Table of Contents / Agenda

• Introduction to Political Violence Insurance

• Political Violence Insurance Products

• Swiss Re Offering
Introduction to Political Violence Insurance

• Why Political Violence Insurance
• Origins and Evolution
• Context
• Historic Results
Why Political Violence Insurance

Political Violence and Terrorism insurance provides cover for assets exposed to war, terrorism and related perils typically excluded from traditional policies.

• Spans a broad spectrum of risk, from single acts of terrorism, disturbance of the public order to full-scale war

• Mitigates financial impact from property damage and business interruption.

• Mostly sold as a separate policy to complement traditional property and engineering covers
Origins and Evolution of Political Violence Insurance

Historically

- War cover generally excluded (available in Marine and Aviation lines)
- Insurance policies mostly silent on terrorism

Post 9/11 WTC Attacks

- Terrorism excluded from traditional policies
- Establishment of terror pools
- Market for terrorism standalone capacity develops

Today

- Full Political Violence product.
- Up to USD 1.5 billion capacity available
Political Violence in Context

Political Violence insurance is developing as one key element in the broader Crisis Management business.

Worldwide Market Premium Estimates

- Marine War
- Avn Hull War/AVN52
- Political Risk
- Product Recall
- K&R
- Cyber Attack
- Political Violence
London Market Historic Results
Rate Softening Continues but Loss Ratios Stable

London Market Political Violence Performance

Source: 2000-2013 Lloyd’s market statistics, 2014 and later Swiss Re estimates
Political Violence
Insurance Products

• Scope of Cover
• Extended Products
• Underwriting
Scope of Cover

Standard Cover: Physical Damage to Buildings and Content

Common Extension: Business Interruption

General Exclusions:

- Nuclear, Biological, Chemical and Radiological Contamination (NBCR)
- War between two or more superpowers (USA, Russia, France, UK, China)
- Cyber attacks
- Active war
New Products Address Liability and Non-Damage Business Interruption Loss Potential

**Terrorism Liability (T3L)**
- Liability arising from bodily injury and property damage

**Cyber write-back NMA2914**
- Write back for named perils resulting from a cyber attack

**Active Shooter, Malicious Assailant:**
- PD/BI, Liability and Personal Accident claims arising from attacks using deadly weapons

**Loss of Attraction**
- Protects loss of income resulting from a terrorist incident (hotels, restaurants, retailers, tourist attractions)

**Threat**
- Triggered by a government lockdown resulting from a threat
Underwriting Political Violence Wording Considerations

- Scope of cover
- Exclusions
- Extensions with sublimits
- Definitions, Event clause
- Territorial scope
- Reverse onus of proof / other insurance clause

London market wordings exist for all standard covers and main extensions
Underwriting Political Violence
Pricing and Accumulation Considerations

- Claims adjustment
- Occupancy
- Territorial risk
- Primary targets and proximity
- MPL assessment
- Accumulation potential
- Balance Sheet Considerations
Swiss Re Offering

- Offer
- Contacts
Swiss Re supports all Political Violence classes and is happy to deploy capacity if the business meets risk appetite

We...

- Wish to partner with clients by providing comprehensive reinsurance solutions including terrorism and political violence covers
- Are able to deploy material capacity on proportional and non-proportional reinsurance provided underwriting expertise is present
- Are open to discuss and develop innovative solutions to access new business and support its growth
- Can assist you to build up underwriting expertise by providing support in developing wordings, rating tables and underwriting guidelines
Swiss Re Contacts

Adam Watkins
CU Marine and Head UK Marine and Aviation

Sarah Mägli
Head Crisis Management UW
Sarah_Maegli@swissre.com

Peter Schneider
Aviation and Crisis Management UW
Peter_Schneider@swissre.com

Lukas Steinmann
Aviation and Aviation War UW
Lukas_Steinmann@swissre.com

TBA
Crisis Management UW
©2019 Swiss Re. All rights reserved. You are not permitted to create any modifications or derivative works of this presentation or to use it for commercial or other public purposes without the prior written permission of Swiss Re.

The information and opinions contained in the presentation are provided as at the date of the presentation and are subject to change without notice. Although the information used was taken from reliable sources, Swiss Re does not accept any responsibility for the accuracy or comprehensiveness of the details given. All liability for the accuracy and completeness thereof or for any damage or loss resulting from the use of the information contained in this presentation is expressly excluded. Under no circumstances shall Swiss Re or its Group companies be liable for any financial or consequential loss relating to this presentation.