

# News release

## Swiss Re Admin Re<sup>®</sup> agrees to sell US subsidiary Aurora to RGA

Zurich, 21 October 2014 – Swiss Re Admin Re<sup>®</sup> announces the sale of its US subsidiary Aurora National Life Assurance Company to Reinsurance Group of America, Incorporated (RGA).

RGA has agreed to acquire 100% of the stock of Aurora National Life Assurance Company, a wholly owned life insurance subsidiary of Swiss Re. Aurora is part of the US business retained by Admin Re<sup>®</sup> following the sale of its US Admin Re<sup>®</sup> holding company Reassure America Life Insurance Company (REALIC) to Jackson National Life Insurance Co in September 2012.

The sale involves approximately 82 000 policies in force and USD 2.7 billion in policyholder liabilities.

John R. Dacey, Swiss Re's Group Chief Strategy Officer and Chairman of Admin Re<sup>®</sup>, says: "This transaction is an important step in Swiss Re's strategy to redeploy capital to areas where we see growth opportunities and which deliver attractive shareholder returns. Admin Re<sup>®</sup> will continue to focus on the UK, where we have developed a solid pipeline of potential acquisitions and successfully signed a transaction with HSBC earlier this year."

Admin Re<sup>®</sup> has seen significant growth in its UK portfolio since the start of the year, reinsuring 400 000 individual and group pension and related annuity policies with GBP 4.2 billion in unit-linked assets from HSBC Life (UK) Ltd.

The sale of Aurora is expected to close in early 2015 and is subject to approval by the relevant regulators.

### Swiss Re Admin Re<sup>®</sup>

Admin Re<sup>®</sup> provides risk and capital management solutions by which Swiss Re acquires closed books of in-force life and health insurance business, entire lines of business, or the entire capital stock of life insurance companies. Swiss Re assumes responsibility for all risks of the acquired block of business and typically assumes responsibility for administering the underlying policies. Supported by the capital strength and risk diversification of the Swiss Re Group and its companies, Admin Re<sup>®</sup> solutions help clients free up capital to redeploy to new business opportunities while reducing administrative burdens. Swiss Re is a leader in this field having proven its execution capability with more than 50 transactions since 1998 spanning a range of product types. For more information about Admin Re<sup>®</sup>, please visit:

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### 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”, “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 the Group’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:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- the Group’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 the Group’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 the Group’s investment assets;
- changes in the Group’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 the Group’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 the Group’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 the Group’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 the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting the Group or its ceding companies and the interpretation of legislation or regulations;
- 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. The Group 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.

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