

Swiss Re reports strong growth of Life & Health embedded value in 2000

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The embedded value of Swiss Re's Life & Health Business Group grew 36%, to CHF 13.1 billion in 2000. Embedded value earnings for 2000 were a substantial CHF 1.8 billion. The current disclosure of the 2000 figures is an update of a process started in February 2001, when the embedded value for 1999 was announced. On the investment side, Swiss Re is now able to provide an initial indication of first half 2001 investment returns. Return on investment continues to be satisfactory, despite difficult equity market conditions.

The embedded value of Swiss Re's Life and Health Business Group grew significantly in 2000, to stand at CHF 13.1 billion in 2000, an increase of 36%. Embedded value earnings were CHF 1.8 billion in 2000. Embedded value is the estimate of the economic value of an insurer's life insurance operations, excluding future new business. It provides a long-term view of expected future profitability compared to an accounting view of current operating results and highlights the value created by new business during the current year.

A combination of factors has driven the growth in embedded value during 2000. Traditional life business continued its strong performance, with premiums rising 17% during the course of the year. Swiss Re's development of its Administrative ReinsuranceSM (Admin Re) business, had a positive impact on the increase in embedded value, as it undertook 3 major transactions in 2000, with a capital investment of CHF 1.3 billion. Encouragingly, on the cost side, the Life & Health Business Group saw a continued improvement in its expense ratio.

Swiss Re's return on investment was once again above market indices in the first half of 2001. As expected, current investment income grew substantially in the period. The move into fixed income away from equities, during 2000 and continuing in 2001, has paid off during the first half of 2001, lowering the impact of current difficult conditions in equity markets. For the first half of 2001, Swiss Re expects to report an investment result close to its long term annualised target. Swiss Re will hold an Analysts' Meeting in Zurich on 17 July 2001 at 11am (CEST), at which more detailed information will be available. This meeting can be followed by listening in by telephone on +41 91 610 4118.

At this meeting Swiss Re will disclose its prior year earnings for the first half 2000 on new basis Swiss GAAP. These figures should be used for comparisons with the first half 2001 figures, which will be released in the Interim Report on 7 September 2001. These prior year figures and more information about embedded value, can be found under **Investor Relations**.

Swiss Re is one of the world's leading reinsurers with over 70 offices in more than 30 countries. In the 2000 financial year, gross premium volume amounted to CHF 26.1 billion and the net income after tax reached CHF 3 billion. Swiss Re is rated "AAA" by Standard & Poor's, "Aaa" by Moody's and "A++" (superior) by A.M. Best.

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