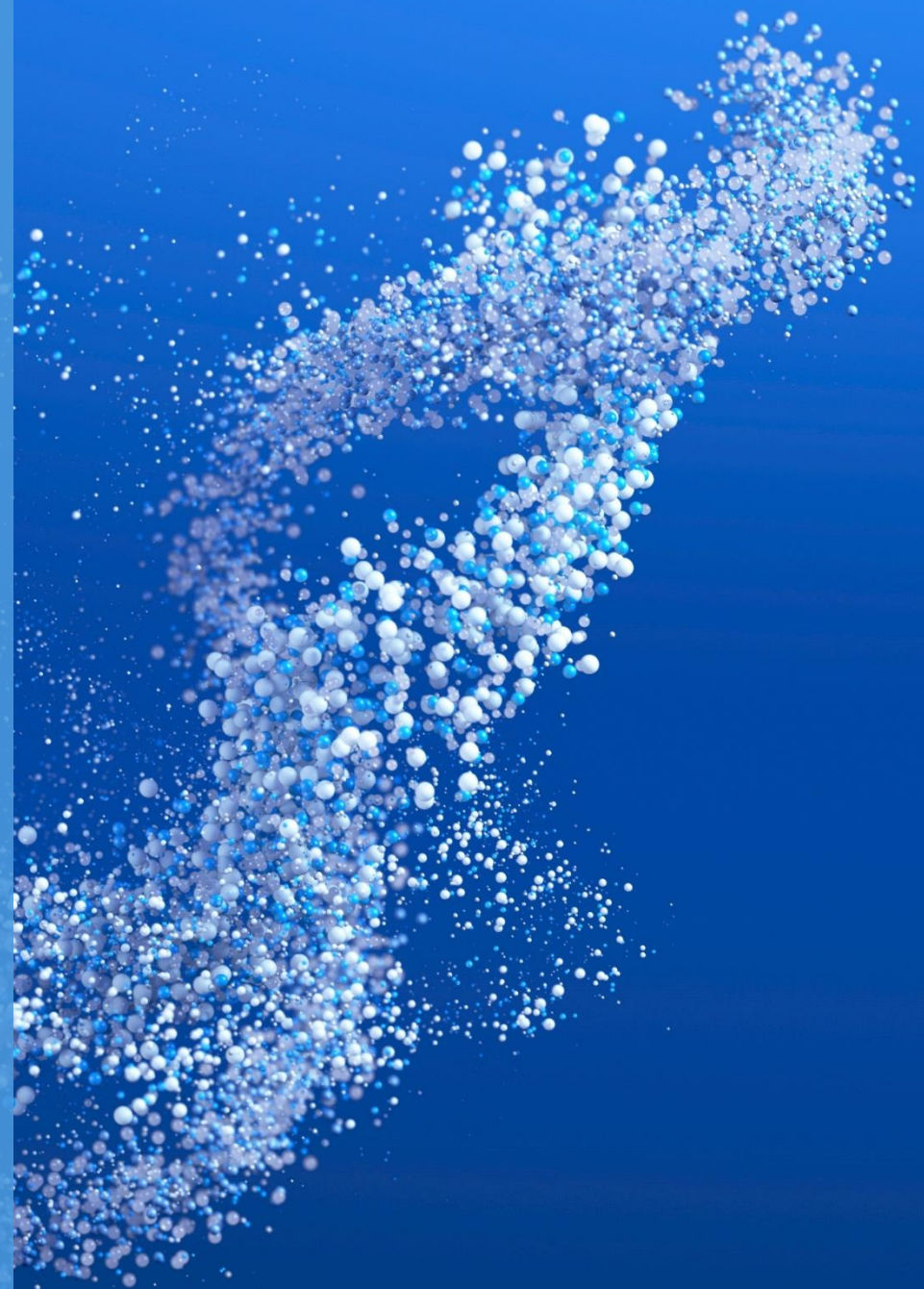


# Media Dialogue 2023

P&C Re and L&H Re  
15 June 2023



# Welcome

Charlotte Nelson  
Lead Businesses  
Media Relations & Corporate Reporting

# Agenda

Time (CEST)	Topic	Speakers
16:00	Welcome note and introduction	<b>Charlotte Nelson</b> Lead Businesses, Media Relations
40 minutes	Meet the new CEOs P&C Re and L&H Re <i>Presentations followed by Q&amp;A</i>	<b>Urs Baertschi</b> CEO, P&C Reinsurance <b>Paul Murray</b> CEO, L&H Reinsurance
25 minutes	<b>Focus topics P&amp;C Re:</b> Swiss Re's approach to natural catastrophe risks including excursion into specialty lines <i>Presentations followed by Q&amp;A</i>	<b>Gianfranco Lot</b> CUO, P&C Reinsurance <b>Anne Lohbeck</b> CUO Specialty, P&C Reinsurance
25 minutes	<b>Focus topic L&amp;H Re:</b> Key take-aways from the pandemic and what's driving the next wave in improving life expectancy <i>Presentations followed by Q&amp;A</i>	<b>Julien Descombes</b> CUO, L&H Reinsurance <b>Natalie Kelly</b> Head Global Underwriting, Claims & R&D, L&H Reinsurance
17:30	Closing remarks, end of event	

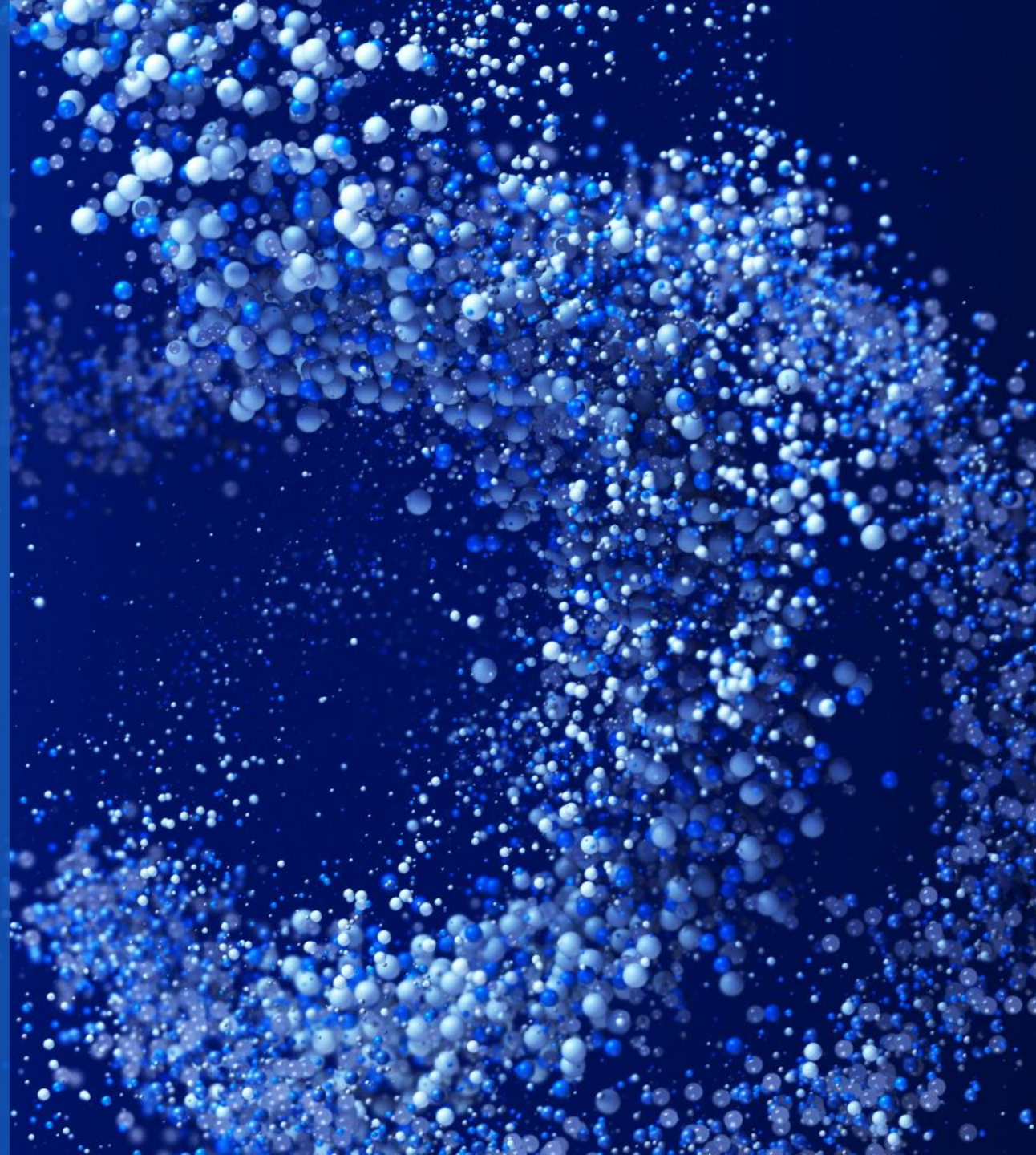
# Meet the new CEOs of P&C Re and L&H Re



Urs Baertschi  
CEO P&C Re

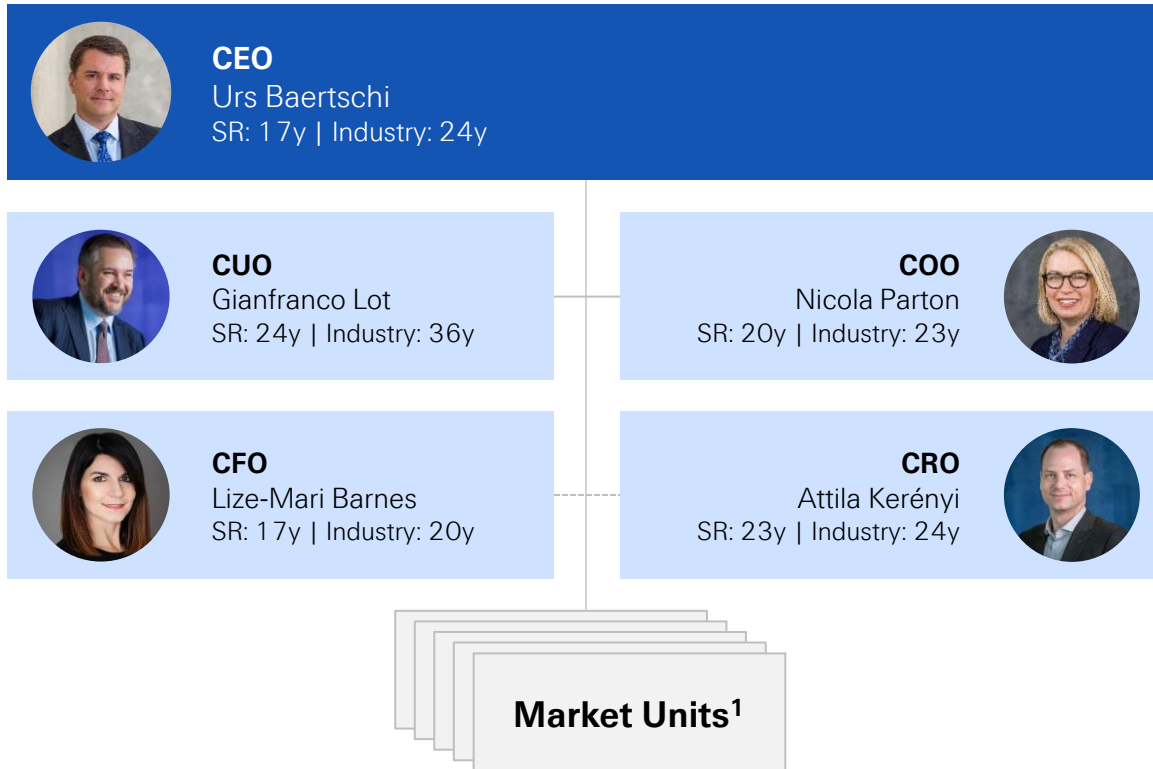


Paul Murray  
CEO L&H Re



# New organisational structure P&C Re

## Property & Casualty Reinsurance



## Changes to P&C Re

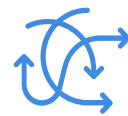
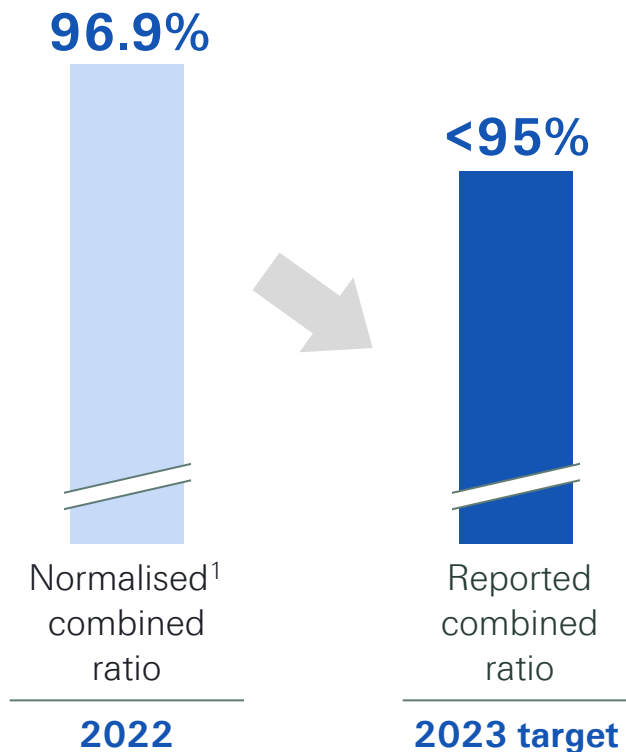
- Removing organisational complexity to increase client focus and accountability
- Simplicity and short decision paths to become easier to do business with
- Collaboration with Global Clients & Solutions

## Impact

- Enhanced client experience by being faster and closer to clients
- Culture change to sharpen focus on underwriting performance and cost efficiency

<sup>1</sup> Market Units include US, Canada & English Caribbean, LatAm, Fac US, MEA, NCEE, UK & Ireland, WSE, Fac EMEA, China, SID and dotted lines to Japan and ANZ, which are positioned in GCS.

# P&C Re remains committed to achieving its combined ratio target in a complex market environment



Elevated uncertainty and volatility



Higher interest rates



Increasing natural catastrophe claims costs



Elevated inflation levels



Growing reinsurance market

<sup>1</sup> Assuming an average large natural catastrophe loss burden and excluding prior-year reserve development.

Closing natural catastrophe protection gaps is a growth opportunity.  
However, pricing needs to reflect the increasing risk.

USD **150**bn

uninsured natural catastrophe  
losses in 2022

USD **125**bn

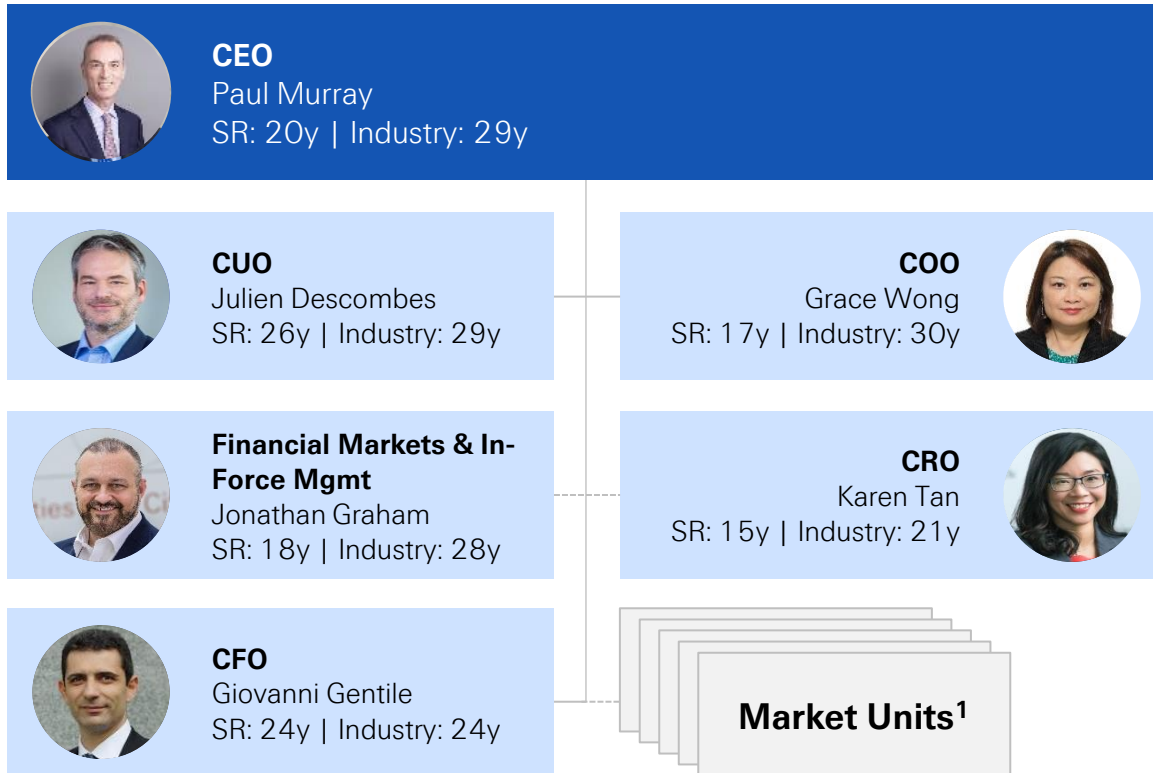
insured natural catastrophe  
losses in 2022

**5–7**%

p.a. insured natural  
catastrophe loss growth  
over last 30 years

# New organisational structure L&H Re

## Life & Health Reinsurance



## Changes to L&H Re

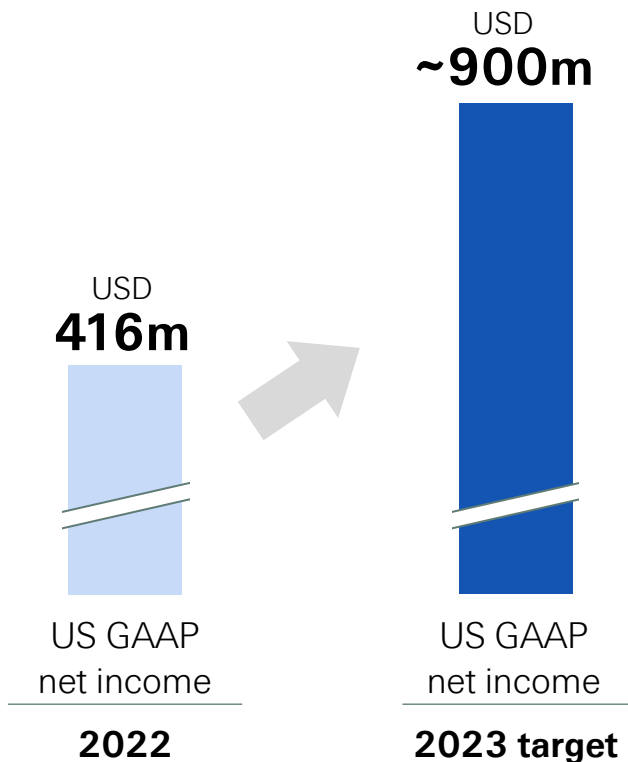
- Greater autonomy of market units for enhanced empowerment and accountability

## Impact

- New structure makes us faster, bolder and nimbler
- Underwriting and accountability at the core, simplification leads to improved client experience
- Sharpened focus on performance and cost control to become more competitive

<sup>1</sup> Market Units include Canada, US, LatAm, UK & Ireland, Continental Europe, ME & Africa, China, APAC ex China.

# Multiple tailwinds support the L&H business in growing revenues and increasing profits



Subsiding COVID-19 mortality



Growing reinsurance market



Higher interest rates



Transition to IFRS17



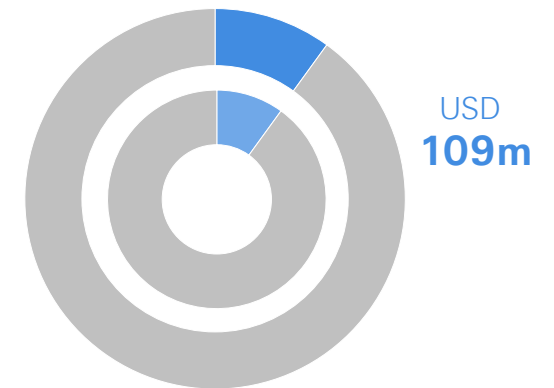
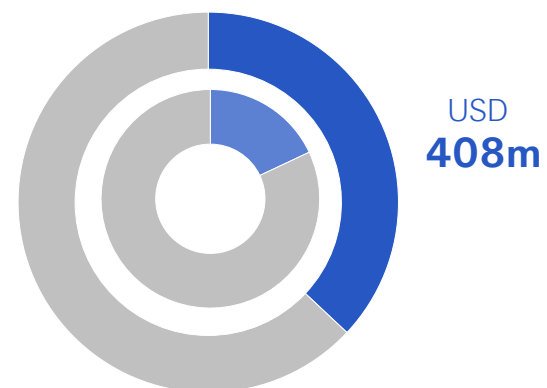
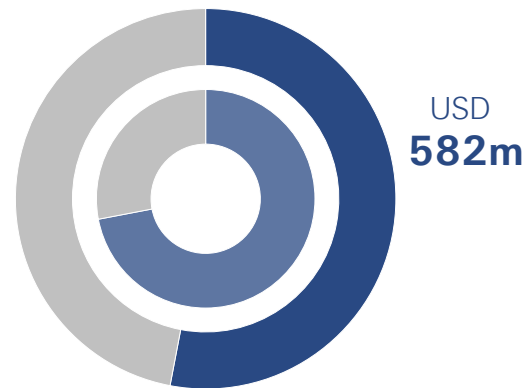
US pre-2004 mortality drag



Reducing cost ratio

# Increased diversification across L&H Re lines of business and geographies

Economic profit<sup>1</sup> in 2012 (inner circles) vs. average 2020–2022 (outer circles):



<sup>1</sup> EVM new business underwriting profit.

# Q&A

Please raise your hand  
to ask a question.

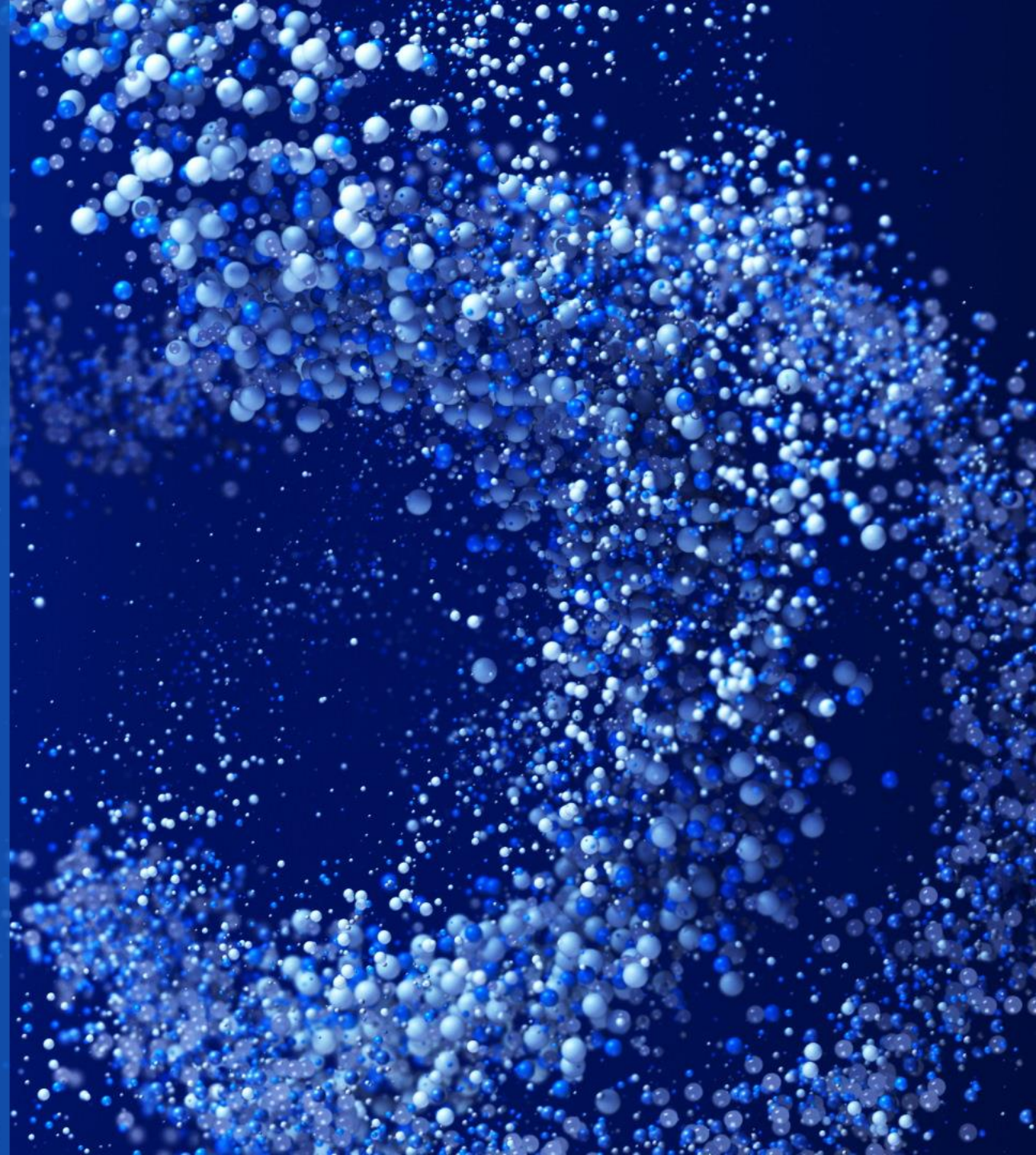
# Deep dive P&C Re



**Gianfranco Lot**  
Chief Underwriting Officer  
P&C Reinsurance



**Anne Lohbeck**  
Chief Underwriting Officer  
Specialty, P&C Reinsurance



# Hard market supports us in strengthening the natural catastrophe portfolio

USD **125**bn  
insured losses in 2022




**5–7**%  
p.a. insured loss growth  
over last 30 years






**~20**%  
increase in risk-adjusted  
price since 2017

## Swiss Re supports our clients through:

### Risk insights

-  50+ full time scientists
-  ~200 models
-  Academic & industry collaboration

### Tools and solutions

-  CatNet<sup>®</sup>
-  Insurance-linked securities
-  Innovative solutions

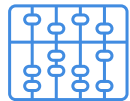
### Natural catastrophe reinsurance

-  Leading global market share in Nat Cat reinsurance > 10%
-  Global presence; key exposures in North Atlantic hurricane, earthquakes in US and Japan

# Cyber: data remains king



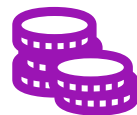
Cautious approach



Risk accumulation



Changing risk landscape



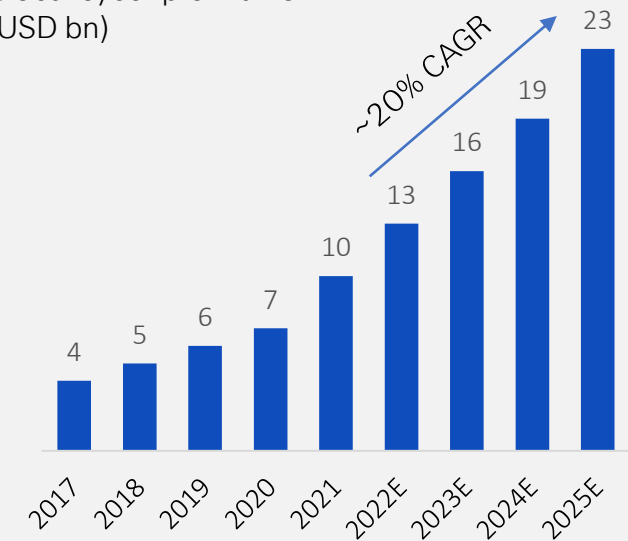
Investments in R&D



Quest for data and data quality

The **cyber risk landscape** is evolving quickly and with digitalisation accelerating across the world, we are seeing and expecting **cyber insurance to grow**.

Global cyber premiums (USD bn)



# Specialty has grown and rebalanced since 2017, benefitting from our leading franchise

- Stringent underwriting processes, bespoke technical skills required
- Global team with regional footprint
- Evolving risk landscape due to climate change impacting risk appetite
- Decarbonisation and sustainability opportunities in infrastructure, marine and engineering



Engineering



Agriculture



Marine & Energy



Cyber



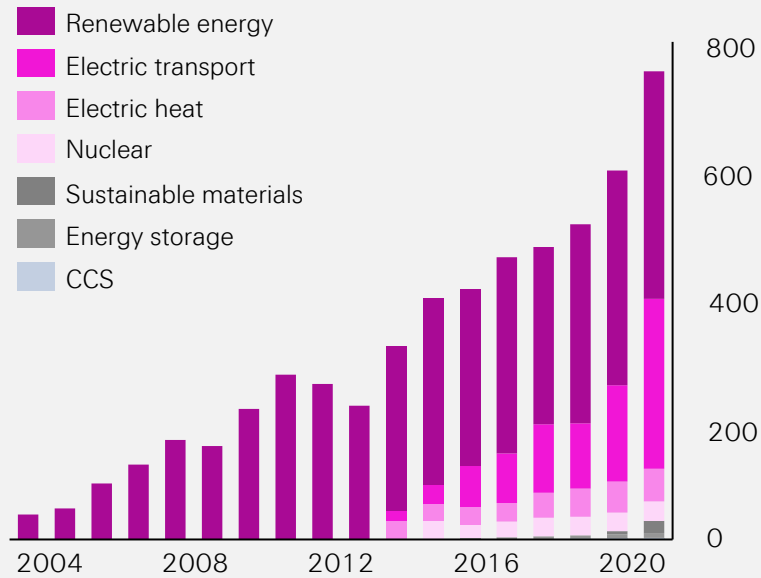
Credit & Surety



Aviation

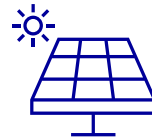
- Infrastructure investments present significant growth opportunities
- Accelerated energy transition timeline requires risk knowledge for renewables

**Global low-carbon investments**  
(USD bn)



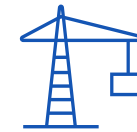
# Specialty is driven by innovation and expertise

Key market trends such as infrastructure, food security and sustainability enable future growth opportunities, which we help unlock with our tailored risk transfer, insights and solutions



### Solar parametric

Enables clients to assess and manage solar risks in the fast-growing renewable energy sector



### Engineering Digital

PUMA platform empowers clients to capture growth opportunities and improve efficiency



### Centre of Competence for Renewable Energy

Dedicated team helping clients manage their renewable energy portfolios

# Q&A

Please raise your hand  
to ask a question.

# Deep dive L&H Re



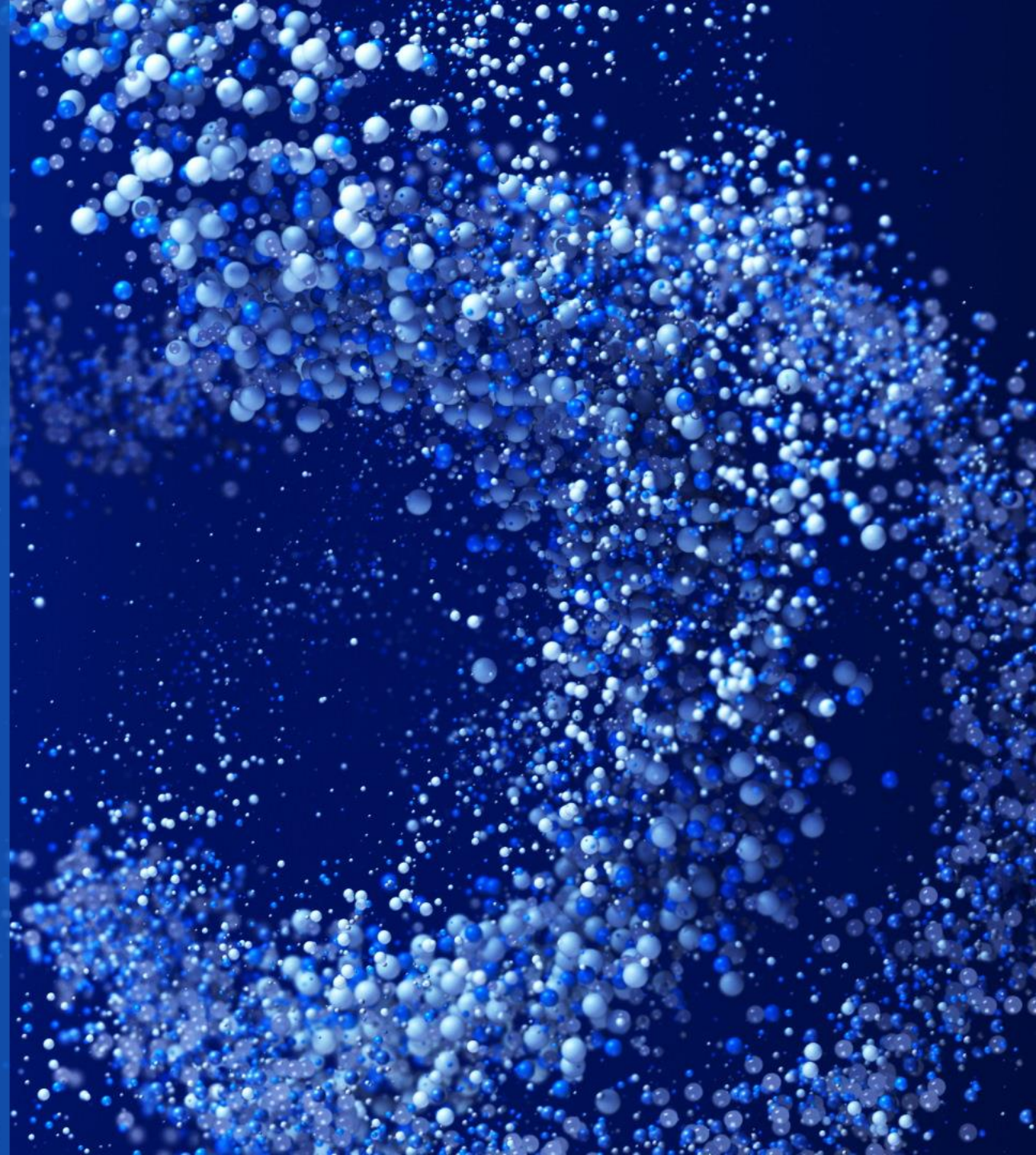
**Julien Descombes**

Chief Underwriting Officer  
L&H Reinsurance



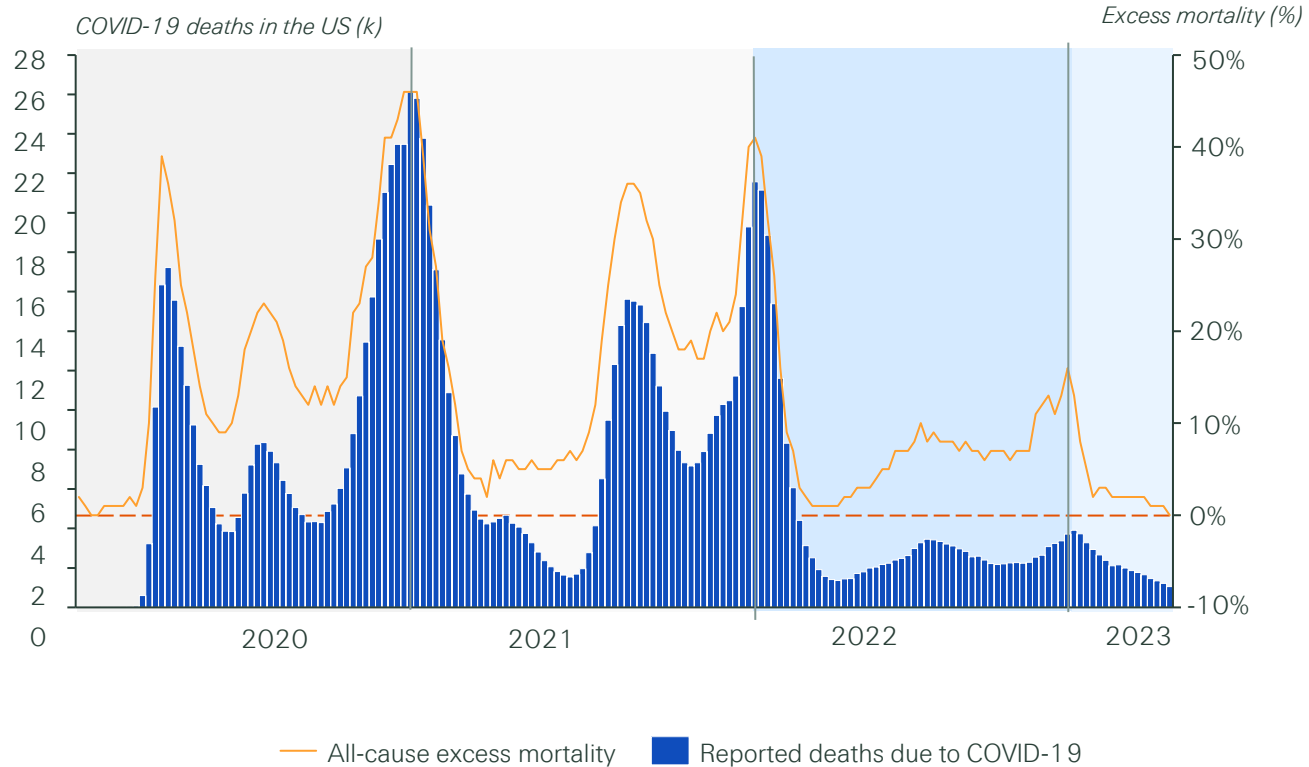
**Natalie Kelly**

Head Global Underwriting,  
Claims & R&D, L&H Reinsurance



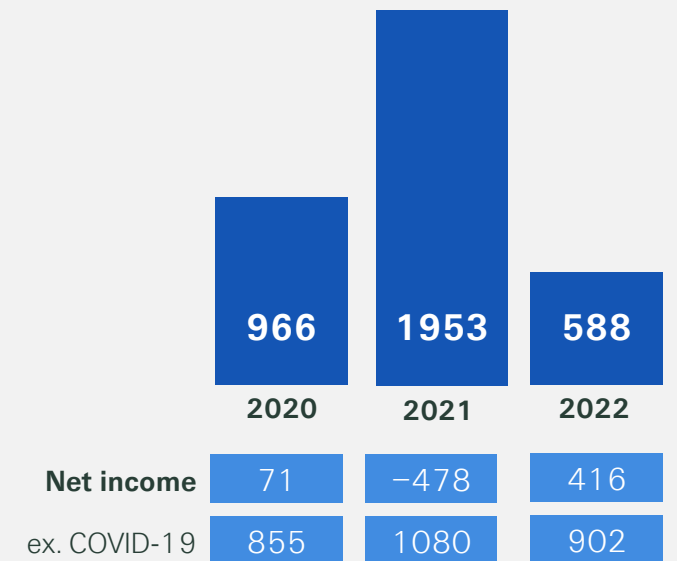
COVID-19 is now endemic ...

... with a reduced claims burden in L&H Re



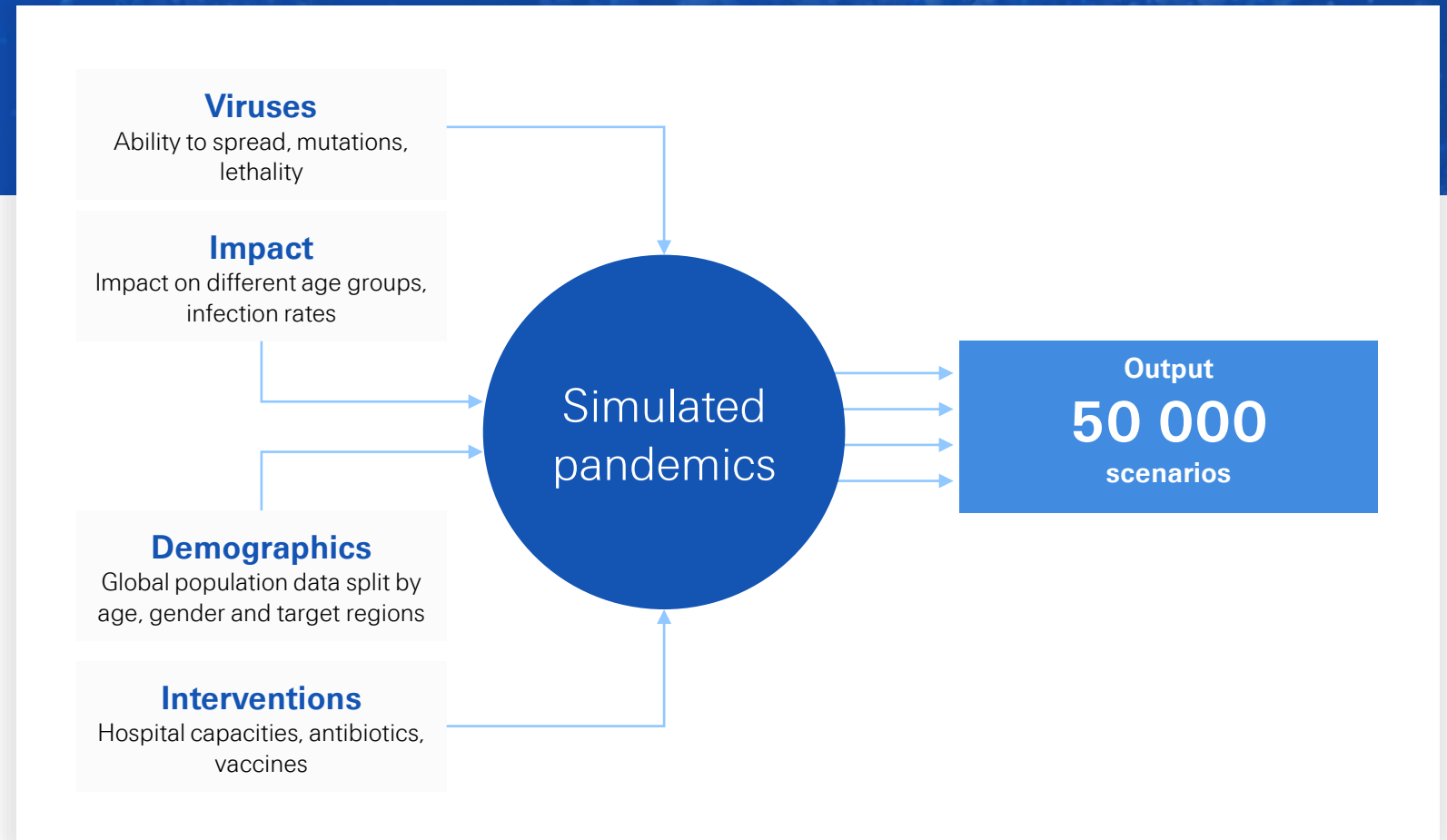
USD  
**3.5bn**

Total COVID-19-related mortality claims paid by Swiss Re 2020–2022



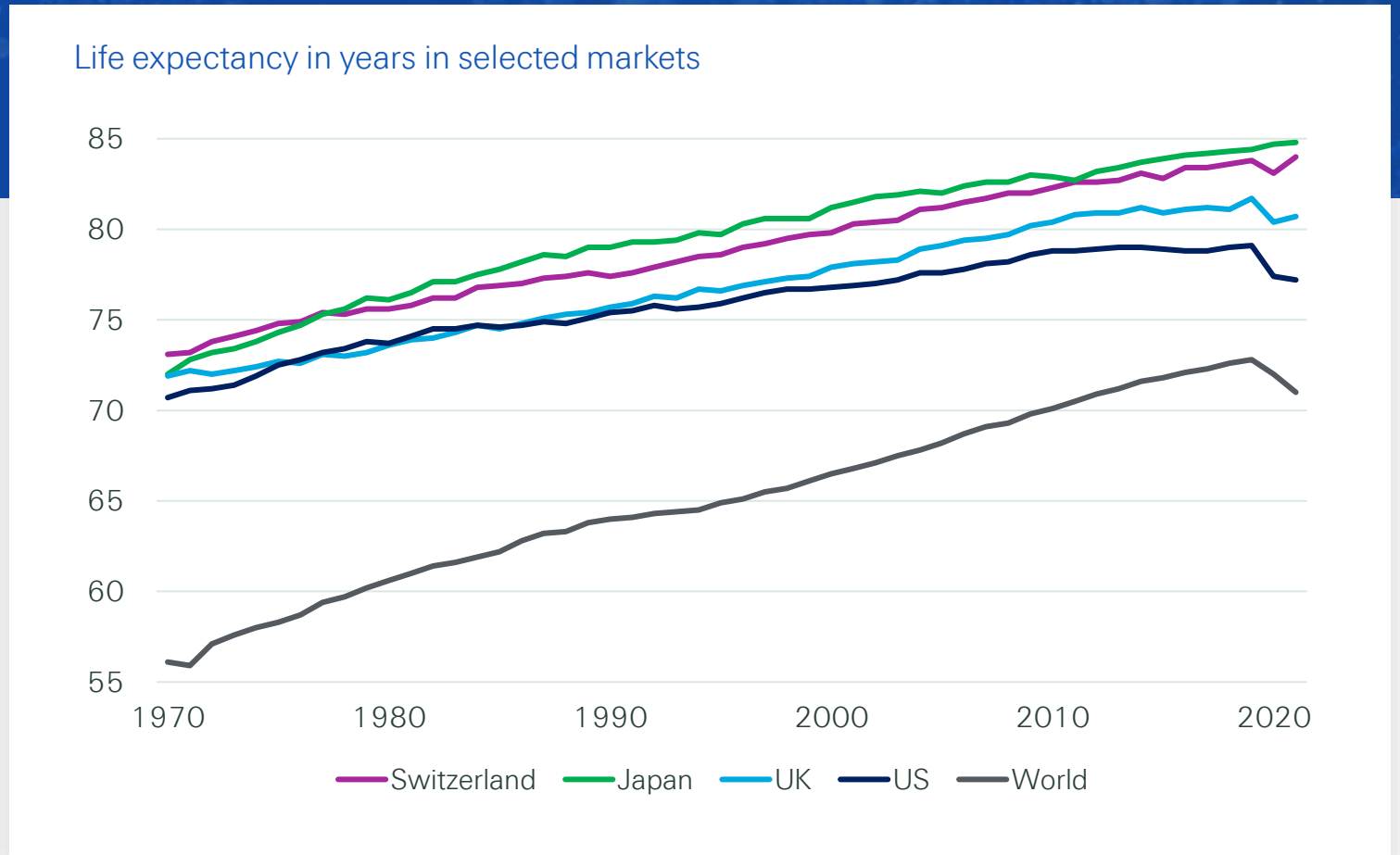
# Swiss Re has been a pioneer in pandemic modelling since 2007

- Model developed in the wake of SARS in 2002
- Since its inception, the model has received regulatory approval and is regularly updated and audited
- Changes since COVID-19:
  - Underwriting guidelines
  - Continued capacity adjustments
  - Pricing model updates to reflect endemic COVID-19



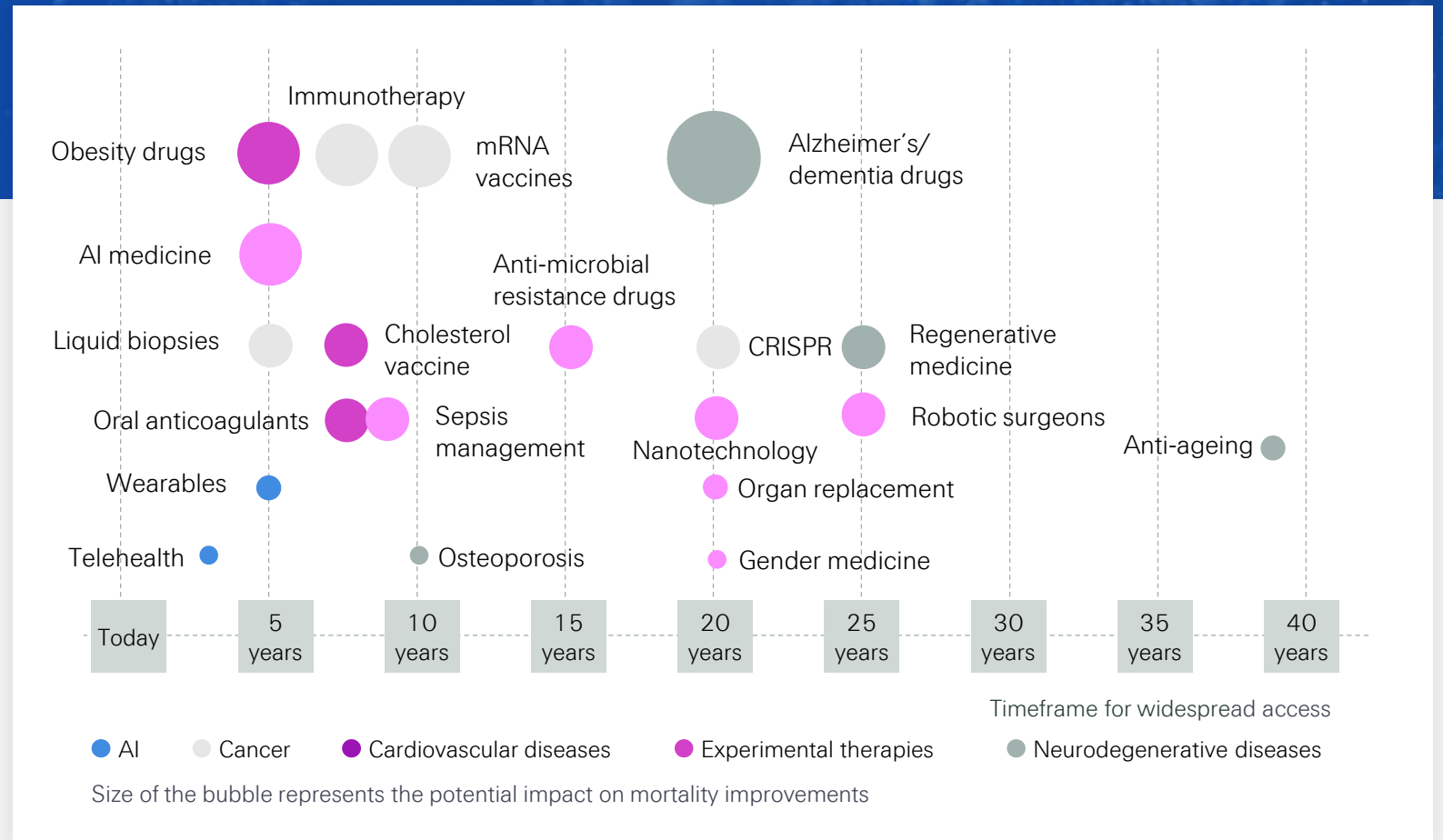
# Life expectancy improvements slowed since 2010

- Historically, mortality improvements have typically come in waves
- Improvements plateaued since 2010, after advances in treating cardiovascular diseases had peaked
- COVID-19 resulted in a temporary drop in life expectancy
- US diverges – only top 10% socioeconomic group has a high life expectancy
- Key issues in the US are access to healthcare, obesity and opioids



# Promising technologies for future medical advancements

- Advanced technologies will provide opportunities for healthcare improvements, but uncertainty about timing is high
- Drug breakthroughs around dementia and cancer are expected
- Personalisation and digitalisation will be key factors for individual developments
- Medical developments will also drive lifestyle choices through monitoring and reporting key metrics



Source: Swiss Re Institute.

# Q&A

Please raise your hand  
to ask a question.

# Thank you for your attention.

Contact us if you have any  
further questions.

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