

SVV Tag der Versicherungswirtschaft «Ökosystem Assekuranz» : Wie gehen wir mit dem Klimawandel um?

Andreas Spiegel, Head Group Sustainability Risk



Swiss Re Group at a glance

Swiss Re is a **leading and highly diversified global reinsurer**, founded in Zurich (Switzerland) in 1863

The Group offers **traditional reinsurance products and related services** for property and casualty, as well as for life and health businesses

The Group also offers **commercial insurance** through Corporate Solutions and manages **closed and open books of life and health business** via Life Capital

The financial strength¹ of the Swiss Re Group is currently rated:
Standard & Poor's: AA- (stable); Moody's Aa3 (stable); A.M. Best: A+ (stable)

Swiss Re was named as the insurance sector leader in the 2015 **Dow Jones Sustainability Indices**

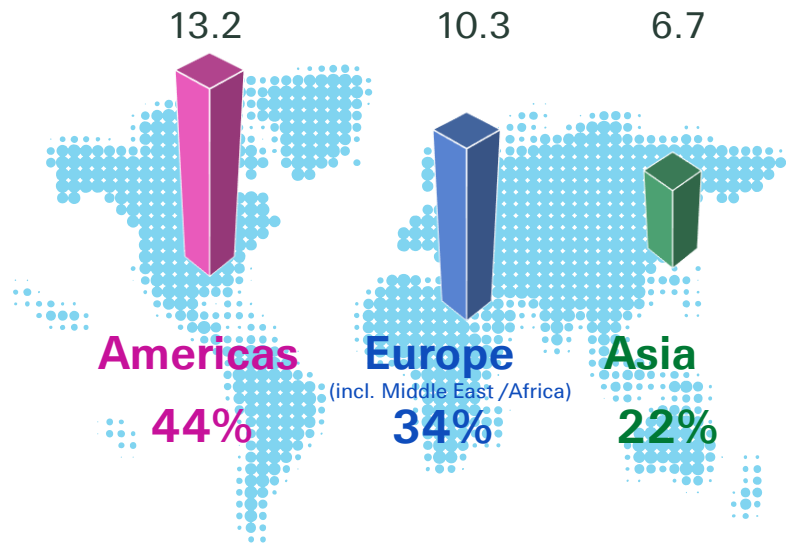
Key statistics (USD billions)	FY 2012	FY 2013	FY 2014	FY 2015
Total revenues	33.6	36.9	37.3	35.7
Net income	4.2	4.4	3.5	4.6
Shareholders' equity	34.0	33.0	35.9	33.5

¹ As at 14 April 2016

Swiss Re is well diversified across geographic regions and business segments

Net premiums earned¹

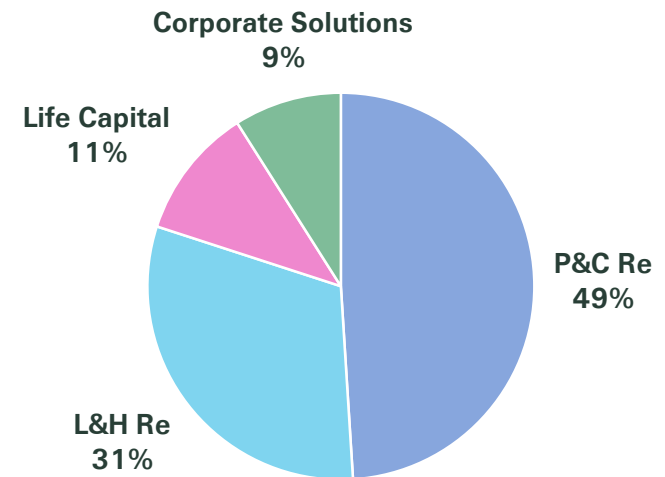
by region (in USD bn)



of which
HGMs incl. PI²: ~3% ~ 5% ~ 17% ≈25%

Economic Net Worth³

by business segment



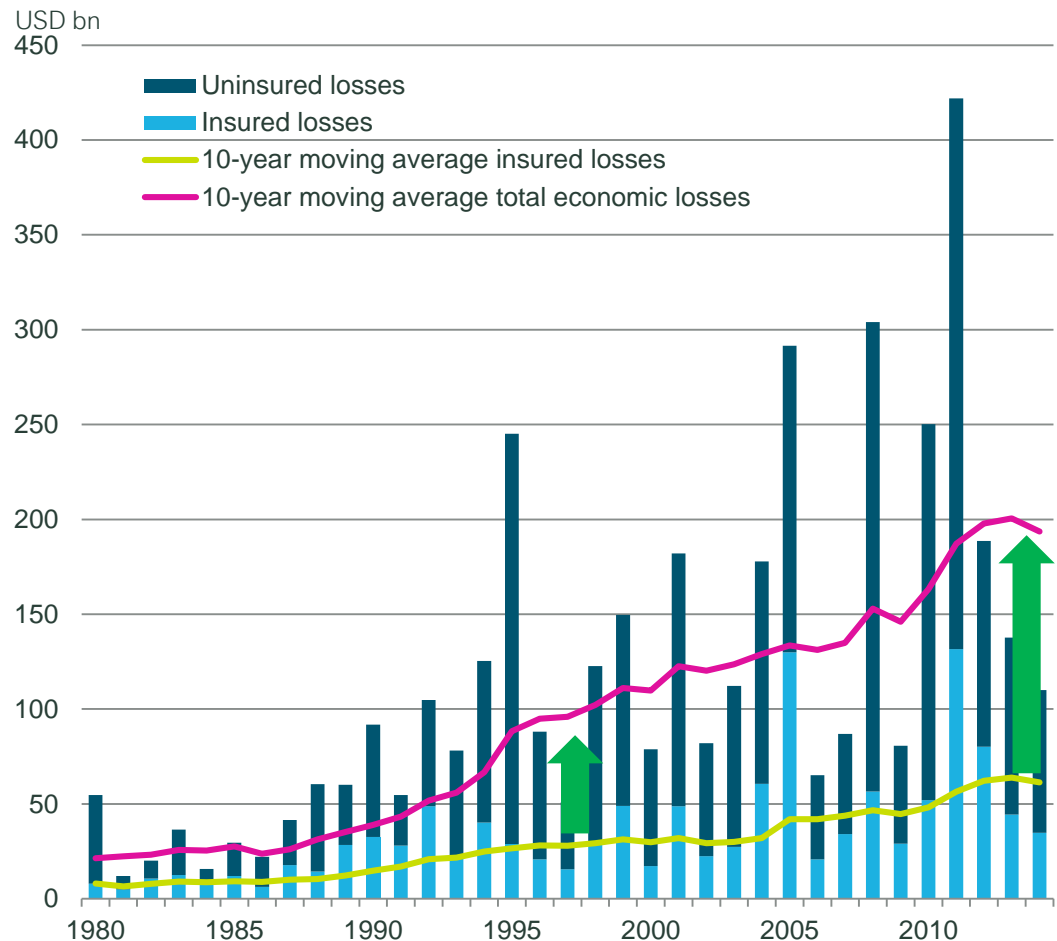
Swiss Re benefits from geographic as well as business mix diversification and has the ability to reallocate capital to achieve profitable growth

¹ USD 30.2bn as at 31 December 2015; includes fee income from policyholders; does not reflect the exposure to HGMs through Principal Investments (PI)

² Based on additional pro rata net premiums from PI including FWD Group (14.9%), New China Life (4.9%) and SulAmérica (14.9%)

³ Share of Swiss Re Group's Economic Net Worth deployed across Business Units (excl. Group Items), 31 December 2015

Gap between economic losses from nat cat disasters and insured losses has been increasing



Source: Swiss Re Economic Research & Consulting and Cat Perils, Sigma on natural catastrophes and man-made disasters

- Economic development, population growth and a higher concentration of assets in exposed areas are increasing the economic cost of disasters
- The protection gap for 2014 losses was USD 75bn
- The insurance sector plays an important role in closing the protection gap.

Swiss Re studied climate change impacts in more than 20 regions with diverse climate hazards



US Gulf Coast:
Hurricane risk to the energy system



New York: Cyclones and storm surge risk to a metropolis



Hull, UK: Flood and storm risk to urban property



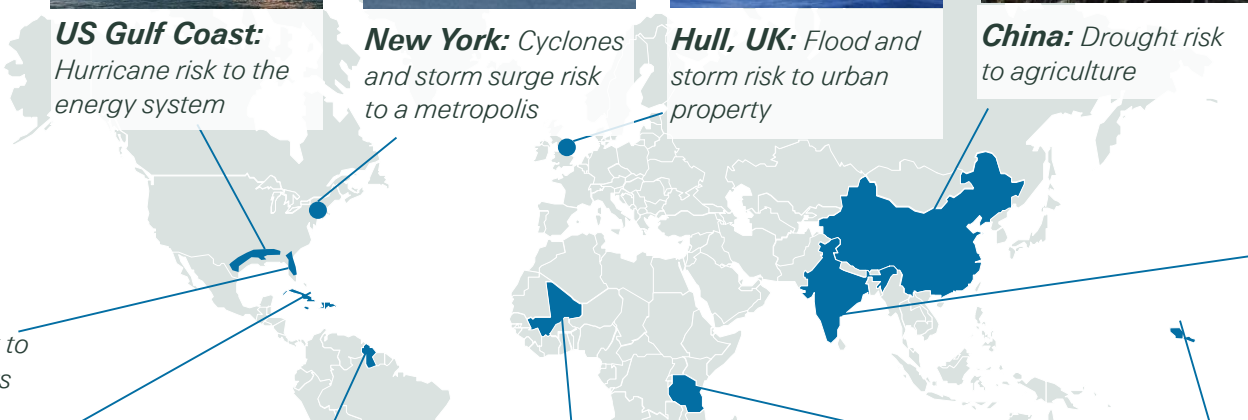
China: Drought risk to agriculture



Florida: Hurricane risk to public and private assets



India: Drought risk to agriculture



Caribbean: Hurricane risk to small islands



Guyana: Flash flood risk to a developing urban area



Mali: Risk of climate zone shift to agriculture



Tanzania: Drought risk to health and power generation



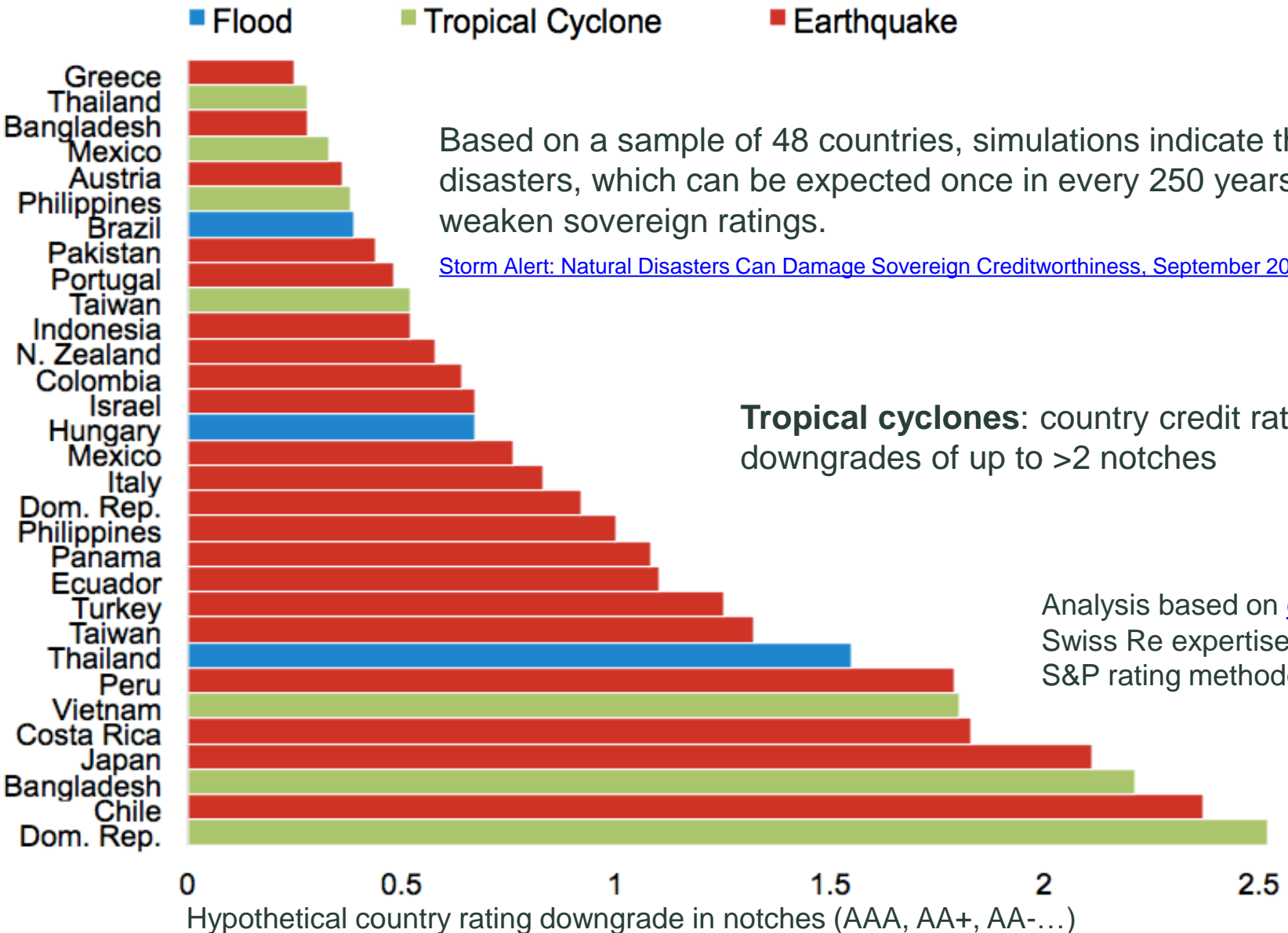
Samoa: Risk of sea level rise to a small island state

Storm Alert: Natural Disasters Can Damage Sovereign Creditworthiness

- Swiss Re worked with S&P to quantify the impact of natural catastrophes on sovereign ratings.
- The biggest ratings impact in our sample comes from earthquakes and tropical storms: The top five catastrophes for both perils (measured in damages as share of value) could lead to downgrades of around 1.5 notches for the sovereigns affected.
- Biggest downgrades for tropical cyclones: Dom. Rep -2.5 notches, Bangladesh -2.25, Vietnam -1.75, Taiwan -0.5, for flood: Thailand -1.5, Hungary -0.6, Brazil -0.4).
Floods and European winter storms are generally unlikely to, by themselves, lead to downgrades.
- One way to mitigate the economic and ratings impact of natural disasters is catastrophe insurance.



Sovereign rating impact of Nat Cat events



Based on a sample of 48 countries, simulations indicate that natural disasters, which can be expected once in every 250 years, can weaken sovereign ratings.

[Storm Alert: Natural Disasters Can Damage Sovereign Creditworthiness, September 2015](#)

Tropical cyclones: country credit rating downgrades of up to >2 notches

Analysis based on [climada](#), Swiss Re expertise and S&P rating methodology



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