides it with a stronger defensive position against increasing global competition. It has limited sustainable competitive advantages in a small and cyclical Benelux commercial market, however, as the sizable capacity at reduced rates is opportunistically offered by some global multiline insurers which enter and exit the market when opportunities come and go.

The integration of the GKA branches, in our view, is opportune. Since 2005, HDI-Gerling N.V. has been experiencing a challenging and competitive market environment in The Netherlands, demonstrated by a premium decline of 6.9% in 2007 to €180.3 million, following a 7.6% reduction in 2006. In 2008, the former GKA branch operations reportedly added approximately €150 million of premium income, boosting HDI-Gerling N.V.'s top line to €342 million in 2008. Gross premiums written increased by a further 1.3% in 2009 due to organic growth. This, in our opinion, reinforces HDI-Gerling's No. 2 status within the Dutch commercial/industrial market. The top-three position of the former GKA business in Belgium adds valued diversification. The former GKA business also provides some scope for HDI-Gerling N.V. to increase its penetration of international program business since it will have a larger international network from which to service multinational clients. This was a key part of GKA's competence previously. Growth opportunities are anticipated to be limited in this sector for now, however, given the strength of competition for large multinational risks. New infrastructure in Belgium is likely, in our view, to provide some new business opportunities over the next few years, particularly in the commercial lines.

In our view, the main concern for HDI-Gerling N.V. is in the property class, where, in addition to reduced rates, the sizable capacity being offered by some insurers is causing the withdrawal of business from the co-insurance market, which is disadvantageous to HDI-Gerling N.V. given its strong leadership position. Smaller commercial risks provide some relief for the company, but most are broker-led and could attract equal competition. HDI-Gerling N.V.'s valued engineering account remains stable, however, and the motor account is less commoditized than its peers.

In 2010, we anticipate total premium income to remain flat. Dutch and Belgian markets are not showing clear signs of hardening and are likely to remain very competitive throughout the year, in our view. The prospects for organic growth are further limited due to continued recessionary environment in 2010.

Management And Corporate Strategy: Stable Management And Strategy, Strong Track Record, But Competitive Threats And Challenging Market Environment Persist

In our view, HDI-Gerling N.V.'s management team is experienced and stable. Management has followed a consistent strategy, writing a diversified industrial and commercial portfolio within the geographic confines of its ownership by Talanx. HDI-Gerling N.V. has demonstrated a successful track record of earnings growth and consistent outperformance of group financial targets even in strongly recessional global economic environment of 2009. HDI's international strategy is focused on prominent industrial markets, which is a good indication of its long-term commitment to the Benelux. It also serves an important function by servicing a large number of group clients in the region.

We believe the merger with GKA's branches provided local management with a greater capacity to withstand the competitive threat posed by several international multi-line insurers in the short-to-medium term. This challenge is unlikely to recede, however, and management may need to respond. Longer term, the merger creates some limited opportunities for growth, in our view.

Operational management

In our view, the operational management is sound. HDI-Gerling N.V.'s executive management team has an extensive experience of the type of business written and has the full support of senior executives at HDI and Talanx Primary Group. Following the legal merger of the GKA branches into HDI-Gerling N.V. in 2008, we believe the management team effectively completed the operational integration of businesses and underwriting teams, including the transfer of GKA staff to Rotterdam.

Financial management

In our view, HDI-Gerling N.V.'s financial strategy is conservative, focused on sustained profit growth and capital preservation through the prudent use of reinsurance provided by the captive broker within the Talanx group. Management has established a culture of profit-oriented underwriting and value creation throughout the firm, which has enabled HDI-Gerling N.V. to exceed Talanx's targeted ROE, which is a minimum of 750 basis points above the prevailing risk-free return in each of the last 10 years except 1999. In most cases, it has done so by a wide margin. The internal targets reportedly are a ROE above 18% and a less challenging return on premium of above 3%.

Accounting: Satisfactory Level Of Transparency

HDI-Gerling N.V. reports under Dutch generally accepted accounting principles (Dutch GAAP). There is limited segmental information disclosure, despite being in line with regulatory requirements. The tables and ratios included in this report for 2009 and 2008 are based on the consolidated financial statements published in 2008 for the first time. The consolidated accounts included acquired GKA business and Belgian operations. Prior years (2005-2007) are based on the HDI-Gerling N.V. company accounts.

HDI-Gerling N.V. is integrated into Talanx AG's consolidated financial statements, which are prepared according to International Financial Reporting Standards (IFRS).

This is a summary of major adjustments we make in our capital model for HDI-Gerling N.V.:

- A deduction from shareholders' funds and investments for intra-group investment into Talanx.
- Under Dutch GAAP, the valuation of the fixed-interest investment portfolio is at face value. This has been adjusted to market value in our capital model and full credit for unrealized gains was given.
- €9 million dividend proposed but not yet accrued has been deducted in full.
- 50% credit is given for P/C loss reserve surpluses.
- The 1-in-250 year probable maximum loss (PML) charge on property lines is included in the model, but total adjusted capital is insensitive to this number given the amount of reinsurance protection purchased.
- The concentration risk charge arises as the result of a higher level of concentration/exposure to one single bank.

Enterprise Risk Management: Adequate, Traditional Risk Management Integrated Within Adequate With Positive Trend Group Framework

As a strategically important entity, HDI-Gerling N.V. is integrated into Talanx Primary Insurance Group's (TPG) enterprise risk management (ERM) system, which Standard & Poor's considers adequate with a positive trend and has the potential to become strong over the next two-to-three years. We do not expect TPG to experience losses from traditional risk areas outside of the normal range. Over the past two years, TPG has made good progress in developing strategic risk management by implementing a risk-and-value-based performance measurement approach. ERM is of high importance to the rating on TPG. TPG operates in complex and potentially volatile business lines and is highly exposed to the competitive German insurance market. The main factors supporting our overall assessment of TPG's ERM are risk controls, which we consider to be strong for TPG's most significant risks. The effectiveness of these controls appears to have been proven through TPG's sound track record of sustained strong earnings, even in less benign capital-market and claims environments. (For more information, see "Talanx Primary Insurance Group," published Aug. 6, 2009, on RatingsDirect).

Within this framework, we view HDI-Gerling N.V.'s own ERM program as adequate. Our opinion mainly takes into account the company's at least adequate risk controls, which have resulted in a track record of stable results, even when capital markets deteriorated considerably. HDI-Gerling N.V.'s ERM program reflects the decentralized management philosophy of the Talanx group. We view the company's risk management culture as adequate. Its clear corporate governance structure, clear risk policies, and regular risk reporting that broaden the awareness of risk across the organization support its risk management culture. Individual risk management guidelines and limits are in place. The company's risk controls are adequate, taking into account its track record of sound underlying profitability over recent years. It is still developing strategic risk management to allow the inclusion of economic capital and risk-return considerations. We expect improvements to spring from the group's initiative to fully implement a holistic economic capital model. HDI-Gerling N.V.'s major risks are underwriting risk on the property account and investment risk.

Operating Performance: Strong Underwriting Performance And Strong Earnings

Table 2

HDI-Gerling Verzerkeringen N.V./Operating Statistics					
	—Year ended Dec. 31—				
	2009	*2008**	*2007*	*2006*	*2005*
ROE (reported equity) (%)	24.2	26.8	24.9	25.7	29.5
Return on revenue (%)	18.7	18.2	20.4	21.6	19.0
Non-life gross loss ratio (%)	62.3	75.7	67.1	60.3	54.1
Non-life gross combined ratio (%)	69.4	80.9	76.0	67.1	62.5
Non-life net loss ratio (%)	58.1	79.9	65.2	66.2	66.0
Non-life net combined ratio (%)	84.5	100.0	89.2	85.6	89.2
Non-life reinsurance result	(92.9)	(62.9)	(36.4)	(52.7)	(63.4)

*Figures for 2008 are consolidated and for the first time include both Dutch & Belgium operations. Prior years (2004-2007) are for Dutch operations only; five- or three-year averages are therefore distorted.

In our opinion, HDI-Gerling N.V.'s operating performance track record has been consistently strong. The net combined ratio at 84.5% in 2009 (2005-2009 five-year average net combined ratio is 89.7%) was well below our expectation of 95% over the cycle and of below 100% in 2009. This is further reinforced by good investment return, which translated into ROR of 18.7% in 2009 (2005-2009 five-year average ROR is 19.6%). In our view, the operating performance primarily reflects the company's prudent reserving, efficient cost management, and reportedly selective underwriting. Property (including Engineering) and Liability accounts were the major contributors to the strong underwriting performance. The gross run-off result positively contributed 13 points to the gross combined ratio in 2009 (see gross run-off in tables 3 and 4). On a normalized basis, the level of run-off averages about €41.2 million per year on a gross basis, based on historic releases over the course of the past five years (2005-2009). Underlying gross five-year average combined ratios are therefore significantly enhanced by such positive run-offs (see tables 3 and 4 below). Overall performance has also exceeded our expectations with ROR of 18.7% in 2009 (2008: 18.2%).

Table 3

Gross Run-Offs	
(Mil. €)	
2009	45.8
2008	38
2007	45.8
2006	33.3
2005	43.3
Five-year average	41.2

Table 4

Impact Of Gross Run-Offs On Gross Combined Ratios

(%)	2009	2008	2007	2006	2005	Five-year average
Gross combined ratio as reported (including run-offs)	69.4	80.9	72.2	65.5	62.5	70.1
Gross combined ratio (excluding run-offs)	82.4	92.4	96.8	83.1	85.4	88.02

HDI-Gerling N.V.'s earnings in 2008 were weakened by the increased frequency of larger than average claims on the property book and reportedly HDI-Gerling N.V. has conducted some reserve strengthening following the merger of GKA's Dutch and Belgian units.

Prospectively, we expect HDI Gerling N.V. to achieve its internal targets of ROE above 18% and return on premium above 3%. We also expect the company to deliver a net combined ratio of about 95%-97% and a ROR of about 12%-15% in 2010 and 2011.

Investments: Very Strong Credit Quality Is Offset By High Levels Of Concentration In Fixed-Income Portfolio

Table 5

HDI-Gerling Verzerkeringen N.V./Investment Statistics

	—Year ended Dec. 31—				
	2009	2008	2007	2006	2005
(Mil. €)	234.1	227.6	174.6	162.6	155.8
Investment in affiliates (%)	0.5	0.4	15.8	3.4	3.5
Loans to affiliates (%)	0.0	0.0	0.0	0.0	0.0
Bonds and other fixed-interest securities (%)	64.4	68.4	65.5	69.8	62.1
Mortgages (%)	0.0	0.0	0.0	0.0	0.0
Equities and other variable-interest securities (%)	0.3	0.3	7.9	8.5	8.4
Preference shares (%)	0.0	0.0	0.0	0.0	0.0
Property (%)	6.3	6.8	1.1	1.3	0.0
Cash and bank deposits (%)	28.5	24.2	9.7	17.1	26.1
Loans and private placements (%)	0.0	0.0	0.0	0.0	0.0
Derivatives (%)	0.0	0.0	0.0	0.0	0.0
Other investments (%)	0.0	0.0	0.0	0.0	0.0
Total nonlinked investments (%)	100.0	100.0	100.0	100.0	100.0
Total investment return (incl. unrealized and realized) (%)	3.2	6.1	5.0	4.2	4.3

*Figures for 2008 are consolidated and for the first time include both Dutch & Belgium operations. Prior years (2004-2007) are for Dutch operations only; five- or three-year averages are therefore distorted.

In our view, HDI-Gerling N.V.'s asset allocation strategy is generally conservative and strong. 65% of invested assets are held in high-quality, fixed-income bonds and loans and 29% in cash and deposits. The group has no direct exposure to equity. The weighted quality of the bond portfolio is within the 'AA' range and the company does not hold any non-investment-grade bonds. The portfolio contains a material level of concentration risk in respect of Belgian government issuer. This is offset by HDI-Gerling N.V. having a fully operational subsidiary in Belgium, however, which covers its liabilities by the state's investments. The portfolio also contains a material level of concentration risk in respect of investments in a single bank. We do not anticipate any significant changes in the investment strategy going forward as the company does not have any appetite to take more credit risk or any equity market risk to achieve higher investment returns.

Liquidity: Strong Liquidity Offset By High Level Of Concentration In Fixed Income Portfolio.

We consider HDI-Gerling N.V.'s liquidity as strong. Coverage of technical reserves by liquid assets has been stable both prior to and after the merger of GKA business. Liquid assets covered technical reserves 1.3x on average over the past five years (2005-2009). This is offset by a high level of concentration within the fixed-income investment portfolio, despite the company's asset portfolio reportedly holding highly liquid bond investments, available for sale at relatively limited market volatility. Talanx AG's commitment to making financial resources available should the need arise provides an additional cushion.

Capitalization: Strong Level Of Capitalization Offset By High Reliance On Reinsurance

The company has a strong level of capitalization that is driven by a strong capital adequacy ratio and good quality of capital, with no external debt, and a consistent track record of reserve releases. There is a high reliance on reinsurance capacity at 73% of gross premiums, however.

Capital adequacy ratio

HDI-Gerling N.V.'s strong capital adequacy ratio based on our model benefits from the fact that HDI-Gerling N.V. is part of a larger group, which issues investment guidelines, monitors investment mix, and assists in executing investment strategy. See Accounting Section for major adjustments made to the capital model.

Reserves

In our opinion, provisions for outstanding claims are prudent and conservative and have consistently been more than sufficient. In 2009, the gross run-off result was €45.8 million and €38 million in 2008. The claims reserving level of 135% of net premiums written indicates a strong level of reserving for the business written in line with historic ratios for the company. The former GKA portfolio has a stronger liability component and increases HDI-Gerling N.V.'s reserve duration and risk. This business has been written over a long period, however, and all legacy reserves are reportedly reinsured by the HDI-Gerling P/C division of the Talanx Primary Group. The reserves contain some latent exposure to asbestos, but this is also reportedly ceded 100% to the group.

Reinsurance

In our view, HDI-Gerling N.V.'s net retention is sufficiently protected, particularly for low frequency, high severity claims. This is of paramount importance, due to the company's relatively small size and susceptibility to volatility from exposure to industrial and commercial risks. In 2009, the structure of the program remained unchanged. The company's maximum net retention is €1 million, which equates to about 1.5% of shareholders' funds. In 2008, the program was tested by higher frequency and larger than average claims, which were close to, although still below, the attachment point on its XoL (excess of loss) program. Reinsurance is placed collectively via a captive broker within the Talanx group.

Although sister company Hannover Rueckversicherung-AG (AA-/Negative/—) is the main provider of facultative protection, the overall program consists of a broad panel of high quality reinsurers. The protection afforded under these arrangements enables HDI-Gerling N.V. to offer a level of capacity to its clients that is commensurate with its competitive position and its strategic objectives. A withdrawal of reinsurance capacity would undermine HDI-Gerling N.V.'s ability to underwrite larger risks.

Financial Flexibility: Commitment From Talanx To Provide Financial Support If Necessary

HDI-Gerling N.V.'s financial flexibility mirrors that of Talanx and we consider it strong. Talanx AG has committed to making financial resources available should the need arise.

Table 4

HDI-Gerling Verzerkeringen N.V./Financial Statistics

	—Year ended Dec. 31—				
	2009	**2008**	**2007**	**2006**	**2005**
Non-life net technical reserves/gross technical reserves (%)	23.1	24.7	35.8	35.2	35.2
Non-life technical reserves/net premiums written (%)	177.6	192.7	214.7	205.9	171.2
Non-life loss reserves/net premiums written (%)	135.1	147.4	161.8	152.9	126.7

*Figures for 2008 are consolidated and for the first time include both Dutch & Belgium operations. Prior years (2004-2007) are for Dutch operations only; five- or three-year averages are therefore distorted.

Ratings Detail (As Of 28-May-2010)*	
Holding Company: Talanx AG	
Issuer Credit Rating	A-/Stable/—
Junior Subordinated (1 Issue)	BBB
Operating Companies Covered By This Report	
HDI-Gerling Verzekeringen N.V.	
Financial Strength Rating	
Local Currency	A/Stable/—
Counterparty Credit Rating	
Local Currency	A/Stable/—
Aspecta Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
E+S Reinsurance (Ireland) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
E+S Rueckversicherung AG	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	

Ratings Detail (As Of 28-May-2010)* (cont.'d)	
Local Currency	AA-/Stable/—
Hannover Life Reassurance Africa Ltd.	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
Hannover Life Reassurance Bermuda Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Life Reassurance Co. of America	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Life Reassurance Ireland Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Life Reassurance of Australasia Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Life Reassurance (U.K.) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Re Bermuda Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover Reinsurance Africa Ltd.	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
Hannover Reinsurance (Dublin) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	

Ratings Detail (As Of 28-May-2010)* (cont.'d)	
Local Currency	AA-/Stable/—
Hannover Reinsurance (Ireland) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
Hannover ReTakaful B.S.C.	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
Hannover Rueckversicherung AG	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	AA-/Stable/—
Junior Subordinated (1 Issue)	A
Subordinated (2 Issues)	A
HDI Asekuracja TU SA (Unsolicited Ratings)	
Financial Strength Rating	
Local Currency	BBBpi/—/—
Issuer Credit Rating	
Local Currency	BBBpi/—/—
HDI Direkt Versicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
HDI-Gerling America Insurance Co.	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
HDI-Gerling Assurances S.A.	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
HDI-Gerling Firmen und Privat Versicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
HDI-Gerling Industrie Versicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—

Ratings Detail (As Of 28-May-2010)* (cont.'d)	
Issuer Credit Rating	A+/Stable/—
Subordinated (1 Issue)	A-
HDI-Gerling Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	A+/Stable/—
Junior Subordinated (1 Issue)	A-
HDI-Gerling Welt Service AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
HDI Haftpflichtverband der Deutschen Industrie VaG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
HDI Versicherung AG	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
International Insurance Co. of Hannover Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/—
Issuer Credit Rating	
Local Currency	AA-/Stable/—
neue leben Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A+/Stable/—
Issuer Credit Rating	
Local Currency	A+/Stable/—
PB Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
PBV Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A/Stable/—
Issuer Credit Rating	
Local Currency	A/Stable/—
TARGO Lebensversicherung AG	
Financial Strength Rating	
Local Currency	A/Stable/—

Ratings Detail (As Of 28-May-2010)* (cont.'d)	
Issuer Credit Rating	
Local Currency	A/Stable/—
Domicile	Netherlands

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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