



Swiss Re to acquire GE Insurance Solutions for USD 6.8 billion in a value creating transaction

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Zurich, 18 November 2005 – Swiss Re today announced it has agreed to acquire GE Insurance Solutions, the fifth largest reinsurer worldwide, from General Electric Company (GE) in a USD 6.8 billion transaction. This financially attractive acquisition adds a strong franchise to Swiss Re, complementing its own strengths. After the closing of the transaction, Swiss Re would have estimated combined revenues of CHF 46 billion (based on 2004 figures) and assets of CHF 265 billion (as of June 2005) and a highly diversified business globally.

Based in Kansas City, MO, USA, GE Insurance Solutions had net premiums earned of USD 6.2 billion in 2004 and total assets of USD 41.5 billion as of June 2005 (excluding GE Insurance Solutions' US life and health business which will not be part of the transaction). GE Insurance Solutions brings to Swiss Re complementary products and skills and an attractive client base across many geographies.

"This is both strategically and financially a very attractive transaction that creates significant value for our shareholders," said John Coomber, Swiss Re Chief Executive Officer. "The acquisition of GE Insurance Solutions provides a powerful business fit offering tremendous opportunities to strengthen our franchise."

John Coomber continued: "Over the past several months, we and our advisors have undertaken a thorough due diligence review of GE Insurance Solutions, including its reserves. This will enable us to incorporate this business in line with our own reserve standards. Swiss Re expects the transaction to be accretive to earnings per share and return on equity, beginning in 2007, the first full year after closing." (*)

Terms of the transaction

Under the terms of the transaction, Swiss Re will purchase GE Insurance Solutions for USD 6.8 billion, subject to closing

adjustments. This represents 76 percent of the approximate USD 8.9 billion US GAAP book value (before additional reserves) of the businesses to be acquired. As part of this transaction GE Insurance Solutions will provide approximately USD 3.4 billion pre-tax in additional reserves to the extent permitted by accounting rules. The consideration to be paid to GE will consist of cash, Swiss Re shares, Mandatory Convertibles and Notes. As a result, GE is expected to hold in excess of 10% of Swiss Re shares.

Also under the terms of the agreement, Dennis D. Dammerman, Vice Chairman of the Board of GE, will stand for election to the Board of Directors of Swiss Re at the Extraordinary General Meeting to be held in January 2006.

Jacques Aigrain, who will succeed John Coomber as CEO of Swiss Re on 1 January 2006, added, "This transaction further enhances our client base and our product capabilities in attractive lines of business. Together, Swiss Re and GE Insurance Solutions will offer clients the security of the world's largest and most diversified reinsurance provider. GE's retention of an equity interest in our combined reinsurance business is a strong endorsement of our business expertise and strategy."

"Over the past five years, we have fundamentally repositioned GE Insurance Solutions' business," said Jeffrey R. Immelt, CEO of GE. "We believe that Swiss Re, with its reinsurance focus and its proven track record of successfully integrating acquired businesses, is ideally positioned to develop GE Insurance Solutions' business further for the benefit of clients and GE's shareholders."

Transaction financing

In connection with the transaction, Swiss Re plans to raise up to USD 7.5 billion (CHF 9.8 billion) in new capital. This includes up to USD 5.5 billion (CHF 7.2 billion) in shares and Mandatory Convertibles of which GE has agreed to take, based on certain provisions of the acquisition agreement, USD 3.0 to 3.8 billion (CHF 3.9 to 4.9 billion). Swiss Re also plans to raise USD 2.0 billion (CHF 2.6 billion) in hybrid debt securities.

The shares to GE will be issued without subscription rights to existing shareholders. In addition, Swiss Re plans to offer shares through a rights offering and Mandatory Convertibles to the capital markets. The actual mix of these securities will be determined based on market conditions. Exact terms will be announced at the time of these offerings.

Approvals and timing

Both the creation of authorised capital and the increase of conditional capital in connection with this transaction will be subject to shareholder approval at the Extraordinary General Meeting to take place in January 2006.

Closing of the transaction is subject to regulatory approvals and other customary contractual closing conditions. Closing is expected to occur by mid 2006.

Appointment to Swiss Re's US property and casualty business

Separately, Swiss Re also announced today that Pierre Ozendo, currently Head of Swiss Re's client markets in Asia, will succeed Andreas Beerli as Head of Property & Casualty client markets for the Americas. This appointment becomes effective as of 1 January 2006. Pierre Ozendo, a US citizen, has led Swiss Re's successful expansion in Asia and will now be responsible for the effective integration of GE Insurance Solutions and Swiss Re's P&C businesses in the Americas, building on the combined strengths of the two franchises for the future.

Investor and analyst call information

Swiss Re will hold an investors' presentation at 15.30 CET in Zurich. Investors, analysts and media can dial-in. The investor and analyst conference is also available for replay on www.swissre.com.

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UK: +44 20 7107 0613

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Media call information

Swiss Re will hold a media conference, this morning at 12.00 CET in Zurich.

The dial-in numbers for the event is:

Switzerland: +41 91 610 7460
Germany: +49 69 2 2222 0593
France: +33 1 7070 0543
UK: +44 20 7107 0611

For more information please visit www.swissre.com.

Swiss Re

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. 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.

GE

About GE (NYSE: GE) is a diversified technology, media and financial services company dedicated to creating products that make life better. From aircraft engines and power generation to financial services, medical imaging, television programming, and plastics, GE operates in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at www.ge.com.

Note

(*) The statement regarding earnings enhancement is not a profit forecast and should not be interpreted to mean that Swiss Re's earnings or earnings per share for 2006, 2007 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Swiss Re.

Cautionary note on forward-looking statements

Certain statements contained herein are forward-looking. These statements 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" and "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 Swiss Re's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements.

Such factors include, among others:

- the impact of future investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transaction, including the ability to efficiently and effectively integrate the GE Insurance Solutions operations into our own;
- cyclicalities of the reinsurance industry;
- changes in general economic conditions, particularly in our core markets;
- uncertainties in estimating reserves;
- the performance of financial markets;
- expected changes in our investment results as a result of the changed composition of our investment assets or changes in our investment policy;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- changes in rating agency policies or practices;
- the lowering or withdrawal of one or more of the financial strength or credit ratings of one or more of our subsidiaries;
- changes in levels of interest rates;
- political risks in the countries in which we operate or in which we insure risks;
- extraordinary events affecting our clients, such as bankruptcies and liquidations;
- risks associated with implementing our business strategies;
- changes in currency exchange rates;
- changes in laws and regulations, including changes in accounting standards and taxation requirements; and
- changes in competitive pressures.

These factors are not exhaustive. We operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise

Important Disclaimers

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