



New Swiss Re focus report: 'Nuclear risks in property insurance and limitations of insurability'

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Zurich, 10 November 2003 – The international insurance industry has been screening its existing terms and conditions for potentially ruinous risks and has identified certain weak points. Swiss Re believes that one of the most perilous shortcomings in traditional property insurance and reinsurance concerns inadequate nuclear risk exclusions.

Even before 11 September 2001, there was growing concern among property insurers and reinsurers regarding political risks, and the risk of terrorism in particular. International terrorism cannot yet be assessed precisely enough in terms of its frequency and severity, and the entirely new loss dimension experienced with 11 September 2001 clearly demonstrated the limits of insurability to the entire insurance industry.

The reassessment of nuclear risks has brought to light certain gaps in property (re)insurance and revealed that the introduction of various national and private terrorism schemes has failed to improve the situation. The existing uncertainties and shortcomings in various markets and the necessity to exclude the nuclear risk entirely from property reinsurance have fuelled efforts to establish flawless exclusion clauses in the relevant treaties.

The new focus report "Nuclear risks in property insurance and limitations of insurability" authored by specialists from Swiss Re's Chief Underwriting Office examines the current situation and proposes a specific agreement to eliminate gaps in reinsurance exclusions. Even so, the authors argue that this is but a first step. Insurance wordings will have to be changed as well to exclude nuclear exposures. Ultimately, laws will have to be amended in some jurisdictions to correct the situation for the insurance industry. Swiss Re wants to work with its clients to press ahead with these necessary changes.

How to obtain a copy:

An English version of the focus report is available electronically on Swiss Re's website: <http://www.swissre.com> (under "Research & Publications").

Printed copies are available (order no. 1493126_02). Please fax your orders, complete with your full postal address, to:

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Press releases are also distributed by e-mail. To be put on the distribution list, please send an e-mail to media_relations@swissre.com.

Notes for editors:**Swiss Re**

Swiss Re is one of the world's leading reinsurers with over 70 offices in more than 30 countries. For 2001, Swiss Re reported a net loss of CHF 165 million, largely due to the 11 September event. In the 2001 financial year, gross premium volume amounted to CHF 28.5 billion. At the end of June 2002, Swiss Re's shareholders' equity amounted to CHF 18.3 billion and the total balance sheet stood at CHF 168 billion. Swiss Re is rated "AA+" by Standard & Poor's, "Aa1" by Moody's and "A+" by A.M. Best.