



Swiss Re provides estimate of its claims costs from Japan earthquake and tsunami

Contact:

Media Relations, Zurich  
Telephone +41 43 285 7171

Corporate Communications, London  
Telephone +44 20 7933 3445

Corporate Communications, Asia  
Telephone +852 2582 3660

Corporate Communications, New York  
Telephone +1 212 317 5663

Investor Relations, Zurich  
Telephone +41 43 285 4444

Swiss Reinsurance Company Ltd  
Mythenquai 50/60  
P.O. Box  
CH-8022 Zurich

Telephone +41 43 285 2121  
Fax +41 43 285 2999  
www.swissre.com

- **Swiss Re estimates claims costs of USD 1.2 billion, net of retrocession and before tax**
- **Estimates subject to high degree of uncertainty due to complexity of loss assessment**

**Zurich, 21 March 2011 – Swiss Re estimates claims costs of USD 1.2 billion, net of retrocession and before tax, from the earthquake and the tsunami in Japan. These estimates are subject to a high degree of uncertainty as the event continues to unfold, making loss assessment particularly challenging.**

On 11 March 2011, a 9.0-magnitude earthquake struck off the coast of Honshu, Japan. The event caused strong ground motions in the northeastern prefectures of Japan. The earthquake also triggered a tsunami which caused a substantial loss of life and extensive damage in coastal areas. Failures in cooling systems of the Fukushima nuclear power plant led to explosions, severe damage to nuclear reactors and the release of radioactivity into the environment.

"We extend our sympathies to the Japanese nation as they cope with the human tragedy and the destruction caused by this event," says Stefan Lippe, Chief Executive Officer of Swiss Re. "We remain committed to using our expertise and experience to support clients in Japan as they manage the risks related to such devastating events. It is the purpose of our industry to aid communities in their recovery and redevelopment efforts."

A government-run insurance scheme provides cover for earthquake shock and tsunami for residential properties insured by non-life companies. This cover is not reinsured in the international reinsurance market. Cover for fire-following earthquake is offered by primary insurers and is typically protected by their reinsurance treaties.

Insurance cover for commercial and industrial risks is sold in the private market for earthquake, fire following earthquake and tsunami, and is commonly reinsured. Coverage for property policies excludes nuclear contamination. Coverage for nuclear facilities in Japan excludes earthquake shock, fire following earthquake and tsunami, for both physical damage and liability. Swiss Re believes that the incident at the Fukushima nuclear power plant is unlikely to result in a significant direct loss for the Property & Casualty insurance industry.



Based on preliminary estimates, Swiss Re expects its claims for the earthquake and the tsunami, net of the benefits of retrocession, to be approximately USD 1.2 billion before tax.

Our claims estimate is subject to a higher than usual degree of uncertainty, and may need to be subsequently adjusted, for various reasons. First, Swiss Re expects that determining precise claims information will take several months. The company's current estimate is driven primarily by modeled estimates for its portfolio. Calibrating this to ceding clients' estimates, and to original policyholder losses, will take an extended period of time, because of the current situation in Japan. Second, the high proportion of commercial and industrial claims in the reinsured share of this event will extend the evaluation process.

Swiss Re has made a donation towards instant relief measures and also pledged to support the rebuilding efforts. Swiss Re employees are being encouraged to make charitable contributions through the Swiss Red Cross and the Save the Children Fund, which will be matched by Swiss Re.

Swiss Re remains fully committed to continuing to provide capacity to the Japanese market and maintaining its strong relationships with clients.

## 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 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;

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.