

Swiss Re to acquire Unione Italiana di Riassicurazione S.p.A. (Uniorias)

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Swiss Reinsurance Company has signed an agreement to acquire Unione Italiana di Riassicurazione S.p.A. (Uniorias) from Istituto Nazionale delle Assicurazioni S.p.A. (INA), the largest life assurance company in Italy.

Uniorias, based in Rome, is the leading reinsurer in the Italian market, with total gross premiums of ITL 1504 billion (CHF 1.3 billion) in 1995, of which about 70% in Italy. Uniorias writes both life (22%) and non-life (78%) reinsurance business.

The disposal of Uniorias, foreseen in the prospectus relating to the privatisation of INA in 1994, will be completed in two stages. Subject to certain regulatory approvals, Swiss Re will acquire 49% of Uniorias early in 1997. Subsequently, the business will be restructured in order to separate the reinsurance business from the excess real estate and securities. These arrangements will also provide for the retrocession of certain existing business portfolios of Uniorias to Assitalia. Subject thereto, Swiss Re will acquire the balance of 51% of Uniorias at the end of 1997.

The purchase price will be based on the adjusted net asset value of Uniorias as at 31 December 1996, plus a payment for goodwill of ITL 200 billion (about CHF 170 million), mostly for the value of the in-force life business of Uniorias, and is expected to amount to about CHF 500 million.

By establishing a significant local presence in Italy, Swiss Re expects to materially expand its reinsurance business in the Italian market.

INA and Swiss Re have agreed on a closer cooperation in other areas, including the development of life assurance products and the provision of life and health reinsurance to INA. Moreover, in recent weeks Swiss Re has acquired 0.75% of INA's share capital on the Milan Stock Exchange and so has become one of the leading non-Italian shareholders in INA.

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