

The Munich Re Group
Renewals 2005/06
Media telephone conference

Torsten Jeworrek

15 February 2006



Münchener Rück
Munich Re Group



Important notice



Münchener Rück
Munich Re Group

- Unless otherwise stated, this presentation is based on underwriting-year figures. This basis is only remotely comparable with calendar-year figures, which are in turn the basis of quarterly and annual accounts
- Portfolio developments are measured at constant foreign exchange rates
- Developments and comments refer to the treaty book of business only
- All numbers on 2006 renewals contain estimates
- Portfolio developments represent changes in P&C reinsurance (i.e. property, casualty, marine, aviation and credit)

The Munich Re Group
Renewals 2005/06
at 15.2.2006

2

Agenda



Münchener Rück
Munich Re Group

Overview	4
Reinsurance Group	7
Lines of business/Regions	11
Outlook	18

The Munich Re Group
Renewals 2005/06
at 15.2.2006

3

Agenda



Münchener Rück
Munich Re Group

Overview	4
Reinsurance Group	7
Lines of business/Regions	11
Outlook	18

Overview

General highlights Overall a positive outcome



Münchener Rück
Munich Re Group

- 66% of our total P&C business was due for renewal in January
- Achieved substantial price increases in loss-affected lines of business, stable level in non-loss-affected business
- Overall premium increase of around 5%, driven by rate increases and new business
- Outstanding profitability through disciplined underwriting in all markets and lines of business

Renewal strategy
Strict focus on risk adequate pricing



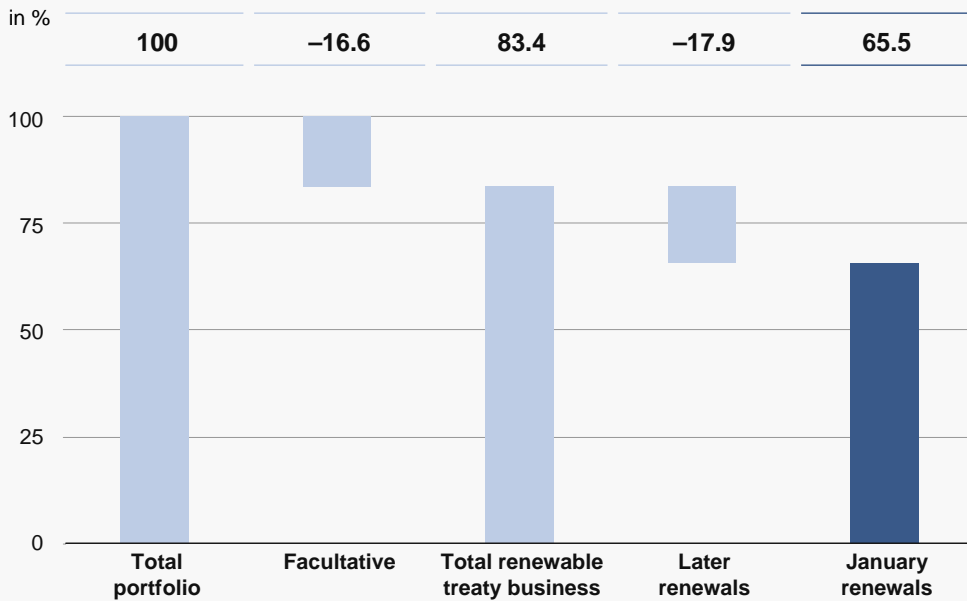
- Re-assessment of risks after 2005 natural catastrophes reflected in models for prices and accumulation control
- Rigorous cancellation of non-risk-adequate business
- Profitability the only driver of all underwriting decisions
- US hurricane:
 - Capacity unchanged
 - Move out of frequency into higher layers
- Strict alignment of profitability targets with underwriting incentive schemes

Agenda

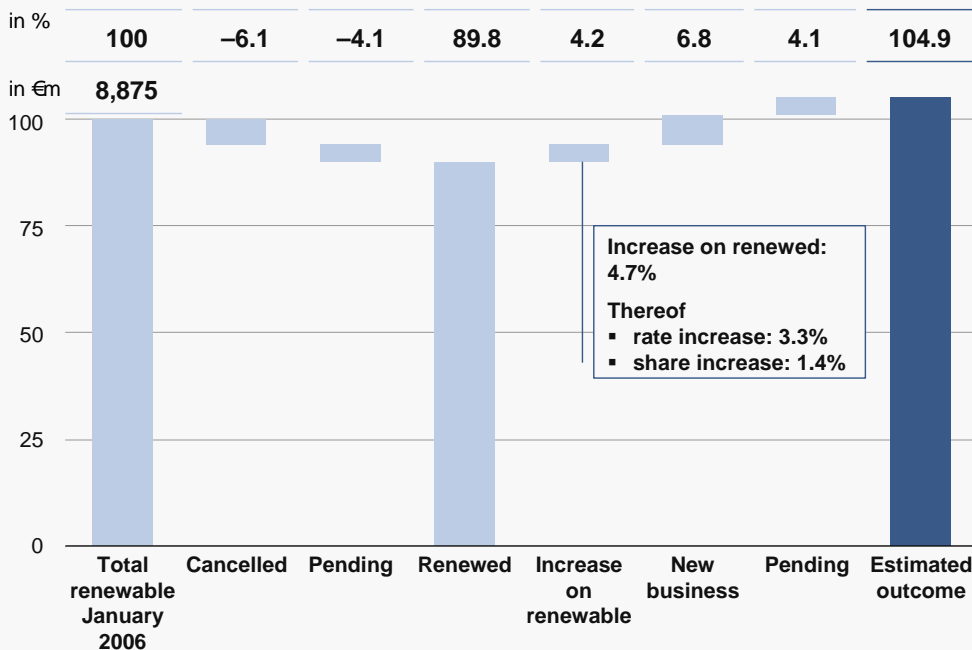


Overview	4
Reinsurance Group	7
Lines of business/Regions	11
Outlook	18

January renewals 2006 (Premiums written)
Two-thirds of portfolio renewed



Changes in premium
Total P&C treaty



Growth drivers:

- Share increase in non-hurricane exposed US business
- Attractive nat. cat. business in Europe
- Substantial rate increase in loss affected nat. cat. business



Growth

USA Motor proportional +€70m

**Global/
Special lines** Agro +€90m

Business rationale

Short-tail automobile business in market (specialty writer)

Growth with a strategic client

Cancelled business

USA WC -€95m

Germany Motor proportional -€50m

Business rationale

Further cancellation of unprofitable business

Getting out of inadequately priced business

Agenda

Overview 4

Reinsurance Group 7

Lines of business/Regions 11

Outlook 18

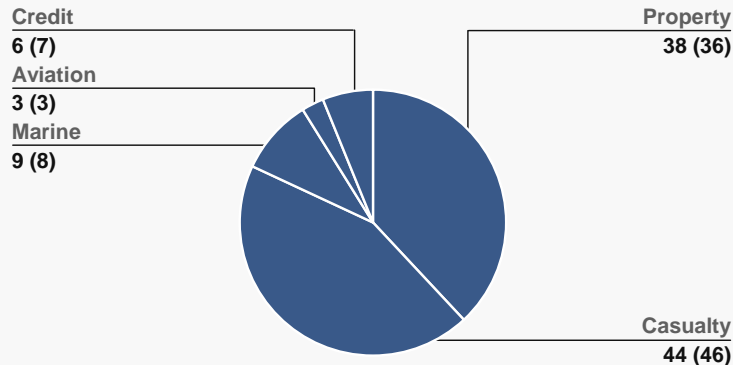


Breakdown of renewed business by line of business/region



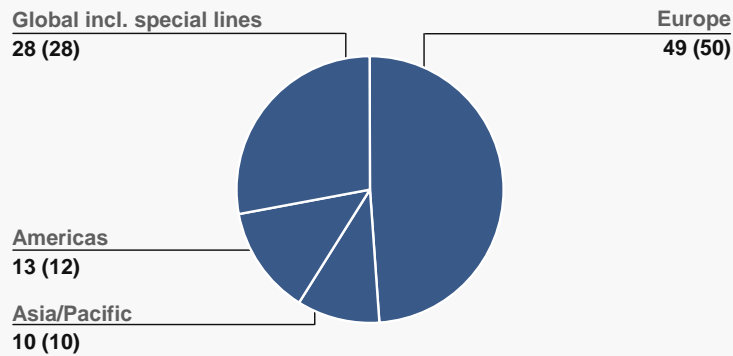
Lines of business

in %



Regions

in %

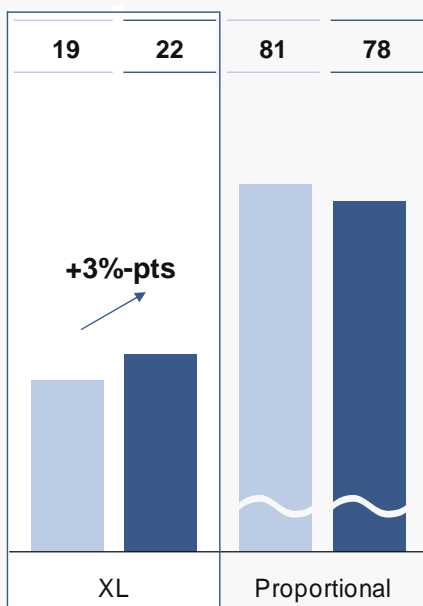


Highlights Structural portfolio shift



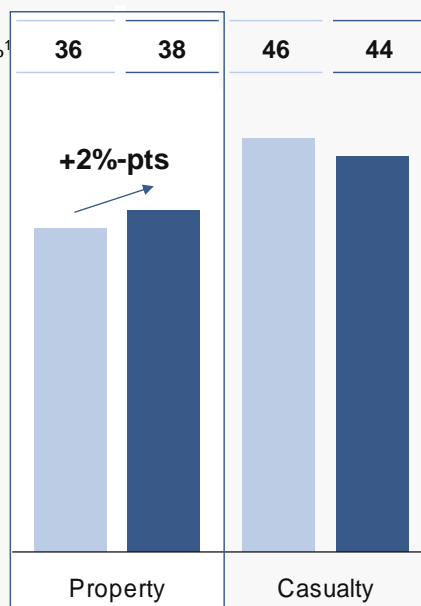
Type of treaty

in %



Major lines of business

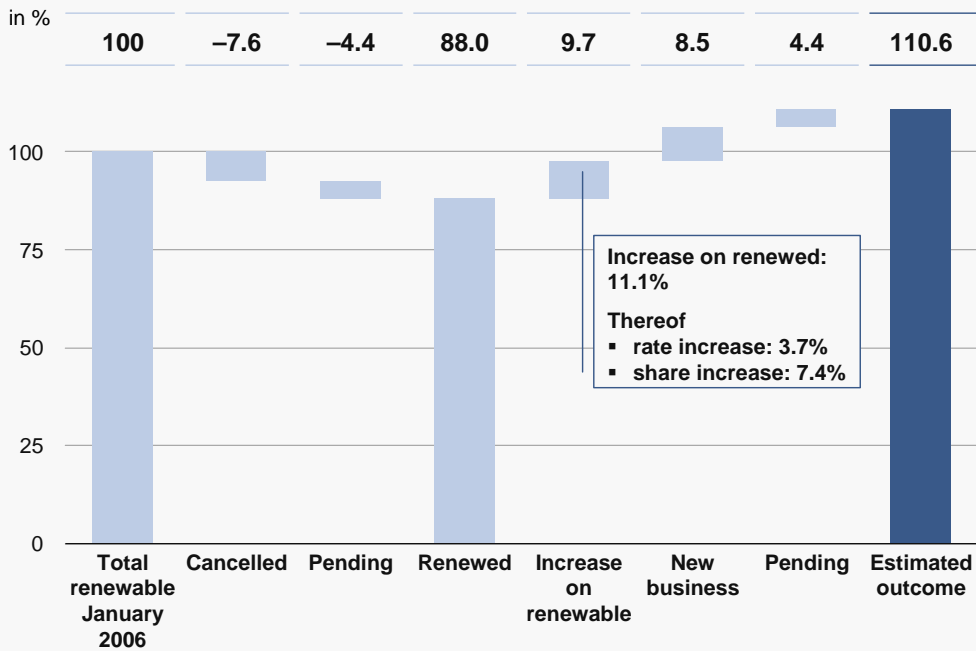
in %¹



¹ as percentage of total portfolio.

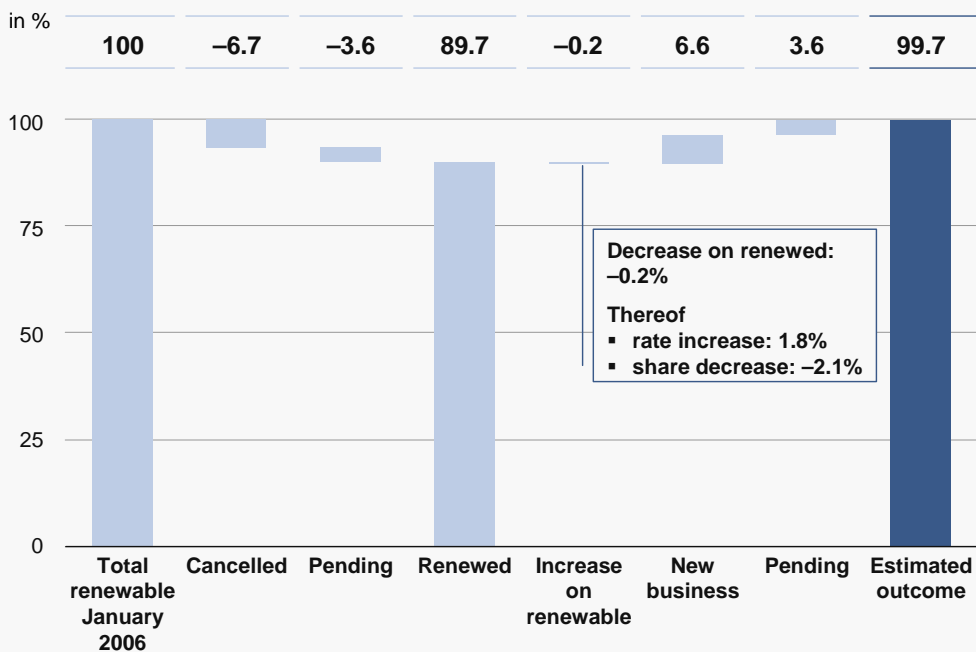
■ 2005 ■ 2006

Property Changes in premium



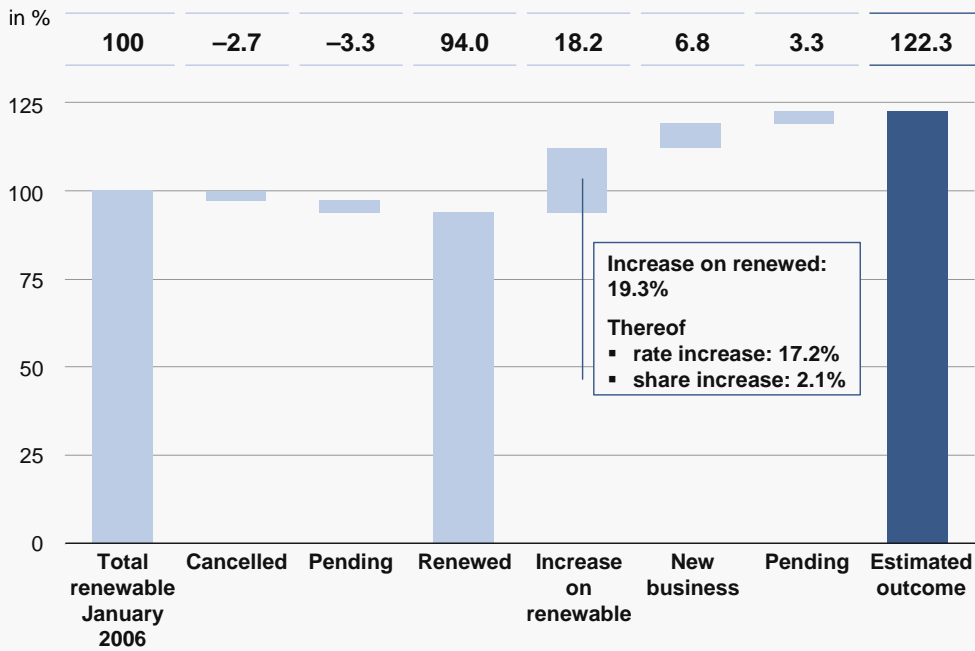
- Growth in non-hurricane XL segments
- Structural shift within XL portfolio to higher layers with lower frequencies

Casualty Changes in premium



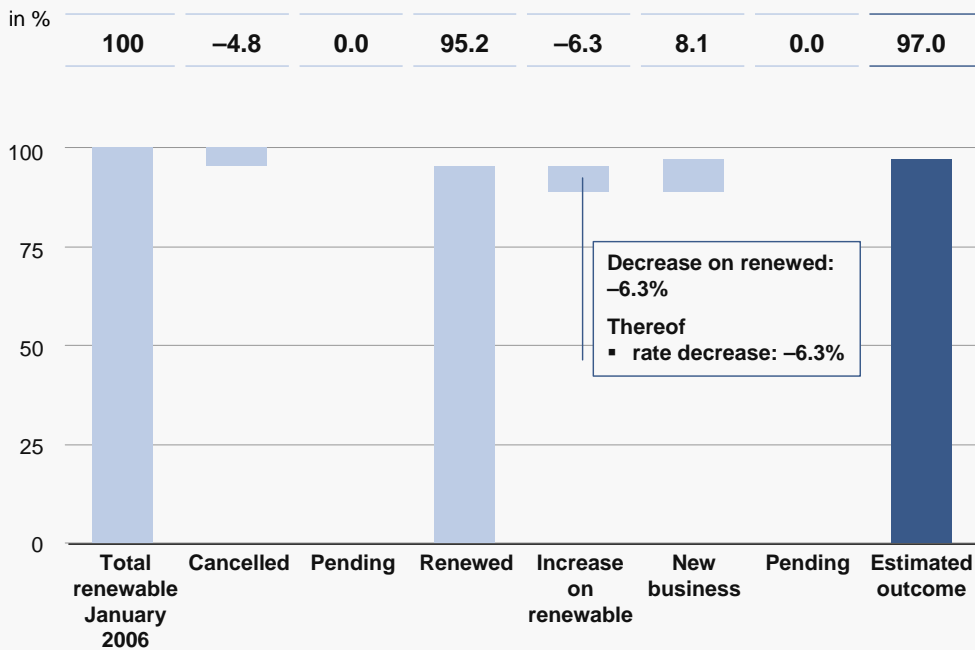
- Generally stable, adequate price levels
- Reduction in German Motor business due to softening rates
- Stable terms and conditions

Marine Changes in premium



- Substantial rate increases in loss affected areas
- Munich Re setting standards for industry to switch to second event coverage

Aviation¹ Changes in premium



- Airlines: Rate reduction due to high competition
- General aviation and products: Stable rates

Agenda



Münchener Rück
Munich Re Group

Overview	4
Reinsurance Group	7
Lines of business/Regions	11
Outlook	18

The Munich Re Group
Renewals 2005/06
at 15.2.2006

18

Outlook

Munich Re well positioned



Münchener Rück
Munich Re Group

- Overall expectation of continued risk adequate price levels in April and July renewals
- Pricing trends in 2006 largely driven by:
 - Global cyclical forces (increased capacity, increasing retentions, weakening in some primary markets)
 - Continued need for adjustments due to changed risk assessment esp. in April and July renewals in loss affected segments
 - Increase in values and risks due to continued macroeconomic growth
- Growing competitive advantage for players with internal models
- Munich Re better positioned in cycle management:
 - Less dependence on property-casualty reinsurance growth than some of its pure play peers
 - High diversification of book of business

The Munich Re Group
Renewals 2005/06
at 15.2.2006

19



This report contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our company. The company assumes no liability to update these forward-looking statements or to conform them to future events or developments.