5 INFORMATION ABOUT THE ISSUER

5.1 History and development of the issuer

5.1.1 LEGAL NAME AND COMMERCIAL NAME OF THE ISSUER

Legal name: SCOR SE

Commercial name: SCOR

5.1.2 PLACE AND REGISTRATION NUMBER OF THE ISSUER

R.C.S. number: Paris 562 033 357

A.P.E. Code: 6520Z

5.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE ISSUER

The Company was incorporated on 16 August 1855, as a limited partnership company, under the name Compagnie Impériale des Voitures de Paris. The Company then took the form of a limited liability company and changed its name to SCOR S.A. on 16 October 1989. Consecutively, in 1990, SCOR SA absorbed the Société Commerciale de Réassurance created in 1970 and carried on the reinsurance business of the latter. On 13 May 1996, SCOR SA changed its name to SCOR. On 25 June 2007, SCOR changed its company form to a European Company (*Societas Europaea*) and became SCOR SE.

On 25 April 2013, the Company's length of life was extended for 99 years by decision of the Extraordinary General Meeting.

The Company expires on 25 April 2112 unless otherwise extended or previously dissolved.

5.1.4 DOMICILE AND LEGAL FORM OF THE ISSUER, LEGISLATION GOVERNING ITS ACTIVITIES, COUNTRY OF INCORPORATION, ADDRESS AND TELEPHONE NUMBER OF ITS REGISTERED OFFICE

5.1.4.1 Registered office and contact information of issuer

SCOR SE

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France

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E-mail: scor@scor.com

5.1.4.2 Legal form and applicable legislation

A. Corporate law

SCOR SE is a European Company (*Societas Europaea*) governed by the provisions of Council Regulation (EC) No. 2157/2001, dated 8 October 2001 on the Statute for a European Company (the "SE Regulation"), and that of the European Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European Company with regard to the involvement of employees, and by the provisions of French law relating to European Companies, as well as for all other matters partially covered or not covered by the SE Regulation, by the French corporate law provisions applicable to a *société anonyme*, where not contrary to the specific provisions applicable to European Companies.

On 24 May 2007, the annual General Shareholders' Meeting approved the conversion of the Company into a European Company or *Societas Europaea*, pursuant to Articles 1 §1, 2 §4 and 37 of the SE Regulation, and Article L. 225-245-1 of the Commercial Code, thereby becoming, on 25 June 2007, the first French listed company to adopt the *Societas Europaea* statute.

Following approval of this conversion, SCOR SE is registered with the Nanterre Trade and Companies Register under the corporate name SCOR SE and has taken the form of a European company as at the date of such registration. The Company was relocated in Paris further to a decision of the Board dated 7 March 2012, ratified by the Extraordinary General Meeting held on 3 May 2012 and thus registered with the Paris Trade and Companies Register from this date.

The conversion did not result in either the dissolution of SCOR SE or the creation of a new legal entity.

The conversion had no impact upon the rights of the Company's shareholders or bondholders who automatically became shareholders and bondholders of SCOR SE without any action being required on their part. They remain shareholders and bondholders in proportion to their rights acquired prior to the completion of the conversion. Thus, the financial liability of each shareholder of SCOR SE is limited to the amount of his subscription prior to the conversion. The proportion of the voting rights held by each shareholder in the Company has not been affected by the conversion into a European Company.

The conversion in itself did not have any impact on the value of the SCOR SE shares. The number of shares issued by the Company was not changed as a result of the conversion and the shares of the Company, remain listed on the Eurolist market of Euronext Paris. As at the date of this Registration Document, the SCOR SE shares are also listed on the SIX Swiss Exchange (formerly SWX Swiss Exchange) in Zurich since 8 August 2007. The Company's American Depositary Shares which had been listed on the New York Stock Exchange since 11 October 1996 were delisted on 14 June 2007 and the Company's securities were deregistered with the Securities and Exchange Commission (SEC) on 4 September 2007.

Following the reorganization of Euronext indices on 3 January 2005, the Ordinary Shares are now included notably in the following indices: SBF 80, SBF 120, CAC All-Shares, CAC LARGE 60, CAC Next 20, CAC Financials, CAC All Tradable and EURONEXT 100. The SBF 120 and 250 consist of the 120 most actively traded French stocks and the 250 largest stocks by capitalization. The SBF 80 is made up of the SBF120 stocks not included in the CAC 40 index, which are the most traded on the continuous segments. EURONEXT 100 index comprises the 100 largest and most liquid stocks traded on Euronext. The CAC All-shares index is composed of all the stocks listed on Euronext Paris for which annual velocity ratio exceeds 5% of their shares. The CAC Next 20 index includes the most representatives stocks in terms of free float adjusted capitalization and turnover not included in the CAC 40 index. The CAC Large 60 index is composed of the constituents of the CAC 40 and CAC Next 20 indices. The CAC All Tradable index includes all the stocks of the Euronext Paris market with an annual free float velocity over 20%.

SCOR SE has been included in the "EuroStoxx Select Dividend 30" index of the 30 most attractive European companies in terms of dividends since 12 March 2010.

Since 14 September 2012, SCOR SE is included in the ASPI (Advanced Sustainable Performance Indices) Eurozone® index.

B. Insurance law

The Group is subject to the following regulations in the main countries in which it operates:

Europe

Specific provisions apply to the reinsurance activity of SCOR. Under the Reinsurance Directive 2005/68/EC dated 16 November 2005, implemented into French law by ordinance n. 2008-556 of 13 June 2008 and application decrees n. 2008-711 of 17 July 2008, and n. 2008-1154 of 7 November 2008, as well as regulation (arrêté) of 7 November 2008, reinsurance companies and their subsidiaries situated in a country within the European Economic Area ("EEA"), are subject to state control, under the conditions defined by Book III of the French Insurance Code. The Reinsurance Directive also states rules for the offsetting of underwriting reserves by assets and the rules of acceptability of assets.

The main provisions are:

- French companies, whose exclusive business is reinsurance, can only practice after having obtained an administrative license, issued by the Autorité de Contrôle Prudentiel et de Résolution (ACPR - Prudential Supervision and Resolution Authority) and published in the Official Journal. The licenses for SCOR SE, SCOR Global Life SE and SCOR Global P&C SE were validated by virtue of the decision of the President of the Comité des Entreprises d'Assurances (Committee for Insurance Companies, now merged into the Autorité de Contrôle Prudentiel et de Résolution - ACPR), dated 15 July 2008;
- the authorized reinsurers in France can thus operate in the EEA relying on the freedom to provide services and/or on establishment (branches);
- European reinsurance companies are under an obligation to meet the defined regulatory solvency demand, to establish a guarantee fund and to put a permanent internal control policy in place;
- the obligation imposed upon reinsurers, to establish an adequate solvency margin, aims to protect the insurance companies, and hence, the consumers, in order to ensure that in the event of a decline in business or in investment income, the reinsurance companies have additional reserves, protecting those interests and consequently, the policy holders, while providing both executives and oversight and regulatory authorities with sufficient time to resolve the problems that have arisen;
- reinsurers authorized in France and their branches are monitored by the ACPR. The role of this body is to ensure that at any point, these entities are able to conform to the commitments that they have entered into with reinsurance companies and that they fulfill the regulatory solvency margin demands; and
- the ACPR is authorized to address prevention measures and to issue warnings to a monitored company or its executives.

In the UK, SCOR UK Company Limited is regulated by the Prudential Regulation Authority while subsidiaries in Ireland are regulated by the Central Bank of Ireland. In Sweden, the Group transformed its Swedish subsidiary into a branch which, since 2013, is no longer regulated by the Swedish FSA.

Switzerland

In Switzerland (which is neither a member of the EU nor of the EEA), the Group subsidiary that conducts reinsurance activities there is subject to the federal law dated 1 January 2006 as amended "Insurance Supervision Act" and the federal law dated 22 June 2007 on Financial Market Supervision (FINMA), as amended, governing the oversight of insurance companies, which also governs reinsurance companies and stipulates that an insurance company must have sufficient assets, free of any predictable commitment, for all its activities (solvency margin).

United States

In the United States, the Group's reinsurance and insurance subsidiaries are regulated primarily by the insurance regulators in the state in which they are domiciled, but they are also subject to regulations in each state in which they are authorized or licensed. SCOR Reinsurance Company, the Group's main Non-Life subsidiary in the United States, is domiciled in the State of New York and SCOR Global Life Americas Reinsurance Company and SCOR Global Life USA Reinsurance Company, the Group's main Life insurance subsidiaries in the United States, are domiciled respectively in North Carolina and in Delaware. The Group's other subsidiaries in the United States are currently domiciled in Arizona New York and Delaware.

Asia

SCOR offers Life and Property and Casualty coverage within the Asia Pacific region through a network of subsidiaries, branches, and service companies. It operates in Singapore, Hong Kong and Australia through subsidiaries. The Group also operates in Australia, China, India, New Zealand, Malaysia, Taiwan, Japan and Korea through branches, representative offices or service companies. In the region, each entity is subject to local supervision regardless of their legal form. The Asia/Pacific region is made up of a number of widely differing and independent markets. Each has its own regulatory structures and SCOR complies with the local regulation in each of the countries in which it operates. Industry regulation across the region typically focuses on financial stability and the basis for calculating solvency, reserves and policyholder liabilities. In many of the markets across the region, regulators have the power to revoke operating licenses, regulate shareholder structures and the participation in and the payment of dividends. Markets within the region are developing quickly with an increasing focus on governance and conduct of business.

5.1.5 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE ISSUER'S BUSINESS

SCOR was established as a reinsurance company in 1970, at the initiative of the French government and with the participation of the Paris insurance market place, to create a reinsurance company of international stature under the name of Société Commerciale de Réassurance. SCOR rapidly developed in various world markets, building up a substantial international portfolio.

At the beginning of the 1980s, the French government's stake in its share capital, held through the Caisse Centrale de Réassurance, was progressively reduced in favor of insurance companies that were active on the French market. (For more details, refer to Section 5.1.3 – Date of incorporation and length of life of the issuer).

In 1989, the Group and UAP Reassurances, a subsidiary of the state-owned Société Centrale de l'Union des Assurances de Paris, combined their Property and Casualty and Life reinsurance businesses as part of a restructuring of SCOR share capital. The Company listed its Ordinary Shares on the Paris stock exchange after completion of a reverse merger with Compagnie Générale des Voitures, listed on the Paris Stock Exchange and changed its name to SCOR S.A. on 16 October 1989 and to SCOR on 13 May 1996. The withdrawal of Compagnie UAP, which held 41% of the share capital, was completed in October 1996 via an international public offering at the time of SCOR listing on the New York Stock Exchange.

In July 1996, SCOR acquired the reinsurance portfolio of the American insurer Allstate Insurance Company, which doubled its then existing US business.

In 2000, SCOR acquired Partner Re Life, a US life reinsurer, thus gaining a platform from which to expand its then existing life reinsurance business in the US market.

In 2002, SCOR's subsidiary, Investors Insurance Corporation, or "IIC", signed a cooperation agreement in the life reinsurance business with the Legacy Marketing Group of California for the distribution and management of annuity products in the US. IIC was sold in July 2011.

In 2003, the Group reorganized its Life reinsurance business. The companies of the Group transferred to SCOR Vie and its subsidiaries all of the Group's Life reinsurance business throughout the world. SCOR Vie, whose corporate name was changed to SCOR Global Life in 2006, and which became a European Company (*Societas Europaea*) in 2007, along with its subsidiaries, are all directly or indirectly wholly owned by its parent company, SCOR SE.

On 16 May 2006, SCOR transferred all of its Non-Life reinsurance business in Europe, including Property & Casualty Treaties (including Credit & Surety business). Large Corporate Accounts and Construction reinsurance to Société

Putéolienne de Participations, a French subsidiary wholly owned by SCOR, whose corporate name was changed to SCOR Global P&C, effective retroactively to 1 January 2006. In 2007, SCOR Global P&C adopted the European Company (*Societas Europaea*) statute via a merger by absorption of SCOR Deutschland Rückversicherungs AG and SCOR Italia Riassicurazioni SpA.

On 21 November 2006, SCOR completed the acquisition of Revios Rueckversicherung AG ("Revios"), which secured its position as a top worldwide Life reinsurer. Based in Cologne (Germany), Revios was the former Life reinsurance unit of Gerling Global Re Group, which developed successfully autonomously from 2002 onward. Revios had since developed into one of the leading European reinsurers specializing in Life reinsurance, with offices in 17 countries. SCOR combined Revios and SCOR Vie to create SCOR Global Life SE. SCOR Global Life SE is now one of its three primary operational entities (along with SCOR Global P&C SE and SCOR Global Investments SE, described below), with responsibility for the Life reinsurance business.

On 10 January 2007, SCOR increased the level of its investment (which stood at 10.2% since 1994) to 39.7% of the share capital and 40.2% of the voting rights of ReMark Group BV ("ReMark") and on 22 August 2007, SCOR Global Life SE announced that it held 98.67% of the share capital of ReMark. Since 2009, SCOR Global Life SE holds 100% of the share capital of ReMark. Established in 1984, ReMark is an important player of the direct global marketing of Life insurance products.

In August 2007, SCOR acquired, Converium (which became SCOR Holding (Switzerland) AG ("SCOR Holding Switzerland")). SCOR also listed its Ordinary Shares to trading in Swiss Francs on the SWX Swiss Exchange (which later became the SIX Swiss Exchange) in Zurich, thereby enabling Converium shareholders who tendered their Converium shares to SCOR (in exchange for SCOR's Ordinary Shares) in the context of the acquisition to keep their assets in the same currency and on the same stock exchange.

Following the acquisition of Converium's control, SCOR became the world's fifth-largest global multi-line reinsurer (excluding Lloyd's of London), based on the 2009 pro forma gross written premiums of SCOR's operating entities according to "Standard & Poor's Global Reinsurance Highlights 2010".

Following its integration of Revios and Converium, SCOR restructured its operations around six regional management platforms, or "Hubs." Each of the Hubs has local, regional and Group responsibilities, with the heads of each Hub reporting to the Group Chief Operating Officer. Each Hub includes the following functions: a Legal and Compliance Officer, a Head of Information Systems, a Head of Finance, a Head of Human Resources and a Risk Manager.

The Hubs were progressively implemented:

- on 5 May 2008 for the Cologne Hub (combined with the Zurich Hub from 1 October 2014);
- on 20 May 2008 for the London Hub;
- on 18 June 2008 for the Americas Hub;
- on 27 June 2008 for the Singapore Hub;
- on 27 January 2009 for the Zurich Hub (combined with the Cologne Hub as from 1 October 2014);
- on 24 February 2009 for the Paris Hub.

For more information on the Hub structure, see "Section 7.1.1.5 - The "Hub" Structure.

On 7 January 2008, SCOR Holding (Switzerland), the former Converium, delisted its American Depositary Shares from the NYSE. SCOR Holding (Switzerland) then requested the deregistration of its securities with the SEC. The deregistration of the securities of SCOR Holding (Switzerland) took place on 4 September 2008. Moreover, at the request of SCOR Holding (Switzerland), the SWX Swiss Exchange (which later became the SIX Swiss Exchange), by order dated 14 November 2007, delisted SCOR Holding (Switzerland)'s shares as from 30 May 2008.

On 10 April 2008, SCOR announced that it has been admitted as a Property and Casualty reinsurer in Brazil. In addition, SCOR completed the formalities for SCOR Global Life US Re Insurance Company to operate as an admitted Life reinsurer in Brazil.

On 21 April 2008, SCOR incorporated its first South-African subsidiary, SCOR Africa Ltd, located in Pretoria, to develop its Life and Non-Life reinsurance business.

On 31 July 2008, SCOR SE entered into an agreement with the Malakoff Médéric Group, the leading group in the French social protection market (providing supplementary retirement, health insurance and contingency plans), in order to acquire 100% of the share capital and voting rights of Prévoyance et Réassurance and its Life and Health reinsurance subsidiary Prévoyance Ré. This acquisition was completed on 24 October 2008, and gave rise to the contribution by SCOR SE to the Malakoff Médéric Group of 3,459,075 of its treasury Ordinary Shares. In addition, Malakoff Médéric Group, in accordance with its commitment, acquired on the market, as from November 2008, an additional number of SCOR SE shares enabling it to hold 3% of the share capital and voting rights of SCOR SE. Malakoff Médéric Group was later appointed as a director on the Board of Directors of the Company. Through this acquisition, SCOR increased its leading role in the French Life and Health reinsurance market and the social protection reinsurance market.

On 29 October 2008, SCOR announced its decision to create SCOR Global Investments SE, its asset management company (*société de gestion de portefeuille*) and third operational entity within the Group along with SCOR Global P&C

SE and SCOR Global Life SE. This new company, incorporated on 2 February 2009, carries the asset management of SCOR's investment portfolio and implements the investment strategy as determined by the Group's Investment Committee chaired by the Group Chairman and Chief Executive Officer. SCOR Global Investments SE was approved by the French market regulator (*Autorité des marchés financiers or "AMF"*) as a portfolio management company with effect from 15 May 2009. As a regulated asset management company, SCOR Global Investments SE carries out its activities on an arms-length basis and with the operational independence required under Article L. 214-9 of the French monetary and financial code.

On 27 November 2008, SCOR announced its decision to establish a fully-fledged composite subsidiary to continue to develop its Life and Non-Life activities in Russia. SCOR Perestrakhovaniye has been incorporated in December 2008 in Moscow and obtained its license to operate in 2009.

On 18 July 2009, SCOR Global Life US Reinsurance Company, a wholly-owned subsidiary of the Group, reached a definitive agreement to acquire XL Re Life America Inc., a subsidiary of XL Capital Ltd, for an amount of EUR 31 million. The acquisition closed on 4 December 2009. The acquisition helped SCOR Global Life SE strengthen its services in the mortality protection field and reinforce its position in the US Life reinsurance market.

On 18 November 2009, SCOR Global Life launched SCOR Telemed to prove clients with value-added services in the field of tele-underwriting.

On 1 November 2010, Lloyd's Market Franchise Board gave its "in principle" approval to the creation of Channel Syndicate 2015. SCOR is the sole capital provider for Channel Syndicate, which in 2011 had an initial annual stamp capacity of GBP 75 million. Underwriting by the Channel Syndicate began on 5 January 2011. The portfolio of Channel Syndicate focuses on direct insurance business in markets, including property, marine, accident and health, financial institutions and professional civil liability.

On 21 December 2010, the Mexican Ministry of Finance granted SCOR Global Life SE a license to set up a representative office in Mexico, under the name of SCOR Global Life SE Oficina de Representación en Mexico. This office supports the activity of SCOR Global Life SE on the Mexican, Central American and Caribbean markets. Effective opening of these offices occurred in January 2011.

On 20 January 2011, SCOR successfully placed on the Swiss franc market perpetual subordinated notes with a first call date in August 2016, for an aggregate total amount of CHF 400 million.

On 11 May 2011, SCOR successfully placed CHF 225 million additional perpetual subordinated notes on the Swiss franc market. These notes are interchangeable with those of the placement announced on 20 January 2011, and the conditions are similar to those of this placement.

On 18 May 2011, SCOR Global Life opened a subsidiary in Sydney (Australia) for the Australian and New Zealand markets, after the Australian Prudential Regulation Authority granted SCOR Global Life Australia Pty Limited the authorization to conduct reinsurance business in the Australian market.

On 8 July 2011, the subsidiary of SCOR SE, SCOR Alternative Investments SA, was registered by the Commission de Surveillance du Secteur Financier ("CSSF") in Luxembourg as a company in charge of the management of the portfolio of assets specialized in the asset class, known as "Insurance-Linked Securities" ("ILS"). SCOR Global Investments SE having then obtained the approval from the CSSF to manage its ILS portfolios, SCOR Alternative Investments SA was sold on 17 April 2014.

On 18 July 2011, SCOR closed the sale of its subsidiary Investors Insurance Corporation ("IIC") to Athene Holding Ltd., as initially announced on 16 February 2011, for USD 57 million. With the sale of IIC, SCOR substantially exited the US fixed annuity business, which was a direct insurance business.

On 25 July 2011, SCOR Global Life, which already held 50% of the capital of SOLAREH SA, acquired the remaining 50% by purchasing shares from Solareh International Inc. As part of the integration of SOLAREH SA into SCOR, the company was renamed REHALTO SA in September 2011.

On 9 August 2011, SCOR finalized the acquisition of the mortality portfolio of Transamerica Re, a part of AEGON N.V. The transaction also includes the acquisition of an Irish legal entity, which underwrites Transamerica Re business. The total consideration for the acquired business amounted to USD 919 million, including a statutory capital of USD 497 million for the Irish entity at the closing date. This acquisition was financed without issuance of new shares. Transamerica Re was the world's 3rd largest Life reinsurer in the US based on the volume of its business in 2009 and the 7th largest reinsurer based on its net earned premium in 2010. SCOR Global Life and Transamerica Re business have been merged into a new entity SCOR Global Life in North America: SCOR Global Life Americas Reinsurance Company ("SCOR Global Life Americas").

On 31 August 2011, SCOR launched Atropos SICAV-SIF ("Atropos"), ILS fund dedicated to insurance risks, which was previously managed by its former subsidiary SCOR Alternative Investments SA and now by SCOR Global investments SE, and domiciled in Luxembourg. This fund enables institutional investors to benefit from extreme natural catastrophe market risks, such as hurricanes, earthquakes and storms. ILS investments are not correlated to the financial markets, offers high historical yields and facilitates real investment portfolio diversification. With USD 100 million in seed capital provided by the Group, Atropos marks the Group's entry into the business of third-party asset management. From the end of 2011, the Group opened to external clients an important number of its funds handled by SCOR Global Investments.

In June 2012, SCOR Global P&C created a branch in Argentina.

On 10 September 2012, SCOR successfully placed on the Swiss franc market perpetual subordinated notes with a first call date in June 2018, for an aggregate total amount of CHF 250 million.

On 24 September 2012, SCOR successfully increased its recently placed perpetual subordinated notes by CHF 65 million to a cumulated issuance of CHF 315 million, following the strong market demand.

With effect on 14 January 2013, the CSSF approved the fund, SCORLUX SICAV-SIF, established by SCOR Global Investments SE in Luxembourg and dedicated to investments in SICAV funds.

On 4 March 2013, with effective date 1 January 2013, SCOR Global Life entered into a VIF (Value of In-Force) monetization transaction with BBVA Seguros, a Spanish leading insurance company, to reinsure a whole block of life risk insurance policies written by BBVA Seguros until 31 December 2012. SCOR Global Life Reinsurance Ireland PLC pays circa EUR 630 million of reinsurance commission to write this business and receives the current reserves of the acquired block at the inception of the treaty.

On 29 May 2013, SCOR acquired a 59.9 % stake in the capital of MRM S.A., a listed real estate company subject to the French REIT régime ("Régime des sociétés d'investissements immobiliers cotées" or "SIIC"), as part of a cash capital increase, after the restructuring of MRM S.A. group's banking and bond debts. This investment amounts to EUR 53.3 million.

On 10 September 2013, SCOR successfully placed on the Swiss franc market perpetual subordinated notes with a first call date on 30 November 2018, for an aggregate total amount of CHF 250 million. The first installment of the early repayment SCOR option is set to occur on 30 November 2018.

On 1 October 2013, SCOR finalized the acquisition of the Generali life reinsurance operations in the US (Generali U.S. Holdings, Inc. "Generali U.S.", after having obtained all the necessary regulatory approvals. Further to this transaction, the main operating company, Generali USA Life Reassurance Company changed its name to SCOR Global Life USA Reinsurance Company.

This acquisition, which was announced on 4 June 2013, amounted to a total consideration of EUR 573 million (USD 774 million) including a 2013 earnings adjustment. The transaction was financed by SCOR without the issuance of new shares. The combination of SCOR Global Life Americas and Generali U.S. creates the market leader in the US Life reinsurance market.

On 4 December 2013, SCOR Global Life SE, a subsidiary of SCOR SE, entered into an innovative longevity transaction with the Netherlands-based insurer Aegon. The transaction covers underlying longevity reserves in the Netherlands of EUR 1.4 billion. It has a maturity of 20 years with a commutation reflecting an estimation of the remaining exposure at year 20. SCOR is taking a leading role with a 50% share in reinsuring the residual trend risk. The effective date of the transaction is retrospectively 1 January 2013.

On 6 March 2014, SCOR Global Life SE entered into a longevity transaction with the UK-based insurer Aviva. The transaction covers pensions in payment of some 19,000 pensioners who are members of the Aviva Staff Pension Scheme. The risk of these members living longer is transferred from Aviva's pension scheme to the reinsurance market. The associated liabilities are approximately GBP 5 billion, which makes this the largest pension scheme longevity swap completed to date globally. SCOR is assuming a meaningful portion of this risk. The effective date of the transaction is 1 January 2014.

On 28 March 2014, SCOR Global Life SE entered into a VIF (Value of In-Force) monetization transaction with Mediterráneo Vida, a Spanish insurance company fully owned by Banco Sabadell. This transaction, effective 1 January 2014, will reinsure a portfolio of life policies, covering mortality and permanent disability risks, written by Mediterráneo Vida up to 31 December 2013.

On 1 April 2014, SCOR announced that it had obtained approval from Lloyd's, the Financial Conduct Authority and the Prudential Regulatory Authority of the UK to launch a Managing Agent at Lloyd's. The new Managing Agency, "The Channel Managing Agency Limited", will act as Managing Agent for SCOR's own Lloyd's syndicate, Channel 2015, with effect from 1 April 2014.

On 23 June 2014, SCOR announced the merger of Hubs existing Cologne and Zurich Hubs, to further strengthen its organizational structure in Europe. The new Hub is effective as of 1 October 2014 and is expected to be fully completed in the first quarter of 2015.

On 1 September 2014, SCOR announced the creation of a local entity in Brazil, SCOR Brasil Resseguros SA (SCOR Brasil Re), following the license to operate as a Local Reinsurer granted by the Brazilian insurance authority SUSEP on 26 August 2014.

On 24 September 2014, SCOR successfully placed perpetual subordinated notes on the Swiss franc market in the amount of CHF 125 million. The net proceeds of the notes issue will be used for general corporate purposes.

On 25 September 2014, SCOR successfully placed perpetual subordinated notes on the Euro market in the amount of EUR 250 million. The net proceeds of the notes issue will be used for general corporate purposes.

5.2 Investments

5.2.1 PRINCIPAL INVESTMENTS MADE OVER THE PAST THREE FINANCIAL YEARS

Refer to Section 20.1.6 – Notes to the consolidated financial statements - Note 26 - Insurance and financial risk for the detailed ranking by maturity of fixed-term investments in the Group’s portfolio as at 31 December 2014.

Refer to Section 4.2.1 – SCOR faces risks related to its fixed income investment portfolio - and 4.2.2 – SCOR faces risks related to its equity based portfolio, for a description of risk management connected with its investments in debt instruments and equity securities - and 4.2.3 - SCOR is exposed to other risks arising from the investments it owns. Refer to section 5.1.5 - Important events in the development of the issuer's business.

Refer to Section 6.1.5 – Investments.

Refer to Section 8 – Property, plant and equipment for a description of our risk management with our investments in real estate.

5.2.2 PRINCIPAL INVESTMENTS IN PROGRESS

None.

5.2.3 PRINCIPAL FUTURE INVESTMENTS

SCOR's success relies on the consistent implementation of the four principles on which its strategic plans, “Dynamic Lift”, “Strong Momentum” and now “Optimal Dynamics” are based: a strong franchise, a high diversification, a controlled risk appetite and a robust capital shield. Success in implementing such a strategy requires that, at regular intervals, the Group assesses whether opportunities which may present themselves relating to the optimization of its business portfolio via acquisitions and cessions and which would be likely to deliver value for its shareholders are in line with this consistent set of principles. Thus, the closing of such operations should only occur within this consistent framework, in the best interest of SCOR SE.

BUSINESS OVERVIEW

6 BUSINESS OVERVIEW

Between 2002 and 2014, SCOR developed and implemented five three-year strategic plans to strengthen its balance sheet and achieve its profitability goals through an underwriting policy focused on profitability, including optimum capital allocation throughout the business cycle, and by maintaining its strong customer base and franchise in its core geographical areas, Europe, North & Latin America, Asia Pacific and focusing on developing countries for the rest of the world. The Group's acquisitions of Revios (in 2006), Converium (in 2007), Transamerica Re (in 2011) and Generali U.S. (in 2013) contributed to the diversification strategy by balancing the proportion of the consolidated premiums written between its Non-Life and Life divisions.

In September 2013, SCOR launched a new three-year strategic plan, “Optimal Dynamics,” which followed the previous strategic plan for 2010-2013, “Strong Momentum.”

This plan covers the period mid-2013 to mid-2016 and respects the four cornerstones of the Group - strong franchise, high diversification, controlled risk-appetite and robust capital shield. Continuing on from “Back on Track”, “Moving Forward”, “Dynamic Lift” and “Strong Momentum”, “Optimal Dynamics” is the fifth strategic plan drawn up and implemented by the Group under the chairmanship of Denis Kessler. This plan was approved by the Board of Directors during its meeting of 31 July 2013. With it, the three-year strategic plan “Strong Momentum”, launched in September 2010 and updated following the acquisition of Transamerica Re in August 2011, has come to a successful conclusion.

The two specific targets of “Optimal Dynamics” are:

- a ROE of 1000 basis points above the three-month risk-free rate over the cycle;
- a solvency ratio in the 185-220% range (percentage of SCR, according to the Group Internal Model) [(1)]

During its annual Investors’ Day held on the 10th of September 2014 in London, SCOR’s Executive Management team, led by Denis Kessler, presented an overview of the successful achievement of the “Optimal Dynamics” strategic plan in its first year and set forth why the company’s business model is fit for today’s environment.

One year after its launch, SCOR is on track with the execution of its “Optimal Dynamics” strategic plan, combining growth, solvency and profitability.

The Group also affirmed its consistent shareholder remuneration policy.

“Optimal Dynamics” also further refines the Group’s risk profile and capital management. Retrocession strategy is optimized, Assets and Liabilities Management (ALM) strategy enhanced and solvency governance strengthened. Moreover, the Group’s structurally long liquidity position remains strong thanks to the significant operating cashflow from its business engines.

The plan respects the SCOR’s four strategic cornerstones, which are:

- a strong franchise, achieved by:
  - deepening its presence in the local Property & Casualty and Life markets in which SCOR operates by strengthening client relationships and through best-in-class services and product innovation, and by;
  - expanding into new markets through organic growth;
- high diversification, achieved both by Non-Life and Life business diversification and by geographical presence, providing higher stability of results and robust required capital diversification benefits;
- a controlled risk-appetite, on both sides of the balance sheet, and;
- a robust “Capital Shield” policy, with a four layer-framework that is optimized according to severity and frequency levels of risks:
  - traditional retrocession, which includes a combination of proportional / non-proportional, per-event and aggregate covers;
  - alternative risk-transfer solutions, which include the securitization of catastrophic risk in the form of catastrophe bonds and a Mortality risk transfer contract (see Section 6.1.3 Underwriting, Distribution, Catastrophe Risk, Claims and Reserves and Section 20.1.6 - Notes to the consolidated financial statements, Note 8 - Derivative instruments) and provide multiyear protection that is not dependent on short-term market fluctuations;
  - solvency buffer, defined as the amount of capital above the Solvency Capital Requirement (SCR) having an annual probability of total erosion of 1 in 33 (3%);
  - contingent capital facilities, which are designed as tools of last resort. See Section 20.1.6 - Notes to the consolidated financial statements, Note 8 - Derivative instruments - Contingent capital facility.

SCOR continues to execute its business initiatives as defined in the plan and continues to focus on capital optimization and technical profitability, in order to provide added value to all its stakeholders.

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(1) This is the ratio between the available capital and the Solvency Capital Requirement (SCR)

SCOR's risk appetite framework

SCOR's risk appetite framework is an integral part of the Group's strategic plan. It is approved by the Board of Directors in connection with the review of new strategic plans, based on recommendations from the Group's Executive Committee and the Risk Committee of the Board of Directors (the "Risk Committee"). The Board of Directors may vary the amount and the composition of risk that the Group is prepared to take.

SCOR's risk appetite framework encompasses four concepts: Risk Appetite, Risk Preferences, Risk Tolerances, and "footprint" scenarios:

Risk Appetite

Risk appetite defines the quantity of risk that SCOR wishes to accept to achieve a desired level of profitability. This determines where the Group wishes to position itself on the assumed risk-expected return spectrum, between extremely risk averse (low risk-low return) and extreme risk taker (high risk-high return). SCOR uses a target solvency ratio as well as a target expected profitability. These two components provide a comprehensive definition of its risk appetite. The Group actual solvency ratio and the retained profitability profile are regularly reported to the Board of Directors via the Risk Committee.

Risk Preferences

Risk preferences are qualitative descriptions of the risks which SCOR is willing to accept. The Group aims to cover a wide range of reinsurance risks and geographical areas. On the other hand, it has no desire to take operational, legal, regulatory, tax and reputational risks. This does not mean that the Group is immune to these risks. These risk preferences determine the risks to be included, in the Group's underwriting guidelines.

Risk Tolerances

Risk Tolerances are the limits required by SCOR's stakeholders (e.g., clients, shareholders, regulators etc.). The Board of Directors defines and approves risk tolerance limits for the Group in terms of solvency, by risk driver, and extreme scenario in order to ensure that the Group's risk profile remains aligned with its risk appetite framework. SCOR uses various risk measures to verify that its exposures remain within these limits. These measures can take several forms depending on the technical constraints or the level of information available and are based on either internal model outputs, scenarios or expert opinions.

"Footprint" scenarios

Footprint scenarios are an innovative and complementary risk management tool. Whereas risk drivers and extreme scenarios are probability-based, the footprint approach consists in carrying out an impact assessment on the Group under a deterministic scenario. This approach is complementary to a probability-based view. Taking into account SCOR's current exposure and all risk mitigation instruments, footprint scenarios provide the impact assessment of past events on the Group's actual solvency ratio, liquidity, and own operations. SCOR regularly produces and evaluates footprint scenarios, providing comfort that the impact of such events on the Group's current solvency would be limited.

6.1 Primary activities

6.1.1 THE REINSURANCE BUSINESS

6.1.1.1 Principles

Reinsurance is a contract under which a company, the reinsurer, agrees to indemnify an insurance company, the ceding company, against all or part of the primary insurance risks underwritten by the ceding company under one or more insurance contracts. Reinsurance differs from insurance, primarily because of its higher level of mutualization by geography and by line of business.

6.1.1.2 Functions

Reinsurance provides four essential functions:

- it offers the direct insurer greater security for its equity and solvency, as well as protection against the potentially high volatility of results when abnormally high frequency or severity of losses or events occur, by covering the direct insurer above certain contractually set amounts per event or in the aggregate;
- it allows insurers to increase the maximum amount they can insure for a given loss or series of losses by enabling them to underwrite a greater number of risks, or larger risks, without excessively raising their need to cover their solvency margin and, therefore, to increase their shareholders' equity;
- it gives access to substantial available liquidity to insurers in the event of major loss events, and;
- it provides insurers with efficient substitute capital solutions.

Reinsurance, however, does not discharge the ceding company from its liability to policyholders. Reinsurers themselves may feel the need to transfer some of the risks underwritten and/or some of the accumulated exposures derived from such risks to other reinsurers (known as retrocessionaires).

In addition, reinsurers may also provide advisory services to ceding companies by:

- defining their reinsurance needs and devising the most effective reinsurance program to better plan their capital needs and solvency margin;
- supplying a wide panel of support services, particularly in terms of the sharing of know-how, best practices and risk assessment, modeling and management tools;
- providing expertise in certain highly specialized areas such as the analysis of complex risks and risk pricing; and
- enabling ceding companies to build up their business with less upfront capital requirement, particularly when launching new products requiring heavy investment or financing or when they invest in new markets by starting their own operations or acquiring portfolios or companies.

Reinsurers, including SCOR, are usually compensated for the provision of such advisory services through the cedents' reinsurance premiums, rather than through fee-based compensation.

6.1.1.3 Types of reinsurance

A. Treaty and Facultative

The two basic types of reinsurance arrangements are treaty and facultative reinsurance.

In treaty reinsurance, the ceding company is contractually bound to cede and the reinsurer is bound to assume a specified, contractually defined portion of a type or category of risks insured by the ceding company. Treaty reinsurers, including SCOR, do not separately evaluate each of the individual risks assumed under their treaties and, consequently, after a review of the ceding company's underwriting practices, such reinsurers are dependent on the original risk underwriting decisions made by the ceding company's primary policy writers.

Such dependence may expose reinsurers in general, including SCOR, to the possibility that the ceding companies have not adequately evaluated the risks to be reinsured and, therefore, that the premiums ceded in connection therewith may not adequately compensate the reinsurer for the risk assumed. The reinsurer's evaluation of the ceding company's risk management and underwriting practices and policies, as well as claims settlement practices and procedures, therefore, will usually impact the pricing of the treaty.

In facultative reinsurance, the ceding company cedes and the reinsurer assumes all or part of the risks covered by a particular specified insurance policy or by insurance policies related to a specific ultimate group insured in the same program. Facultative reinsurance is negotiated separately for each insurance contract that is reinsured. Facultative reinsurance is normally purchased by ceding companies for individual risks not covered by their reinsurance treaties, for amounts in excess of the monetary limits of their reinsurance treaties and for unusual risks. Underwriting expenses and, in particular, personnel costs, are higher relative to premiums written on facultative business because each risk is individually underwritten and administered. The ability to separately evaluate each risk reinsured, however, increases the probability that the underwriter can price the contract more accurately to reflect the risks involved.

B. Proportional and non-proportional reinsurance

Both treaty and facultative reinsurance can be written on (i) a proportional (or quota share) basis and/or (ii) a non-proportional (or excess of loss or stop loss) basis.

With respect to proportional (or quota share) reinsurance, the reinsurer, in return for a predetermined portion or share of the insurance premium charged by the ceding company, indemnifies the ceding company against the same portion of the losses of the ceding company under the covered insurance contract(s). In the case of reinsurance written on a non-proportional, through an excess of loss or a stop loss, basis, the reinsurer indemnifies the ceding company against all or a specified portion of loss sustained, on a claim by claim basis or for amounts incurred, in excess of a specified amount, known as the ceding company's retention or reinsurer's attachment point, and up to a negotiated reinsurance contract limit.

Although the frequency of losses under a quota share reinsurance contract is usually greater than on an excess of loss contract, it is generally simpler to predict the losses on a quota share basis and the terms and conditions of a quota share contract can be structured to limit the indemnity offered under the contract. A quota share reinsurance contract therefore does not necessarily imply that a reinsurance company assumes greater risk exposure than on an excess of loss contract.

Excess of loss reinsurance is often written in layers. One or a group of reinsurers accepts a tranche or layer of risk above the ceding company's retention up to a specified amount, at which point another reinsurer or a group of reinsurers accepts the next layer of liability. Stacking layers protecting the same underlying portfolio are called a *program*, and after protection from the top layer is exhausted liability reverts to the ceding company. The reinsurer taking on the risk just above the ceding company's retention layer is said to write primary or working layer or low layer excess of loss reinsurance. A loss that reaches just beyond the ceding company's retention will create a loss for the lower layer reinsurer, but not for the reinsurers on the higher layers. Loss activity in lower layer reinsurance tends to be more predictable than that in higher layers due to a greater historical frequency, and therefore, like quota share reinsurance, underwriters and actuaries have more data to price the underlying risks with greater confidence.

Premiums payable by the ceding company to a reinsurer for excess of loss reinsurance are not directly proportional to the premiums that the ceding company receives because the reinsurer does not assume a directly proportionate risk. In contrast, premiums that the ceding company pays to the reinsurer for quota share reinsurance are proportional to the premiums that the ceding company receives, consistent with the proportional sharing of risk. In addition, in quota share reinsurance, the reinsurer generally pays the ceding company a ceding commission. The ceding commission is usually based on the ceding company's cost of acquiring the business being reinsured, including commissions, premium taxes, assessments and miscellaneous administrative expense, and also may include a profit factor in turn for producing the business.

6.1.2 BREAKDOWN OF THE GROUP'S BUSINESS

The Group is organized into two operating divisions and one corporate cost center referred to as "Group Functions". The operating divisions are: the SCOR Global P&C division, with responsibility for the property and casualty insurance and reinsurance (also referred to in this Registration Document as "Non-Life" or the "Non-Life division"); and the SCOR Global Life division, with responsibility for the life reinsurance (also referred to in this Registration Document as "Life" or the "Life division"). These two divisions represent SCOR's two "operating segments" for purposes of IFRS 8 and are presented as "operating segments" in its consolidated financial statements, included in Section 20.1.6. However, in accordance with longstanding management convention, the Group uses the term "divisions" in this Registration Document, rather than "operating segments". Each operating division underwrites different types of risks and offers different products and services, which are marketed via separate channels; responsibilities and reporting within the Group are established on the basis of this structure.

The SCOR Global P&C division operates in four business areas being: Property and Casualty Treaties; Specialty Lines (including Credit & Surety, Inherent Defects Insurance, Aviation, Space, Marine, Engineering, Agriculture and Alternative Solutions); Business Solutions (large corporate accounts underwritten essentially on a facultative reinsurance basis and occasionally as direct insurance for industrial groups and services companies); and Business Ventures and Partnerships.

The SCOR Global Life division underwrites Life reinsurance in the following business areas: Protection (which provides protection for Mortality, Disability, Long-Term Care, Critical Illness, Health and Personal Accident), Financial Solutions (which enables cedents to fund growth, stabilize earnings and optimize solvency) and Longevity (which alleviates the risk of insured clients' living longer).

SCOR writes direct insurance, primarily on a business-to-business basis to cover on P&C certain large industrial risks through the Business Solutions domain of SCOR Global P&C and through the participation in Lloyd's syndicates among which Channel 2015, for which SCOR is the sole capital provider as well as through some participations in Business Ventures and partnerships. For a description of products and services, see Section 6.1.2.1 – Non-Life reinsurance. Before the sale of Investors Insurance Corporation, SCOR Global Life also offered fixed annuity contracts in the US direct insurance markets.

SCOR's cost center is referred to in this Registration Document as "Group Functions". Group Functions is not an operating division and does not generate revenues. The costs in Group Functions are Group related costs that are not directly attributable to either the Non-Life or Life division. Group Functions includes the cost of departments fulfilling duties for the benefit of the whole Group, such as the costs for Group Internal audit, Group Chief Financial Officer functions (Group Tax, Group Accounting, Group Consolidation and Reporting), Group Chief Operations Departments functions (Group Legal, Group Communication, Group Human Resources) and Group Chief Risk Control Officer expenses (Group Actuarial, Group Risk Management, Group Prudential Affairs, Internal Model, Embedded Value).

The Group organizes its operations around five regional management platforms, or "Hubs" located in Paris, Zurich/Cologne and London for Europe, Singapore for Asia and New York / Charlotte / Kansas City for the Americas Hub. Each of the Hubs has local, regional and Group responsibilities, with heads of each Hub reporting to the Group Chief Operations Department. Each Hub includes the following functions: a Legal and Compliance Officer, a Head of Information Systems, a Head of Finance, a Head of Human Resources and a Risk Manager. Hub shared service costs are allocated to the divisions based on allocation keys. For a description of the Hub structure, see Section 7.1.1.5 - The Hub Structure.

SCOR Global P&C and SCOR Global Life, through their respective legal entities, are leading global reinsurers, executing an underwriting policy focused on profitability, developing value-added services and adhering to a cautious financial policy. As at 31 December 2014, the Group serves more than 4000 clients throughout the world. SCOR's strategy of offering both Non-Life and Life products provides it with well-balanced diversification benefits (both in terms of risks and geography and markets), which represent a key cornerstone of its strategy.

SCOR Global P&C carries out its operations through a European Company (Societas Europaea) incorporated in France, SCOR Global P&C SE, which has branches in Spain, Italy, Switzerland, the UK, Germany and Argentina and a network of dedicated subsidiaries, branches and representative offices in the UK, the Americas and Asia/Pacific, as well as composite subsidiaries and branches (which also operate in the Life division) in Russia, South Africa, China, Hong Kong and South Korea. SCOR Global Life also carries out its operations through a European Company (Societas Europaea) incorporated in France, through SCOR Global Life SE, which has branches in Germany, the UK, Italy, Spain, Sweden, Switzerland, Austria, the Netherlands, Canada, Asia and representative offices in the USA, Mexico, Taiwan and Israel, through SCOR Global Life Americas Holding in the US, which has a network of entities in North and South America, through SCOR Global Life Reinsurance Ireland in Ireland, through subsidiaries in Europe, Australia and in North and South America, and through composite subsidiaries and branches (which also operate in the Non-Life division) in Russia, South Africa, China, Hong Kong and South Korea.

6.1.2.1 Non-Life reinsurance

SCOR’s Non-Life division is divided into four business areas:

- Property and Casualty Treaties;
- Specialty Treaties;
- Business Solutions (large corporate accounts underwriting); and
- Business Ventures and Partnerships.

A. P&C Treaties

SCOR's Property and Casualty Treaties business area underwrites proportional and non-proportional reinsurance treaties.

Property

SCOR's property treaties typically cover damages to the underlying assets (automobile and industrial and commercial lines of business) and direct or contingent business interruption losses caused by fire or other perils, including natural catastrophes.

Casualty

SCOR's casualty treaties typically cover original risks of general liability, products liability or professional indemnity. Accordingly, they include treaties covering motor liability and general third-party liability. Motor liability reinsurance covers property damage, bodily injuries and other risks arising from the coverage of both drivers and passengers in private vehicles and commercial fleets.

B. Specialty Lines

The Group’s main Specialty reinsurance activities include Credit & Surety, Inherent Defects, Aviation, Space, Marine, Engineering, Agricultural Risks and Alternative Solutions.

SCOR underwrites these risks through proportional and non-proportional treaties as well as facultative reinsurance.

Credit & Surety

Under credit insurance, the insurer covers the risk of losses from the non-payment of commercial debts. Surety insurance is a contract under which a guarantor makes a commitment to a beneficiary to perform the obligation to ensure payment by or to pay the debt of the secured debtor. Political risk insurance covers the risk of losses due to measures taken by a government or similar entity which endangers the existence of a sales contract or commitment made by a public or private citizen of the country in which the covered operations are performed.

Inherent Defects

According to French, Italian and Spanish laws as well as laws in other jurisdictions, or by contractual obligation, inherent defects insurance must be purchased to cover major structural defects and collapse for a certain period, typically ten years after completion of construction.

Aviation

Aviation insurance covers damages caused to aircraft, injuries to persons transported and to third parties caused by aircraft or air navigation, as well as losses resulting from products manufactured by companies in the aerospace sector.

Space

Insurance for the space sector covers the launch preparation, launch, and the in-orbit life operation of satellites, primarily commercial telecommunication and earth observation satellites.

Marine

Insurance for shipping risks includes insurance for hull, cargo and liability for the ships and shipped merchandise as well as shipbuilding insurance. It also includes insurance for offshore oil and gas fixed and mobile units in construction and in operation.

Engineering

Engineering insurance, which is divided into Construction All Risks and Erection All Risks insurance, includes basic Property and Casualty coverage and may be extended to the financial consequences of a delay in start-up (advanced loss of profits) caused by losses indemnifiable under Property and Casualty coverage.

Agricultural Risks

The Group provides insurance/reinsurance solutions in the field of multiple peril crop, aquaculture, forestry and livestock insurance.

Alternative Solutions

To cope with the broader needs of reinsurance buyers in transferring risk, and to benefit from these changes by broadening its services to clients, the Group has developed within the SCOR Global P&C Division a dedicated competency center that provides insurance and corporate clients with a wider range of hybrid reinsurance solutions for the transformation, financing or transfer of risks. The Group is able to assist clients in their active and effective capital management.

This new business unit, launched in May 2014, combines the division's expertise in terms of Structured Risk Transfer (SRT), Alternative Risk Financing (ARF) and Insurance Linked Securities (ILS).

C. Business Solutions (large corporate accounts underwritten essentially on a facultative reinsurance basis and occasionally as direct insurance)

The Group's activity in the Business Solutions area covers all insurable risks of industrial groups and services companies. These risks are underwritten through facultative insurance and reinsurance contracts by SCOR's specialized teams deployed as an international network around two main business departments: "Natural Resources" and "Industrial & Commercial Risks."

Natural Resources

Natural Resources provides coverage to midstream and downstream business (main business sectors being oil and gas, refining, petrochemicals, liquefaction, gasification, power generation and distribution, new energy sources and mining), and to upstream business (oil and gas exploration and production, offshore construction) and shipbuilding industrial groups and oil services companies.

Industrial & Commercial Risks

Industrial & Commercial Risks provides coverage to manufacturing and heavy industries (automotive, pulp and paper, aeronautics / defense, high tech) and finance and services (infrastructures, intellectual services, general contractors, distribution and trading).

Business Solutions is aimed at risk managed enterprises and professional buyers seeking global risk financing solutions. The risks shared with the ceding and/or captive companies are high-value industrial or technically complex risks. In property and casualty lines, such as Property Damage & Business Interruption, Construction All Risks, Erection All Risks, Comprehensive General Liability, Product Liability or Professional Indemnity, the risks involve insured amounts which typically are beyond the ceding companies' own means.

D. Business Ventures and Partnerships

SCOR's Business Ventures and Partnerships business area has historically included the provision of capital to third party businesses, including Lloyd's syndicates. SCOR contributes to several Lloyds syndicates with various participations, including Channel 2015, for which SCOR is the sole capital provider.

SCOR entered a joint-venture agreement with GAUM (Global Aerospace Underwriting Managers) and MDU (Medical Defence Union). The latter ended on the 31 March 2013.

The Group also participates in insurance and reinsurance pools, the main of which are: La Réunion Aérienne, La Réunion Spatiale, Assuratome and Assurpol.

6.1.2.2 Life Reinsurance

SCOR Global Life division underwrites Life reinsurance business in the following business areas [(1)]:

- Protection
- Financial Solutions
- Longevity Solutions

A. Protection

Protection encompasses traditional Life reinsurance business on living and death benefits. Main risks undertaken are mortality, morbidity and behavioral risks for individuals and groups of individuals. Protection is predominantly

(1) In the context of the Optimal Dynamics strategic plan, SCOR Global Life's products were grouped per business area, rather than the nine lines of business disclosed in the 2012 Registration Document and previous financial reporting

underwritten in the form of proportional treaties (quota share, surplus basis or a combination of both). Quota share treaties include straight structures whereby SCOR Global Life's exposure is identical to those of its clients, and risk-based premium structures whereby treaty conditions differ from those of the underlying policies. A minority of the portfolio is underwritten in form of non-proportional contracts: excess of loss per person, catastrophe excess of loss or stop loss.

The Protection reinsurance market, as well as SCOR Global Life's Protection portfolio, are characterized by the dominance of long-term contractual relationships. SCOR Global Life also writes short-term Protection business, in markets and lines in which this is a common practice.

Protection covers the following products and risks in reinsurance arrangements:

Mortality

Mortality protection represents more than 60% of the SCOR Global Life portfolio based on gross written premiums as at 31 December 2014. SCOR Global Life actively underwrites mortality risk in all the geographical markets it operates.

In connection with the October 2007 acquisition of Converium, SCOR Global Life inherited certain retrocession liabilities with regard to Guaranteed Minimum Death Benefit "GMDB" rider options attached to variable annuity policies written in the US Business of this type is not within the usual scope of SCOR Global Life's underwriting policy and these treaties are all in run-off.

The reinsurance portfolios acquired in 2013 in the Generali U.S. purchase and in 2011 from Transamerica Re predominantly cover mortality risk.

Disability

Disability insurance mitigates the loss of income when the insured is totally or partially unable, by reason of sickness or accident, to follow his or her professional occupation or any occupation for which he or she is suited.

Long-Term Care

Long-Term Care ("LTC") insurance covers policyholders unable to perform predefined activities of daily living, and as a result, needing constant assistance from another person.

Critical Illness

Critical Illness ("CI") insurance pays a lump sum benefit, to be used at discretion, if the insured person suffers from a serious condition and survives a defined period.

Health

Health insurance covers medical and surgical expenses incurred by the insured person.

Personal Accident

Personal Accident insurance pays a lump sum benefit if the insured person dies or suffers from a serious injury as a result of an accident.

B. Financial Solutions

Financial Solutions typically combine traditional Life reinsurance with financing components providing liquidity, balance sheet and/or income statement improvements to the client. This type of treaty is typically used by cedents to fund growth, stabilize earnings or optimize solvency (capital relief). Financial Solutions cover also traditional biometric risk.

C. Longevity Solutions

Longevity Solutions refer to products covering the risk of negative deviation from expected results due to the insured or annuitant living longer than assumed in the pricing of insurance covers provided by insurers or pension funds. Longevity Solutions cover traditional biometric risks.

6.1.3 UNDERWRITING, DISTRIBUTION, CATASTROPHE RISK, CLAIMS AND RESERVES

6.1.3.1 Underwriting

Consistent with the Group's strategy of selective market and business division development, SCOR seeks to maintain a portfolio of business risks that is strategically diversified both geographically and by line and class of business. The Group's insurance risk exposure is also mitigated by diversification across a large portfolio of reinsurance contracts. The volatility of risks is also reduced by careful business selection, implementation of underwriting guidelines, the use of retrocession and other risk transfer arrangements and proactive claims handling as well as underwriting, claims and administration audits at ceding companies.

SCOR's underwriting covers reinsurance in Non-Life and Life and occasionally direct insurance in Non-Life. Such underwriting is conducted through duly authorized subsidiaries and branches of the Group, as well as from "The Channel Managing Agency Limited", which acts as Managing Agent for SCOR's own Lloyd's syndicate, Channel 2015, with effect from 1 April 2014.

Underwriting, actuarial, modeling Cat events, claims, accounting and other support staff are located in the Group's five Hubs as well as in local subsidiaries and branches. However, SCOR's overall exposure and control to particular risks and in particular geographic zones is centrally monitored thanks to a unique integrated Group IT system.

Non-Life Business

In order to mitigate its property exposure, the Group retrocedes a portion of the risks it underwrites. See Section 6.1.4 Capital shield policy below for a description of the use of retrocession. SCOR's Non-Life retrocession mainly deals with, but is not limited to, natural catastrophes and large corporate risks for which the Group purchases protection beyond certain levels of frequency and/or severity of losses or impact of events. In particular, it has a global retrocession program, which is revised annually, and which provides partial coverage for catastrophic events, on an occurrence or annual aggregate basis. The retrocession program includes both traditional retrocession as well as the use of alternative risk transfer solutions (e.g., the multi-year securitization of catastrophic risk in the form of catastrophe bonds and the issuance of a new side car facility). See Section 6.1.4 Capital shield policy.

SCOR's underwriting guidelines are more restrictive regarding certain areas with difficult or uncertain legal environments.

The Property and Casualty Treaty underwriters manage client relationships and offer reinsurance support after a careful review and assessment of the cedents' underwriting policy, portfolio profile, exposures and management procedures. They are responsible for writing treaty business as well as associated support on small and medium size facultative risks in their respective territories within the limits of their individually delegated underwriting authority and the scope of underwriting guidelines.

The underwriting teams are supported by the SCOR Global P&C Underwriting Management function, located in the Group's Paris Hub and represented in Singapore's and Zurich/Cologne's Hubs. This function provides worldwide treaty and facultative underwriting guidelines, policies regarding the delegation of capacity, underwriting support to specific lines of business or individual risks when required, ceding company portfolio analysis and risk surveys and is responsible for monitoring and referral of non-standard business and for authorizing exceptions to the underwriting guidelines.

The Property and Casualty Treaty and Specialty Lines underwriting teams are also supported by the SCOR Global P&C actuarial pricing function, headed from Zurich. This function is responsible for the pricing methods and tools to be applied by the pricing actuaries, who team up with underwriters and modelers by market or by lines of business.

Most of SCOR's facultative underwriters work in the Business Solutions domain of SCOR Global P&C, which operates worldwide. This business area is dedicated to large corporate businesses and is geared to provide the clients of SCOR Global P&C with solutions for coverage of large conventional risks.

Underwriting guidelines in place within SCOR Global P&C specify (i) the underwriting rules and principles to be complied with, (ii) underwriting capacities delegated to the underwriters in each of the markets and lines of business in which the Group operates, as well as (iii) the relevant maximum acceptable commitments per risk and per event. They are reviewed and updated annually by the Underwriting Management function and approved by the Chief Executive Officer and Chief Risk Officer of SCOR Global P&C. Any request for deviations from the underwriting guidelines is subject to special referral procedures at two key levels. At the first level, the request is submitted by the underwriting units to the Underwriting Management function, and where applicable, to the Legal Department and/or Finance Department. At the second level, for exposures exceeding certain thresholds or with specified characteristics, the request is submitted by the Underwriting Management function to the Group Risk Management function of SCOR, and to the Chief Executive Officer of SCOR Global P&C.

Pricing guidelines and parameters are set to provide consistency and continuity across the organization but also to take into account differences between markets and lines of business as well as the geographical location of the client and the risks insured. Parameters are revised at least once a year to consider, as the case may be, the changing market conditions and environment. Contracts that meet certain risk thresholds are subject to mandatory peer reviews that have to be performed and documented before the pricing is completed. SCOR Global P&C employs a data system which allows management to monitor and review the results from the pricing tools.

Underwriting cross-reviews are initiated by SCOR Global P&C Risk Management to evaluate the quality of underwriting, pricing and claims handling of particular *business* units or certain lines of business, to identify and assess risks, to evaluate the appropriateness and effectiveness of controls and to propose risk-management measures, including mitigating actions.

Life Business

SCOR Global Life's core business is to reinsure underlying biometric risks, which are the risks related to human life conditions, e.g. in mortality, morbidity and longevity.

As a reinsurer, SCOR Global Life is exposed to adverse developments in these biometric risks, to lapse risks, to anti-selection risks and to pandemic/epidemic risks.

- Biometric risks are diversified on a geographic and a product basis. A significant part of the reinsured premium in respect of Disability, Long Term Care (LTC) and Critical Illness (CI) products includes premium adjustment clauses. In the case of LTC, the premium adjustments are designed to offset potentially worsening incidence or improving longevity of disabled and active lives. In the case of CI, premium adjustments mitigate potential negative impacts on future claims patterns due to a general deterioration in health and improved medical diagnosis.

- Lapse risks are mitigated through appropriate reinsurance treaty clauses, as well as product, client and market diversification.
- Anti-selection risks are mitigated through careful product design and a well-defined medical and financial underwriting selection process.
- Peak Mortality, Disability and Critical Illness risks are covered either by surplus per life retrocession programs, or in some cases, by excess of loss per life or per event retrocessional coverage. Pandemic risk exposure is mitigated by a risk transfer contract with Atlas IX Capital Limited ("Atlas IX") which provides SCOR Global Life with protection against extreme mortality events in the US.

The underwriting of Life business within the Group is under the worldwide responsibility of SCOR Global Life. The clients are life, pension or accident and health insurance companies worldwide. They are served by SCOR's specialized underwriters and actuaries who are familiar with the specific features of the markets in which they operate, in particular with local lines of business and policy conditions, as well as the technical specifics such as mortality tables, morbidity incidence rates and persistency rates. In the Life underwriting process, consideration is typically given to the quality of the client's medical and financial underwriting standards, the target clientele of the ceding company, as well as past experience to the extent credible data is available.

Life reinsurance treaties are underwritten by life reinsurance experts familiar with the specific features of their markets. The Life business is underwritten following internal underwriting and pricing guidelines.

Underwriting and pricing guidelines defined by SCOR Global Life specify the underwriting rules and principles to be complied with, underwriting capacities delegated to the underwriters and pricing actuaries in each of the markets in which the Group operates, as well as maximum acceptable commitments per risk and per event. In particular, these guidelines specify the type and the terms and conditions under which business is considered as acceptable. Furthermore, they set out the retention of SCOR Global Life for various risks and types of covers. They are approved by the Chief Executive Officer, the Chief Actuary, the Chief Risk Officer and the Chief Financial Officer of SCOR Global Life. Business opportunities going beyond the stipulations of these guidelines are subject to a special referral procedure at two key levels in order to ensure that the business respects defined risk-adjusted return criteria and risk tolerance limits. These cases are examined at the SCOR Global Life level by the Life Actuarial and Risk Department, and where applicable, the Finance Department. These departments are located across Cologne and Paris. Cases which may have a significant impact on the balance sheet of the Group are additionally reviewed by the Group Risk Management function. Thresholds or conditions for a referral to Group Risk Management are defined in specific guidelines.

In order to ensure that SCOR Global Life is continually kept up-to-date with biometric trends and scientific developments, SCOR Global Life uses the expertise of five dedicated Research & Development centers within the Life Actuarial & Risk Department to analyze and assess the key factors underlying mortality, longevity, LTC, policyholder behavior, CI and disability risks. The SCOR Global Life Research & Development Centers provide recommendations for the implementation of the research results into the pricing, underwriting control and determination of exposure limits.

6.1.3.2 Distribution by production source

Reinsurance can be written through professional reinsurance brokers or directly from ceding companies. The involvement of a broker in the placement of a reinsurance contract is a decision belonging to the ceding company, which depends on local market practices, the cedent's worldwide reinsurance market knowledge, the complexity of the risks the cedent intends to transfer and the corresponding available reinsurance capacity in the market, the cedent's capability and resources to structuring a market submission data, placing risks and administrating the placements. In most of the cases, reinsurance programs are syndicated to several reinsurers, which follow a leader, and in some instances a co-leader.

The relative amount of brokered and direct business written by the Group's subsidiaries varies according to market and cedent practices.

For the year ended 31 December 2014, Non-Life wrote approximately 58% of gross written premiums through brokers and 42% through direct business, while Life wrote approximately 8% through brokers and approximately 92% through direct business.

For the year ended 31 December 2014, for Life the largest brokers SCOR wrote gross premiums written with were AON Benfield with approximately 3% and Willis with approximately 1%. For Non-Life, the largest brokers that the Group wrote gross premium with were AON Benfield with approximately 21% Guy Carpenter with approximately 15% and Willis Gras Savoye with approximately 10% of total gross written premiums in the Non-Life segment.

The direct reinsurance market remains an important distribution channel for reinsurance business written by the Group. Direct placement of reinsurance enables SCOR to access clients who prefer to place their reinsurance partly or in totality directly with reinsurers based upon the reinsurer's in-depth understanding of the ceding company's needs.

6.1.3.3 Claims

Non-life

The Group's P&C Claims & Commutations function, located in its five Hubs, is in charge of the implementation and overview of the overall claims handling policy for SCOR Global P&C, implementing worldwide control and reporting procedures and managing commutation of portfolios and commitments.

The claims handling function is performed by the claims teams, located in Paris, New York, Zurich/Cologne, London and Singapore, which review, process and monitor reported claims. The P&C Claims & Commutations function supports and controls the day-to-day activity and takes over the direct management of large, litigious, serial and latent claims. Additionally, periodic audits are conducted on specific claims and lines of business, and claims processing and procedures are examined at the ceding companies' offices with the aim of evaluating their claims adjusting process, valuation of case reserves and overall performance.

When needed, recommendations are given to underwriters and local management. Technical and legal assistance is provided to underwriters before and after accepting certain risks.

Life

The Group's Life global claims department, located in Paris, is in charge of tasked with implementing the general claims handling policy for SCOR Global Life, as well as of worldwide control, reporting procedures and commutation management of claim portfolios. The claims handling function is performed by local claims teams, located among other cities in Paris, Charlotte, Kansas City, Zurich, London, Singapore and Cologne that review process and monitor reported claims. The Life Claims Department supports and controls the day-to-day activity and takes over the direct management of large, litigious, serial and latent claims. Additionally, periodic audits are conducted on specific claims and lines of business. Claims processing and procedures are examined at the ceding companies' offices with the aim of evaluating their claims adjusting process, valuation of reserves and overall performance.

When needed, recommendations are given to underwriters and local management. Technical and legal assistance is provided to underwriters before and after accepting certain risks.

6.1.3.4 Catastrophe (cat) Risk and Exposure Controls

SCOR manages its exposure to catastrophes through selective underwriting practices, especially by limiting its exposure to certain events in certain geographic zones, by monitoring risk accumulation on a geographic basis and by retroceding a portion of those risks to other selectively chosen reinsurers.

Non-Life

Catastrophe management is split into three sections under SCOR Global P&C: portfolio accumulation, optimization and procedures; research and development; and modeling in support of underwriting. Descriptive guidelines for each of the main business processes are available: "catastrophe methodologies", "data quality & modeling", "accumulation control", "Cat pricing" and "system & processes". For Cat pricing, a matrix organization described in the guidelines has been implemented in each Hub, distributing the responsibility of Cat pricing to the Cat modelers, the pricing actuaries or the underwriter. In addition, a system of Cat referrals has been introduced in excess of a given threshold.

For all SCOR's property business, it evaluates the accumulations generated by potential natural events and other risks. Pursuant to the rules and procedures, Regional Managers from SCOR's natural catastrophes risks modeling team monitor the structure of the portfolio for each region or country and the data is consolidated under the supervision of the Head of natural catastrophes risks modeling.

The Group tracks natural catastrophe accumulation (earthquakes, wind and flood perils…) for all exposed countries worldwide. Depending on the region of the world and the peril in question, it uses a variety of techniques to evaluate and manage its total exposure. The Group quantifies this exposure and monitors its risk tolerance in terms of a Probable Maximum Loss. It measures this risk metric, taking into account policy limits, as the probable maximum loss caused by a catastrophe affecting a geographic area, such as a storm, hurricane or earthquake, and occurring within a given return period. SCOR estimates that its probable maximum losses for catastrophes, before retrocession, come from windstorms in Europe, hurricanes in the US and Caribbean typhoons in Japan or from earthquakes in Japan or the US.

The Group makes extensive use of proprietary external models from industry-leading catastrophe model suppliers, including Risk Management Solutions RiskLink® ("RMS") and AIR Worldwide Catrader® ("AIR"). In addition, it has access to local cat model expertise for Australia from Risk Frontiers, a commercial provider of tools developed at Macquarie University. Access to multiple external models allows the Group to better appreciate the strengths and limitations of each model and make adjustments where appropriate, and it is well equipped with alumni from the main model providers.

Since 2011, SCOR has operationally used the RMS modeling results format as its common framework for assessing accumulations of natural catastrophe risk, including catastrophe risk management controls (Capacity Monitoring) and provision of data to its internal capital models, and retrocession department.

These tools enable the Group to quantify its exposure in terms of a probable maximum loss ("PML") at various levels of probability for each peril and geographic location. The overall aggregate annual PML per peril, allowing for potential multiple events, provides the information required to determine the level of retrocession and other alternative risk transfer solutions (e.g., catastrophe bonds) that are needed to ensure that the net aggregate exposure is optimized for the group's risk appetite and remains within predefined tolerance limits.

The probabilistic catastrophe modeling approach captures the uncertainty related to the likelihood of a given event occurring (frequency uncertainty) as well as the uncertainty associated with the amount of loss, given that a particular event has occurred (severity uncertainty). A sound understanding of the uncertainties associated with the model's key parameters is essential for the interpretation of the model outcome and thus for decision-making. The outcomes for each model describe a bandwidth of loss estimates and not a unique value. In order to identify and stress-test the key parameters, systematic sensitivity analyses are carried out.

For peril or zones where neither internal nor external models are available, the following approaches are used:

- Pricing is performed based on actuarial techniques using historical losses and other benchmarks.
- Accumulations are performed either on a notional basis (i.e. sum of event limits for underwritten share), or on a "manual PML" basis, applying a mean damage ratio to the peak zone aggregates.

This method is validated by the Research & Development Cat team, who performs comparative studies with other peril/zones of similar hazard and vulnerability characteristics.

See Section 9 - Operating and Financial review for certain data regarding SCOR's catastrophe loss experience

Life

Accumulations of risk particularly exposed to catastrophes or other significant events in the Life business are regularly assessed in group-wide extreme scenarios. Every year, limits for the acceptance of specific catastrophe covers by market are reviewed taking into account the capacities obtained by the retrocession coverage purchased by the Group.

SCOR is making use of the RMS model for infectious diseases in order to assess the exposure to catastrophe risk arising from global and regional pandemics. This exposure is monitored throughout the year against SCOR's defined risk limits and used for decisions on mitigating measures. Specifically designed retrocession programs aim at protecting its Life reinsurance business. One program protects assumed catastrophe excess of loss acceptances; the other protects the retained lines in respect of all other acceptances.

Maximum underwriting capacities are defined to limit SCOR Global Life's exposure on various types of treaties underwritten, proportional and non-proportional, covering individual or Group policies. These capacities are revised each year, taking into account the capacities obtained by the retrocession coverage purchased by the Group. These limits include: maximum commitment per life accumulated for all SCOR exposures, maximum annual commitments for non-proportional cover per life or per event, maximum commitment per country for non-proportional exposures by event. Aggregate portfolio exposures are continually monitored. Specialized information technology software, developed by SCOR allows an inventory of insured persons across SCOR Global Life's markets and is fed with single risk information as received by the client companies. Through this system, an accumulation control is carried out and risks under which the accumulated exposure exceeds SCOR Global Life's retention are identified and retroceded to a pool of retrocessionaires. The retention limits are revised regularly.

6.1.3.5 Reserves

The Non-Life and Life reserves adequacy are controlled on a quarterly basis by internal actuaries at division level as well at the Group level by the Group Chief Actuary who signs off on the reserving adequacy and reports to the Executive committee and to the Audit Committee.

External consulting firms also review on a regular basis the Non-Life reserves. Life reserving assumptions are reviewed as well by an external firm in the framework of the embedded value calculation. If necessary, internal audits of its portfolios are performed.

The Chief Reserving Actuaries of the divisions own the primary role to overview the reserves of their respective division, to assure consistency in the reserving methods and to enhance the reserving governance. The Group Chief Actuary controls the validation and testing of reserving tools, workflows, assumptions and processes.

Centrally defined and tightly controlled reserving process, strong portfolio diversification, prudent reserving policy, sound reserving tools and, state of the art actuarial methods used by highly skilled professionals and high level of transparency, both internally and externally, tends to minimize the risk of inadequate reserves.

However, the Group is subject to all of the factors of uncertainty mentioned above and, in consequence, to the risk that its reserves are inadequate compared to its liabilities.

See Section 4.1.5 - If SCOR's reserves prove to be inadequate, its net income, cash flow and financial position may be adversely affected for further information on reserves.

A. Non-Life business

SCOR regularly reviews and updates its methods for determining outstanding claims reserves and IBNR Reserves. However, it is difficult to accurately value the amount of reserves required, especially in view of changes in the legal environment, which could affect the reserve development.

When a claim is reported to the ceding company, its claims department establishes a reserve corresponding to the estimated amount of the ultimate settlement for the claim. The estimate is based on the cedent's own methods of evaluation. The ceding company reports the claim and its suggested reserve amount to the Group entity with which it concluded its contract of reinsurance. The Group records the ceding company's suggested reserve and is free to establish greater or smaller reserves based on the review and analysis by the Group's claims division. Such greater or smaller potential reserves are based upon the consideration of many factors, including the level of the commitments, seriousness of the claims and the Group's assessment of the ceding company's claims' management.

Conforming to applicable regulatory requirements and in accordance with industry practices, the Group maintains in addition to outstanding claims reserves, IBNR Reserves. These reserves represent:

- the estimated final amount that may be paid by the Group on losses or events that have occurred, but are not yet reported to the ceding company or to the SCOR entity concerned; and
- the estimated cost variation on claims already reported to the Group.

In determining the amount of its reserves, the Group generally uses actuarial techniques that take into account quantitative loss experience data, together with qualitative factors, where appropriate. The reserves are also adjusted to reflect reinsurance treaty terms and conditions, the variety of claims processing that may potentially affect the Group's commitment over time. With the exception of the reserves for worker's compensation in the USA most of the reserves of Commercial Risk Partners ("CRP"), the former Bermudan entity of the Group now in run-off and merged within GSNIC, which are discounted pursuant to American and Bermudan regulations, and French motor annuities, the Group does not discount Non-Life reserves.

A table showing historical changes in reserves for Non-Life claims is provided in Section 20.1.6 - Notes to the consolidated financial statements, Note 16 – Net Contract liabilities.

The Group continues to pursue the active commutations policy of its portfolios initiated in 2003, the main goals being to reduce the volatility of claims reserves, to reduce the administrative costs particularly of the oldest reserves, and to allow the reallocation of capital. This policy will be continued by focusing efforts on the US run-off activities, business exposed to asbestos and pollution risks and some treaties written by the former Converium company acquired by SCOR in 2007.

B. Life business

For SCOR's Life business, it is required to maintain adequate reserves to reflect the liability for future claims and benefit payments resulting from life reinsurance treaties, mainly mathematical reserves and claim reserves for losses.

The mathematical reserves are generally calculated as the present value of projected future payments to cedents less the present value of projected premiums still payable by cedents. The calculation includes assumptions relating to mortality, morbidity, disability, lapse and expected future interest rates.

The mathematical reserves are established on initial recognition of a contract on the basis of the Group's best estimates' assumptions and allow for an adequate safety margin for the risks of change, error and random fluctuation. They are subject to a liability adequacy test.

In determining its best estimates, the Group takes into consideration its past experience, current internal data, external market indices and benchmarks and other relevant information. The contracts' liabilities established by the Group with respect to individual risks or classes of business may be greater or less than those established by ceding companies due to the use of different mortality tables or other assumptions.

Claim reserves for losses and claims settlement expenses are recognized for payment obligations from reinsurance losses that have occurred but have not yet been settled. They are recognized under reserves for reinsurance losses reported before the reporting date and reserves for reinsurance losses that have already been incurred but not yet reported (IBNR). SCOR regularly reviews and updates its methods for determining outstanding claims reserves and IBNR Reserves.

A table showing changes in the mathematical reserves in Life reinsurance is provided in Section 20.1.6 - Notes to the consolidated financial statements, Note 16 – Net Contract liabilities.

As a consequence of the uncertainties described above regarding the correct reserving of risks and their annual revision in Life and Non-Life, there can be no certainty that the Group will not have to increase its reserves in the future, or that the reserves constituted by the Group will be sufficient to meet all its future liabilities, which could materially impact its current and future revenues, net income, cash flow, financial position, and potentially, the SCOR share price.

6.1.4 CAPITAL SHIELD POLICY

Reinsurers typically purchase reinsurance to cover their own risk exposures. Reinsurance of a reinsurer's business is called retrocession. SCOR retrocedes a portion of the risks it underwrites in order to limit its exposures and losses, and it pays premiums based upon the risks and exposures of its facultative and treaty portfolios, subject to such retrocession cover. Retrocession cover is subject to collectability in all cases where the original business underwritten suffers from a loss that falls into the retrocession contractual scope. SCOR remains primarily liable to the direct insurer on all risks reinsured although the retrocessionaire is liable to the Group to the extent of the cover limits purchased. SCOR monitors the financial condition, including ratings, of its retrocessionaires on an ongoing basis. The financial condition is monitored upon receipt of any information on retrocessionaires and automatic feeding of retrocessionaires rating on a quarterly basis, paying particular attention to the retrocessionaires' default risk in the treaty renewal period. The Group meets with the security departments of large reinsurance brokers at least twice a year as part of this monitoring. It also analyzes external studies prepared by the security departments of these reinsurance brokers. It reviews its retrocession arrangements periodically, to ensure that they fit closely to the development of its business, and revise its global retrocession program annually. Furthermore, to reduce the credit risk arising from its retrocessionaires, SCOR requests that certain of its retrocessionaires provide that all or a portion of the receivables from its retrocession contracts be supported by collateral (cash deposits, letters of credit, pledging of securities etc.) in its favor.

For further information see Section 4.1.6 – SCOR may be adversely affected if its cedents, retrocessionaires, insurers or members of pools in which it participates do not respect their obligations and Section 4.1.14 – SCOR is exposed to losses due to counterparty default risks or credit risks.

Retrocession procedures are centralized in the retrocession function of the Non-Life and Life divisions. The level of retrocession is selected each year to ensure that SCOR's retained risk profile respects the specific Group risk tolerance limits, to help achieve its return on capital and solvency objectives. The Group utilizes a variety of retrocession agreements with non-affiliated retrocessionaires to control its exposures to large property losses. In particular, it has implemented an overall program set in place on an annual basis that provides coverage for a series of major catastrophic events within one occurrence year. A major event is likely to be a natural catastrophe such as an earthquake, a flood, a windstorm, a hurricane or a typhoon in a region where SCOR has major aggregate exposures stemming from the business written.

SCOR's Capital Shield Policy includes traditional retrocession as well as the use of alternative risk transfer solutions (e.g., the multi-year securitization of catastrophic risk in the form of catastrophe bonds) and contingent capital facilities, which are designed as tools of last resort. See below for a description of the securitization of catastrophic risk, the Mortality risk transfer contract and the sidecar collateralized with contingent capital facilities. The credit risk that SCOR may be exposed to through these alternative risk transfer solutions can be more limited than the credit risk related to traditional retrocession arrangements because alternative retrocession is usually fully collateralized. Although some traditional retrocessions are also collateralized, the credit risk associated with it depends on the retrocessionaire's rating. See Section 4.1.15 – SCOR is exposed to the risk of no longer being able to retrocede liabilities on economically viable terms and conditions and Section 4.1.2 – SCOR is exposed to losses from catastrophic events for more information on the risks related to the retrocession.

An analysis of the share of retrocessionaires in contract liabilities by rating of the retrocessionaires and collateral from retrocessionaires in favor of SCOR at 31 December 2014 and 2013 is presented in Section 20 – Financial information concerning the issuer's assets and liabilities, financial position and profits and losses, Note 16 – Net Contract liabilities and Note 21 – Net results of retrocession.

Atlas V, VI, VII - Catastrophe Bonds Special Purpose Vehicles

The Group seeks to reduce its dependence on traditional retrocession and diversify its strategy in light of a potentially continued volatile retrocession market by using alternative risk transfer solutions, which includes the securitization of catastrophic risk in the form of catastrophe bonds. Accordingly, on 19 February 2009, three multi-year property catastrophe agreements were concluded between SCOR and Atlas V Capital Limited ("Atlas V") and provided the Group with additional protection of USD 200 million for exposures to earthquakes and hurricanes in the US and Puerto Rico. Events were covered for the risk period from 20 February 2009 to 19 February 2012.

On 9 December 2009, SCOR completed its retrocession programs with EUR 75 million Atlas VI transaction which provided EUR 75 million of protection against European windstorms and Japanese earthquakes risks until 31 March 2013.

On 9 December 2010, SCOR placed a catastrophe bond, Atlas VI Capital Limited Series 2010-1, which provided the Group with EUR 75 million of protection against European windstorms and Japanese earthquakes for a risk period extending from 10 December 2010 to 31 March 2014.

On 12 December 2011 SCOR placed a catastrophe bond, Atlas VI Capital Limited Series 2011-1 and 2011-2, which provides the Group with USD 270 million of protection against US Hurricanes and Earthquakes and EUR 50 million of protection against European windstorms, for a risk period extending from 13 December 2011 to 31 December 2014 for the US series and 31 March 2015 for the European series.

This transaction succeeded Atlas V Capital Limited which provided similar geographical cover as Series 2011-1 for an amount of USD 200 million.

Atlas V & VI are special-purpose vehicles incorporated under the laws of Ireland and their notes are placed with various institutional investors. In accordance with IAS 39 "Financial Instruments recognition and measurement", due to the absence of an ultimate net loss clause, contracts concluded between SCOR and these vehicles have been recognized as derivative instruments. They are considered as balance sheet protection (See Section 20.1.6 – Notes to the consolidated financial statements, Note 8 – Derivative instruments).

On 1 November 2012, SCOR successfully placed a catastrophe bond, Atlas Reinsurance VII Limited, which provides the Group with twofold protection of USD 60 million (“Class A Notes”) against US hurricanes and earthquakes, and EUR 130 million (“Class B Notes”) against European windstorms, for a risk period extending from 1 January 2013 to 31 December 2015.

Atlas Reinsurance VII Limited is an Irish reinsurance vehicle. Aon Benfield Securities Inc., Natixis and BNP Paribas managed the transaction and the book on the deal. Standard & Poor's rates Atlas VII Class A Notes at BB-, and Atlas VII Class B Notes at BB.

The loss payments covered by the Class A Notes are based on market share factors applied to the market insured loss, as reported by PCS for the US on an annual aggregate basis. Class B Note losses are covered on per-occurrence basis, using the PERILS index. These Atlas VII catastrophe retrocession agreements have been accounted for as reinsurance contracts in 2013 (See Section 20.1.6 – Notes to the consolidated financial statements, Note 1 (N) Accounting principles and methods specific to reinsurance activities).

Atlas IX - Mortality Risk Transfer Contract

On 11 September 2013, SCOR Global Life entered into a risk transfer contract with Atlas IX Capital Limited (“Atlas IX”), providing the Group with protection against extreme mortality events in the US, such as pandemics, natural catastrophes and terrorist attacks. The risk transfer contract provides USD 180 million of extreme mortality protection, for a risk period extending from 1 January 2013 to 31 December 2018.

The risk transfer contract is based on a US population mortality index that has been weighted by age and gender in order to reflect SCOR Global Life’s portfolio in the US.

According to the structure of the arrangement, a payment will be triggered if, at any time during the risk period, the observed index value exceeds the defined attachment point of 102%. At any index level between the attachment point and the exhaustion point of 104%, Atlas IX Capital Limited will pay to SCOR a pro-rata amount of the notional USD amounts.

Amounts are recorded in the balance sheet representing the derivative asset recognized at fair value through P&L and other liabilities representing the value of interest payments (See Section 20.1.6 – Notes to the consolidated financial statements, Note 8 – Derivative instruments).

Atlas X - Reinsurance Limited

On 6 January 2014, SCOR announced having successfully placed a fully collateralized sidecar, Atlas X Reinsurance Limited (“Atlas X”). It provides the Group with an additional three-year capacity of USD 55.5 million from a new panel of investors. This is in line with SCOR’s policy of pooling in its capital shield all the available capital protection tools, as set out in its new strategic plan “Optimal Dynamics”.

Atlas X is an Irish-domiciled special purpose reinsurance vehicle. Atlas X and SCOR Global P&C SE have entered into a quota share retrocession agreement, effective 1 January 2014, under which Atlas X reinsures a proportional share of SCOR’s diversified property catastrophe portfolios in specific countries. This agreement is accounted for as a reinsurance contract in 2014.

Atlas IX – Catastrophe bond

Subsequent to 31 December 2014, SCOR has sponsored a new catastrophe bond, Atlas IX Series 2015-1, which will provide the Group with multi-year risk transfer capacity of USD 150 million for US Named Storm and US and Canada Earthquake events. This transaction replaces the US tranches of Atlas VI Series 2011-1, which matured on 8 January 2015. The risk period for Atlas IX 2015-1 runs from 11 February 2015 to 31 December 2018. The instrument will be accounted for as a derivative instrument.

Contingent capital facility

On 20 December 2013, SCOR put in place a new contingent capital facility with UBS providing the Group with EUR 200 million coverage in case of extreme natural catastrophe or life events. In addition, subject to no drawdown having already been conducted under the facility, if the price of SCOR shares fall below EUR 10 an individual tranche of EUR 100 million will be drawn down out of the EUR 200 million facility. This equity line facility replaced, as at 1 January 2014, the former EUR 150 million contingent capital facilities which came to an end on 31 December 2013. See Section 20.1.6 - Notes to the consolidated financial statements, Note 8 - Derivative instruments - Contingent capital facility.

6.1.5 INVESTMENTS

Fixed income investments are managed by SCOR Global Investments or by external managers monitored by SCOR. In all cases, investment guidelines are provided to managers and strict monitoring is carried out over the global portfolio by the respective Group entities. The tactical allocation of the global portfolio is defined by the Group Investment Committee which meets each quarter at least. It is chaired by the Group’s Chief Executive Officer and is composed of the Group Chief Financial Officer, the Group Chief Risk Officer, the Chief Economist, the Chief Executive Officer of SCOR Global

P&C and the Chief Executive Officer of SCOR Global Life, the Chief Executive Officer of SCOR Global Investments and other representatives of SCOR Global Investments.

The Group has a prudent investment policy and put great importance on several selection criteria including internal assessments, the rating provided by the rating agencies to the issuer and the liquidity of the securities purchased.

Interest rate risk is managed within the Group primarily at two levels. At the level of each entity, the Group takes into account the regulatory and accounting constraints. At the Group level, SCOR reviews its consolidated investment portfolios in order to identify the overall level of risk and return. It uses analytical tools which guide both its strategic allocation and local distribution of assets. Sensitivity to changes in interest rates is generally analyzed on a weekly basis.

The Group equity selection is predominantly based on a bottom up fundamental analysis with the goal to develop a diversified portfolio of stocks, ETF, mutual funds and convertible bonds. Due to inherent higher volatility of equities, this asset class (direct positions and mutual funds) is monitored on a daily basis, facilitating quick arbitrage or portfolio re-allocation decisions. On a Group level, the equity exposure is decided and reviewed at least quarterly by the Group Investment Committee. The equity risk is also controlled by the definition of maximum exposures per stock or mutual fund and is reviewed regularly (e.g., exposure to large-cap stocks will generally be greater than exposure to mid-cap stocks). The control ratios on mutual funds are also reviewed regularly, based on the mutual fund’s holdings.

At 31 December 2014, SCOR’s total investments and cash were EUR 25,837 million (EUR 23,786 million as at 31 December 2013). The 2014 increase in total investments and cash as compared to 2013 was mainly due to foreign exchange movements and the investment of the Group’s strong operating cash flows.

The portion invested in equities increased from EUR 1,056 million at 31 December 2013 to EUR 1,143 million at 31 December 2014 as a result of tactical allocation. Most of the equity investments were in European companies with large market capitalization. The portion invested in fixed income investments increased from EUR 11,380 million at 31 December 2013 to EUR 13,991 million at 31 December 2014. As set forth in “Optimal Dynamics”, SCOR progressively and selectively increased the duration of its fixed income portfolio while maintaining a strong focus on the financial cash flows to reinvest in the event of a sudden change in the economic and financial environment, while seizing market opportunities. The outlook for the world economy in 2015 and beyond continues to be extremely uncertain, with various possible future outcomes (e.g., low growth, inflation regime, deflation or a progressive or sudden rise in interest rates). SCOR's investment strategy is designed to immunize the Group as much as possible from the negative consequences of these shocks.

The duration of SCOR’s fixed income portfolio including short-term investment increased from 3.4 years at 31 December 2013 to 4.0 years at 31 December 2014.

In terms of credit quality, despite the downgrade of several sovereign and private issuers, the Group maintained the quality of its fixed income portfolio including short-term investments, to a high level with an average rating of "AA-" as at 31 December 2014, the same as last year. In this Registration Document, when the Group refers to the ratings of securities held in its investment portfolio, or the counterparty credit rating of the issuers of such securities, it uses an average of available ratings of the relevant securities and/or issuer published by the applicable nationally recognized statistical rating organizations.

SCOR's total exposure to government bonds and assimilated in its investment portfolio was EUR 5,364 million at 31 December 2014, (compared to EUR 4,449 million at 31 December 2013) of which EUR 1,645 million was invested in government bonds of countries within the EU (EUR 1,709 million at 31 December 2013), primarily Germany, France, the Netherlands and the UK. As at 31 December 2014, SCOR had no government bonds exposure to Greece, Ireland, Portugal, Hungary, Spain or Italy.

SCOR's total exposure to covered and agency MBS in its investment portfolio was EUR 1,940 million at 31 December 2014 (EUR 1,507 million at 31 December 2013). SCOR's total exposure to corporate bonds in its investment portfolio was EUR 5,674 million at 31 December 2014 (EUR 4,609 million at 31 December 2013), of which exposures to Greece, Ireland, Italy, Portugal, and Spain was EUR 180 million (EUR 159 million in 2013), primarily in Italy. SCOR's total exposure to structured and securitized products in its investment portfolio was EUR 1,013 million at 31 December 2014 (EUR 815 million at 31 December 2013).

The portion invested in real estate investments decreased from EUR 861 million at 31 December 2013 to EUR 845 million at 31 December 2014.

The liquidity, defined as cash, cash equivalent, short-term government bonds with maturities above three months and below twelve months and bank overdrafts, has decreased from EUR 2,120 million at 31 December 2013 to EUR 940 million at 31 December 2014.

For further detail on the investment portfolio for the years ended 31 December 2014 and 2013 see Section 20.1.6 - Notes to the consolidated financial statements, Note 6 - Insurance Business Investments. For a table summarizing the investment income of SCOR for the years ended 31 December 2014, 2013 and 2012 see Section 20.1.6 - Notes to the consolidated financial statements, Note 20 – Investment income.

Consolidated Investments portfolios

The following table details the distribution by category of investment of SCOR's total investments and cash, by net carrying value:

	As at December 31					
	2014		2013		2012	
	In EUR million	%	In EUR million	%	In EUR million	%
Real estate investments	845	3.3%	861	3.6%	584	2.6%
Available-for-sale equities	726	2.8%	734	3.1%	1,016	4.5%
Available-for-sale fixed income	13,958	54.0%	11,333	47.6%	9,651	42.7%
Fair value though income equity investments	417	1.6%	322	1.4%	160	0.7%
Fair value through income fixed income	33	0.1%	47	0.2%	56	0.2%
Loans and receivables (excluding short-term investments)	8,854	34.3%	8,275	34.8%	8,266	36.7%
Derivative investments	51	0.2%	94	0.4%	107	0.5%
Short-term investments	93	0.4%	606	2.5%	1,269	5.6%
Cash and cash equivalents	860	3.3%	1,514	6.4%	1,466	6.5%
Total	**25,837**	**100%**	**23,786**	**100%**	**22,575**	**100%**

See Section 20.1.6 – Notes to the consolidated financial statements, Note 6 – Insurance Business Investments for a breakdown of estimated fair values and unrealized gains and losses of fixed income investments by major type of security, including fixed income securities and available for sale as at 31 December 2014, 2013 and 2012.

6.2 Principal markets

SCOR is characterized by its strategic positioning aimed at underwriting risks so as to diversify exposure. To this end, the Group seeks to preserve:

- The diversification of its business by maintaining a broadly balanced business division split between Life and Non-Life reinsurance. The portfolio business volume split for the year ended 31 December 2014 was approximately 56% for Life reinsurance and 44% for Non-Life reinsurance based on gross written premiums.
- The geographic diversification of the Group's business by:
  - operating in a large number of countries, both mature and emerging;
  - maintaining its policy of positioning itself in strong-growth markets as Asia/Pacific and Latin America;
  - operating as a mixed Non-Life and Life reinsurer in China based on the license received in 2011, enabling SCOR to add Life & Health reinsurance services to the existing Non-Life activities, and;
- The diversification of underwritten risks by business areas in Life reinsurance (Protection, Financial Solutions, Longevity) and in Non-Life reinsurance (Property and Casualty Treaties, Specialty Treaties, Business Solutions (large corporate accounts underwriting essentially on a facultative business/occasionally direct insurance) and Business Ventures and Partnerships)

6.2.1 BREAKDOWN OF GROSS PREMIUMS BY DIVISION

In EUR million	2014		2013		2012	
By division						
SCOR Global P&C	4,935	44%	4,848	47%	4,650	49%
SCOR Global Life	6,381	56%	5,405	53%	4,864	51%
TOTAL	**11,316**	**100%**	**10,253**	**100%**	**9,514**	**100%**
By sub-division						
Non Life reinsurance						
Treaties	2,709	55%	2,623	54%	2,502	54%
Business Solutions (facultative)	614	12%	635	13%	616	13%
Specialties	1,036	21%	1,030	21%	935	20%
Joint-Ventures & Partnerships	576	12%	560	12%	597	13%
TOTAL SCOR Global P&C	**4,935**	**100%**	**4,848**	**100%**	**4,650**	**100%**
Life reinsurance						
Protection	5,088	80%	4,407	82%	4,255	88%
Financial Solutions	1,047	16%	863	16%	555	12%
Longevity	246	4%	135	2%	54	-
TOTAL SCOR Global Life	**6,381**	**100%**	**5,405**	**100%**	**4,864**	**100%**

See Section 20.1.6 - Notes to the consolidated financial statements, Note 2 – Segment information, for further detail on the results of the divisions.

6.2.2 DISTRIBUTION BY GEOGRAPHIC AREA

In 2014, SCOR generated approximately 42% of its gross written premiums in EMEA (2013: 47%), with significant market positions in France, Germany, Spain and Italy, 43% of its gross written premiums in the Americas (2013: 39%) and 15% of its gross written premiums in Asia (2013: 14%).

The following table shows the breakdown by gross volume of Life and Non-Life premiums written by geographic area based on the country in which the ceding company operates for treaty business and location of the insured for facultative business:

	Total			SCOR Global Life			SCOR Global P&C		
In EUR million	2014	2013	2012	2014	2013	2012	2014	2013	2012
EMEA	4,754	4,792	4,568	2,103	2,068	1,954	2,651	2,724	2,614
Americas	4,853	4,007	3,697	3,498	2,744	2,462	1,355	1,263	1,235
Asia	1,709	1,454	1,249	780	593	448	929	861	801
Total	**11,316**	**10,253**	**9,514**	**6,381**	**5,405**	**4,864**	**4,935**	**4,848**	**4,650**

6.3 Extraordinary events influencing the principal business and markets

Please refer to http://www.scor.com/en/investors/ratings.html for a summary of SCOR's ratings.

On 20 August 2014, Fitch has raised to “positive” the outlook on the “A+” rating of SCOR SE and its main subsidiaries to reflect, according to Fitch, “SCOR’s improved profitability, strong solvency and financial leverage for its risk profile”.

On 21 November 2013, Standard & Poor's raised the outlook on the "A+" rating of SCOR SE and its main subsidiaries to "positive" as, according to S&P's statement, "capital and earnings expected to rise due to very strong ERM".

On 5 June 2012, Standard & Poor's upgraded to "A+" from "A" the insurance financial strength ratings (IFSR) and long-term counterparty credit of SCOR SE (SCOR) and various guaranteed subsidiaries. All ratings have a "stable outlook".

On 9 May 2012, Moody's Investors Service upgraded the insurance financial strength ratings (IFSR) of SCOR SE (SCOR) and various guaranteed subsidiaries to A1 from A2, and SCOR's subordinated debt rating to A3 from Baa1. All ratings have a "stable outlook".

On 2 May 2012, A.M. Best upgraded the Issuer Credit Ratings (ICR) of SCOR SE and its main subsidiaries from "a" to "a+". They also affirmed the Financial Strength Ratings of "A" (Excellent). The outlook for all ratings is stable.

On 15 March 2012, Fitch Ratings upgraded SCOR's Insurer Financial Strength (IFS) ratings and Long-term Issuer Default Ratings (IDRs) from “A” to “A+”.

6.4 Dependency of the issuer with respect to patents or licenses, industrial, commercial or financial contracts and new manufacturing processes

Please refer to Section 4.1.1 – SCOR is exposed to diverse risk factors in the Non-Life and Life reinsurance businesses, 4.1.6 – SCOR may be adversely affected if its cedents, retrocessionaires, insurers or members of pools in which it participates do not respect their obligations, 4.1.10 – A significant portion of SCOR's contracts contains provisions relating to financial strength which could have an adverse effect on its portfolio of contracts and its financial position, 4.1.11 – Operational risks, including human errors or cyber risks, are inherent to SCOR’s business, 4.2.1 – SCOR faces risks related to its fixed income investment portfolio, 4.2.2 – SCOR faces risks related to its equity-based portfolio, 4.3 – Liquidity risk, 4.6 – Insurance of specific operational risks (excluding reinsurance activity), 11- Research and development, patents and licenses.

6.5 Information on SCOR’s competitive position

SCOR competes for business in the European, American, Asian and other international markets with numerous international and domestic reinsurance and insurance companies, some of which have a larger market share than its own, greater financial resources and, in certain cases, higher ratings from the rating agencies. Competition in the types of reinsurance and insurance that the Group underwrites is based on many factors, including financial strength as perceived by the rating agencies, customers and their brokers, underwriting expertise, reputation and experience in the lines of reinsurance and insurance written, country of operation, premiums charged, the quality of the proposed reinsurance structures, the services offered and the speed at which claims are paid.

SCOR’s competitors include independent and state-owned reinsurance companies, subsidiaries or affiliates of established worldwide insurance companies, and reinsurance departments of certain primary insurance companies. Among the Group’s major competitors there are European reinsurers (for example, Swiss Re, Munich Re and Hannover Re) and US/Bermudian reinsurers (for example, Partner Re, RGA, Ace, Axis Capital, Transatlantic Re, Odyssey Re, General Re and Everest Re). Also Lloyd’s of London is recognized as a major competitor.

SCOR SE and its consolidated subsidiaries has been the world’s 5th largest reinsurer [1] in 2014 and 2013, serving more than 4,000 clients.

6.5.1 NON LIFE REINSURANCE

SCOR Global P&C continued to strengthen its competitive position during the January renewals 2014, both with its existing clients and with new cedents. SCOR Global P&C managed to grow gross premiums by 5% during the January 2014 renewals, to EUR 3.4 billion. .

This continued footprint expansion of SCOR Global P&C has been achieved while maintaining expected net technical profitability stable overall, thanks to its highly diversified portfolio, as shown in the following key performance indicators:

- Quasi-stable prices, at -0.2% on average, with variations in primary insurance prices largely compensating those of reinsurance prices;
- A stable expected return on risk-adjusted allocated capital;
- Better than expected conditions on the retrocession market, generating savings representing a 0.6% positive impact on the combined ratio with slightly improved cat coverage. This nearly neutralized an expected increase in the gross underwriting ratio of 0.9%;
- The projected net combined ratio of the contracts written in the January 2014 renewals was expected to remain flat compared to the January 2013 renewals.

As anticipated and communicated during the 2013 annual Monte-Carlo conference, the January 2014 renewals were characterized by a challenging market environment with:

- A number of large and even mid-size insurers reconsidering their protection strategies and reinsurance buying policies, and restructuring their reinsurance programs;

(1) By Net Reinsurance premiums written, source: “S&P Global Reinsurance Highlights 2014” (excluding Lloyd’s of London)

- The reinsurance market witnessing a tiering of players, to the benefit of the larger and most diversified ones, operating as true multi-liners in terms of pricing and underwriting capabilities, with a global approach to client relationships.

In this context, SCOR Global P&C has been successful in expanding its franchise and crystalizing new business opportunities, while keeping a disciplined underwriting approach, pushing back unsatisfactory terms & conditions and accepting the non-renewal of underpriced business.

The premiums up for renewal at 1 January represent 71% of the total annual volume of treaty premiums and are distributed between P&C Treaties (72%) and Specialty Treaties (28%).

The main business line developments at the 1 January 2014 renewals were as follows:

- For P&C Treaties: gross premiums increased by 6% at constant exchange rates, to EUR 1.927 billion, of which 4 percentage points relate to the renewal of the large quota share deals in Asia.

  SCOR Global P&C continued to diversify its portfolio towards Asia (32% growth), this region now representing 19% of the P&C Treaty portfolio. In all regions, the growth was accompanied by active portfolio management and a successful handling of clients' program restructurings. The global insurers' initiative is bearing fruit, with SCOR achieving growth from this client base despite these clients restructuring and increasing their retentions.

- For Specialty Treaties: gross premiums increased by 4% at constant exchange rates, to EUR 724 million, of which 2 percentage points relate to the renewal of the large quota-share deals in Asia.

  Some segments have benefited from relatively better market conditions, leading to a 6% premium increase in Marine & Energy and a 4% increase in Engineering. The US cat segment represented only 2% of the overall P&C book to be renewed, and witnessed 6% growth thanks to increased shares with large national, multi-national and global insurers, more than compensating the reductions on the regional book where pricing and general conditions often viewed as unsatisfactory.

During the April 2014 renewals, SCOR Global P&C recorded premium growth of 8.5% at constant exchange rates with regard to the EUR 318 million of premiums up for renewal at 1 April 2014. The premiums up for renewal at 1st April represented around 10% of the total annual volume of treaty premiums, with the main countries renewing being Japan, India and the US.

SCOR Global P&C confirmed its leading position in key markets such as Japan and India, achieving strong premium growth and overall expected profitability well within targets.

The premium income growth bears witness to the depth and breadth of the SCOR Global P&C franchise in Asia-Pacific, both in mature and emerging economies, globally across Treaty P&C business and Treaty Specialty lines:

- in Japan, SCOR Global P&C managed to maintain the stability of its P&C Treaty book of business in an otherwise shrinking reinsurance market, characterized by reduced cession levels and the unification of reinsurance programs following mergers and acquisitions realized on this market;
- in India, SCOR Global P&C reaped the fruits of a strong presence on this market, providing a full range of services and engaging in genuine partnerships with cedents. This enabled SCOR Global P&C to seize meaningful opportunities generally speaking, and more specifically in Specialty lines such as Agriculture, Credit & Surety.

The expected technical performance measured in terms of gross underwriting ratio deteriorated by just under 2 percentage points compared to April 2013, while return on allocated capital deteriorated by just under 3 percentage points. The expected profitability trend observed in April 2014 was largely driven by the Japanese market, where non-proportional prices in the Property CAT segment returned to their pre-Tohoku (2011) levels. Excluding the price reductions affecting the non-proportional Property CAT segments, the overall price level was broadly stable.

Looking at the January to April 2014 period versus the same period in 2013, the expected gross underwriting ratio increased by 1 percentage point, while the net underwriting ratio was expected to benefit from savings achieved in the retrocession program, as announced in January. The return on allocated capital was nearly stable. The expected profitability of the overall book renewed in April remained well within SCOR Global P&C targets. Given that profit levels of the April and later renewals tend to be higher than in January, these April renewals contributed to improving the 2014 profitability expectation.

Overall, SCOR Global P&C benefited from the composition of its book of business, with 72% of the premiums renewed in April 2014 relating to proportional business, which benefits from sound and generally improving primary insurance trends. As a result of this, the risk-adjusted price reduction was contained at 2.7% overall. A small increase in proportional reinsurance prices (+ 0.3%) partly compensated an 8.3% reduction on non-proportional segments, especially in Property CAT.

On 31 July 2014, SCOR confirmed its strong franchise in delivering resilient June-July 2014 renewals.

The June-July renewals represent approximately 10% of the total annual volume of SCOR Global P&C premiums, with renewals notably in the USA, Australia and the Latin American countries. An overall written premium volume increase of 4.6% was achieved.

The main business line developments in the June-July 2014 renewals are as follows:

- for P&C Treaties: gross premiums increased by 5.1% at constant exchange rates, to EUR 290 million. This growth came from the Americas and was mainly driven by new business with existing and new clients thanks to SCOR Global P&C's Tier 1 position;
- for Specialty Treaties: gross premiums increased by 3.5% at constant exchange rates, to EUR 126 million, mainly driven by positive business developments in Credit & Surety and Marine.

SCOR Global P&C benefits from its well diversified book of business, with around 60% of the premiums renewed in June-July 2014 relating to proportional business, which benefits from more favorable current primary insurance trends:

- the overall price decrease was 3.2% driven by a 7.3% price decrease on non-proportional business, partly compensated by quasi-stable proportional prices (-0.3%);
- excluding the price reductions affecting the non-proportional Property CAT segments, the overall price decrease would only have been 0.8%;

  the expected technical performance measured in terms of underwriting ratio deteriorated by around 1 percentage point compared to July 2013, while return on risk-adjusted allocated capital deteriorated by 2.5 percentage points. The expected profitability of the overall book renewed in June-July 2014 remained nonetheless above SCOR Global P&C targets and contributed to improving the 2014 year-to-date profitability expectation.

6.5.2 LIFE REINSURANCE

SCOR Global Life ranks among the top five life reinsurers worldwide (1) and has grown by 18.1% in Gross Written Premiums in 2014.

2014 was the first full year of operation of our combined businesses in the US following the acquisition of 100% of Generali U.S. Holdings, Inc. ("Generali U.S."), the holding company of Generali's U.S. life reinsurance operations in October 2013. SCOR Global Life has a strong leadership in the US Life reinsurance market (2), the largest life reinsurance market in the world. During the year, SCOR Global Life has finalized the integration of Generali U.S. and put in place a project to create one common operations platform in North America across multiple sites (Charlotte, Kansas City, Montréal and Toronto).

SCOR Global Life continues to expand its Latin American business. In Brazil the SCOR Global Life branch obtained its local reinsurance license in August 2014.

In Asia, SCOR Global Life has built a strong franchise and continues to develop it.

In 2014, SCOR Global Life increased its new business premiums as compared to 2013, with strong growth in Asia, Australia and Latin America from new clients and increased new business with existing clients.

The Protection business area was the main driver for premium growth. In mortality, its largest activity, SCOR Global Life has maintained or improved its competitive positions in its main markets (US, Europe):

- Mortality: more than 60% of SCOR Global Life's portfolio is traditional mortality reinsurance business, based on 2014 gross written premiums. SCOR Global Life has built strong positions in Mortality in the US, especially thanks to the acquisition of Transamerica Re in 2011 and of Generali U.S.'s reinsurance activities in 2013, as well as in the major European markets.
- Long-Term Care: SCOR Global Life has been pioneering LTC reinsurance solutions in the French market for approximately twenty years, and has acquired a sound practical experience regarding the underwriting and the management of LTC risks. SCOR Global Life has also expanded its geographical scope by introducing its LTC reinsurance coverage to several markets.
- Disability: SCOR Global Life has established strong market positions in disability in many continental Europe markets and Canada. It has recently selectively entered into the Australian disability market in line with SCOR's risk appetite, at pricing levels in line with its profitability target, thanks to hardening market conditions.
- Critical Illness: SCOR Global Life is a market leader in the UK It also leverages its experience and expertise in the UK to expand into selected Asian markets.
- Health represents a small proportion of SCOR Global Life's portfolio. It is a major product line in the markets of the Middle East and is written selectively in Asia, Continental Europe and the Americas.

(1) Based on 2014 Gross Written Premiums

(2) Source: 2013 SOA/ Munich Re survey of US life reinsurance, published in 2014

- Personal Accident also represents a small proportion of SCOR Global Life's portfolio. A main source of Personal Accident business for SCOR Global Life is obtained through its distribution services company, ReMark, which provides direct global marketing of life insurance products to insurers, financial institutions and affinity partners.

In the Financial Solutions business area, SCOR Global Life has built a recognized position on capital and solvency management with important transactions in Europe, the US and Asia. SCOR Global Life underwrote new deals in 2014 in the US, Asia and Latin America. At the beginning of the year, SCOR Global Life successfully monetized a portfolio (Value of In-Force) belonging to Mediterráneo Vida, a Spanish insurance company fully owned by Banco Sabadell. This transaction, effective 1 January 2014, reinsures a portfolio of life policies, covering mortality and permanent disability risks, written by Mediterráneo Vida up to 31 December 2013.

SCOR Global Life has established itself as a recognized leading longevity reinsurer. To date the main active market for SCOR Global Life is the UK, focusing on longevity risk transfer transactions for large in-payment portfolios, but it has also established an active presence in North America and Continental Europe. SCOR Global Life participated in the longevity transaction with the UK-based insurer Aviva in March 2014. The transaction has associated liabilities of approximately GBP 5 billion and SCOR Global Life is assuming a meaningful portion of this risk under a treaty effective 1 January 2014.

Overall in 2014, the solid operating profitability of SCOR Global Life was maintained thanks to a robust technical performance across most regions and business areas.

In November 2014, SCOR Global Life announced several promotions, underlying a number of structural changes. SCOR Global Life is organized around three regions: EMEA (Europe, Middle East and Africa), Asia /Pacific and Americas; and two product lines (Global Financial & Longevity Solutions and Global Distribution Solutions)

The three regions will ensure operating consistency across markets that have common commercial and operational stakes. This structure will help SCOR Global Life be more effective and efficient in supporting its clients and leveraging its know-how, while remaining well –grounded in the local markets.

The Global Financial & Longevity Solutions product line will enable SCOR Global Life to ensure global efforts efficiently connect market potential with SCOR Global Life's risk appetite and Optimal Dynamics commitments, while increasing its win rate and lowering transaction risk by working globally with a common toolkit for complex deals. This global product line will work closely with local market managers, relying on their deep market understanding and client franchise.

In Distribution Solutions, SCOR Global Life has successfully deployed a number of innovative and tailored client services which aim to help insurers expand and develop their own client bases (SCOR Telemed, ReMark, Velogica and Rehalto). This new product line will implement a unified strategy to continue the successful development of these services.