



## Swiss Re strongly positioned to offer capacity, enabling clients to seize business opportunities, while maintaining a stringent focus on profitable underwriting

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### **Monte Carlo, 7 September 2009 – Swiss Re is strongly positioned to provide capacity at the right price to support clients in seizing business opportunities.**

Stefan Lippe, Swiss Re's Chief Executive Officer, said at the Rendez-vous de Monte Carlo, the annual insurance conference: "Since the beginning of 2009, we have significantly increased our capacity to enable clients to benefit from attractive business opportunities. At the end of June our excess capital was estimated at CHF 4.5 billion above the AA required level. With our excellent core business portfolio, nurtured by years of disciplined underwriting and active cycle management, coupled with de-risking efforts, we have a strong foundation to support our clients and grow our business in the most profitable segments."

### **Swiss Re is in a strong position to support its clients**

Throughout the financial markets turmoil, the property and casualty insurance industry has proven its resilience. Michel Liès, Head of Client Markets said: "Even when the financial crisis was in full swing, we were able to deliver capacity to our clients. This has created a lot of goodwill and positioned us well for the upcoming January 2010 renewals."

He added: "We are observing a broad upward trend in overall reinsurance pricing, although this varies significantly between different lines of business. While the prices on property lines of business are improving, long-tail industry segments, especially casualty, have yet to adjust to the lower interest rate environment and still do not adequately reflect years of premium reductions, and anticipated loss trends. We therefore continue to steer capacity away from casualty into the more profitable property lines of business."

### **Delivering innovative solutions for the clients**

Michel Liès emphasised that when underwriting markets are mixed, a simplistic "broad-brush" approach across industry segments, or clients, is not sufficient. "Strong client-specific analyses and solutions are called for, and Swiss Re works closely with its clients to develop both traditional and innovative solutions that respond to their individual needs."

Examples where Swiss Re delivers innovative solutions for clients and other stakeholders include the development of agricultural insurance in emerging markets, and in particular the recent cooperation with the Chinese government. In Europe, Swiss Re is working together with the Pan-European Risk Insurance Linked Service company (PERILS) to develop a European windstorm index that will facilitate risk trading and further broaden the ILS market.

Stefan Lippe concluded: "Our top priority is to deploy capacity and innovative solutions for the benefit of our clients and shareholders. Conditions in the reinsurance market have been improving throughout 2009. In a difficult market environment, we have demonstrated that Swiss Re's client franchise is powerful and that we deliver value to our clients."

### **Dial-in details to Media and Investors Conference**

To dial-in to the Swiss Re Media and Investors Conference in Monte Carlo on **Monday, 7 September at 14h00-15h00 CET**, please use the following phone numbers. Note that these numbers allow for listening only.

France	+33 (0)1 70 99 42 71
Germany	+49 (0)69 9897 2630
Switzerland	+44 (0)20 7138 0815
United Kingdom	+44 (0)20 7138 0815
USA	+1 718 354 1157
Australia	+ 61 (0)2 8223 9234

The presentation slides can be downloaded [following this link](#).

### **Notes to editors**

At 10 am CET today, Swiss Re will issue a second press release announcing our sigma 4/2009 report "The role of indices in transferring insurance risks to the capital markets".

### **Swiss Reinsurance Company Ltd**

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 20 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 "A+" by Standard & Poor's, "A1" 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:

- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilise the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;
- the occurrence of other unanticipated market developments or trends;
- 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 under derivative contracts due to actual or perceived deterioration of Swiss Re's financial strength;
- 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 Swiss Re's 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 its mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carry forwards 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 companies in the Group;
- risks associated with implementing Swiss Re's business strategies;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- 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;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- political risks in the countries in which Swiss Re operates or insures risks;
- the impact of current, pending and future legislation and regulation, affecting us our ceding companies, and regulatory and legal actions;
- the impact of changes in accounting standards;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any

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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.