



Swiss Re transfers USD 100 million natural catastrophe risk for ACE with World Bank collateral investment

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Swiss Reinsurance Company Ltd.
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New York, June 12 2009: **Swiss Reinsurance America Corporation has obtained USD 100 million protection against US hurricane and earthquake risks in the US from Calabash Re III Ltd., a Cayman Islands exempted company (the "Issuer"), which was financed through the successful offering by the Issuer of insurance-linked securities. In this transaction, Swiss Reinsurance America Corporation will use the reinsurance purchased from the issuer as a source of capacity for a reinsurance agreement that provides ACE American Insurance Company and its affiliates with USD 100 million of coverage over three years.**

Dan Ozizmir, Managing Director and Head of Insurance Linked Securities at Swiss Re Capital Markets, commented, "We are pleased to provide additional capacity with Calabash Re III. Combining MITT and the IBRD Note resulted in a substantially more efficient set-up for both investors and our valued client."

The Calabash Re III Ltd. bond was issued in two tranches, the Class A Series 2009-I Notes, covering US hurricane and earthquake risk, and the Class B Series 2009-I Notes, covering only US earthquake risk. The catastrophe bond uses the patent-pending Modeled Industry Trigger Transaction ("MITT") trigger, which takes industry loss estimates from Property Claims Services and weights them by the post-event modeled share of industry loss based on certain applicable portfolios. Risk Management Solutions performed the expert risk modeling analysis.

The collateral for the Calabash Re III Ltd. catastrophe bond, purchased with proceeds of the bond issuance, utilizes an investment in floating rate notes issued by the International Bank for Reconstruction and Development ("IBRD") of the World Bank Group that are puttable in whole or in part at the option of the holder after the first year. This collateral investment represents a market first.

The IBRD is an international organization established in 1945 and owned by 185 member countries. The IBRD has a long-term foreign issuer credit rating of “AAA (stable outlook)” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business and a senior unsecured debt rating of “Aaa (stable outlook)” by Moody’s Investors Service Inc. The IBRD Notes are duration-matched to the maturity of Calabash Re III Ltd. Notes.

ACE has previously accessed capital markets capacity via Swiss Reinsurance America Corporation Ltd. with Calabash Re I Ltd. (2006) and Calabash Re II Ltd. (2007). Swiss Re Capital Markets was the sole structurer, initial purchaser and bookrunner of Calabash Re III Ltd.

The Calabash Re III Ltd. notes were sold in a private placement pursuant to Rule 144A of the U.S. Securities Act of 1933, as amended, (the “Securities Act”) and have not been registered under the Securities Act or any state securities laws; they may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

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Notes to editors

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 debtlike 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 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 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 or our ceding companies, and regulatory and legal actions;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition; and

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- 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.