

SAFECO to acquire Swiss Re's Excess Loss Business

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SEATTLE - (March 4, 2002) - SAFECO (NASDAQ: SAFC) today reached a definitive agreement to acquire Swiss Re's medical excess-loss and group life insurance books of business. Purchase price was undisclosed.

Pending regulatory approval, the acquisition is expected to close in June 2002.

SAFECO is acquiring \$10 million in annual group-life premiums and \$240 million in excess-loss medical insurance.

"This acquisition is consistent with our strategy of profitably growing core lines of business," said Mike McGavick, SAFECO president and chief executive officer. "It extends a line in which we're extremely successful. It allows us to put capital behind a line that generates high returns. It won't affect Life & Investments' ability to provide consistent dividends to the corporation. And it doesn't distract from our intense focus on returning our Property & Casualty business to profitability."

Swiss Re said the sale of the excess-loss business allows the company to focus on continuing to grow its core life and health reinsurance business in North America, the largest life and health reinsurance market.

"SAFECO has a strong track record in excess-loss insurance business," noted Randy Talbot, president of SAFECO Life & Investments. "We have proven experience at integrating this type of acquisition and quickly making it profitable."

In December 1999, SAFECO acquired ING's excess-loss business—a move that nearly doubled SAFECO's block of business at that time. Last year, SAFECO wrote \$280 million in excess-loss coverage for employers with self-funded medical plans.

SAFECO's excess-loss business is a consistently strong performer, generating profits 18 of the past 21 years. Founded in 1923, Seattle-based SAFECO and its more than 17,000 independent agents and financial advisors provide insurance, investment and related financial products to individual and business customers throughout the United States. More information about SAFECO is available online at www.safeco.com

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 (USD 15.4 billion) and the net income after tax reached CHF 3 billion (USD 1.8 billion). Swiss Re is rated "AAA" by Standard & Poor's, "Aaa" by Moody's and "A++" (superior) by A.M. Best.

SAFECO Contact

Investors Relations:
Neal Fuller, tel. +1 206 545 5537

Media Relations:
Paul Hollie, tel. +1 206 545 3048

Swiss Re Contact

Investors Relations Zurich, tel. +41 1 285 44 44
Media Relations Zurich, tel. +1 212 317 5663

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