Swiss Re

News release

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- Total insured market losses currently estimated to be approximately USD 1.3 billion

Zurich, 13 April 2017 – Swiss Re estimates its claims burden from Tropical Cyclone Debbie in Australia at approximately USD 350 million, net of retrocession and before tax. Swiss Re expects Cyclone Debbie to have resulted in a higher share of large commercial and corporate losses compared to similar events in the past. The total insured market losses for wind, flood and storm surge damages are estimated to be approximately USD 1.3 billion.

Tropical Cyclone Debbie made landfall on 28 March 2017 as a category 4 hurricane; making it the strongest cyclone to hit the Australian region since 2015. The eye of the storm came ashore near Airlie Beach on the north Queensland coast, with estimated 10-minute sustained winds of close to 200km/h. The main disaster zone stretched more than 990 km from the point of landfall, reaching northern New South Wales. Within New South Wales, both Central and South Lismore are protected by levees, but in both cases the levees were overtopped, contributing to significant damage.

"This destructive cyclone caused structural damage by flooding, storm surge and wind in regions close to the Queensland coast," says Matthias Weber, Swiss Re's Group Chief Underwriting Officer. "We are a lead reinsurer in this market and estimate that Cyclone Debbie has caused higher commercial and corporate losses compared to similar events in the past. We express our sympathies to those affected and will continue to work closely with our partners and clients to ensure that people receive the financial support they need to clean up and rebuild after this tragic event."

High winds triggered a storm surge and contributed to surface water flooding from large amounts of accumulated rainfall. A peak storm surge of 2.7 meters was measured at Laguna Quays, on the coast of Queensland. Hundreds of residential and commercial buildings were flooded; several thousand residents and business operators were evacuated from the region. The Queensland Farmers' Federation estimates winter crop losses at 20%.

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Notes to editors

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 over 60 offices globally and is rated "AA-" by Standard & Poor's, "A1" by Moody's and "A+" by A.M. Best. Registered shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: www.swissre.com or follow us on Twitter @SwissRe.

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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 carry forwards 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 cyclicality 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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