



## Swiss Re provides estimate of its claims costs from Thailand flood

Contact:

Media Relations, Zurich  
Telephone +41 43 285 7171

Corporate Communications, Asia  
Telephone +852 2582 3912

Corporate Communications, New York  
Telephone +1 212 317 5663

Investor Relations, Zurich  
Telephone +41 43 285 4444

Swiss Re Ltd  
Mythenquai 50/60  
P.O. Box  
CH-8022 Zurich

Telephone +41 43 285 2121  
Fax +41 43 285 2999  
www.swissre.com

- **Swiss Re estimates claims costs of USD 600 million, net of retrocession and before tax**
- **Estimates remain subject to significant uncertainty due to complexity of loss assessment**

**Zurich, 6 December 2011 – Swiss Re estimates its claims costs from severe flooding in Thailand at USD 600 million, after intense rainfall caused hundreds of deaths and flooded approximately 1500 industrial facilities. The estimate is net of retrocession and before tax. Water levels remain high in some areas, making it difficult to assess losses accurately. Estimates therefore remain subject to significant uncertainty.**

Since July 2011, Thailand has experienced very strong monsoon rainfalls, exacerbated by the remnants of three typhoons – Nok-Ten, Nesat and Nalgae. From July to October 2011, northern and central Thailand experienced their highest rainfall in 50 years. More than 600 people have died and many more have lost their homes in the flooding. Millions of tons of food crops have been destroyed.

"In addition to the human cost, the impact of this flood on the Thai economy and the companies that operate there is likely to be significant and could last some time," says Swiss Re's Chief Underwriting Officer Brian Gray. "The floods have forced the closure of several major industrial estates. For weeks, factories were under several metres of water and have been unable to produce and supply key parts to global carmakers or digital and electrical goods manufacturers."

The industrial facilities affected consist mainly of factories belonging to and supplying Japanese companies – and to a lesser extent Western-based international companies. Thailand is a significant link in the global manufacturing industry supply chain and is the world's second-largest producer of hard disk drives for computers. Total insured exposure in these industrial estates is estimated by the Thai Office of Insurance Commission at USD 20 billion.

Only about one percent of homeowners and small businesses in Thailand buy flood insurance. Flood losses for most industrial and large commercial risks are covered by all-risk insurance.



Swiss Re currently estimates the total insured market loss to be in the range of USD 8 to 11 billion.

Water levels are now receding but remain high in some areas of Thailand, delaying resumption of operations and slowing access to the sites by claims adjusters. Estimates for property damage and business interruption claims will therefore remain subject to significant uncertainty for some time.

## Notes to editors

### Swiss Re

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, Swiss Re deploys its capital strength, expertise and innovation power to enable the risk taking upon which enterprise and progress in society depend. Founded in Zurich, Switzerland, in 1863, Swiss Re serves clients through a network of 56 offices globally and is rated "AA-" by Standard & Poor's, "A1" by Moody's and "A" by A.M. Best. Shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: [www.swissre.com](http://www.swissre.com)

### Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements 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" and "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 Swiss Re's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- further instability affecting the global financial system and developments related thereto, including as a result of concerns over, or adverse developments relating to, sovereign debt of eurozone countries;
- further deterioration in global economic conditions;
- Swiss Re'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 under derivative contracts due to actual or perceived deterioration of Swiss Re's financial strength;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re's investment assets;
- changes in Swiss Re's investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re's balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise 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;

- the possibility that Swiss Re's hedging arrangements may not be effective;
- the lowering or loss of financial strength or other ratings of Swiss Re companies, and developments adversely affecting Swiss Re's ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, 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;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. Swiss Re 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.