

Swiss Re hosts its annual year-end Economic and Insurance Industry Review 2004/Outlook 2005 touting opportunities for the strongest companies

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Andreas Beerli, Head of Swiss Re's Property & Casualty business in the Americas, speaking today at Swiss Re's annual year-end economic and insurance industry review and outlook, asserted that property & casualty reinsurance industry remains strong.

"Profitability has improved primarily through smart, technically-sound underwriting," said Beerli at the gathering, held at the company's New York offices.

"Still, the industry faces challenges in 2005, including the extension of the Terrorism Risk Insurance Act (TRIA)," said Beerli. "Working closely with policyholders, our industry has urged Congress to pass a two-year extension of TRIA through 2007. This will allow time for both to study and consider a more long-term approach to this very important issue."

Beerli was among several Swiss Re executives at the event who discussed the state of both the property & casualty reinsurance industry, the 2004 hurricane season and the overall US economy.

Patrick Mailloux, Head, US Direct, for the Americas Division, added, "Industry-wide, capital position is improving but capacity constraints persist, and the hurricane losses from 2004 offset some of the recent efforts in rebuilding capital. Casualty rates remain strong, while property rates have moderated at high levels.

"Underwriting remains disciplined," he added.

In describing the four major hurricanes which hit Florida and other portions of the Southeastern United States, Andrew Castaldi, Head of Catastrophe Perils for the Americas Division, said, "Neither the annual losses nor the clustering of events associated with the 2004 season are surprising. They underscore the need for proper evaluation and risk assessment techniques."

Giving a broad overview of the US economy, Kurt Karl, Chief US Economist, Swiss Re Economic Research & Consulting, North America, said, "Long term interest rates are expected to rise next year, with the yield on the 10-year Treasury note expected to rise slightly above 5 percent. The price of oil poses the greatest risk to this outlook. If oil prices rise to USD 60 per barrel next year, growth will be 0.5 percent lower."

In the life & health insurance arena, Weldon Wilson, CEO of Swiss Re Life & Health America Inc., said the demographic shift to older age life insurance purchasers will continue to challenge the industry, and that prices for popular level term products should increase.

Commenting on the life & health insurance market in general, he added, "The continued pressure for capital efficiency and earnings will result in additional consolidations in the market."

All presentations from the event, along with information about the speakers and other relevant documents/publications, are available on www.swissre.com.

Notes to editors

Swiss Re is one of the world's leading reinsurers and the world's largest life and health reinsurer. The company operates through more than 70 offices in over 30 countries. Swiss Re has been in the reinsurance business since its foundation in Zurich, Switzerland, in 1863. Through its three business groups Property & Casualty, Life & Health and Financial Services, Swiss Re offers a wide variety of products to manage capital and risk. Traditional reinsurance products, including a broad range of property and casualty as well as life and health covers and related services, are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.

ANY QUESTIONS?

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