



Swiss Re touts opportunities for the strongest companies

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New York, 10 December 2003 - Andreas Beerli, Head of Swiss Re's Property & Casualty business in the Americas, asserted today that continued strong pricing throughout the industry may last at least until 2005, and that the current challenging market conditions represent tremendous opportunities for those companies with both strong balance sheets and underwriting acumen.

'For the insurance industry to perform its function for the capital markets, it must possess adequate capital, and it must assess risks accurately,' said Beerli at Swiss Re's Year-end Economic and Insurance Industry Review 2003/Outlook 2004 forum, held at the company's New York offices. 'We are in a period of 'back to basics,' in terms of underwriting. The state of the P&C industry only sharpens Swiss Re's focus on executing our underwriting principles.'

Beerli was among several Swiss Re executives at the event who discussed the state of both the property, casualty and life, health reinsurance industry, as well as the overall US economy.

Patrick Mailloux, Head, US Direct, for the Americas Division, added, 'Industry-wide, there remains pressure from several factors, including a low interest rate environment and low capital market returns. Strong pricing, or what we call a 'hard market,' must continue to allow P&C insurers to return to underwriting profitability.'

In his comments on the P&C market, Michael Hallett, Vice President of Fox-Pitt, Kelton, said the firm 'expects combined ratio improvement in the industry through 2005.'

In the life, health reinsurance arena, Weldon Wilson, CEO of Swiss Re Life, Health America Inc., said there is reason for optimism, noting, 'The long-term demographics of the aging baby boomer generation is a long term, positive trend for the sector. Those who possess superior product design expertise, and who have a broad view of mortality trends can, in fact, realize success.'

Giving a broad overview of the US economy, Kurt Karl, Chief US Economist, Swiss Re Economic Research, Consulting, North America, said, 'The outlook right now is quite good. Industrial production continues to rise, consumer spending is strengthening and the investment climate is improving.'

Note to editors

Swiss Re is a leading reinsurer and the world's largest life and health reinsurer. The company is global, operating from 70 offices in 30 countries. Since its foundation in 1863, Swiss Re has been in the reinsurance business. Swiss Re has three business groups: Property & Casualty, Life & Health and Financial Services. Swiss Re offers a wide range of traditional reinsurance products and related services, which are complemented by insurance-based corporate finance solutions and supplementary services. Swiss Re is rated "AA" by Standard & Poor's, "Aa1" by Moody's and "A+" by A.M. Best.