



for the press

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Munich, 3 April 2008

- **Munich Re successfully concludes acquisition of specialty US primary insurer The Midland Company (Midland)**
- **Purchase of Midland part of Munich Re's strategic realignment of its US business**

As announced last October, Munich Re is expanding its activities in the USA and strengthening its position in primary insurance niche segments. Today it concluded the acquisition of US specialty primary insurer Midland by acquiring a 100% stake in the company, including its wholly owned insurance subsidiary, American Modern Insurance Group. With an acquisition price of US\$ 65 per share, the total consideration paid amounted to around US\$ 1.3bn (€0.9bn).

With premium income of US\$ 967m in 2007, Midland is one of the leading US specialty insurers in niche segments such as insurance for motorcycles and recreational vehicles. Midland is also one of the top three providers of manufactured housing insurance, operating through specialist companies and via various distribution channels.

Last year, Munich Re had restructured its US business in order to significantly increase its profitability in the USA. In so doing, it focuses on the introduction of a client-centric organisation and the expansion of broker business, as well as building on its leading position in primary insurance niche segments. "The acquisition of Midland is a significant step towards profitable growth in the world's most important insurance market, the USA", said Peter Röder, member of Munich Re's Board of Management responsible for business in North America.

"We are excited to welcome Midland to the Munich Re Group. They have a very focused mindset on underwriting profitability, a strong and dedicated management team, and a wonderful group of associates," said Tony Kuczinski, President of Munich Re America.

The **Munich Re Group** operates worldwide, turning risk into value. In the financial year 2007, it achieved a profit of €3,937m, the highest since the company was founded in 1880, on premium income of approximately €37bn. The Group operates in all lines of business, with more than 38,000 employees at over 50 locations throughout the world and is characterised by particularly pronounced diversification, client focus and earnings stability. With premium income of around €21.5bn from reinsurance alone, it is one of the world's leading reinsurers. Its primary insurance operations are mainly concentrated in the ERGO Insurance Group. With premium income of over €17bn, ERGO is one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal expenses insurance, and 34 million clients in 26 countries place their trust in the services and security it provides. The global investments of the Munich Re Group amounting to €176bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

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Munich, 3 April 2008
Münchener Rückversicherungs-Gesellschaft
Signed Dr. Röder Signed Dr. Lawrence