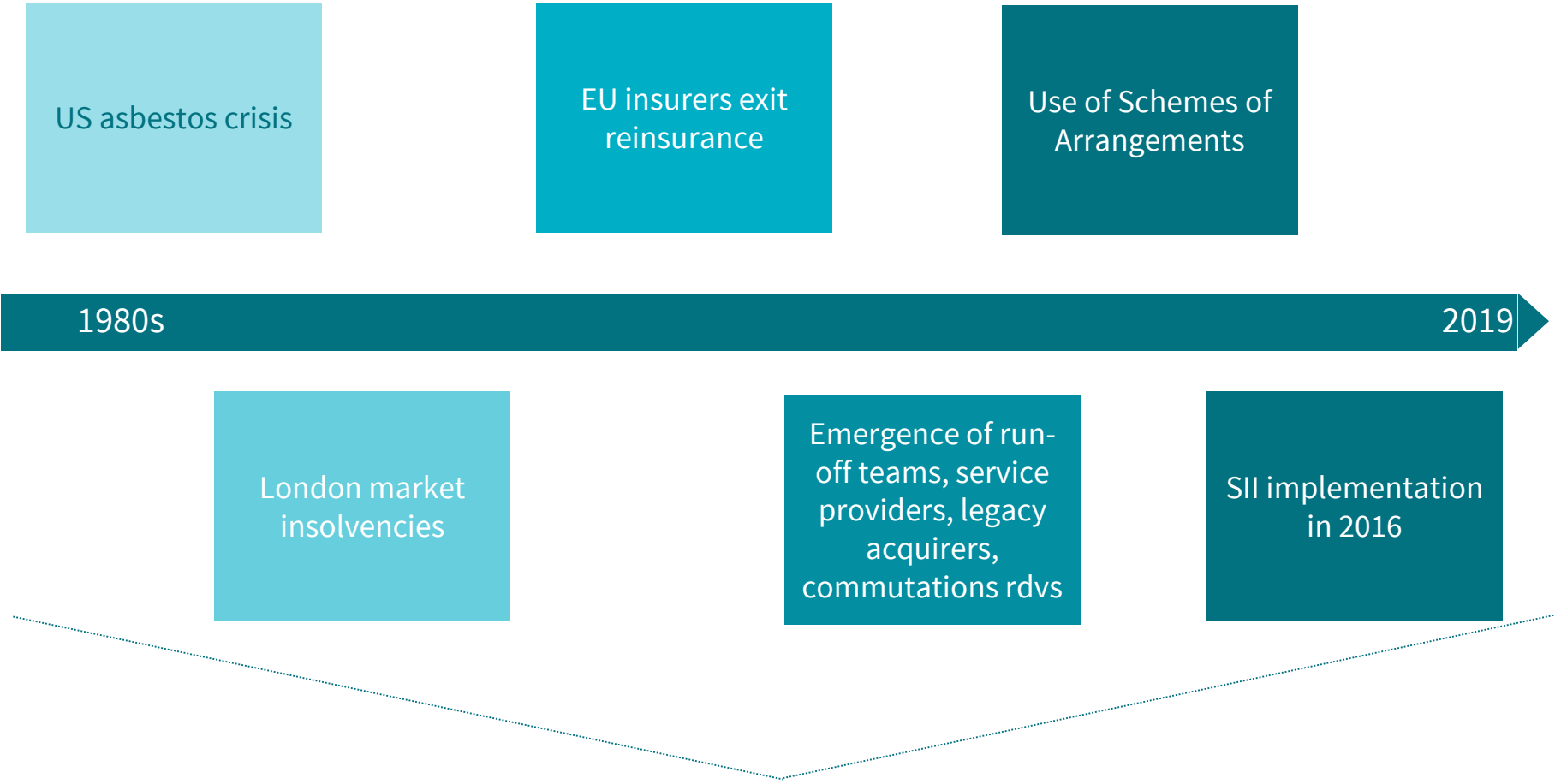




Run-off – A responsible approach?

Trends in P&C legacy



...Difficulty to get claims paid...Image issues for legacy players...Increased regulation around TCF...

Run-off classification in the words of “AXA LM”

A progressive definition

1 Green run-off

- Recently placed into run off
- Emphasis on premium collection
- High claims activity and new claims being reported
- Little commutation activity

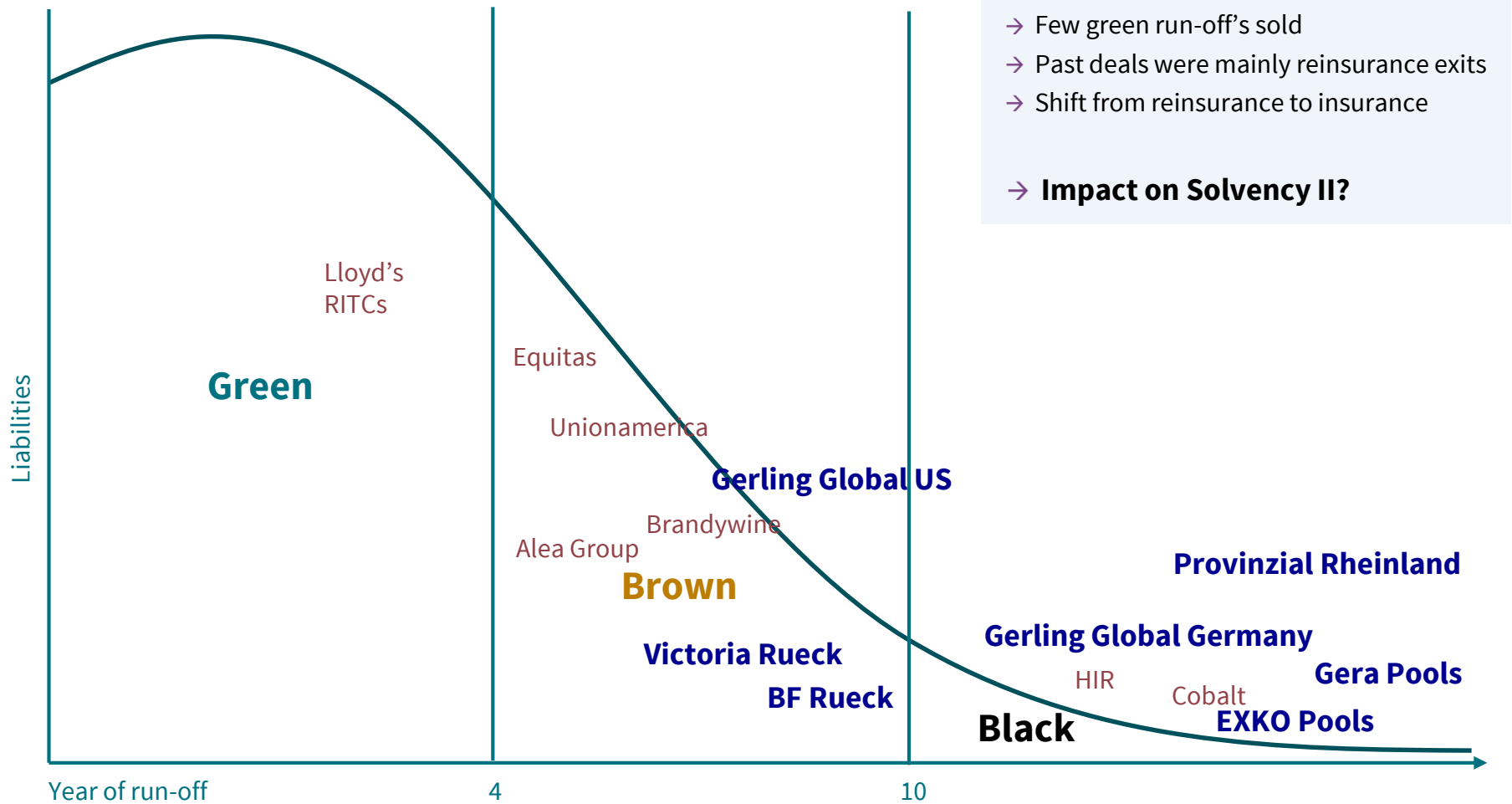
2 Brown run-off

- New claims notifications drop off
- Managing a stock of claims
- Moving towards a commutation approach

3 Black run-off

- Commutation activity exhausted
- Claims in litigation
- More emphasis on technical accounting

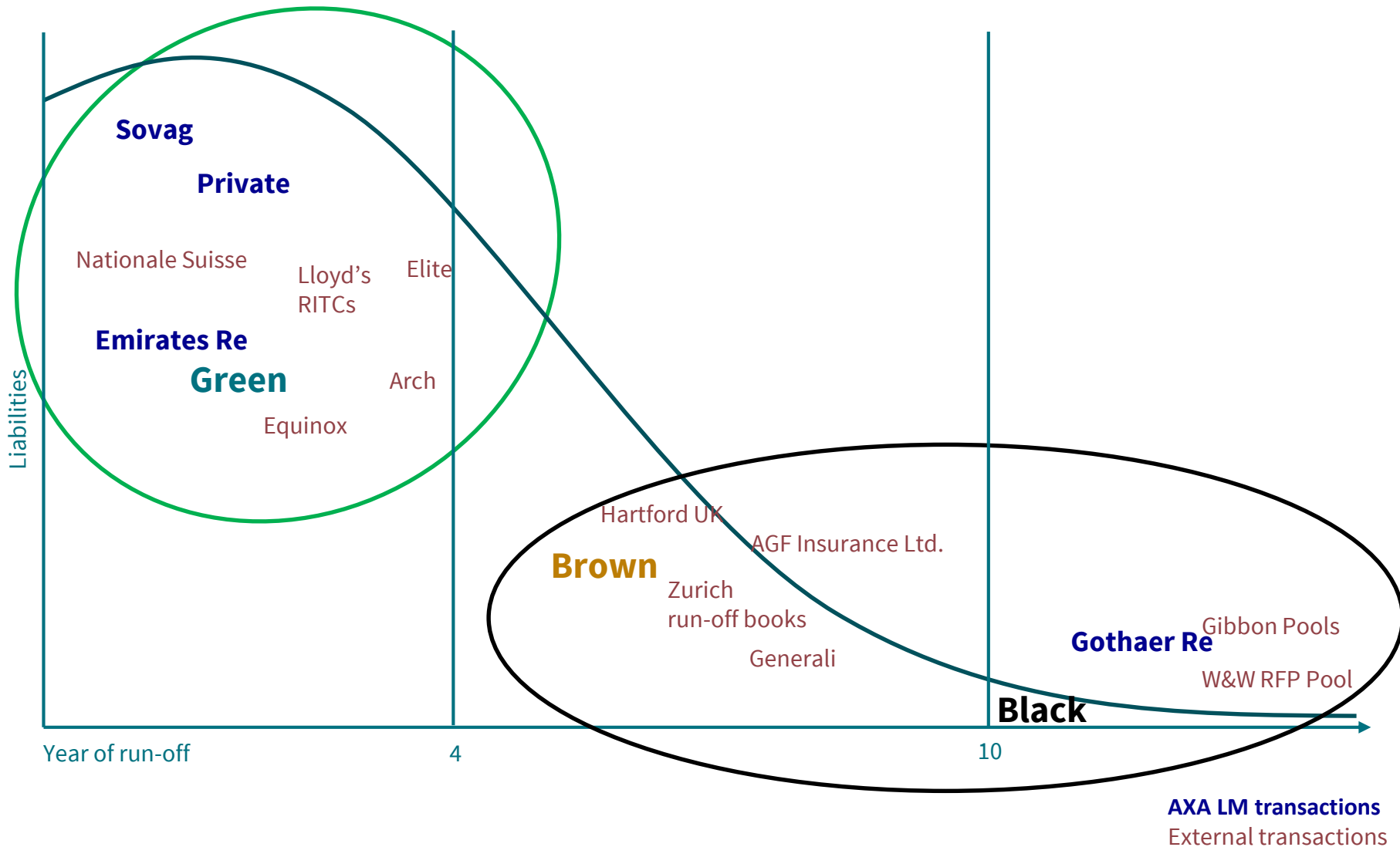
Life cycle of run-off in the past - pre 2016



- Few green run-off's sold
- Past deals were mainly reinsurance exits
- Shift from reinsurance to insurance
- **Impact on Solvency II?**

AXA LM transactions
External transactions

Shift in the run-off Life cycle (2016 – 2019)



A responsible approach?



- ➔ Lloyd's minimum standards
- ➔ Treating Customers Fairly
- ➔ German Insurance Supervision Act
- ➔ ORSA
- ➔ AXA Standards
- ➔ Growing use of TPAs
 - ➔ Do not distinguish between active & legacy business – same standards apply

- ➔ Employees
- ➔ Customers
- ➔ Regulators

The same standards apply to active and legacy companies




Overview AXA LM

Overview

- AXA Group company
- Specialised in non-life (re)insurance legacy transactions
- Assumed business totaling 9.3bn since its creation in 2001
- More than 20 portfolios integrated in 9 different countries
- Dedicated M&A team to support local team on acquisitions



SYLVAIN VILLEROY DE GALHAU 
CEO
sylvain.villeroydegalhau@axa-lm.com



JOHN BYRNE 
Head of Business Development
john.byrne@axa-lm.com



PASCAL SALELLES 
Business Development Director
pascal.salelles@axa-lm.com