



Swiss Re obtains USD 1 70 million in natural catastrophe protection through a unique cat bond combining Australia earthquake with US peak natural catastrophe risks

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Zurich, 4 January 2011 – Swiss Re has obtained another USD 170 million in protection through the Successor X Ltd. catastrophe bond programme, covering Australia earthquake, North Atlantic hurricane and California earthquake risks. The combination of Australia earthquake risk with US peak natural catastrophe risks is a unique structure that provides additional diversification to the ILS market.

Swiss Re has entered into a transaction with Successor X Ltd. ("Successor X") to receive up to USD 170 million of payments in the event of natural catastrophes such as Australian earthquakes, North Atlantic hurricanes and Californian earthquakes. The transaction covers a three-year risk period, ending in December 2013. Successor X issued notes linked to these risks to the capital markets. This transaction is the third takedown of the Successor X programme, after a first bond for USD 150 million in December 2009 and a second for USD 120 million in May 2010.

Prior Successor programmes have allowed Swiss Re to obtain more than USD 1.6 billion of protection, demonstrating the company's expertise in transferring natural catastrophe risk to the capital markets.

Martin Bisping, Swiss Re's Head of Non-Life Risk Transformation, said: "Insurance-linked securities transform (re)insurance risks into an investor-friendly asset class. ILS are a fundamental part of our own hedging strategy, allowing us to manage catastrophe risk, lowering capital requirements and reducing earnings volatility. ILS also form part of our core offering to clients. This transaction demonstrates our ability to take on risk from a broad range of clients and transfer it to capital markets investors in a simple and standard format."

"Swiss Re has a track record of introducing non-peak risks to the capital market," Bisping continued. "By adding Australia earthquake to this transaction, we have created a bond that offers additional diversification for investors and have once again been able to demonstrate our capacity for innovation in this field."

Class	Notional amount	Term	Rating
Class R	USD 65 m	3 years	B-
Class S	USD 50 m	3 years	B-
Class T	USD 55 m	3 years	Not rated

Swiss Re Capital Markets acted as sole manager and book-runner on the note issuance. Risk modelling and analysis were performed by EQECAT, Inc.

The Successor X notes were sold in a private placement pursuant to Rule 144A of the US Securities Act of 1933, as amended, (the Securities Act) and have not been registered under the Securities Act or any state securities laws; they may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Notes to editors

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.

Successor X Ltd.

Successor X Ltd. is a Cayman Islands exempted company financed through the offering of insurance-linked securities.

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:

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- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilize the credit markets and the broader financial system;
 - changes in global economic conditions and the effects of the global economic downturn;
 - the occurrence of other unanticipated market developments or trends;
 - 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 Swiss Re's 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 realize amounts on sales of securities on Swiss Re's balance sheet equivalent to its mark-to-market values recorded for accounting purposes;
 - the outcome of tax audits, the ability to realize tax loss carry forwards and the ability to realize 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 one of the financial strength or other ratings of one or more companies in the Group;
 - risks associated with implementing Swiss Re's business strategies;
 - the cyclical nature of the reinsurance industry;
 - uncertainties in estimating reserves;
 - 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;
 - political risks in the countries in which Swiss Re operates or insures risks;
 - the impact of current, pending and future legislation and regulation affecting us or our ceding companies, and regulatory and legal actions;
 - the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
 - 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. We operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.