

# Market announcement

## **Swiss Re partners with NTUC Income on a first-in-market longevity arrangement to shield against future variation in Income's annuity book**

**Singapore, 8 March 2022 — Swiss Re has partnered with composite insurer, NTUC Income (Income) on the first longevity arrangement of its kind in Singapore. This partnership will help shield Income from future variations in its annuity book, by sharing with Swiss Re any future payments to annuitants who live beyond their age expectancy.**

The long-term nature of annuity business can lead to high capital requirements under various solvency regimes. This partnership enables Income to improve its own capital efficiency and further strengthen its solvency position.

Many Asian markets are witnessing a rapidly ageing society. Coupled with longer lives, fluctuating interest rates and the increased need to plan for one's retirement, consumers are keen to gain better financial security in their golden years. The insurance sector is well-placed to help empower customers to achieve better financial wellbeing by providing relevant savings and retirement solutions.

"It's important the re/insurance industry works with governments and society to plan and mitigate the risks of an ageing population. In this instance, Swiss Re leveraged its global longevity reinsurance expertise, deal-making track record and local market knowledge to tailor a solution that helps de-risk Income's legacy annuity book," said Mr. Russell Higginbotham, Swiss Re's CEO Reinsurance Asia and Regional President Asia.

"We welcome the opportunity to work with our insurance partners and to offer them confidence to pursue their own solutions that support an ageing society. We expect to partner with more clients in Asia to achieve similar positive outcomes. This is part of our mission to close the protection gap here in the region and around the world."

Ms. Lau Sok Hoon, Income's Chief Actuary, said, "As Singaporeans live longer lives, Income places a strong focus in ensuring seniors' access to insurance. We are glad to have found a like-minded partner in Swiss Re who also appreciates the importance of empowering older Singaporeans to be more financially ready in the years ahead. Only with better financial wellbeing may we empower our seniors to age successfully and take charge of that narrative."

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## About Swiss Re

The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally.

## About NTUC Income

NTUC Income is Singapore's leading composite insurer, offering products and services that serve the protection, savings and investment needs of different life stages and for all segments of society. Income's innovative, data-driven and omni-channel approach puts us at the forefront of customer-centric solutions that meet rapidly evolving needs and empower better financial well-being. Income was established in 1970 and remains the only insurance co-operative in Singapore. We are committed to create a positive social impact through our products, services and people. Today, we insure close to 1.7 million lives in Singapore across life, health and general insurance. Our financial strength and diversified investment portfolio is reflected by our strong credit ratings which underpin the delivery of our commitment to customers.

## Swiss Re

The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally. It is organised into three Business Units, each with a distinct strategy and set of objectives contributing to the Group's overall mission.

For logos and photography of Swiss Re executives, directors or offices go to <https://www.swissre.com/media/electronic-press-kit.html>

For media 'b-roll' please send an e-mail to [media\\_relations@swissre.com](mailto:media_relations@swissre.com)



### Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as “anticipate”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend”, “may increase”, “may fluctuate” and similar expressions, or by future or conditional verbs such as “will”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group’s actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the reinsurance sector;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- increased volatility of, and/or disruption in, global capital and credit markets;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group’s financial strength or otherwise;
- the Group’s inability to realize amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- the Group’s inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation, or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability;

- the outcome of tax audits, the ability to realize tax loss carryforwards and the ability to realize deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on the Group's business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities;
- changes in accounting standards, practices or policies;
- strengthening or weakening of foreign currencies;
- reforms of, or other potential changes to, benchmark reference rates;
- failure of the Group's hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than-expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
- operational factors, including the efficacy of risk management and other internal procedures in anticipating and managing the foregoing risks.

These factors are not exhaustive. The Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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