



Swiss Re announces GBP 800 million longevity insurance cover for LV='s UK pension fund

Contact:

Media Relations, Zurich
Telephone +41 43 285 7171

Corporate Communications, Hong Kong
Telephone +852 2582 3660

Corporate Communications, New York
Telephone +1 914 828 6511

Investor Relations, Zurich
Telephone +41 43 285 4444

Swiss Re Ltd
Mythenquai 50/60
P.O. Box
CH-8022 Zurich

Telephone +41 43 285 2121
Fax +41 43 285 2999
www.swissre.com

- **GBP 800m (USD 1.3 billion) longevity insurance contract covering over 5,000 members of the pension fund of UK insurer LV=**
- **The agreement is the first longevity contract with a pension fund that includes insurance for members who have not yet retired**
- **The contract extends Swiss Re's longevity reinsurance track record to over USD 12 billion**

London, 10 December 2012 – Swiss Re has completed a GBP 800 million longevity insurance contract with the pension fund of UK insurer LV=. The transaction includes insurance of longevity exposures for 1,000 members who are still to retire.

Swiss Re's latest longevity insurance agreement covers over 5,000 individuals who were members of the LV= Employee Pension Scheme as of 31 December 2011. The agreement covers a broader population than previous pension market longevity transactions, extending beyond in payment pensioners to also cover members not yet retired down to age 55.

Russell Higginbotham, Swiss Re's UK Chief Executive Officer, says: "Our clients seek risk transfers solutions with a counterparty who can deliver. We are pleased to have worked closely with LV= and the pension plan trustees to tailor a solution that precisely meets their objectives. A key requirement was to efficiently maximise the extent of the longevity coverage. The result is the first ever pension plan longevity contract that insures the exposure of members yet to retire."

This agreement confirms reinsurers as a natural home for longevity risk given their financial strength and ability to commit to the long-term cover needed for longevity risk.

Costas Yiasoumi, Swiss Re's Head of Longevity Solutions says: "Longevity contracts are very long-dated and clients need counterparties that are in this market for the long haul. We offer financial strength, a successful track record and the immediate and long-term benefits of dealing with a longevity end-risk holder. When the client made the strategic decision to implement longevity protection, Swiss Re was a natural counterparty to consider."



The LV= transaction confirms Swiss Re's position as the leader in the longevity swap market, having transferred over USD 12 billion in longevity liability to its own books.

The market is becoming more aware of longevity risk. Swiss Re's ability to execute complex transactions with the balance sheet capacity to support them places the company in a good position for future opportunities.

Alison Martin, Member of Swiss Re's Group Management Board and Head Life & Health Reinsurance, says: "Swiss Re has led the development of the longevity market and we expect demand for longevity solutions to continue. We will remain selective in how we apply our longevity capacity to deliver customised solutions for our insurance clients."

Notes to Editors

For more information on this transaction and/or access to experts and managers related to this release please contact Swiss Re media relations: media_relations@swissre.com or +41 (0)43 285 7171.

Swiss Re longevity insurance deals

Date	Cedent	Value
Apr 2007	Friends Provident	USD 3.4 billion
Jul 2007	Co-operative Insurance	USD 3.6 billion
Dec 2008	undisclosed Australian insurer	USD 0.4 billion
Oct 2009	undisclosed Australian insurer	USD 0.4 billion
Dec 2009	The Royal County of Berkshire Pension Fund	USD 1.6 billion
May 2012	Akzo Nobel (CPS) Pension Scheme	USD 2.2 billion
Dec 2012	LV= Employee Pension Scheme	USD 1.3 billion

In December 2010, Swiss Re transferred USD 50 million of longevity trend risk to the capital markets through its Kortis Capital Ltd. securitisation programme.

Swiss Re

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, Swiss Re deploys its capital strength, expertise and innovation power to enable the risk taking upon which enterprise and progress in society depend. Founded in Zurich, Switzerland, in 1863, Swiss Re serves clients through a network of over 60 offices globally and is rated "AA-" by Standard & Poor's, "A1" by Moody's and "A+" by A.M. Best. Registered shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: www.swissre.com or follow us on Twitter [@SwissRe](https://twitter.com/SwissRe)

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans objectives, targets and trends) 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 of operations, financial condition, solvency ratios, liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, liquidity position or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- further instability affecting the global financial system and developments related thereto, including as a result of concerns over, or adverse developments relating to, sovereign debt of euro area countries;
- further deterioration in global economic conditions;
- Swiss Re’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of Swiss Re’s financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re’s investment assets;
- changes in Swiss Re’s investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re’s balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that Swiss Re’s hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting Swiss Re’s ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies, and the interpretations of legislation or regulations by regulators;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- 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. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.