



New forms of public-private partnership, and stronger co-ordination of risk management by government, will help tackle the cost of natural catastrophes, Swiss Re tells Nordic conference

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Press briefing

11.00 in Finland  
10.00 CET  
09.00 BST

Dial-in information can be found at  
the end of this release

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**Helsinki, 25 August 2009 – Swiss Re is intensifying its efforts to urge governments to take a more joined-up approach to managing risk. In Helsinki today, the global reinsurer will use its flagship Nordic Risk & Insurance Summit (NORIS™) conference to suggest how governments can improve the way they tackle large-scale disasters and work more closely with insurers to deal with crises quickly and cost-effectively. With winter storm risk expected to double in some parts of Scandinavia by the end of the century, Swiss Re is also aiming to raise awareness of the need to close the gap between economic and insured losses.**

At a press briefing this morning, Swiss Re's Chief Risk Officer, Raj Singh will say: "Our risk landscape is constantly evolving, and risks are highly inter-connected. As the financial crisis has shown, the risks we face can change suddenly and unpredictably. But while economic risks are high on the radar in 2009, we must not ignore the long-term horizon."

"In the years ahead, climate change is one of the major risks to be confronted by the insurance industry, companies, governments and the general public. It's well known and accepted that due to global warming, an increase in natural catastrophes like storms, floods and droughts, both in frequency and severity, has to be expected. But there are other impacts such as effects on public health, and consequences such as food security and possible human conflict," he will warn.

**Country risk management**

It is precisely this interplay between risks which has led Swiss Re to propose ideas to bring more transparency and accountability to the way a nation manages the hazards it faces. Swiss Re recommends that governments create a 'Country Risk Officer' function, similar to the private sector's Chief Risk Officer. The role of this person, group or network would be to co-ordinate the risk assessment and mitigation activities for all hazards, and be the focal point to communicate throughout government – and to the public – on how to address the risks on the table.

The Country Risk Officer model has many benefits. As well as providing better know-how about key risks in the minds of policymakers and the general public, a greater degree of co-ordination in the way hazards

are addressed enables them to be managed more cost effectively. The Country Risk Officer can also interface as needed with the private sector, not only to exchange knowledge about risks, but in taking steps to transfer risk to the insurance industry and capital markets on a commercial footing.

In Swiss Re's view, greater public awareness of risk, along with improved co-ordination in the way governments respond to the risks presented by natural catastrophes, will help to close the vast gap between economic and insured losses<sup>1</sup>.

### **Climate change**

As a major reinsurer of natural catastrophe risks, for more than two decades Swiss Re has taken a leading role in understanding the impact of climate change on its business and on wider society. The topic will feature prominently at this week's NORIS™ conference and, at today's briefing, David Bresch, Swiss Re's Head of Sustainability and Emerging Risks, will explain how climate change can affect natural catastrophe (re)insurers.

"Climate change will lead to more frequent and more intense winter storms in Europe, causing increasing levels of damage in the longer term. Winter storm losses are projected to double by the end of this century in Sweden and Denmark and, in many areas of the Nordics, flooding is also a concern. With the concentration of large parts of the population – and many of the larger cities – in coastal areas, Scandinavia is very sensitive to climate change," he will say.

He will also set out the steps Swiss Re believes necessary for a successful outcome to the post-Kyoto protocol being finalised in Copenhagen this December. A signatory to the Copenhagen Communiqué, Swiss Re supports a reduction in emissions of 20-30% by 2020 and at least 50% by 2050 (versus 1990 levels). The company is also calling for enhanced international action on mitigating climate change and is keen to influence the next steps in climate adaptation – namely to create a framework which governments can use in adaptation strategies on a country and regional level in order to understand the underlying climate risks and the costs of adaptation measures. Adaptation measures include, for example, building defences, improved planning, building regulations and risk transfer and insurance against some of the more extreme weather events. This approach ensures that climate risks can be managed pre-emptively.

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<sup>1</sup> Insurance covers only a fraction of total losses from natural catastrophes: in 2008, natural catastrophes globally caused total losses around USD 259bn, of which USD 44.7bn (around 17%) were covered by insurance.

## Notes to editors

### Press briefing dial in details

Today's NORIS™ media briefing takes place at the old Stock Exchange (Pörssi) in Helsinki at 11.00 local time (registration from 10.30). If you are based in Helsinki and would like to attend in person, but have not already registered, please arrive at 10.30.

Finland is currently CET +1hr and British Summer Time +2hrs.

To dial into the event (please dial in 10 minutes before the start):

Denmark	+45 32 71 35 01	(at 10.00 local time)
Finland	+358 9 2319 4349	(at 11.00 local time)
Norway	+47 2415 9758	(at 10.00 local time)
Sweden	+46 8 5051 3794	(at 10.00 local time)
Switzerland	+41 43 456 9299	(at 10.00 local time)
United Kingdom	+44 20 7806 1967	(at 09.00 local time)

### Swiss Reinsurance Company Ltd

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 20 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "A+" by Standard & Poor's, "A1" by Moody's and "A" by A.M. Best.

### Swiss Re in the Nordic markets

Swiss Re is a leading reinsurer in the Nordic insurance markets, with annual premiums of more than EUR 185 million written in 2008. The company intends to continue growing its presence in these markets.

### Contact details for further information

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