Swiss Re

Swiss Re provides provisional estimate of its claims cost from Christchurch (New Zealand) earthquake

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Zurich, 2 March 2011 – Swiss Re today announced that, based on current information, it provisionally estimates its claims cost from the earthquake in New Zealand on 22 February 2011 to be approximately USD 800 million, net of retrocession and before tax. The total insured claims for the insurance sector for the earthquake in New Zealand are estimated to be between USD 6 billion to USD 12 billion.

The magnitude 6.3 earthquake which struck the Christchurch region of the South Island of New Zealand on 22 February 2011 caused fatalities and widespread damage, particularly in the city of Christchurch. While smaller in magnitude than the September 2010 earthquake, this event was at a shallower depth and significantly closer to the central business district of Christchurch, New Zealand's second largest city.

"The latest earthquake in New Zealand took a heavy toll in terms of human fatalities, despite the advanced risk prevention measures that are in place in New Zealand," says Stefan Lippe, Chief Executive Officer of Swiss Re. "The purpose of insurance and reinsurance is to help individuals and communities cope with the devastating impact of such events. Our role is to enable the people of Christchurch to recover swiftly from this catastrophe."

Take up rates for earthquake insurance are high in New Zealand. Residential properties are insured by the government run Earthquake Commission scheme (EQC) up to NZD 100,000 per building policy and NZD 20,000 per contents policy. Householders can purchase private insurance above the NZD 120,000 cover provided by the Earthquake Commission. Commercial and industrial risks are insured by local and global insurance companies.

Swiss Re's preliminary estimates suggest the total insured loss for the insurance industry for the latest earthquake in New Zealand will be in the range of USD 6 billion and USD 12 billion, making this a significant event on a worldwide basis.

Based on preliminary estimates, Swiss Re expects its own claims for the earthquake, net of the benefits of retrocession, to be approximately USD 800 million before tax. The uncertainties in estimating losses from such an event are significant, and this preliminary estimate may change as new information becomes available.

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.

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:

- further instability affecting the global financial system and developments related thereto;
- changes in global economic conditions;
- 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 its 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 realise 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 realise tax loss carryforwards and the ability to realise 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 hedging arrangements may not be effective;
- the lowering or loss of financial strength or other ratings of one or more of the companies in the Group or developments adversely affecting the ability to achieve improved ratings;
- the cyclicality 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;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies, and regulatory or legal actions;
- changes in accounting standards;
- 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. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.