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Eureko Group

Primary Credit Analyst:
Nigel Bond, London (44) 20-7176-7063; nigel_bond@standardandpoors.com

Secondary Contact:
Paul Bradley, London (44) 20-7176-7054; paul_bradley@standardandpoors.com

Table Of Contents

Major Rating Factors

Rationale

Outlook

Corporate Profile: Very Large Dutch Multi-Line Insurer

Competitive Position: Strong In Its Core Home Market

Management And Corporate Strategy: Building A Good Track Record, But Some Challenges Lie Ahead

Enterprise Risk Management: Adequate

Accounting: Conservative, With Very Good Disclosure

Operating Performance: Strong, But Not In Line With The Rating

Investments: Well Diversified, With Limited Exposure To Subprime Assets

Liquidity: Strong, Based On Substantial Marketable And Near-Cash Instruments

Capitalization: Very Strong In Amount And Quality

Financial Flexibility: Takes Advantage Of Its Private Ownership

Eureko Group

Please note that the ratings covered by this full analysis apply only to core entities of the group, which are listed below. These ratings do not apply to any noncore or unrated entities of the group. Ratings assigned to noncore entities of the group are published individually.

Major Rating Factors

Holding Company: Eureko B.V.
Counterparty Credit Rating
Local Currency
A-/Stable/--
Operating Companies Covered By This Report
Financial Strength Rating
Local Currency
A+/Stable/--

Strengths:

- Very strong capitalization.
- Strong competitive position.
- Strong investments.

Weaknesses:

- Strong operating performance, but not in line with the rating.

Rationale

The ratings on the core operating entities of Netherlands-based multiline insurer Eureko Group (Eureko or the group) reflect Standard & Poor's Ratings Services' improved view of the management and corporate strategy of the group as it builds up a good track record of delivering its targets on time. They also reflect our view that Eureko benefits from very strong capitalization, a strong competitive position, and strong investments, tempered by an operating performance that, although strong, is not in line with the rating.

We view Eureko's capitalization as being very strong. Its capital adequacy, as measured by Standard & Poor's risk-based capital model, was extremely strong at year-end 2009 and is expected to remain so. Its capital position was bolstered in 2009 by the injection of share capital from its main shareholders (€1.0 billion) and the first payment from the PZU settlement (a net profit of €1.1 billion, subsequently paid as dividends to shareholders). In 2010, the capital position will benefit from the sale of most of the group's shares in PZU Group. Quality of capital is also strong, with over 60% of total adjusted capital derived from core shareholders' funds.

Eureko is the market leader in the Netherlands, and has strong positions in each of its three main lines of business. Moreover, its market shares have mostly been stable in the face of increasing competition, reflecting particularly the strength of its brands and its distribution channels. The group's banking and international operations are, in aggregate, very small and of very limited significance in our assessment of the group's competitive position.

We consider Eureko's investment profile to be strong, well diversified, and appropriate for its liabilities. Credit quality is high, and market risk has been reduced to moderately low levels as the group took actions to reduce risk at the end of 2008 and in 2009. Asset-liability management (ALM) is good in the Netherlands, and ALM testing and procedures have now been implemented across the group. This should stabilize contributions to the bottom line in future.

In our opinion, Eureko's operating performance is strong, but a weakness for the rating. This reflects continued strong health and non-life underwriting performance, an adequate life underwriting performance, and an improved noninsurance contribution. Although the current performance is below that which Standard & Poor's expects at this rating level, we believe that the quality of earnings, arising primarily from the three distinct segments in The Netherlands, is something that can be built on and can deliver improved results within the rating horizon.

Outlook

The stable outlook reflects our view that management will remain focused on executing its strategy, particularly its cost-cutting and complexity reduction programs. We believe this will help Eureko to maintain its leading position in the Dutch health and non-life markets without sacrificing profitability. We expect non-life insurance to produce a net combined ratio under 97%; basic health insurance a ratio under 100%; and supplementary health insurance a ratio under 95%.

We also expect the life business to benefit from the above programs and maintain its new business margins in the Netherlands at 1% or higher. We anticipate that capitalization will remain very strong, with capital adequacy likely to be at least very strong. We expect growth to be mainly organic, although small acquisitions and increases in shareholdings are possible. The investment portfolio is likely to remain largely unchanged.

We consider it unlikely that the ratings will be raised over the rating horizon. The ratings may be lowered, however, if operating performance weakens materially, especially if health or non-life underwriting performance comes under sustained margin pressure.

Corporate Profile: Very Large Dutch Multi-Line Insurer

Eureko is primarily a very large Dutch multiline insurer. In 2009, it wrote gross premium of €19.6 billion, 93% of which were written in the Netherlands, where the group is based. Of these total premiums, 54% were from health insurance, 25% from life insurance, and 21% from non-life insurance. In addition to insurance, Eureko has banking interests, mainly in the Netherlands, which accounted for 21% of its total reported assets at year-end 2009, and partners and associated companies around Europe. The group also has insurance operations in Greece (InterAmerican), Turkey (Eureko Sigorta), and Russia (Oranta), as well as smaller interests in Ireland, Slovakia, Romania, and Bulgaria.

Eureko is privately owned, its main shareholders at year-end 2010 being Achmea Association (63%) and Rabobank (31%), both of which are Dutch unlisted cooperative associations. In fact, Achmea Association operates for the benefit of Eureko, its employees, and its member customers.

Table 1

Premiums And Profits		
(Mil. €)	**2009**	**2008**
Gross premiums written: health insurance	10,617	11,259
Gross premiums written: life insurance	4,998	4,231
Gross premiums written: non-life insurance	4,030	3,816
Pretax profit: health insurance	319	(28)
Pretax profit: life insurance	(108)	(1,381)
Pretax profit: non-life insurance	282	(95)

Table 1

Premiums And Profits (cont.)		
Pretax profit: banking	(47)	36

Source: Eureko financial reports.

Competitive Position: Strong In Its Core Home Market

Table 2

Eureko Group/Competitive Position					
	--Year ended Dec. 31--				
(Mil. €)	2009	2008	2007	2006	2005
Consolidated					
Total gross premiums written	19,645	19,306	14,853	14,302	6,577
Annual change in gross premiums written (%)	1.8	30.0	3.9	117.4	19.1
Total net premiums written	19,007	18,384	13,822	13,337	6,167
Annual change in net premiums written (%)	3.4	33.0	3.6	116.3	19.4
Total assets under management	84,178	81,333	89,522	77,081	82,703
Nonlinked (%)	51.8	55.3	56.3	51.1	48.3
Linked (%)	25.3	21.4	23.6	26.5	23.2
Banking assets (%)	22.9	23.3	20.1	22.4	19.9

We believe that Eureko's competitive position is strong, and a strength for the rating. The group is the market leader in the Netherlands, and has strong positions in each of its three main lines of business. Moreover, its market shares have mostly been stable in the face of increasing competition, reflecting particularly the strength of its brands and its distribution channels. Eureko's banking and international operations are, in aggregate, very small and of very limited significance in our assessment of the group's competitive position.

In its home market of the Netherlands, we estimate Eureko is the leading insurer by gross premiums written in 2009. In health insurance, it is the market leader, with a 29% market share; in non-life insurance, it is also the market leader, with a market share of about 20%; and in life insurance, it is the third-largest. It is the second-largest in income protection and occupational health services (both about 20%), third-largest in individual life (14%) and pension services (31%), and fourth-largest in pensions (13%).

Eureko's strong competitive position in the Netherlands is based on its diversity by distribution, brand, and product line. In the Netherlands, Eureko operates under the Achmea banner. Within that, Achmea operates a multibrand strategy, split by product (for example, Zilveren Kruis and Agis for health) and distribution channel (for example, Centraal Beheer for direct distribution, and Interpolis for bank distribution). Standard & Poor's regards this multibrand approach in the Netherlands as sound and appropriate to the business.

Achmea companies frequently place well in customer satisfaction surveys across life and non-life business. The main area of relative weakness for distribution remains the intermediary channel, where the Avero brand does not have a strong position. About 15% of gross premiums written (GPW) in the Netherlands are distributed through Rabobank, under the Interpolis brand. The broker channel recently came under pressure in The Netherlands, but this affects Eureko less than some peers, because it relies on intermediaries less. In 2008, a new threat arose from the Dutch banking sector in the form of the "banksparen" products (similar to insurance savings contracts, without any insurance element), which began to make an impact in 2009.

Eureko lacks geographic diversity, but retains reasonable diversity by business line in its main market. In 2009, about 93% of GPW arose in the Netherlands (2008: 93%). Within the Netherlands, about 57% of GPW in 2009 were from health insurance, 25% from life insurance (including the merger of own pension schemes), and the remainder from non-life insurance. As the businesses develop in other countries, particularly Turkey, the geographic profile of the group will change, but we expect this shift to occur over the medium-to-long term, possibly supplemented by small acquisitions.

Prospectively, we expect Eureko to expand in line with the Dutch market in terms of GPW and maintain its leading position in the non-life and health markets, while maintaining its net combined ratios. In the life market, we expect the group to remain a top-three player, both overall and in income protection, while maintaining its new business margins. We anticipate that the group will meet these expectations largely through its ongoing cost-cutting program (which is designed to make the group more efficient), as well as through operating initiatives to improve its information technology and simplify its structures. Outside the Netherlands, we view Eureko's three main markets (Greece, Turkey, and Russia) as having better long-term growth prospects than the mature Dutch market, but anticipate that short-term economic problems may limit organic growth.

Management And Corporate Strategy: Building A Good Track Record, But Some Challenges Lie Ahead

In our view, Eureko's strategy is clear and achievable, operational management is good and improving, and financial management conservative and improving. As a result, our view of the management and corporate strategy of the group has improved. It reflects a clear determination by the management, led by the CEO appointed in early 2009, to execute its strategy successfully, following a period of disappointing delivery under the previous management. We see this determination in the delivery of targets on time, where Eureko is building a good track record.

Strategy

Eureko's strategy is clear: it has a three-part plan aimed at making it the "most trusted insurer" in the Netherlands.

- First, it is addressing profitability in the short-term through a cost-cutting program. The planned reduction of €300 million is largely on track.
- Second, it is instituting medium-term improvement initiatives, such as SENS, which will reduce complexity and costs further. By and large, these improvements are on schedule.
- The third phase is to implement a set of long-term strategic choices, a number of which it has already initiated.

The international strategy is also clear: Eureko will focus on its three main countries, while managing the others for value. This follows the sale this year of its operations in countries such as Belgium, Cyprus, and France.

Overall, this means that management appears to be focusing on improving the profitability of Eureko's business in the Netherlands, while reducing the distractions of a fragmented international portfolio. The completion of a deal with the Polish treasury over the future of the insurer PZU and subsequent sale of virtually all its shares in the company has materially reduced such distraction. If managed well, the current portfolio of nondomestic operations (collectively known as Division Europe) could provide meaningful diversification for the group in the long term, but in the near term, Division Europe will continue to face a number of management challenges and will require strong leadership to realize its potential.

Operational management

We believe that the operational management of the group is improving as it meets the targets for delivery of the planned expense and efficiency savings. Although the group has experienced some minor slippage in delivery, this is not a significant issue for us as it is not widespread.

In our view, delivery on information technology projects has been a relative weakness for the group in the past, but Eureko appears now to be delivering on its latest efficiency programs, with operational expenses down about 10% in 2009 and structural cost reductions of €183 million that exceeded the group's target for the year (€100 million). This momentum has carried on into 2010, with structural cost reduction of 7% or €77 million in the first half remaining on track for the €300 million target by the end of 2011. This gives us confidence that Eureko will deliver on its medium-term targets for expense and operating efficiencies.

Financial management

In our view, Eureko's financial management is conservative and improving. Following action in 2008 and 2009 to protect its balance sheet by reducing its investment risk profile, it has an extremely strong level of capital adequacy and appears to have a low risk appetite. Capital is supported by preference shares and hybrid equity, as well as debt, but these are within our tolerance levels for the ratings.

Enterprise Risk Management: Adequate

We consider the quality of Eureko's enterprise risk management (ERM) framework to be adequate, but note the progress being made to establish and improve control processes throughout the group. The value management program and the key risks and key controls programs are delivering improved information to management. It will take time for the group's strategic decisions to be truly based on the ERM framework, but capital modeling is already being used for certain financial decisions and the culture of risk management is growing throughout the organization. Explicit risk appetite statements are about to be adopted, which we believe is largely about formalizing existing practices. These group statements will then be translated into targets at the business level.

A new asset-liability management (ALM) framework was introduced in 2008, using replicating portfolios and decision matrices to optimize asset allocations. The group increasingly focuses on value-based management, but this is not yet fully embedded in its planning processes. Preparations toward Solvency II appear to be progressing well, including participation in the fifth Quantitative Impact Study (QIS 5). Eureko has also taken part in De Nederlandsche Bank's (DNB) recent risk study and run stress tests set by the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and DNB. Eureko's admission to full membership of the CRO Forum underlines its progress and commitment to ERM going forward.

Three executive board members participate in the financial and risk committee, which covers all group risks. In addition, in 2009, Eureko established a group risk management department. The scope of the reinsurance committee has been extended to look at all insurance risks. Standard & Poor's views these as positive developments in Eureko's ERM framework.

Eureko allocates capital to each risk using its economic capital model and other sources, and identifies its risks as: strategic (based on its portfolio of companies and investments), market (36% of economic capital at the 99.95% confidence level as at year-end 2009), insurance (49%), credit (9%), liquidity (not measured in the model), and operational (6%). Management of each of these risks then falls to a committee at the holding or division level. Outside the Netherlands, each operating company within the group has its own risk department, which reports through the local board to the group executive board. Achmea Bank operates its own risk management system.

All risks are monitored and reported on throughout the year. External audits of the control processes are carried out biannually (by KPMG). Internally, the group operates a broad array of monitoring and reporting schedules, including: "in control" statements that are required from each division and holding department once a year; quarterly solvency statements for each legal entity showing its exposure to the risk of immediate interest rate and equity shocks; and the economic capital model, which is run fully once a year, with approximate updates in between.

Economic/risk-based capital modeling is progressing well and is starting to be used throughout the group for financial decision making, for example, in hedging investment exposures or structuring the reinsurance program. Eureko expects to use its economic capital model to optimize the allocation of capital among the different business lines in due course. Further progress on ERM may be important to the ratings going forward, especially if the group expands meaningfully outside The Netherlands, but we do not expect this to occur in the near term.

Accounting: Conservative, With Very Good Disclosure

Eureko produces consolidated financial statements in accordance with IFRS (International Financial Reporting Standards). Disclosure overall, including the group Web site, interim financial statements, and investor presentations, is considered to be very good.

Operating Performance: Strong, But Not In Line With The Rating

Table 3

Eureko Group/Operating Statistics					
	--Year ended Dec. 31--				
(Mil. €)	**2009**	**2008**	**2007**	**2006**	**2005**
Consolidated					
Net income	1,381	(2,118)	979	985	706

In our opinion, Eureko's operating performance is strong, but a weakness for the rating. This reflects continued strong health and non-life underwriting performance, an adequate life underwriting performance, and an improved noninsurance contribution. Although the current performance is below that which Standard & Poor's expects at this rating level, we believe that the quality of earnings, arising primarily from the three distinct segments in The Netherlands, is something that can be built on and can deliver improved results within the rating horizon.

Health insurance

Health results have been stable and strong over the past four reported years (see table 2). About 97% of health GPW are generated in the Netherlands, where the basic health market (88% of the group's Dutch health GPW in 2009) is a volume business, with profitability based on cost management. From a higher-than-expected level in 2007, the cost ratio improved markedly in 2008 and, although flat in 2009, it has continued to fall in 2010. We expect basic health insurance to continue to produce low margin, but stable, underwriting performance for the group going forward (the combined ratio for the first six months of 2010 was 99.0%).

Supplementary health in the Netherlands also produced an improved technical result in 2009, with the combined ratio falling to 88.9% from 90.3% in 2008. Improvement has continued into 2010, with the net combined ratio falling to 83.2% for the first six months of the year. We expect it to continue to produce higher margins than basic health and for growth to match that of the market. This line should provide another stable source of earnings for the group going forward.

Table 4

Health Insurance

(Mil. €)	H1 2010*	2009	2008	2007	2006	2005
Gross premiums written	6,189	10,617	11,259	7,521	7,154	2,072
Combined ratio (%)	--	98.4	100.1	99.0	100.4	94.5
Profit before tax	162	319	(28)	141	47	111

Source: Eureko financial reports. *As at June 30.

Non-life insurance

Non-life results have been steady over the past three reported years (see table 3). About 82% of non-life GPW are generated in the Netherlands. Non-life results in 2009 benefitted from fewer-than-average catastrophe events, but suffered from higher-than-average normal claims. Eureko aims to maintain its market leadership in the non-life segment, but pressure on pricing means that it will need greater operating efficiency and lower costs of acquisition to maintain profit. In 2009, the expense ratio for the group improved, offsetting some of the deterioration seen in recent years. However, this was outweighed by the increased claims ratio, resulting in a combined ratio of 96.8% (2008: 95.6%). After six months of 2010, the net combined ratio was 93.0%.

Table 5

Non-Life Insurance

(Mil. €)	H1 2010*	2009	2008	2007	2006	2005
Gross premiums written	2,441	4,030	3,816	2,915	2,684	1,699
Combined ratio (%)	93.0	96.8	95.6	96.4	88.5	89.9
Profit before tax	219	282	(95)	296	474	321

Source: Eureko financial reports. *As at June 30.

Life insurance

Life results have been disappointing (see table 4). About 91% of life GPW are generated in the Netherlands, where life insurers face significant problems, including a loss of consumer confidence in traditional life products, growing life expectancy, limited ability to offer attractive guaranteed products, and the increasing competition provided by banks. While Eureko is adapting to these market challenges, its results remain under pressure.

The Netherlands struggled again in 2009, with a fall in value of new business to €22 million, from €33 million in 2008. However, the overall new business margin for the group increased to 1.6%, from 1.3% in 2008, assisted by Division Europe. After six months of 2010, the value of new business was only €6.0 million (€6.9 million from the Netherlands, offset by a -€0.9 million from overseas), and the new business margin was just 0.6% (1.1% for the Netherlands). It is very hard to see how Eureko can make any significant improvement in its life underwriting performance in 2011, although 2010 does include an increase of €143 million in the provision for unit-linked policyholder compensation, which we now believe it has fully provided for. Therefore, on an underlying basis, life insurance achieved a profit of €43 million in the first six months of 2010 because of better investment results and cost reductions.

Table 6

Life Insurance						
(Mil. €)	**H1 2010***	**2009**	**2008**	**2007**	**2006**	**2005**
Gross premiums written	2,083	4,998	4,231	4,417	4,464	2,807
New business margin (%)	0.6	1.6	1.3	1.7	1.6	0.6
Profit before tax	(100)	(108)	(1,381)	470	533	202

Source: Eureko financial reports. *As at June 30.

Other

Division Europe remains a minor contributor to the group's bottom line. For Eureko, banking is a complementary business in the Netherlands to ensure customers have a complete service offering. Banking generated a loss of €47 million in 2009, but this included loan loss provisions of €101 million for its Irish business, which is now in run-off. In the first half of 2010, it made a pretax profit of €49 million.

Settling the decade-long dispute with the Polish state over PZU had a major impact on operating performance for 2009 and 2010. PZU paid a special dividend in November 2009, and Eureko's share was supplemented by a compensation payment from the Polish state. The pretax benefit to Eureko was about €1.2 billion in 2009, with further material benefit of €726 million pretax in the first half of 2010, following the IPO of PZU, plus over €1 billion in cash from the further sale of shares in November 2010.

Standard & Poor's expects Eureko to maintain its overall underwriting performance over the short-to-medium term, especially in the Dutch life and non-life markets, where its competitive strengths should allow it to take advantage of its large market presence. In particular, we expect non-life insurance to produce a net combined ratio under 97%; basic health insurance a ratio under 100%; and supplementary health insurance a ratio under 95%. We also expect the life business to benefit from the programs mentioned earlier and maintain its new business margins in the Netherlands at 1% or higher.

Investments: Well Diversified, With Limited Exposure To Subprime Assets

Table 7

Eureko Group/Investment Statistics					
	--Year ended Dec. 31--				
(Mil. €)	**2009**	**2008**	**2007**	**2006**	**2005**
Total investments	64,876	62,412	71,487	59,809	59,144
Investment in affiliates (%)	3.5	5.6	6.6	6.8	6.3
Bonds and other fixed-interest securities (%)	60.9	53.2	45.7	57.7	59.5
Mortgages (%)	0.0	0.0	0.0	0.6	1.8
Equities and other variable-interest securities (%)	4.6	7.6	11.8	14.6	11.5
Property (%)	3.3	3.4	3.2	4.2	3.6
Cash and bank deposits (%)	11.9	6.0	4.7	2.7	3.3
Loans and private placements (%)	8.5	8.2	7.6	10.7	11.8
Derivatives (%)	2.9	4.3	1.6	2.1	2.1

Table 7

Eureko Group/Investment Statistics (cont.)					
Other investments (%)	4.2	11.7	18.7	0.6	0.1
Total nonlinked investments (%)	67.2	72.1	70.5	65.9	67.5
Assets held to cover linked liabilities (%)	32.8	27.9	29.5	34.1	32.5

We consider Eureko's investment profile to be strong, well-diversified, and appropriate for its liabilities. Credit quality is high, and market risk has been reduced to moderately low levels as the group took actions to reduce risk at the end of 2008 and in 2009. ALM is good in the Netherlands, and ALM testing and procedures have now been implemented across the group. This should stabilize contributions to the bottom line in future.

Investment strategy

Eureko uses replicating portfolios to help it optimize its investment portfolio. On June 30, 2010, the group held 75% of its assets in bonds, 9% in cash, 6% in derivatives, 5% in equities, and 4% in property (these figures exclude investments in associated companies and participating interests). This was little changed from the position at year-end 2009.

Credit risk

Credit risk is low for Eureko. On June 30, 2010, 92% of the bond portfolio was rated 'A' or higher, with more than half of the portfolio being invested in 'AAA' sovereign debt. Only 2.5% of its portfolio was in the government bonds of Portugal, Italy, Ireland, Greece, and Spain. Eureko strengthened its impairment polices over 2008 and is more actively managing its exposures in light of market events during the past three years.

Market risk

Following the disposal of most of the shares Eureko owned in PZU, we believe that market risk is now small.

Liquidity: Strong, Based On Substantial Marketable And Near-Cash Instruments

Liquidity is viewed as strong, being supported by the substantial portfolio of marketable securities and near-cash instruments: Eureko states that liquid assets represented 87% of the investment portfolio at year-end 2009. Cash flow from operating activities has been volatile, with a negative €1.1 billion swinging to a positive €1.6 billion in 2009, and a negative €305 million in the first half of 2010. Additional liquidity comes from undrawn, committed credit facilities of about €750 million at Eureko B.V. (A-/Negative/--).

Capitalization: Very Strong In Amount And Quality

We view Eureko's capitalization as being very strong. Its capital adequacy, as measured by Standard & Poor's risk-based capital model, was extremely strong at year-end 2009 and we expect it to remain so. Its capital position was bolstered in 2009 by the injection of share capital from its main shareholders (€1.0 billion) and the first payment from the PZU settlement (a net profit of €1.1 billion, subsequently paid as dividends to shareholders). In 2010, the capital position will benefit from the sale of most of the group's shares in PZU Group. Quality of capital is also strong, with over 60% of total adjusted capital derived from core shareholders' funds.

On a statutory basis, solvency coverage was about 225% for the group on June 30, 2010, up from about 150% at the end of 2008. The group has said that the PZU settlement resulted in an increase of group solvency levels of 27 percentage points. As for the group's banking activities, the Tier I ratio was 11.3% at year-end 2009 (11.1% 2008). The group's two banks each had a Tier I ratio of at least 10.8% on June 30, 2010.

Capital in the group is no less fungible than for most other insurance groups, with the exception of certain of the Dutch and Slovakian health subsidiaries, which have legal or tax constraints on the transfer of capital or dividends to other group entities.

Reserves

Standard & Poor's considers the life reserves to be adequate and makes no additional haircuts to credit given for value in force in the capital model. Non-life reserves are seen as adequate, and we do not expect material adverse reserve development on previous years to emerge. We consider that some redundancy exists in these reserves and, consequently, give them partial capital credit in our analysis. Eureko tests its reserves deterministically each quarter and, for non-life, stochastically each quarter. It actively manages the actual level of reserves to within a band around target levels.

Reinsurance

Eureko benefits from a comprehensive reinsurance program, which provides very good coverage against claims frequency and severity. This program is provided mainly by leading reinsurers, all of which are generally rated 'A-' or higher for short-tail contracts and 'A+' or higher for long-tail contracts. Eureko's catastrophe program provides cover for a one-in-200-year event.

Leverage and coverage

It is Eureko's policy to finance its insurance activities at the holding level, so no debt is issued by the insurance operating entities. Eureko B.V. is the ultimate holding company for the group and we calculate its leverage profile as shown in table 8.

Table 8

Leverage And Coverage

	2009	2008
Debt leverage (%)	9.6	19.4
Financial leverage (%)	23.5	34.0
Interest coverage (x)*	6.8	(12.8)
Fixed-charge coverage (x)*	2.7	(6.7)

Source: Eureko and Standard & Poor's analysis. *Excluding the PZU impact.

Financial Flexibility: Takes Advantage Of Its Private Ownership

In our view, Eureko's financial flexibility is strong. The group has been issuing hybrid securities in the capital markets since 2005 and its issues have been well received by investors. In the stress events of 2008, Eureko exercised some of the financial flexibility inherent in its ownership structure, with additional capital being provided by its two major shareholders. However, the group did not approach the Dutch government to request additional funding.

Ratings Detail (As Of March 14, 2011)*	
Holding Company: Eureko B.V.	
Issuer Credit Rating	
Local Currency	A-/Stable/--

Ratings Detail (As Of March 14, 2011)*(cont.)	
Junior Subordinated (4 Issues)	BBB
Senior Unsecured (2 Issues)	A-
Subordinated (1 Issue)	BBB+
Operating Companies Covered By This Report	
Achmea Pensioen- & Levensverzekeringen N.V.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Counterparty Credit Rating	
Local Currency	A+/Stable/--
Achmea Schadeverzekeringen N.V.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Achmea Zorgverzekeringen N.V.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Related Entities	
Achmea Holding N.V.	
Issuer Credit Rating	
Local Currency	A-/Stable/A-2
Domicile	Netherlands

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Additional Contact:
Insurance Ratings Europe; InsuranceInteractive_Europe@standardandpoors.com

Additional Contact:
Insurance Ratings Europe; InsuranceInteractive_Europe@standardandpoors.com