

# Swiss Re, through Life Re, announces proposed acquisition of Royal Maccabees Life Insurance Company

4 Mar 1999 CET Press Release

Swiss Re today announced that it has entered into an Administrative Reinsurance agreement to acquire 100% of the outstanding stock of Royal Maccabees Life Insurance Company of Southfield, Michigan, for a consideration of US\$ 380 million. Royal Maccabees, and its wholly owned subsidiary Royal Life Insurance Company of New York, are part of the international Royal & Sun Alliance Insurance Group plc, one of the largest multi-line insurance organisations in the world.

The agreement, which is subject to certain conditions, including insurance regulatory approvals, targets a closing date in the second quarter of 1999.

Royal Maccabees', and Royal Life Insurance Company of New York's, business has focused on individual life, group life, annuity and disability income products. Together, these two companies had statutory assets of approximately US \$2.6 billion at 31 December 1998. Their combined statutory capital and surplus including AVR at year end 1998 was approximately US \$220 million. Royal Maccabees' 1998 net premium income was US \$272 million, and it has more than 200,000 policies in force.

Jacques E. Dubois, Chief Executive Officer of Swiss Re Life & Health America Inc., said, "The acquisition of Royal Maccabees from the Royal & Sun Alliance is an important milestone in our Administrative Reinsurance portfolio as we grow this line of business within Swiss Re. Through these Administrative Reinsurance efforts, we focus on providing capital and risk management services to our clients in exchange for their insurance in force."

John Coomber, Divisional Chief Executive commented, "Our purchase of Life Re in December 1998 was designed to provide the capability for larger Administrative Reinsurance transactions of this type. This transaction further validates our strategy in the consolidating life insurance industry."

Swiss Re Life & Health America Inc. provides traditional life reinsurance and Administrative Reinsurance to its clients throughout North America. Pro forma after the acquisition of Life Re Corporation in December 1998, the Company had approximately US \$10 billion in assets and US \$2.7 billion in revenues for 1998.

## Notes to editors

Swiss Re Life & Health is a specialist global division of Swiss Re Group. The division delivers risk management solutions to its clients - life and health insurers world-wide - across a wide spectrum of products including life, critical illness, disability income, medical expense and long-term care. Headquartered in London, the division operates through a network of 37 offices in 28 countries, serving clients in virtually every country in the world.

Swiss Re is one of the world's leading reinsurers and, with over 70 offices in more than 30 countries, is represented on all continents. In the 1997 financial year, gross premium volume amounted to CHF 17.4 billion (US \$11.9 billion) and the result after tax amounted to CHF 2.1 billion (US \$1.5 billion). Swiss Re is rated "Aaa" by Moody's and "AAA" by Standard & Poor's.

## For further information please contact:

Media, US:

**Weldon Wilson**, tel. +1 203 321 3122

Media, Europe:

**Johann Thinnhof**, tel. +41 1 285 3281

Investor Relations:

**Dieter Enkelmann**, **Stefan Senn**, tel. +41 1 285 4444