

# News release

## Swiss Re develops solutions to help clients address new challenges

- Demand for new solutions beyond traditional core reinsurance business continues to grow; Swiss Re continues to deliver solutions that meet clients' needs
- New technology enables solutions across multiple lines of business and the value chain; Swiss Re is a founding member of insurance industry Blockchain initiative B3i
- Swiss Re expects prices to stabilise due to recent loss events

Monte Carlo, 11 September 2017 – Swiss Re sees growing demand for new reinsurance solutions that help clients manage their portfolios and expand into new segments and markets. Technological advancements are ushering a new generation of industry solutions that use technology to better understand, manage, and ultimately reduce risks. Swiss Re is responding to growing client demand by developing new solutions and services across the value chain. A new offering of ready-to-use, scalable solutions allows insurers to offer the products and services end-customers need. Swiss Re expects prices to stabilise due to recent loss events.

Christian Mumenthaler, Swiss Re's Group Chief Executive Officer, says: "Insurers are rethinking their business models to tap into new opportunities and better service the end-consumer. The reinsurance industry can help them with ready-to-use services and solutions that address growth and profitability. At the same time, innovative solutions help the industry make progress towards closing the ever-growing global protection gap. As we have seen again in the aftermath of recent floods in the US following Hurricane Harvey, as well as devastating flooding in Bangladesh, India, and Nepal, the protection gap is very real and needs to be tackled with solutions that make insurance both more widely and more easily available."

### **Risk-research and technology help to close the protection gap**

Each year, losses from large natural catastrophes and extreme weather place a heavy burden on local economies. In 2016 alone, protection gaps attributable to natural catastrophes and weather events amounted to USD 180 billion worldwide, according to estimates by the Swiss Re Institute.

Several issues contribute to this situation in both mature as well as emerging markets, including a lack of awareness or trust, restricted access to appropriate cover, and concerns over affordability of policies.

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In-depth risk research paired with new technology can help the industry develop more efficient and impactful solutions to tackle these issues and close global protection gaps, while at the same time open new market opportunities for insurers.

#### **Clients benefit from Swiss Re's differentiation model**

The industry is undergoing substantial change, making growth and technological transformation a priority. Swiss Re is harnessing new technologies to support societal and economic progress, while building up capabilities and risk knowledge. Swiss Re's client franchise model, which facilitates detailed understanding of the risk needs of our clients, underpins this development.

Already today, Swiss Re offers a number of technology solutions to its clients, including a machine learning-based pricing platform to accurately price risks and enable automated claims payments. This platform can be leveraged for multiple parametric insurance products, such as those covering earthquakes or delayed airline flights.

Swiss Re also offers tools to clients that help understanding accumulation risk and supports portfolio steering of a client's own insurance liabilities. These tools provide a visualisation of the client's business, in particular of the nature, volume and trends of a client's risk profile. Additionally, these tools enable clients to more easily compare risk profiles across portfolios and markets.

In the Life & Health Reinsurance space, a solution that has already been in action for a number of years is Magnum, Swiss Re's Life & Health automated underwriting tool. In 2016, the tool processed millions of individual life and health applications, helping insurers, and ultimately the end customer, buy insurance in a more straightforward way.

#### **Efficiency in contract processing**

Technology also supports improved underwriting and increased efficiency. Swiss Re continues to develop and accelerate its activities in digital innovation. The Blockchain Insurance Industry Initiative, better known as B3i, is an example of such efforts.

B3i is piloting digital back office processing using a Property NatCat XoL contract. If successful, Blockchain would bring efficiency gains in transaction and contracts processing by simplifying steps and eliminating paperwork. The cost savings from the reduced administration would benefit all involved – especially the end-consumer.

At the 2017 Rendez-Vous de Septembre in Monte Carlo, B3i will launch its blockchain reinsurance platform, showing a prototype smart contract management system.

### **Prices expected to stabilise due to recent loss events**

The challenging industry environment, marked by low interest rates and excess capital, continues to put pressure on both primary insurers and reinsurers. Swiss Re intends to maintain its underwriting discipline to preserve long-term sustainability, which will continue to make Swiss Re a reliable partner for its clients.

In Property, Swiss Re expects prices to stabilise due to recent loss events. In Casualty Swiss Re expects pricing corrections to reflect recent loss trends. In Specialty lines, Swiss Re expects price trends to vary, depending on market and class of business.

### **Notes to editors**

#### **Dial-in details to the Media Conference on 11 September 2017**

If you would like to dial in to the Swiss Re Media Conference in Monte Carlo on Monday, 11 September from 2:15pm to 3:30pm CEST, please use the following phone numbers:

From Switzerland:	+41 (0)58 310 50 00
From Germany:	+49 (0)69 50 500 082
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From France:	+33 (0)1 7091 8706
From USA:	+1 (1)631 570 5613
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### About Swiss Re

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, Swiss Re deploys its capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend. Founded in Zurich, Switzerland, in 1863, Swiss Re serves clients through a network of around 80 offices globally and is rated "AA-" by Standard & Poor's, "Aa3" by Moody's and "A+" by A.M. Best. Registered shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed in accordance with the International Reporting Standard on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: [www.swissre.com](http://www.swissre.com) or follow us on Twitter [@SwissRe](https://twitter.com/SwissRe).

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Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) 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", "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 the Group's actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- further instability affecting the global financial system and developments related thereto;
- further deterioration in global economic conditions;
- the Group'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 due to actual or perceived deterioration of the Group's financial strength or otherwise;
- 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 the Group's investment assets;
- changes in the Group'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 the Group's balance sheet equivalent to their 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 the Group's hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group's ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- policy renewal and lapse rates;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting the Group or its ceding companies and the interpretation of legislation or regulations;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

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