



Swiss Re obtains USD 400 million of extreme mortality risk coverage - its first life securitisation

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Zurich, 8 December 2003 - Swiss Re has successfully sponsored its first ever insurance-linked security relating to life insurance risk, and has obtained USD 400 million of coverage from institutional investors.

John Fitzpatrick, Head of Swiss Re's Life & Health Business Group explained: "Through this securitisation, Swiss Re has transferred mortality risk to the capital markets as an alternative to traditional retrocession. Following this success, we will continue to explore ways of providing opportunities to fixed-income investors while meeting our risk management needs."

As part of the transaction, Swiss Re entered into a financial arrangement with Vita Capital Ltd. to provide up to USD 400 million of payments to Swiss Re in certain extreme mortality risk scenarios. In turn, to fund potential payments under this arrangement, Vita Capital issued USD 400 million of principal at-risk variable rate notes.

The structure of the Vita Capital risk coverage is based on a combined mortality index similar to other index-based insurance-linked securities. The mortality index measures annual general population mortality in five select countries by applying predetermined weights to publicly-reported mortality data from each country. The principal of the Vita Capital notes will be at risk if, during any single calendar year in the risk coverage period, the combined mortality index exceeds 130% of its baseline 2002 level. The bond matures on 1 January 2007.

Swiss Re Capital Markets Corporation structured the Vita Capital securities and acted as the sole bookrunner in the distribution to institutional investors according to Rule 144A. The Vita Capital securities were rated "A+" by Standard & Poor's and "A3" by Moody's Investor Service. Investors will be paid a quarterly coupon rate of USD three-month Libor plus a spread of 135 basis points for the principal at risk.

Note to editors

Swiss Re is a leading reinsurer and the world's largest life and health reinsurer. The company is global, operating from 70 offices in 30 countries. Since its foundation in 1863, Swiss Re has been in the reinsurance business. Swiss Re has three business groups: Property & Casualty, Life & Health and Financial Services. Swiss Re offers a wide range of traditional reinsurance products and related services, which are complemented by insurance-based corporate finance solutions and supplementary services. Swiss Re is rated "AA" by Standard & Poor's, "Aa1" by Moody's and "A+" by A.M. Best.

Countries included in the index

France, Italy, Switzerland, United Kingdom, United States