



Swiss Re's Insurance Review and Outlook: profits continue in both life and non-life in 2005, although premium growth will slow

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London, 1 December 2004 – Swiss Re held its annual review and outlook on insurance markets today. The life and non-life industry's 2004 return to profitability will continue. Growth will be lower than that achieved in 2004, however, as rates reach their peak.

Reinsurance is key to sustainable insurance sector

Hosting the briefing, John Fitzpatrick, Head of Swiss Re's Life & Health Business Group, reflected on the unique and valuable role played by the (re)insurance industry in managing risk and capital for the economy as a whole. He emphasised that given the many challenges faced by the industry in recent years, policymakers need to ensure a stable and predictable legislative and regulatory environment if insurers are to provide their valuable service to clients.

Life and non-life continue recovery - but premium growth slows

Swiss Re's Chief Economist Thomas Hess, predicted continued profits for the insurance industry in 2005 and through to 2006. During 2004, property and casualty insurers continued to recover, led by favourable underwriting results. Life insurers have survived the difficulties of recent years but the outlook remains challenging. Both sectors will be affected by the low investment returns available, as capital markets are predicted to remain sluggish through 2005.

Commenting on the 2005 outlook Mr Hess said: "Insurers are continuing to rebuild their financial strength. The focus remains on underwriting quality, even as rates look like having peaked, discipline is being maintained. As a consequence, prices will stay at attractive levels, while top line growth is likely to be slower than in recent years."

Investors are cautious about insurers say Fox-Pitt, Kelton

Bob Yates, Global Head of Research at Fox-Pitt, Kelton highlighted, that as stock markets remain uninspiring, investors were cautious about the prospects for the insurance sector. This approach comes despite evidence that, although cycle pressures exist, management in the sector is better placed than in the past to successfully manage a downturn of the cycle.

Notes to editors

Swiss Re

Swiss Re is one of the world's leading reinsurers and the world's largest life and health reinsurer. The company operates through more than 70 offices in over 30 countries. Swiss Re has been in the reinsurance business since its foundation in Zurich, Switzerland, in 1863. Through its three business groups Property & Casualty, Life & Health and Financial Services, Swiss Re offers a wide variety of products to manage capital and risk. Traditional reinsurance products, including a broad range of property and casualty as well as life and health covers and related services, are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.