



## Hannover Re Case Study

### Customer Profile

Hannover Re, with a gross premium of around 9 billion Euros, is one of the leading reinsurance groups in the world. It transacts all lines of non-life, life and health reinsurance.

### Business Situation

Hannover Re underwrites an aviation reinsurance portfolio whose premium income is equivalent to 7% of their total non-life premium. The entire portfolio was being held in a number of different systems, presenting management with data quality and exposure concerns. The challenge set by management was for the exposure emanating from the airline portfolio to be held in one database-enabled analysis environment, so that Underwriting, Group Protection and Group Risk Management Departments could better coordinate decision-making on a single set of airline exposure data.

### Solution

Russell worked with the Underwriting and IT teams to create a strategy focused on data quality. Three data streams were devised to validate and interface with data, and to migrate it into the ALPS database, their sources being: Broker systems for questionnaires and market losses, Hannover's data market for programme data and Russell's aviation repository for aircraft data. To support the implementation process, interactive training sessions were deployed, to facilitate hands-on knowledge and devise strategies to ensure the delivery of a well understood and integrated solution.

In addition to Hannover's overall data market, airline exposed programme data is also held within ALPS, the difference being that exposure data behind each programme is also entered, stored and updated. Users from the Underwriting and Group Protection Departments now access this database which holds all client, programme and exposure data in a consistent form and the analyses available serve to assist management decision-making processes, for example 'band analysis' supports airline aggregate control, impact analysis enables prompt preliminary indication and internal communication of a gross loss in case of major market airline loss. Russell is currently in collaboration with Hannover to further develop a simulation based pricing tool, the aim being to be able to price both individual programmes as well as the whole airline portfolio.