



Münchener Rück
Munich Re Group

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Munich Re concludes purchase of Hartford Steam Boiler

Munich Re has successfully concluded the acquisition of specialty insurer HSB Group from US insurer AIG for US\$ 739m (€555m).

Munich Re had announced last December that it would acquire all the shares in US specialty insurer HSB Group. The transaction was formally completed on 31 March 2009. The purchase price in cash was financed by Munich Re from internal resources. All the requisite approvals have now been obtained from the relevant authorities.

The core of the HSB Group is Hartford Steam Boiler Inspection and Insurance Company (HSB), one of the largest insurance and inspection companies specialising in engineering risks in the US. HSB is a leading worldwide provider of equipment breakdown and engineered lines of insurance, other specialty coverages, and inspection, certification and engineering consulting services. The Group's equity capital as at 31 December 2008 amounted to around US\$ 586m, and its gross written premium income for 2008 totalled US\$ 930m.

"With the acquisition of the HSB Group, we are continuing as planned to expand our position in the US in specialty insurance niche segments. This is part of our strategy to grow profitably in the US, the world's most important insurance market", said Peter Röder, member of the Board of Management responsible for business in North America.

"We are really excited the acquisition is now complete and we can focus all of our energies on servicing our respective clients. We are pleased to welcome a highly experienced and committed management team as well as such outstanding staff", said Tony Kuczinski, Chief Executive Officer (CEO) of Munich Re America. HSB will be managed with Munich Re America as a standalone business.

"Our partnership with Munich Re will open new opportunities for HSB to create value for our clients and grow our business in the U.S. and around

Contact:

Johanna Weber
Tel.: +49 (0) 89 38 91-26 95
Fax: +49 (0) 89 38 91-7 26 95
E-mail: jweber@munichre.com
www.munichre.com

Münchener Rückversicherungs-
Gesellschaft
Aktiengesellschaft in München
Media Relations
Königinstrasse 107
80802 München
Germany

the globe,” said Doug Elliot, President and CEO of HSB Group. “With Munich Re’s financial strength and added resources behind us, we look forward to continued profitable growth.”

About HSB

HSB Group, Inc. is the parent company of The Hartford Steam Boiler Inspection and Insurance Company (HSB), a leading global provider of specialty insurance, inspection services and engineering consulting for businesses, industries and institutions. One of the world’s leading equipment breakdown insurers, HSB helps clients reduce risk through a unique combination of specialty coverages, engineering-based risk management strategies and loss reduction services.

Approximately 50 percent of HSB’s 2,400 employees are engineers and technical inspectors who support clients in managing their risks and help them to improve the reliability and efficiency of their technical plant and equipment. HSB boasts one of the world’s largest databases on machinery and equipment breakdown and its causes.

The A.M. Best Company gives the Hartford Steam Boiler Group, Inc. an A (Excellent) financial strength rating; the outlook for this rating is positive.

Further information about HSB can be obtained on the internet at www.hsb.com.

Media Relations Munich, Johanna Weber
Tel.: +49 (0) 89 38 91-26 95

Media Relations Asia, Nikola Kemper
Tel.: + 852 2536 6936

Media Relations USA, Bob Kinsella
Tel.: + 1 609 419 8527

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