Swiss Re

To extend its leading influence in the risk transfer industry, Swiss Re continues to sharpen its business model

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29 February 2008 – In pursuit of further sustainable and profitable growth, Swiss Re is evolving its business model. Through a more integrated approach to business origination, the company expects to broaden its client base as well as its range of efficient risk transfer solutions. This new model will extend Swiss Re's role as a leading player in the origination, transferring and trading of insurable risks.

Jacques Aigrain, Swiss Re's Chief Executive Officer, comments: "The environment of the global risk transfer industry is evolving rapidly. Standing still and only doing business the way it was done before is not an option."

In early 2007, Swiss Re began to launch an evolution of its strategy and organisation. This is to ensure sustainable and profitable growth in the wake of increasing competition and a changing risk landscape. The resulting long-term vision focuses on four key elements which will improve Swiss Re's ability to deliver value to clients and shareholders:

Port of call – By broadening its client base and expanding its interaction with clients, Swiss Re will seek to strengthen its reputation as the port of call and partner of choice for all insurable risks. Through both traditional reinsurance and capital market solutions, Swiss Re will pursue disciplined underwriting and focus on profitable business. For example, in 2007 Swiss Re closed one of the largest ever longevity risk transfer transactions with Zurich Financial Services, acquiring a closed book of 220 000 annuity policies with assets worth CHF 9.1 billion.

Syndication, transformation and trading – Swiss Re will seek to build on its, now well-established, capital markets strengths to be a leading force in syndicating, transforming and trading insurance risk. Based on its proven track record of developing and selling insurance-linked securities and insurance loss warranties, the company will seek to play a principal role in developing new and innovative solutions. It will also continue to develop risk transfer solutions in the area of variable annuities and longevity, and pursue further ways to transfer risks taken onto its balance sheet to professional counterparties in order to create greater capacity to write new business.

In January 2008, Swiss Re entered into a quota share arrangement by ceding a 20% share in new and renewed Property & Casualty business to Berkshire Hathaway. The agreement offers Swiss Re both downside protection and upside flexibility, enabling the company to further advance its approach to capital management.

Bolder principal – Swiss Re will become bolder in seeking and seizing profitable business and investment opportunities. In early 2007, Swiss Re took on a USD 400 million share in a two-year property catastrophe programme from Allstate, the largest publicly-owned personal lines insurer in the US. This large-scale transaction, placed through a global risk broker, enabled the client to grow its business while reducing earthquake and windstorm exposures in a single transaction.

Talent and culture – Finally, Swiss Re will increase its focus on building a corporate culture that not only attracts and develops the best people but also combines their talent, expertise and innovation across the firm to deliver integrated solutions for clients. In 2007, Swiss Re launched graduates@swissre, a new global training programme, attracting outstanding university graduates from Asia, the Americas and Europe. In 2008, Swiss Re is targeting an influx of 150 graduates.

Swiss Re's CEO Jacques Aigrain comments: "Wherever there is an insurable risk, we want to be the first place companies turn to for solutions. This can mean our traditional reinsurance lines, emerging financial market insurance products, hybrid solutions, or other insurable risks that will evolve in the time ahead. The long-term success of this approach is only possible through recruiting, training and managing best talents in our fields of expertise."

Aligning the business model to meet client needs

To meet the increasingly complex needs of clients, Swiss Re is refining its organisational structure to bring the teams who structure traditional reinsurance closer together with its financial services product specialists. Through its solution-orientated approach to client needs, Swiss Re sees a growing demand for solutions that combine traditional reinsurance products and insurance-related capital market instruments. By combining both product segments to offer clients a more responsive one-stop service, Swiss Re will capitalise on its strengths in traditional reinsurance and capital markets know-how.

The new business model advances Swiss Re's two fundamental objectives of providing ample risk-taking capacity and solutions to clients and delivering enhanced returns to shareholders.

Notes to editors

Swiss Re

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business 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.

Cautionary note on forward-looking statements
Certain statements and illustrations contained herein are forward-looking. These statements and illustrations 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:

- changes in global economic conditions and the risk of a global economic downturn;
- direct and indirect impact of continuing deterioration in the credit markets, and further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures and of monoline insurance companies;
- the occurrence of other unanticipated market developments or trends;
- the ability to maintain sufficient liquidity and access capital markets;
- the cyclicality of the reinsurance industry;
- uncertainties in estimating reserves;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, currency values and other market indices ;
- 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 loss of one of the financial or claims-paying ratings of one or more of our subsidiaries;
- political risks in the countries in which we operate or in which we insure risks;
- extraordinary events affecting our clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing our business strategies;
- the impact of current, pending and future legislation, regulation and regulatory and legal actions;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

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.