

Swiss Re announces resolution of dispute with Lincoln National Corporation

30 Oct 2002 CET

Swiss Re has resolved its dispute with Lincoln National Corporation related to Swiss Re's December 2001 acquisition of Lincoln Re. Swiss Re is pleased by the outcome of the dispute. In keeping with earlier statements, Swiss Re can confirm that the resolution has no adverse effect on its financial position or results of operations.

Under the terms of the settlement, Lincoln National Corporation will pay Swiss Re USD 295 million in cash. This satisfies Swiss Re's demand for additional assets to support the closing balance sheet liabilities delivered by Lincoln and extinguishes Lincoln's obligation to indemnify Swiss Re for adverse development on Lincoln Re's exited lines of business. The level of indemnification was limited by contract to USD 100 million.

John Coomber, Head of Swiss Re's Life & Health Business Group said, "We are pleased that the dispute has been resolved and we are looking forward to focusing on our ongoing reinsurance relationship with Lincoln National Corporation."

Consistent with earlier reports, this resolution has no adverse effect on Swiss Re's financial position or results of operations. The payment will result in some reduction in the effective purchase price of Lincoln Re, as stated in Swiss Re's balance sheet.

Notes to editors

Swiss Re is one of the world's leading reinsurers with over 70 offices in more than 30 countries. For 2001, Swiss Re reported a net loss of CHF 165 million, largely due to the 11 September event. Gross premiums in 2001 were CHF 28.5 billion. At the end of June 2002, Swiss Re's shareholders' equity amounted to CHF 18.3 billion and the total balance sheet stood at CHF 168 billion. Swiss Re is rated "AA+" by Standard & Poor's, "Aaa" by Moody's and "A++" by A.M. Best.

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