


Where is the journey taking us?

ERV Global 2012







**customer-oriented
competent
trustworthy**

ERV

Overview

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Foreword



A handwritten signature in black ink that reads "Richard Bader". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard Bader, CEO

ERV can look back on a successful 2012 financial year, although the travel insurance market repeatedly presented the company with challenges. Despite the growth in the tourism market, it was essential to adapt quickly to the changes in the market and to continue diversifying products and distribution channels in the individual countries. This enabled ERV to boost its profitability significantly in its core market, Germany.

We were able to expand our market position as planned in the CEE countries* and in Turkey. Outside Europe, we focussed our operations particularly on the major growth markets of China and the USA.

Looking to the future, ERV will keep to its course in 2013. We will continue to focus our activities on re-aligning business from short term to long term and diversifying our product portfolio and distribution channels.

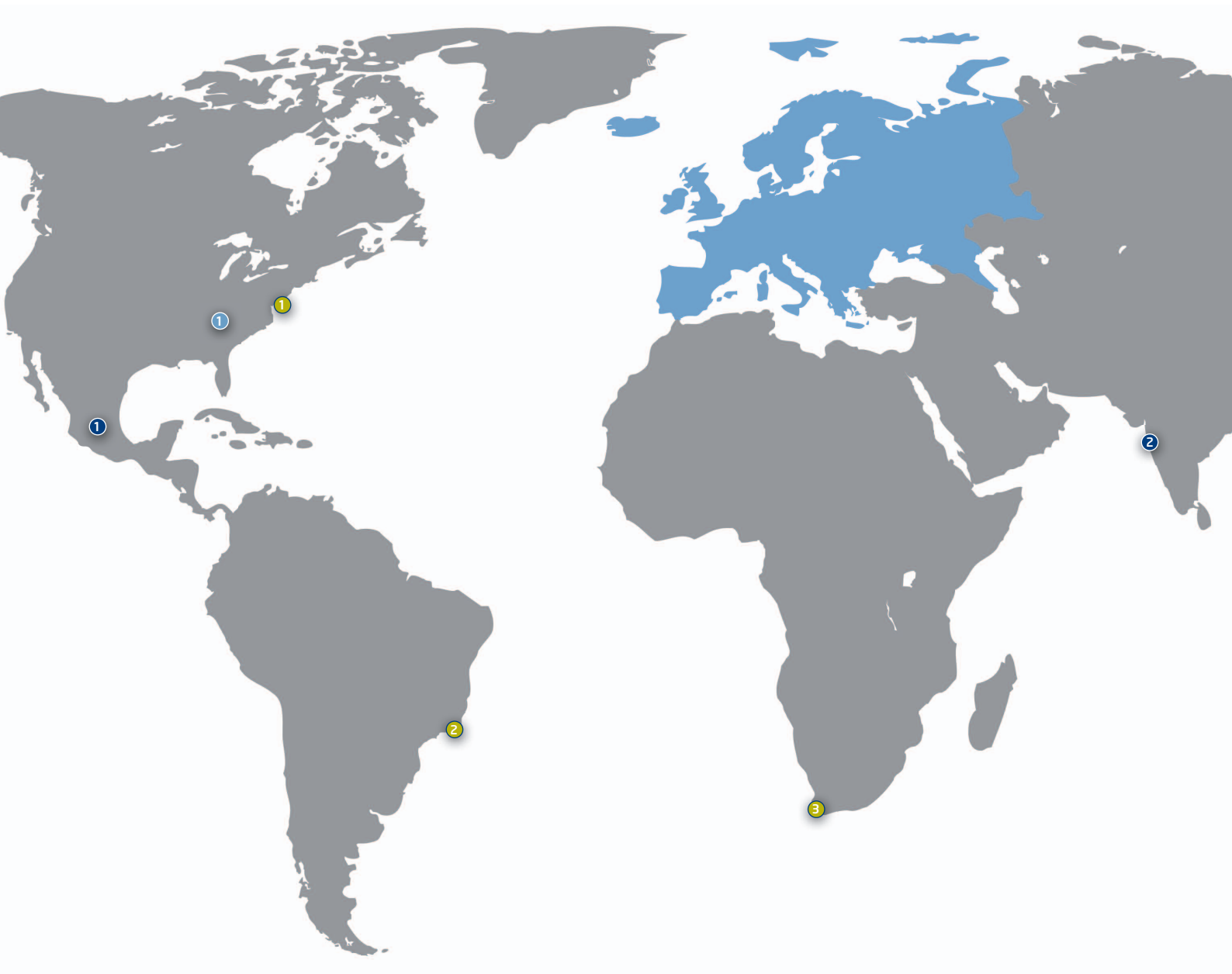
ERV has continued its international orientation in recent years. This enables ERV to meet the changing nature of customers' needs and the high degree of complexity resulting from the market environment with a large measure of flexibility and capacity for innovation.

Yours, Richard Bader

* Central & Eastern Europe region

Big commitment is needed for a big world

ERV is represented on all continents



ERV

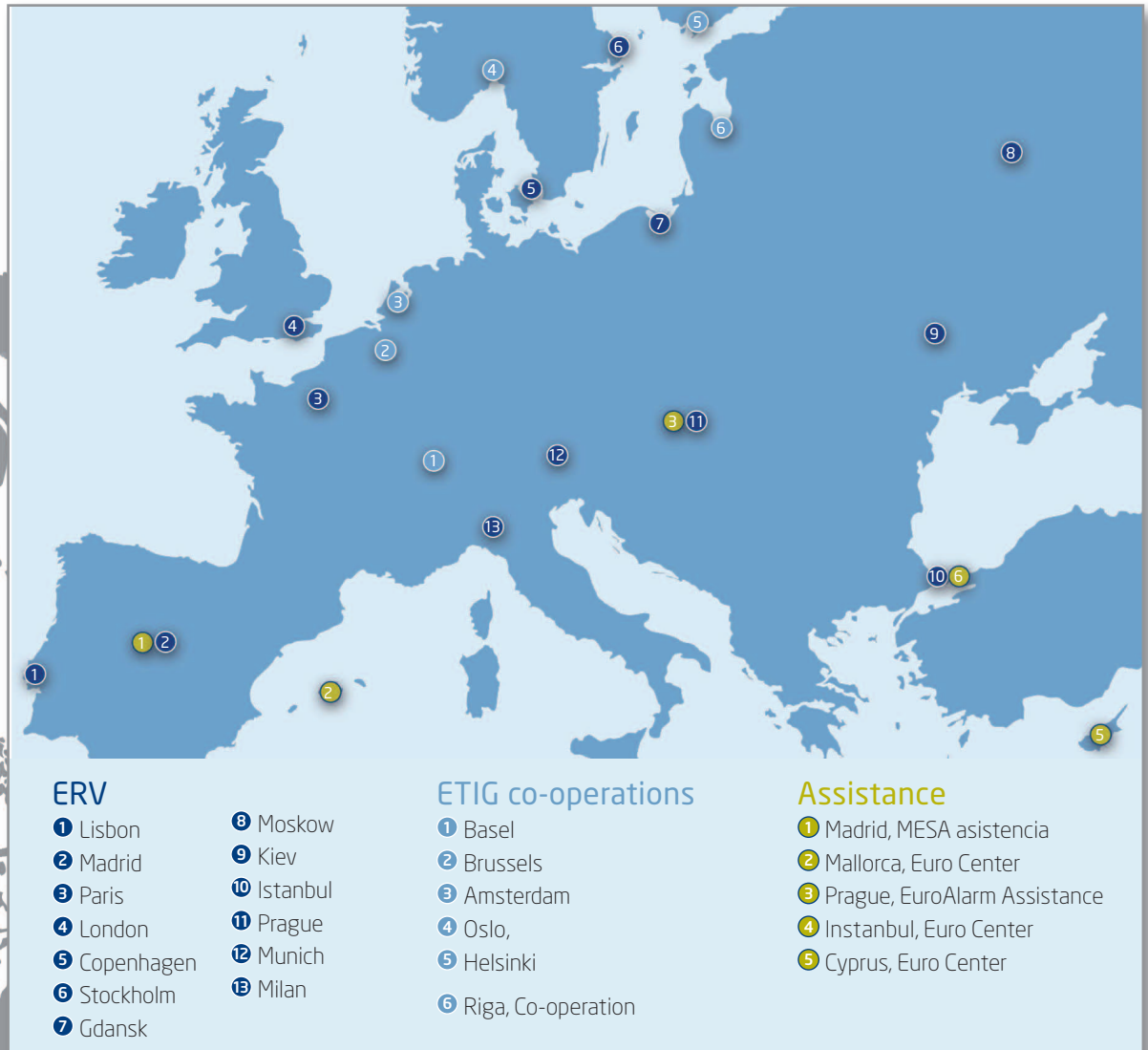
- ① Representative Offices
New Mexico
- ② Sales Offices
Mumbai
- ③ Representative Offices
Bangkok
- ④ Sales Offices
Beijing

Co-operations

- ① Cincinnati
- ② Sydney
- ③ Auckland

Assistance

- ① Euro Center
New York
- ② Euro Center
Rio de Janeiro
- ③ Euro Center
Cape Town

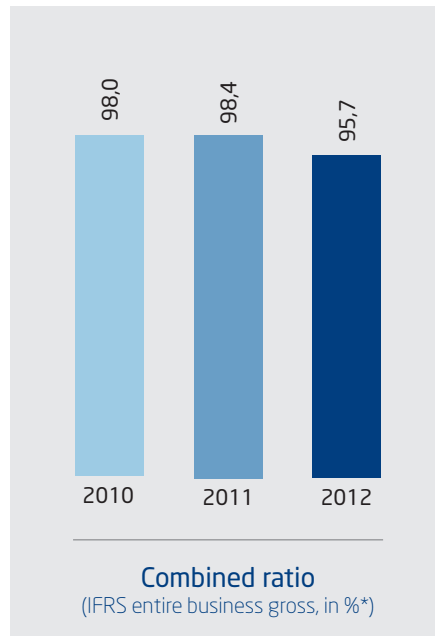
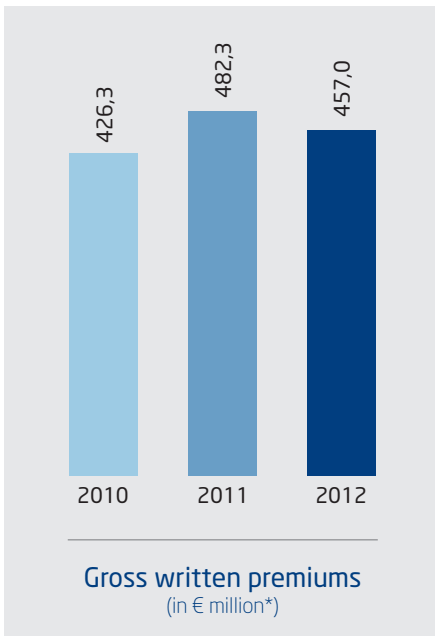


// In Mexico, business has grown significantly in 2012, despite the loss of the most important key account so far. Business is generated from various distribution channels. An important part of business comes from the large corporate customer base of Seguros Atlas, the local partner and risk carrier for ERV in Mexico.

The cooperation between ERV and Thaiviat Insurance in Thailand has developed very successfully over time. The Thai travel insurance market is still mainly dependent on travel agency business. A specialised sales team at Thaiviat looks after over 1,700 travel agencies in the country. The cooperation between ERV and Thaiviat has established a position as a quality provider with good accessibility for agencies, with professional underwriting and with local assistance and claims handling provided by ERV's own service unit Euro-Center in Bangkok. All this is the basis for an excellent technical result once again from the Thai market. //



ERV Group – key indicators 2012



On both national and international levels, ERV can look back on a 2012 financial year that was challenging but nonetheless successful. A net profit of € 7.7 million after tax was generated. Gross written premiums fell to € 457 million through systematically eliminating unprofitable contracts. This represents a year-on-year decrease of 5.2 per cent.

€ 7,7 million
Net profit after tax

*starting in 2011, fully consolidated figures for the ERV Group; prior to that, partially consolidated

25

languages spoken incl.
Mandarin, Laotian, Lingala
and Hindi

1,100

Employees worldwide

46,357

Assistance cases handled

2,474

Medical repatriations

138,085

Calls to emergency helpline



Diana Wang,
Managing Director, ERV China

// 2012 was a successful year in ERV China. We have acquired new business from China Southern Airlines together with our partner. Meanwhile, ERV China became the strategic partner of TravelSky. We are also proud of the growth of our local team with more sophisticated operation capabilities. //

Organisation of ERV

ERV is a leading international travel insurance company. It is part of the ERGO insurance group, which is a 100 % subsidiary of Munich RE, a global and financially robust reinsurer and risk carrier with more than 40,000 employees.

ERV's Executive Committee

With a view to strengthening its position as a leading international travel insurer, ERV is aligning itself even more closely with the requirements of regional markets. This gave rise to structural changes in order to enhance coordination of the growing presence in more than 20 countries. As a consequence, an Executive Committee was formed in January 2012, in which also the newly defined five regions are represented. Each region is led by a Head of Region, who is also a member of the Executive Committee and reports to the chairman of the Committee, CEO Richard Bader. The CEO, CAO and Heads of Region represent the top management at ERV.

ERV wishes to promote the joint use of products and the exchange of specialist knowledge through this stronger international networking. The goals include shortening times to market, introducing cross-border infrastructure measures and increasing the variety of business activities.



Ana Dueñas,
CFO, ERV Spain

ERV CEO: Richard Bader

Heads of Region



Torsten Haase -
Western Europe



Richard Bader -
Southern Europe



Johannes von Hülsen -
Northern Europe



Vladimir Krajicek -
Eastern Europe



Ulrike Timmer -
Asia, Pacific, Americas



Joachim Wilden - CAO
(Chief Administration Officer)

// The Spanish economic situation and the travel insurance market in 2012 have presented significant challenges that ERV Spain has managed to overcome by making a big effort to identify the market and customer needs. In spite of the situation, ERV Spain has maintained its leadership position in the Spanish travel insurance market, and in this sense, we are very satisfied with the work done during this year. Additionally, we can once again celebrate the award received as "The Best Travel Insurer" by Agenttravel magazine during a very special year for us in which we celebrated our 90th anniversary. //

Milestones in 2012

Awards and ratings

ERV Group -

again rated A+ by the Fitch rating agency

ERV Spain -

voted "Best Insurer in Spain" by "Agent-travel" for the 14th time

ERV Czech Republic -

honoured as "Best Travel Insurer" for the 11th time by travel magazine "TTG Czech"

ERV Ukraine -

received the "Insurance TOP Award" for the second time in a row

Anniversaries

ERV Spain -

90th anniversary

ERV Denmark -

90th anniversary

ERV Czech Republic -

20th anniversary

Innovation worldwide

ERV Germany -

extending the range of services relating to medical advice

ERV Czech Republic -

introduction of a new line of special risk products, providing insurance cover to professional camera owners and bicycle enthusiasts

ERV Russia -

start of online sales and product launch of "Optima"

Launch of a new set of optional insurance products for the customers of tour operators that increase the customer's protection not only in the event of higher medical costs, but also in the case of trip cancellation and personal liability.

ERV Ukraine -

upgrade of the B2C online insurance module and development of a mobile version

ERV China -

introduction of specialised products for ski holidays, stays on islands or wedding trips on Ctrip.com

Networking and partnerships

ERV UK -

start of cooperation with Eurocamp, a leading European provider for camping and caravan trips

ERV Italy -

exclusive product partner for travel insurance risks of Intesa Sanpaolo Assicura, the insurance company owned by Banca Intesa

ERV Spain -

cooperation agreement with the insurance company Liberty Insurance and new customer agreement with the international pharmaceutical company Novartis

ERV Russia -

start of cooperation with Global Travel, a leading Russian travel agency, and TBG, a fast-growing newcomer, and start of cooperation with the Lufthansa City Center travel agencies

ERV China -

new contractual partner China Southern Airlines and strategic cooperation agreement with TravelSky



Johannes von Hülsen,
Regional CEO,
ERV Sweden/Denmark, UK

// 2012 has been an ambitious and generally promising year for ERV Sweden and ERV Denmark. A new regional structure has been implemented, and changes in top management also included a sober analysis of the strategic positioning of the companies as well as the initiation of two comprehensive steering projects to improve profitability, costs and internal process efficiency. We are proud about the changes that have been triggered in 2012 as well as laying the foundations for further improvements that we will pursue in 2013.

Overall our ambitions in the Nordic region within the ERV Group are to optimise our portfolio from a risk/return perspective and to improve our solution-oriented product and service offerings with the aim of strengthening what we have been for many years now: the market leader in speciality private and corporate travel insurance in both Sweden and Denmark. //

1907

Establishment by Max von Engel in Budapest. He is considered to be the inventor of luggage insurance as we know it today.



1922

The number of ERV companies grows to 22. Münchner Rück, now known as Munich RE, became the biggest shareholder

1938

ERV launches the first luggage insurance for air travelers on the market.



1977

Introduction of the insurance product "Multi-Cover Package".

As time goes by – 105 years of travel insurance

100 years ago, our passengers travelled by steam train. Nowadays it's jumbo jets and ocean giants that open the gateway to the world for travellers. But one thing has remained the same: the reliable travel insurance, with which we accompany our customers on their travels around the globe.

In 1905 at Lucerne railway station, Hungarian timber merchant Max von Engel came up with the idea of founding a luggage insurance company. In 1907 he was finally able to put his plan into action, establishing Europäische Güter- und Reisegepäckversicherungs AG in Budapest. Branches were established that very same year in Berlin, Milan and Sarajevo, as well as a general agency in Monaco. The company continued to grow steadily after that. The twenties saw the emergence of a new major customer group: sea travellers. During this time, over 7 million people emigrated to the United States, many of whom had a policy issued by ERV in their luggage. Cruises were also all the rage in the first decades of the twentieth century. Ships embarked for the Caribbean from the USA, while Madeira and Tenerife were popular European cruise destinations.



Following the Second World War, ERV was closed down in Eastern European countries. Western European subsidiaries took on new shareholders, and in 1948, following the currency reform, business also started to pick up in Germany. Headquarters were set up in Munich and Berlin, the range of products was expanded and relations with business partners were consolidated.

The 1950s and 1960s turned the tourism and travel industry into a mass market. More and more people treated themselves

to holidays in summer resorts, initially by bus and train, and soon also by plane. In the 1970s the oil crisis put a temporary brake on this wanderlust, before an unparalleled boom in travel started in the following decades.

At ERV, we supported this exciting period by opening new branches or subsidiaries and holding companies to give the firm a more international dimension. We have also constantly updated our range of products over the years, adapting it to changing needs.



Joao Calhau,
Managing Director, ERV Portugal

// The sixth year of our brand in the Portuguese market proved to our shareholder and to our partners that profitability is assured under our current business model and infrastructure. The product mix of our portfolio made this possible, once we gained recognition in the insurance company segment as an assistance provider. Business improved by 43% when compared to 2011, even with the bailout programme underway in the country allied with credit crunch conditions having a direct impact on the available income of Portuguese families. Our breakthrough via innovation showed us the correct path to follow! //

1988

Introduction of emergency medical aid and the assistance network.

1992

The first annual insurance product from ERV proves to be very popular

1994

The company starts to develop an international network, including subsidiaries and investment companies as well as foreign branches.



2007

ERV celebrates its 100th anniversary.

2009

ERV becomes part of the ERGO insurance group

The values for which we stand

ERV is an acronym for the German company name “Europäische Reiseversicherung” (European travel insurance). This name represents the roots of our brand, going back to the formation of the firm in 1907.

But **ERV** means more than just three letters. It is based on a brand identity that makes the company distinctive around the world. Our brand values and attributes help with the understanding and embodiment of the brand character that makes us stand out. They form the basis for communication with our partners and customers. The core of the brand constitutes the simple essence of what we are: **The specialist insurer that cares.**

// Although the financial crisis was still going on in 2012, the German tourism market has again proven its stability through growth. Our new product launch in May 2012 was mainly driven by a simplification of tariffs and enhancing the cover of our product lines. Today, every travel cancellation policy includes travel curtailment cover as one of the outcomes. By doing this, we were again able to improve the consumer friendliness of our product lines. //



Torsten Haase,
Head of Sales and Marketing,
ERV Germany

Our three brand values

The diagram shows the relationship between the brand values and attributes. The brand values describe our personal strengths – as a specialist insurer we are competent, trustworthy and customer-oriented. These characteristics form the basis for deriving the brand attributes, which enable us to bring the values to life.

competent

Backed up by more than 100 years' experience, we are absolute specialists in our field. We have access to an international network of travel insurance experts and can offer our customers the best possible support in every country. We want to see every ERV customer relaxed while travelling and we aspire to exceed customer expectations every day. The standards that we set are high – in everything that we do!

trustworthy

ERV stands for products and services that are trust-worthy and reliable. We offer products that are clear and easy to understand for everyone. We also promote this transparency in our advice and communication. We can confirm our status as a leading international insurer through a number of awards and excellent ratings. As a global company, we are also committed to operating on a sustainable basis in an environmentally responsible manner.

customer-oriented

Our customer orientation arises from the spirit of a strong partnership. Innovative and tailored products enable us to meet the requirements of every customer reliably and in the best possible way. Our international assistance network provides quick and dependable help – 24 hours a day, everywhere in the world. We are always there for our customers. Best of all when they are not thinking of us.

Euro-Centers – rapid help, locally

Euro-Centers – the “extended arm” of ERV locally – are an important element of medical assistance for our customers. If a customer suffers a medical emergency while travelling, the nearest Euro-Center deals with the matter. Close contact with hospitals and precise knowledge of local circumstances ensure that optimum medical treatment is provided. Many years’ experience of emergency situations of every kind enable Euro-Centers to organise qualified help as quickly as possible.

The nine regional Euro-Centers are combined as independent companies under one holding company, in which ERV holds an 80 per cent stake. In addition to assistance, the responsibilities of the Euro-Centers include cost containment, network management, business development and customer service. This ensures a unique approach to integrated service “around the world”.

Employees speak both the national language and the native language or second language of the policyholder. A total of 25 languages are spoken in the Euro-Centers, with 160,000 cases being handled per year. This makes it one of the biggest travel insurance networks in the world.

// In 2012 we relocated the headquarters of Euro-Center Holding from Copenhagen to Prague. We not only expect cost benefits from the relocation, but also an improvement in the competitive position. The first signs are positive: the virtual management of Euro-Center, Euro-Alarm Prague and MESA were brought together under one roof and a new premium structure was introduced for the majority of our corporate customers. I’m particularly proud that our business operations continued smoothly even during the relocation phase. //



Mads Fischer,
CEO of Euro-Center Holding

This number is always available – our emergency call centres

A behind-the-scenes look

The call taker’s voice is often the first glimmer of hope for the traveller at the other end of the line. They will now get the immediate help that they expect from ERV. 24 hours a day, 365 days a year, our staff answer calls and forward the information immediately to the organisation team. That is where all of the necessary steps are initiated, whether it involves transport to the nearest hospital, evacuation by helicopter or even medical repatriation back home.

In an interview, Daphne Hadjigeorgiou, who works at the Euro-Center in Cyprus, explains what her daily routine is like. One of the biggest travel insurance networks in the world.

// 2012 was the fifth operational year for ERV in Turkey. Thanks to the client base, ERV is by now the leading travel insurance provider in the leisure travel segment. In 2012 ERV succeeded in starting to cooperate with SunExpress Airlines, a joint venture of Lufthansa and Turkish Airlines. We have also undertaken a number of initiatives for new business lines in 2012. //



Atanur Oytuner,
Managing Director, ERV Turkey

“Every day is different...”



What is so special about working for Euro-Center Assistance Services?

Hadjigeorgiou: It’s a unique experience to come into contact with people everywhere in the world each and every day.

What is a typical working day like for you?

Hadjigeorgiou: I usually start work at 7:30 a.m. Firstly I check all the e-mails and

deal with the matters that were passed to me by the night shift. This includes sending out cost payment guarantees and obtaining the medical information and reports that are required. Then, together with the team, I focus on the travel arrangements for our customers and their family members.

That sounds like a day with plenty of variety...

Hadjigeorgiou: It is indeed. And even when the most urgent matters have been dealt with, there’s still a lot to do. We then see to registering claims, organising translations and following up cases of fraud.

What has been your most curious case so far?

Hadjigeorgiou: It was an elderly couple who spent the winter in Cyprus. The husband became sick during this period and the couple had to be brought back home. When the air ambulance landed in Cyprus, it turned out that there was no room for the suitcases on board. They were left behind and brought to our office – but without the keys. After a few days a really bad smell started to come from the suitcases. The couple had taken the precaution of packing the entire contents of their fridge – including four large “fresh” fish!

A case for ERV

Customer experiences of our services

Heart attack on Caribbean holiday



Total cost accepted by ERV:
€ 350,000

"My husband and I had spent five days at a wonderful resort in Jamaica when I suffered a heart attack completely unexpectedly. I was taken to a small local hospital. It was equipped for initial treatment, but nothing more. Fortunately we had taken out travel medical insurance with ERV. Their emergency call centre organised my transport to Miami, where I had a stent inserted. After a few days in hospital, I was flown back to Germany. My husband was able to stay at my side for the whole time, which was very important to me. I'm glad that I've now fully recovered – also due to the good organisation and immediate acceptance of costs by ERV."

Climbing accident on holiday

"I was studying on a scholarship in the USA when I flew to Spain during the holidays to visit my family. While I was in Spain I went climbing with some friends in Oviedo. Unfortunately I had an accident and broke my tibia and fibula. I called ERV – fortunately my insurance policy also covered accidents during the holiday period. This facilitated treatment in the main hospital in Asturias. The insurance also handled my transport to Madrid, where I had an operation. Without the support of ERV, I would not have been able to cope with the situation and the costs incurred. It's now really clear to me how important it is to have the support of a specialist in these situations."



Total cost accepted by ERV:
€ 91,000

Accident at work while abroad



Total cost accepted by ERV:
€ 4,500

"I'm a welder in the construction industry and had been sent by my company to Guadeloupe. That's where it happened: unluckily I broke my ankle and was out of action for three months. Fortunately my employer had taken out travel medical insurance with ERV for his employees. I was flown in business class back to the Czech Republic and brought home from the airport by ambulance. There I was able to recover in peace. ERV even paid for the cost of flying a colleague out to Guadeloupe to cover my absence."

// In October 2012 we celebrated 20 successful years on the Czech



Vladimir Krajicek,
Managing Director,
ERV Czech Republic

insurance market, and Evropská Cestovní Pojišovna changed its name to ERV pojišovna. In two decades, we have insured almost seven million Czechs! Although holiday tourism saw a drop in 2012, we managed to increase the volume of written premiums again. Moreover, our professional approach to travel insurance is supported by the fact that, even after 20 years, we are still the only specialist on the market. //

// 2012 was very difficult for Polish tourism with the highest number



Beata Kalitowska,
Managing Director, ERV Poland

of tour operator bankruptcies. The strategy of ERV PL, based on profitable growth and choosing reliable partners, has brought positive effects. Despite the tough market situation, we generated profit and ensured our position and reputation. We continue to focus on increasing quality and efficiency. //

Enjoy your trip – with the right insurance

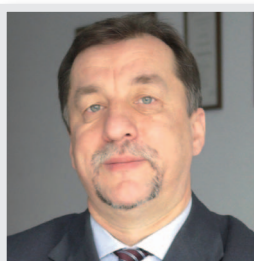
Our product range

ERV is committed to providing a product range that is flexible and appropriate to requirements, covering the different needs of both private and business travellers. In our core area of business, primary insurance, we sell travel cancellation insurance, medical travel insurance and luggage insurance. We also offer short-term incoming products, student and au pair insurance as well as insurance solutions for tourism companies. These include operator liability insurance, for example, or insolvency cover. To a limited extent, we also offer active reinsurance solutions in other countries in which ERV does not have representation through branches or subsidiaries. These partnerships with local insurance companies enable us to develop the travel insurance business even outside the European Economic Area and to provide international key account partners with an option to purchase insurance products.



Marcus Silano,
Representative, ERV Italy

// In September 2012 I took over the role of representative of ERV Italy. During a busy financial yearend closing period, I started to learn about the business operations and to gain an understanding of our products and customer needs. The Italian travel market is complex and challenging, due to the economic situation in Italy with decreasing volumes. Nevertheless, we are well positioned as a flexible, small niche player. //



Myroslav Boychyn,
Managing Director, ERV Ukraine

// The bus accident in Thailand involving 22 Ukrainian travellers gained great public attention on the travel market of our country. The amount of medical and medical transportation costs covered by ERV added up to € 130,000. The efficiency in handling such a complicated case enhanced the image of ERV as a strong and reliable insurer. //

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