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## Swiss Re's latest publication focuses on business interruption insurance

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**Zurich, 10 September 2004 – Swiss Re has today published “Business interruption insurance,” the latest study in its technical publishing series. The study underlines the importance of sophisticated risk analysis, adequate product design and prudent underwriting. It also notes that close collaboration between the insurer and the client is a key factor in meeting the business interruption challenge.**

Business interruption cover has become even more important in recent years as risk managers focus on balance-sheet protection. Preserving earnings power is one of the main priorities of company management and there is a growing realisation that significant loss of income can be more of a threat than the loss and destruction of property and plant. At the same time the risk landscape has changed particularly as a result of increasing global interdependence and the terrorist attack on the World Trade Center.

### **Close cooperation is essential**

Changes to the risk landscape present a challenge as well as an opportunity. Modern process management - for example just-in-time deliveries and reduced inventory costs - increases the risk for insurers and reinsurers. Efficiency gains in semi-conductor manufacturing, the pharmaceuticals industry and petrochemical processing have encouraged the creation of major industrial parks. This, however, considerably raises the accumulation risk in the event of a natural catastrophe or man-made disaster.

The global nature of business and the mutual dependency of industry and service companies are leading to a concentration of potential risks on the one hand, while on the other, the emergence of “extended factories” is encouraging international collaboration to support substitution and backup facilities.

Werner Schaad, Chief Underwriting Officer, Property & Casualty Business Group comments: “Close cooperation between the client and the insurance provider is a key success factor in the area of fire

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business interruption insurance. Mutual understanding and trust are vital for the collection of business data and for efficient claims settlement.”

Swiss Re’s technical publication “Business interruption insurance” provides guidance on how to deal effectively with the complex issue of business interruption. It underlines the importance of sophisticated risk analysis, adequate product design and prudent underwriting. The study, available in English and German, can be downloaded at [www.swissre.com](http://www.swissre.com). A French version will follow in due course. Print versions can be ordered at [publications@swissre.com](mailto:publications@swissre.com).

### **Notes to editors**

#### **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. Through its three business groups Property & Casualty, Life & Health and Financial Services, 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.