

Annual Report 2020
Business Report

Transforming Tomorrow Together



Transforming Tomorrow Together

About the front cover

Jakarta is Southeast Asia's largest city. The Indonesian capital has a population of over 10 million people and is a thriving economic hub. It is also exposed to a number of natural catastrophe risks.

In 2020, Swiss Re partnered with the Indonesian Ministry of Finance and a local insurer to build financial resilience around the country's public assets. This is one example of how our research and data capabilities enable us to create insurance solutions that strengthen societies.

How can we build resilience in the wake of COVID-19?

Thierry Léger
Group Chief Underwriting Officer



“Insurance will have a central role in the process of rebuilding the global economy, protecting the vulnerable and making the world more resilient.”

How can we use digital solutions to make insurance more accessible?

Anette Bronder
Group Chief Operating Officer



“By accelerating the use of technology and data in our industry, we can bring millions more people within the insurance safety net.”

How can we work together towards net zero?

Christian Mumenthaler
Group Chief Executive Officer
and Co-Chair of WEF's Alliance
of CEO Climate Leaders



“A net-zero future is achievable. We are taking action to reduce our impact. And we will support others as they commit to reducing CO₂ emissions.”

How can partnerships help us close protection gaps?

Moses Ojeisekhoba
Chief Executive Officer
Reinsurance



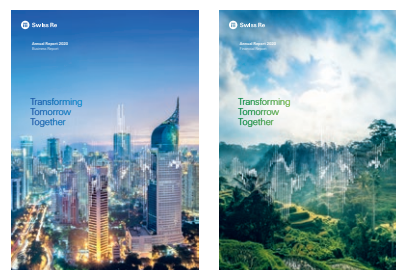
“You can only move forward when you move together. Working with our partners, we build new relationships and co-create new solutions.”

Contents

Swiss Re at a glance	2
Message from the Chairman	4
Message from the Group CEO	8
Market trends	12
Our business and strategy	16
Sustainability	18
Transforming Tomorrow Together	20
How can we build resilience in the wake of COVID-19?	22
How can we use digital solutions to make insurance more accessible?	28
How can we work together towards net zero?	34
How can partnerships help us close protection gaps?	40
Our people and culture	46
A discussion with Walter B. Kielholz	48
Board of Directors	52
Group Executive Committee	54
Cautionary note	56
Contacts	58

Our Annual Report

Our Annual Report consists of the Business Report and the Financial Report:



Business Report

This publication explains the progress we made in executing on our strategy and describes the markets in which we operate, our culture and our approach to sustainability. We also share stories of how we tackle risk to make the world more resilient.

For more information



See our online Annual Report at <https://reports.swissre.com>

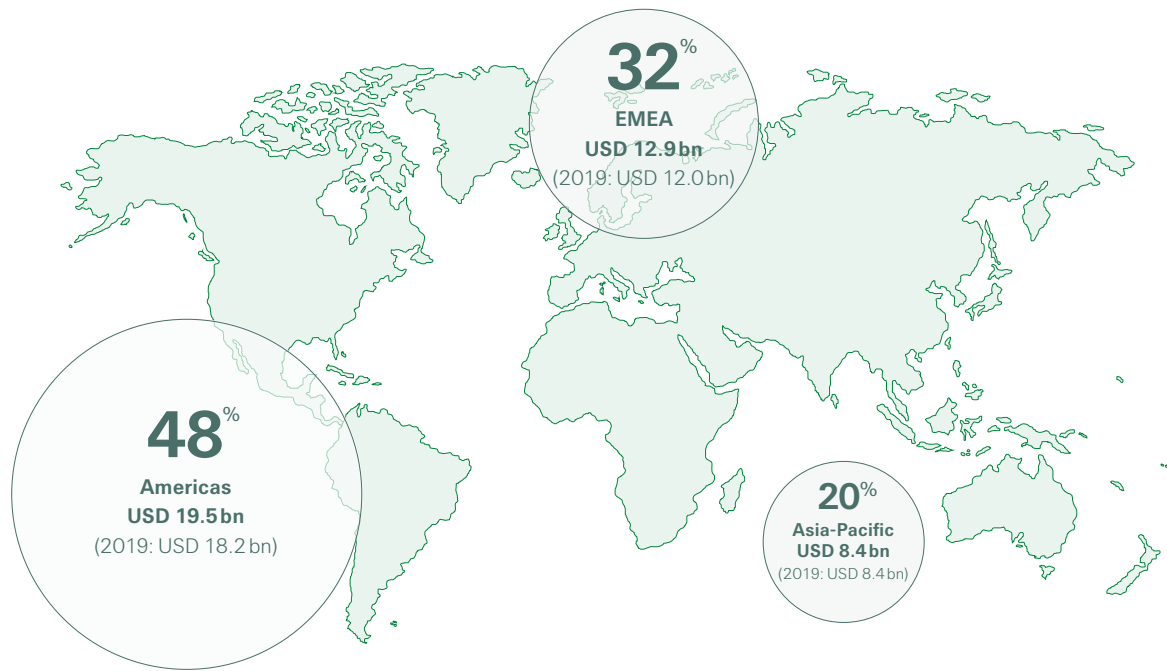
Swiss Re at a glance

The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient.

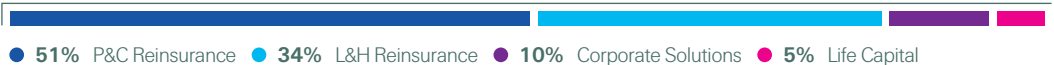
Diversified and global

Net premiums earned and fee income by region

USD **40.8** bn
(2019: USD 38.6 bn)



By business segment



Financial strength

AA-
Standard & Poor's

-3.1%
Return on equity
(2019: 2.5%)

7.3%
Return on equity
(excl. COVID-19)¹

-1.1%
Net operating margin
(2019: 3.4%)

7.4%
Net operating margin
(excl. COVID-19)¹

Commitment to sustainability

AAA
MSCI ESG rating
(as of July 2020)

71%
Employee engagement
(2019: 63%)

35%
Carbon intensity reduction target in our corporate bond and listed equity portfolio by 2025²

¹ These figures exclude the impact of claims and reserves established for COVID-19 and the associated estimated tax impacts.

² With base year 2018.

Reinsurance

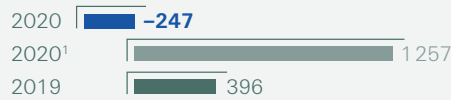
Reinsurance provides clients and brokers with reinsurance products, insurance-based capital market solutions and risk management services. Reinsurance operates globally through two segments – Property & Casualty and Life & Health.

Property & Casualty

Net premiums earned (USD billions)



Net income/loss (USD millions)



-2.8%
Return on equity
(2019: 4.4%)

13.2%
Return on equity
(excl. COVID-19)¹

109.0%
Combined ratio
(2019: 107.8%)

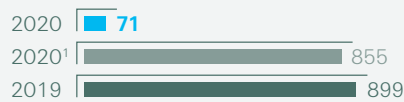
99.8%
Combined ratio
(excl. COVID-19)¹

Life & Health

Net premiums earned and fee income (USD billions)



Net income (USD millions)



0.9%
Return on equity
(2019: 12.4%)

10.4%
Return on equity
(excl. COVID-19)¹

2.9%
Net operating margin
(2019: 10.0%)

9.4%
Net operating margin
(excl. COVID-19)¹

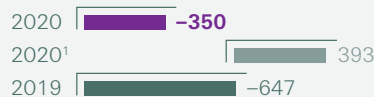
Corporate Solutions

Corporate Solutions provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind.

Net premiums earned (USD billions)



Net income/loss (USD millions)



-17.4%
Return on equity
(2019: -34.1%)

16.5%
Return on equity
(excl. COVID-19)¹

116.5%
Combined ratio
(2019: 127.9%)

93.2%
Combined ratio
(excl. COVID-19)¹

Life Capital

Life Capital supported and incubated entities in the B2B2C primary business, B2B corporate business and the closed book consolidation space. Following the successful sale of ReAssure, the Life Capital Business Unit disbanded at the end of 2020. Corporate Solutions has assumed responsibility for elipsLife, while iptiQ is now operating as a standalone division.

Net premiums earned and fee income (USD billions)



Net loss (USD millions)



-7.5%
Return on equity
(2019: -3.4%)


-6.9%
Return on equity
(excl. COVID-19)¹

2171^m
GPW open books
(2019: USD 1 790 m)

¹ These figures exclude the impact of claims and reserves established for COVID-19 and the associated estimated tax impacts.

Staying one step ahead in the business of risk



During my years in the business, external upheavals in the 'real' world have repeatedly hit the 'financial' world with force. And on each such occasion, Swiss Re has had to react – and has done so successfully. 

Walter B. Kielholz
Chairman of the
Board of Directors



Dear shareholders,

This is the last letter to shareholders that I will write to you as Chairman of the Board of Directors of Swiss Re. As you know, I informed the Board of Directors last year that I would not stand for re-election at the next Annual General Meeting in April 2021. As I am turning 70 this year, it is time to hand over my responsibilities.

On this occasion, please allow me to reflect briefly on 45 years of working in the reinsurance industry and on 32 years at Swiss Re in various roles. Based on my past experience, I would also like to provide my insights into 2020, an unprecedented year, as well as on the COVID-19 pandemic and the ensuing health, social, economic and ultimately also political crises.

The COVID-19 pandemic – risk is our business

At Swiss Re, a major event like the pandemic, which has had both financial and operational consequences, is something we must always expect. During my years in the business, external upheavals in the 'real' world have repeatedly hit the 'financial' world with force. And on each such occasion, Swiss Re has had to react – and has done so successfully.

Sometimes, such upheavals were caused by fundamental changes, other times they were the result of predictable but exceptionally large events. Sometimes, they affected our investments, and sometimes our reinsurance and direct insurance business, but rarely all at the same time. It was extremely rare for events to come completely as a surprise. However, there often was at least one aspect of each such event that was not expected. This was no different in the case of COVID-19; I shall come back to this a bit later.

Liability claims and the origins of our commitment to sustainability

During the early years of my career, so in the 1970s and early 1980s, but especially after 1986, a massive wave of asbestos and environmental liability claims in the US crashed over the insurance industry. This resulted in huge claims payments around the world, especially for reinsurers. This also posed a threat to the future of your company, Swiss Re. We had to adapt to a completely new environment characterised by very aggressive plaintiffs lawyers in the US. It took years for the US to bring the excesses of a legal industry specialised in liability lawsuits under greater control.

As a result, prices for liability cover rose massively. Policies were restructured to allow for shorter run-off periods. To cope with the claims burden, Swiss Re had to take decisive action and divested its large direct insurance subsidiaries in Europe. The crisis also destroyed some of the largest corporate insurers in the US and a number of European reinsurers; the centuries-old Lloyds of London business model collapsed, and the Bermuda insurance market emerged. Swiss Re's share price rose by more than 500%, and the now smaller company took off.

Since then, one insight has always guided us – an insight that has become increasingly important and has defined us over time: unsustainable business practices in the real economy, whether with regard to the environment or when dealing with product risks, sooner or later lead to major losses on insurers' balance sheets. A resolute commitment to sustainability is a 'must' for Swiss Re, because sustainability means taking precautions and limiting future losses. This issue has become part of the economic mainstream, and our early commitment to sustainability thus greatly benefits the company today.

Natural catastrophes and the emergence of insurance-linked securities

In the mid-1990s, after almost 30 years with no major storm damage in Japan or on the East Coast of the US (Betsy, a huge hurricane, made landfall in 1965), Typhoon Mireille (1991) and Hurricane Andrew (1992) caused our clients, and by extension also us, massive losses. These storms were the harbingers of a greatly increased frequency of natural catastrophes in Europe, Japan, Australia, the Caribbean and, above all, the US.

Under the leadership of reinsurers – Swiss Re played a very important role here – the industry focused on better understanding these risks. Risk models for natural catastrophes were significantly improved. New capital, primarily out of Bermuda, was deployed to address the global natural catastrophe risks, which now consistently commanded significantly higher premiums. Swiss Re recognised the resulting opportunities early on, and the company's share price rose accordingly. Today, Swiss Re is a market leader in this business, which, when viewed over a period of years, more than covers the cost of capital.

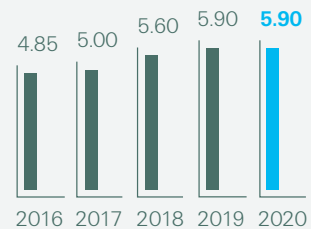
As a result of this experience, Swiss Re became the first reinsurer to start tapping additional sources of capital. The idea behind this was to securitise risks to make them tradeable. We developed – similar to mortgage-backed securities (MBS) – the first cat bonds, so-called insurance-linked securities (ILS). After experiencing growing pains for a number of years, this market has developed very well, and ILS are now a firmly established financing instrument for insurance risks.

Dividend policy

Swiss Re's dividend policy is a central element of Swiss Re's capital management priorities.

The Group aims to grow the regular dividend with long-term earnings or, at a minimum, maintain it.

Dividend per share (CHF)





Swiss Re has an excellent reputation around the world, and its market position, strategic focus, the quality of its employees and its capital base are outstanding. ”

The dot.com crash, expansion in life reinsurance and disciplined asset-liability management

Towards the end of 2000 and the beginning of 2001, the dot.com bubble burst. This marked the end of a euphoric period for investors in stock markets, driven by exorbitant valuations for companies that, in one way or another, were doing something related to the internet, and often came up with the most abstruse business plans. This had to end badly – and it did, taking everything down along with it.

Many institutional investors participated in the bull market, and most of them benefitted from the bubble. Although everyone was talking about the high level of risk in the markets, only very few managed to exit them at the right time. European and Asian life insurance companies, in particular, had disproportionately large equity investments relative to their shareholders' equity. They did not have the financial strength to absorb the shock of the collapse in prices. Swiss Re, with a bit of luck, realised its gains in time and was able to walk away with a relatively small loss. We consistently expanded life reinsurance through further acquisitions, and a second, strong pillar was thus created alongside the property/casualty segment.

As a result of the financial market turbulence during those years, asset-liability management became an indispensable instrument for mitigating balance sheet risks in the insurance industry. This process aims to match maturities and liquidity needs on the asset side of the balance sheet with the liability side. Swiss Re, which has a larger balance sheet (or more asset leverage) than most of its clients due to its business portfolio, helped develop this tool from the ground up and began to use it with increasing frequency. This development encouraged a departure from the notion of always trying to time the market correctly. But it was only after the global financial crisis of 2008/2009 that the company began to systematically manage its balance sheet risks through asset-liability management.

Terrorism and the limits of insurability

The industry had just come to terms with the dot.com crash when the terrorist attack on the Twin Towers in New York occurred on 11 September 2001. Terrorist attacks were not new territory for us. Time and time again, Swiss Re had covered losses caused by terrorist attacks. The sheer scale of the attack on the World Trade Center, however, exceeded our scenarios many times over. Only very few people had the foresight to ever imagine such an event would happen.

Swiss Re was the leading (re)insurer of the World Trade Center, and the claims payments it made were correspondingly large. At the same time, however, Swiss Re made a name for itself far beyond the industry by successfully defending itself in court against excessive, even exorbitant claims – something that many other companies subsequently benefitted from.

9/11 is probably the insurance event that is most comparable to COVID-19. It demonstrated to the industry, but also to regulators and policymakers, that certain things can simply not be insured by private capital alone: namely, when their magnitude cannot be rationally defined (for example, in the case of a dirty bomb) and they are ultimately caused by politically motivated reactions of governments. It is not without reason that terrorism is described as a continuation of war that uses asymmetric means.

Swiss Re therefore had to systematically exclude terrorism risk from its coverage. After this tragedy, you as shareholders would never have been prepared to use your capital to cover such risks. No risk model, no matter how elaborate, would have made it possible to price such a risk. Something very similar is currently happening with regard to pandemic risk.

The financial crisis, or why a strong capital base is essential

So much has been written about the global financial crisis of 2008 to 2009 that I can be brief here. Institutional investors were massively impacted, banks went under and individual investors lost money on a very large scale. Again, the event itself was not unexpected. But the magnitude, the interdependencies and the speed with which the entire financial market collapsed took us by surprise – as it did many others.

The entire insurance industry was massively impacted on the investment side. Fortunately, the insurance business was very stable at the time. If I am to give an honest assessment, I must include the observation that Swiss Re did not fare particularly well during this crisis. A balance sheet inflated by operating debt left the company vulnerable. The situation was further complicated by the transition to fair-value accounting, which had recently been introduced, and which transferred market volatility one-to-one to the balance sheet.

The measures we introduced at Swiss Re as a result of the crisis were unequivocal: on the one hand, a disciplined approach with regards to very strong risk-based capitalisation and excess liquidity; on the other hand, strict limits on our debt-to-equity ratio. In other words, no extension of the balance sheet that is not driven by the core business, no matter how low interest on debt may be. Despite this deleveraging of our balance sheet – or perhaps precisely because of it – the Swiss Re share price recovered several times over in just a few years.

However, against the backdrop of the experience gained during the financial crisis, it is surprising to see the degree to which the level of indebtedness is rising again around the world. Even if this chapter appears to be closed, the end of the story has not yet been written.

Climate change and the narrowing the protection gap

In the years that followed, climate change became increasingly prominent in the public consciousness. The frequency of small- and medium-sized loss events caused by storms, tidal surge and floods (referred to in the market as ‘secondary perils’) increased markedly. This development and population growth in urban centres located by the sea make for a dangerous mix.

Surprisingly, the industry did not react immediately but with a delay of several years. As is often the case with an increased frequency of mid-size events, hope springs eternal. It was not clear if this increase was just a phase in the cycle or – as we now know – whether it was a long-term trend. Due to the numerous medium-sized losses, not enough premiums remained to cover major events. It took several years for the industry to respond to pressure from reinsurers and set about adjusting risk models and thus premium levels worldwide. The market correction is still underway and has gained further momentum.

Climate change has become a key risk management issue, and this is something that everyone should be taking into account. As the market leader in businesses compensating for losses related to climate change, Swiss Re will be needed even more, since the protection gap, namely the difference between insured losses and actual total losses, is still large and is growing.

The COVID-19 pandemic, monetary and fiscal policy interventions, and their potential consequences

This brings us to the present – to 2020 and the COVID-19 pandemic. Our Group CEO, Christian Mumenthaler, explains the consequences of this event in detail in his letter. But allow me to make three general observations.

First, the pandemic scenario for many years has been one of the key scenarios in Swiss Re’s risk assessment. So the pandemic was no surprise. In fact, due to our leading global position in life reinsurance, we were prepared for far worse pandemic scenarios. However, to our surprise, the majority of losses did not originate in this segment. Instead, the main losses originated in property and specialty lines. Because of the simultaneous responses of governments around the world, the losses accumulated as mitigation measures were imposed, such as lockdowns, travel restrictions and a full freeze of economic activity. We had to immediately restructure our risk portfolio based on this realisation (by excluding pandemic risk), which we achieved to a significant extent in a short period of time.

Second, the industry withdrawal from pandemic coverage was unavoidable because we once again reached the limits of insurability. Without rapid and radical countermeasures, we would have lost the support of investors, or in other words, your support. On the other hand, the massive government support measures in so many countries demonstrate how urgently we need to develop a plan to better cushion the economic impact of another pandemic. Our societies must increase their resilience. Swiss Re sees private-public partnerships as an opportunity to work with governments to develop new types of coverage. At the same time, however, we must be clear in stating that such approaches cannot work without a government backstop.

Third, money arising from fiscal measures has flowed in unimaginable quantities; money no longer costs anything, for many nations it costs less than nothing. This has resulted in enormous disincentives and massive market distortions. So how can national balance sheets be brought back on track? How can this excessive liquidity be siphoned off? Which government dares to raise taxes in the near future? Which central bank dares to raise interest rates anytime soon? Politicians who wish to be re-elected will not support such actions. This leaves only one way out: the classic, tried-and-tested option of inflation, through which

the owners of nominal financial assets (savers, insurance companies) are slowly expropriated and debts are reduced just as slowly. This is also called the erosion of the value of money. I am certain, for various reasons, that we will experience inflation. Not immediately, but soon. Not everywhere to the same extent, but certainly in the US. Swiss Re is preparing for this scenario – as always in an effort to protect the capital of its shareholders.

Thank you

And now the time has come for me to say thank you. My thanks go to the employees of Swiss Re, who have supported me during all these years and have always been committed to advancing the company. My thanks also go to the business partners and the global network of representatives from business, academia, politics, international organisations, NGOs and the media who have worked with Swiss Re and me in a critically constructive and respectful manner over the years. Above all, however, I would like to thank you, our shareholders, who have remained loyal to Swiss Re all these years, supported us through difficult times and shared in our successes in good times.

I will be handing the reins over to Sergio Ermotti, whom I wish every success in his role – just as I wish the company as a whole every possible success. And I am convinced that this success will be achieved. After all, Swiss Re has an excellent reputation around the world, and its market position, strategic focus, the quality of its employees and its capital base are outstanding. All we need now is a bit of luck. I will keep my fingers crossed for you and Swiss Re!


Zurich, 18 March 2021



Walter B. Kielholz
Chairman of the Board of Directors

Swiss Re has gone through the crisis with confidence and strength



Our Group went into this crisis with a very strong balance sheet and capital position. Our operations continued uninterrupted and we took a prudent approach to building reserves. 

Christian Mumenthaler
Group Chief
Executive Officer



Dear shareholders,

The COVID-19 pandemic changed everyone's lives, seemingly overnight. Swiss Re Institute estimates a cumulative global economic output loss of USD 12 trillion over 2020 and 2021 from the pandemic and the unprecedented wave of lockdowns around the globe. Some people have called this event a 'black swan' – a concept for something that cannot be predicted. But it isn't a black swan.

For decades, the insurance industry has warned of the potentially devastating effect of a pandemic. Thirteen years ago, Chief Risk Officers from the insurance industry, including me, co-authored a paper on influenza pandemics. We looked at the circumstances under which the 1918 Spanish flu broke out and asked what the impact would be if a global influenza pandemic happened again.

Many of the predictions we made in 2007 sound almost eerily today: we thought that an outbreak would likely start in Asia and quickly spread to other regions; the rapid spread could hamper timely preventive measures; and, central banks would react by lowering interest rates. If anything has changed since our assessment in 2007, it's that the world has become even more interconnected, further increasing the likelihood of a pandemic spreading.

In spite of the warnings, most countries were not ready for COVID-19. Part of the explanation lies in behavioural economics: it requires a significant effort to intellectually anticipate and act on risks that one hasn't personally experienced in the past. The means to be better prepared for pandemics were known, but the risk was considered too remote by many governments and other stakeholders. In the trade-off between current-cost optimisation and future resilience, the decisions too often favoured economic, not systemic, benefits.

We need to draw lessons from this experience. While COVID-19 is still very fresh in our minds, we have a unique opportunity – if not an obligation – to build greater resilience against future pandemics and other systemic risks. The re/insurance industry alone cannot cover a risk that hits many countries and areas of life simultaneously. Public-private partnerships are the only solution for future pandemic preparedness. Swiss Re is working with many countries to initiate such schemes and we are encouraged by early progress in this regard.

We are also doing our part to help cover losses from the pandemic. Our Group went into this crisis with a very strong balance sheet and capital position. Our operations continued uninterrupted even when the vast majority of our employees had to work remotely. From the start of the pandemic, we took a disciplined and prudent approach to building reserves, as actual claims have been slow to come in.

In total, claims and reserves for COVID-19 amounted to USD 3.9 billion across the Swiss Re Group in 2020, and resulted in a Group net loss of USD 878 million for the year – our first annual loss since the global financial crisis of 2008. Excluding the impact from COVID-19, our Group net income amounted to USD 2.2 billion, a significant increase from USD 727 million in 2019.

Our Group has gone through this crisis with confidence and strength. We acted early in 2020 to protect our balance sheet from market turmoil with hedges. The strong 3.5% return on investments we achieved for the year also reflects decisive portfolio

management actions to cut exposure to sectors that were vulnerable to COVID-19. As a result, impairments in the portfolio were very low at USD 27 million.

Our capital position remained very strong throughout 2020. As of 1 January 2021, the Group Swiss Solvency Test (SST) ratio was at 215% – within our new target range of 200–250%. The Group's very strong capital position and positive outlook enabled the Board of Directors to propose a stable dividend of CHF 5.90 per share at the upcoming Annual General Meeting.

While some further COVID-19 losses are expected for 2021, we have dramatically reduced relevant exposures in property and casualty lines. All of our businesses have delivered strong underlying performance in 2020 and are confident of hitting their financial targets for 2021.

Property & Casualty Reinsurance (P&C Re) improved its normalised¹ combined ratio to 96.9% in 2020 from 98.4% in the previous year. P&C Re continued to focus on underwriting quality and improved terms and conditions in the January 2021 renewals, achieving a nominal price increase of 6.5%, more than offsetting lower interest rates and higher loss assumptions. The successful renewals allow for an improved normalised² combined ratio estimate of less than 95% for P&C Re for 2021.




All of our businesses have delivered strong underlying performance in 2020 and are confident of hitting their financial targets for 2021. 

¹ Assumes an average large natural catastrophe loss burden and excludes prior-year reserve developments as well as the COVID-19 impact for 2020 and the Adverse Development Cover with Corporate Solutions for the 2019 figure.

² Assumes an average large natural catastrophe loss burden and excludes prior-year reserve developments as well as the COVID-19 impact.



While Reinsurance remains our key earnings contributor in the foreseeable future, we are also seeing more opportunities to capitalise on the synergies among our businesses and approach the future as 'One Swiss Re'. 

Life & Health Reinsurance (L&H Re) maintained its strong underlying performance in 2020, with return on equity, excluding the impact of COVID-19 losses, at 10.4%. The segment also reported strong growth in net premiums earned of 6.9%, driven mainly by longevity deals. We continue to see attractive opportunities to grow our L&H Re business, particularly in high-growth markets and through large transactions.

Corporate Solutions is well ahead of plan in its turnaround, thanks to the decisive management actions announced in 2019 and more positive market movements than originally anticipated. The Business Unit has largely achieved its planned portfolio pruning and gross cost reductions. Together with rate increases of 15% over the past year, this has lowered the normalised³ combined ratio to 96.8% in 2020, well ahead of the 105% estimate for the year. Given the tremendous progress so far and favourable market expectations, Corporate Solutions will now target a normalised combined ratio of less than 97% in 2021, compared with the original 98% goal.

With the completed sale of ReAssure to Phoenix Group, we delivered on another strategic milestone. Swiss Re received a cash payment of GBP 1.2 billion and shares in Phoenix representing a 13.3% stake, which we believe maximises value for Swiss Re's shareholders.

As a result of the sale, we decided to simplify our legal entity structure by disbanding the Life Capital Business Unit. Corporate Solutions has assumed responsibility for elipsLife, which provides life and health insurance solutions and services for corporate clients, while the white-labelling digital insurance platform iptiQ is now operating as a standalone division, enabling a greater focus on this business. After increasing the number of partners by 11 and achieving 76% premium growth in its core business in 2020, iptiQ is on track to becoming a leading player in its field.

Having only started the iptiQ business in 2016, its market-implied valuation has already grown to approximately USD 2 billion, based on the current growth trajectory and peer valuation. The growth of iptiQ is a perfect example of a new field of business for us which goes beyond traditional risk transfer. Namely, we are combining our risk knowledge with the smart use of data and technology to create insurance solutions for our partners.

In line with this approach, Corporate Solutions is also evolving from a pure risk taker in the broad corporate insurance market to a much more specialised and focused business, which provides complementary access to corporate clients for the Swiss Re Group. For example, thanks to its long-established relationships, Corporate Solutions gave access to partners such as BMW and Daimler for Reinsurance Solutions and IKEA for iptiQ, to name just a few.

Therefore, while Reinsurance will remain our key earnings contributor in the foreseeable future, we are also seeing more opportunities to capitalise on synergies among our businesses and approach the future as 'One Swiss Re' with strong Group foundations. We remain flexible towards creating new businesses and partnerships, based on our competitive strengths. We are convinced that this will position Swiss Re for success over the long term, even as re/insurance markets change and evolve.

We are also focused on building a truly sustainable business. We have committed to reaching net-zero emissions from our own operations by 2030 and made the pledge to transition our investment and underwriting portfolios to net zero by 2050. To help curb our operational emissions, as of 2021 we stepped up our internal carbon levy to USD 100 per tonne and will gradually increase it to USD 200 by 2030.

³ Assumes an average large natural catastrophe loss burden and excludes prior-year reserve developments as well as the COVID-19 impact.

On the underwriting side, we tightened our policies for providing re/insurance support to businesses with thermal coal, oil and gas exposure. In Asset Management, we set a target to reduce the carbon intensity of our listed equity and corporate bond portfolio by 35% by 2025. We also aim to increase our investments in renewable and social infrastructure by USD 750 million by the end of 2024.

These are just a few examples of measures we are taking to transition to net zero, and I invite you to have a look at our Sustainability Report 2020 as well as our climate-related financial disclosures in the Financial Report 2020 for more details.

Beyond our own net zero commitments, Swiss Re is actively involved in the work of the World Economic Forum's Alliance of CEO Climate Leaders, which I have the privilege of co-chairing. In this alliance, we are working together with other CEOs around the globe to make the transition towards a low-carbon economy possible. Businesses have vast resources to address the climate crisis if they come together, and I am very encouraged by the strong commitment I am seeing from many of my fellow CEOs.

COVID-19 lockdowns may have reduced CO₂ temporarily, but they will neither stop global warming nor reverse the harm greenhouse gas emissions are causing to our planet and its natural ecosystems. I am looking forward to supporting the climate transition through the work we do at Swiss Re as well as my engagement in the WEF Alliance.

With tailor-made risk-transfer options, the re/insurance industry can provide data for climate adaptation, protect businesses, individuals and governments against catastrophes and support low-carbon and carbon-removal technologies in the green transition.

The year 2020 has not been an easy one, but we are looking ahead with confidence in our business and resolve to continue working towards our vision – to make the world more resilient. I would like to thank our employees for their engagement and dedication in these unprecedented times. They had to work from home, sometimes in challenging personal situations, and ensured that we didn't miss a beat.

I would also like to thank you, our shareholders, for your continued support.

Zurich, 18 March 2021



Christian Mumenthaler
Group Chief Executive Officer

Our market context

In 2020, COVID-19 significantly changed our market context, while ongoing trends such as climate change, digitalisation and low interest rates influenced our strategic decisions.

COVID-19 has been the major economic influence in 2020. It caused the sharpest global recession since the end of World War II, requiring a rapid response from governments, businesses, insurers and individuals across the globe.

Yet COVID-19 was not the sole influence on our markets and the environment in which we operate. This section looks beyond the pandemic and into key challenges and opportunities in our market. These can be broadly categorised across three thematic areas: technological, environmental and socio-economic trends.

For technological trends, the ongoing digital revolution is fuelling opportunities for our industry. The evolution of mobile communication, global interconnectivity and the use of data has totally transformed the way we communicate, travel, shop or even maintain personal relationships.

Digital technologies are empowering millions and fuelling insurance growth. They are also bringing about new forms of cyber risk that our industry needs to address through new products and improved underwriting.

For environmental trends, clearly, climate change remains the most significant long-term global risk. Governments, communities and businesses continue to deal with a vast array of challenges arising from a warming planet, such as how to ensure food security or manage urban infrastructure.

At the same time, greater climate consciousness is leading to new business opportunities. For example, greener technologies are being developed to replace carbon-intensive industries.

In terms of socio-economic trends, the continued shift of economic gravity from the West to the East has also not abated and is significant for the future growth of our industry. This shift is creating new wealth for billions of the world's citizens as new economic opportunities emerge. It is also creating larger risk exposure as more and more communities are accumulating wealth in areas exposed to natural catastrophes.

As a leader in our industry, we will continue to rise to the challenges, providing the foresight and solutions for our partners.

Challenging economic environment

4.1%

estimated decline in global GDP in 2020

(Source: Swiss Re Institute)

4.7%

estimated global GDP growth in 2021

(Source: Swiss Re Institute)

COVID-19 will accentuate some of the important economic trends of the past few years. Governments are supporting their domestic economies with stimulus packages, which are helping to ease the crisis in the short term, but these packages will also lengthen the periods of high public debt. The Institute of International Finance indicates that global debt has surged by over USD 15 trillion since 2019 to nearly USD 275 trillion in the third quarter of 2020, resulting in the all-time high global debt-to-GDP ratio of approximately 365%. High public debt levels can adversely affect the ability of governments to spend over the long term. This in turn can reduce insurance demand, for example, through fewer large construction and infrastructure projects.

The world economy is experiencing the deepest recession of our lifetimes, but the introduction of COVID-19 vaccines means that the risks to the outlook are now more balanced. Swiss Re Institute forecasts global GDP growth of 4.7% in 2021, reflecting our belief that much of the worst of the economic impact is already behind us.

The GDP shock in 2020 is disinflationary, but the risk of future rising prices has increased due to fiscal stimulus, potential for debt monetisation and acceptance of higher inflation as a policy choice. Even if inflation is a looming threat for the future, we believe that the low interest rate environment will persist.

Our strategic response

On the asset side, portfolio diversification and a highly disciplined investment approach are critical in the persistently low interest rate environment. In 2020, we focused on higher quality fixed-income investments and hedging activities to counter the financial market turmoil during the first half of the year.

Swiss Re's Responsible Investing approach, focusing on companies with a better environmental, social and governance (ESG) profile, makes economic sense as it improves risk-adjusted return profiles and reduces downside risks, especially over the longer term.

Climate change

~55%

of economic losses from natural disasters were uninsured in 2020

(Source: Swiss Re Institute)

USD **100** per tonne

our internal carbon levy as of 2021, rising to USD 200 per tonne by 2030

Recent natural catastrophes, including severe hurricanes, typhoons, widespread droughts and wildfires, demonstrate the forceful financial impact of climate-related risks on the insurance industry. The trend of urbanisation, combined with higher value concentration in exposed regions such as coastal areas, is increasing the potential impact of natural disasters. The effects of climate change and global warming are evident: warmer average temperatures, rising sea levels, melting ice caps, longer and more frequent heatwaves, erratic rainfall patterns and other weather extremes. The global lockdown due to COVID-19 may have reduced greenhouse gas emissions for a brief moment, but it will clearly not stop global warming.

Our strategic response

Swiss Re's history is rooted in providing the capacity to protect societies around the globe against the financial impact of natural catastrophes. Over the years, Swiss Re has developed a unique set of data and proprietary risk knowledge. This allows us to optimally steer and assess risks across

a wide range of perils and regions. We continue to heavily invest into natural catastrophe risk research, including assessing and quantifying the impacts of climate change on the natural perils risk landscape. We provide our knowledge and services to our clients to tailor and develop industry-leading risk transfer solutions.

As a company, we are committed to sustainability. We have been consistently vocal in the public domain about the threat of climate change. As an early proponent of sustainable investing, we were among the first to adopt stringent environmental, social and governance (ESG) criteria for our asset portfolio. In 2018, we stopped providing re/insurance to businesses with more than 30% thermal coal exposure. As of 2021, we introduced an internal carbon levy of USD 100 per tonne, which will increase to USD 200 per tonne by 2030. Ultimately, we are evolving our business practices with the aim of producing net-zero carbon emissions by 2050.

The great pivot East continues

16%
net premiums earned by Swiss Re in high-growth markets in 2020

9.1%
forecast insurance premium growth in China in 2021
(Source: Swiss Re Institute)

The trend of a growing middle class in high-growth markets remains strong. The world's two most populous countries, China and India, combined are forecast to represent over 43.3% of the global middle class by 2030.

The growth of the Asian middle class will foster spending and inherently increase protection needs. Insurance spending in China has increased in both life and non-life lines of business. As a result, China already became the second largest insurance market in the world in 2018. Additionally, most emerging markets demonstrate large insurance purchase potential.

Increased risk awareness due to the COVID-19 pandemic is expected to accelerate insurance market growth in Asia. A Swiss Re COVID-19 consumer survey conducted in major APAC markets in April 2020 found that people were likely to cut other expenses before they gave up their

insurance. Out of the respondents, 78% were willing to sacrifice eating out, 57% would give up gym membership, and just 14% were willing to sacrifice insurance coverage.

Our strategic response

Swiss Re is well positioned to leverage the opportunities arising in Asia. For many years we have been working with insurance companies and brokers in Asia to provide a broad range of reinsurance products and services. In 2020, 16% of our net premiums earned were generated in high-growth markets, and Asia contributed over half of our high-growth market premiums.

We are currently the largest foreign reinsurer in China. Our historical presence in China and other key growth regions provides us with privileged access to clients and partners. As a sign of our commitment to thought leadership in the Chinese market, we also opened the Swiss Re Institute China Centre in Beijing in 2019.

Cyber risk

USD **20** bn
estimated cyber insurance market by 2025
(Source: Swiss Re Institute)

>USD **150** bn
estimated growth in global cyber security market to USD 326 billion by 2027
(Source: Grand View Research Inc.)

Cyber security is a top priority for every organisation as they adapt to the post-COVID-19 world. The identities and devices of remote workers represent a new and growing security risk. Cyber attackers have been quick to target the unprotected digital spaces created when tens of millions of employees began working from home. Overall, the shift from human intervention to software-enabled processes is driving efficiency and convenience, but it also creates new risks.

The nature of cyber attacks is also changing. For example, according to US IT security company Malwarebytes, the number of ransomware incidents actually fell slightly in 2019, but they were more sophisticated and damaging. We are also seeing the rise of new, potent forms of digital misinformation, such as "deepfakes", which can fabricate digital content with the help of machine learning and artificial intelligence.

This is all leading to the development of a new and growing market for cyber insurance. Swiss Re Institute forecasts premiums for cyber insurance to grow from USD 5.5 billion in 2020 to USD 20 billion in

2025. However, many of the risks involved are not yet fully understood and are changing. Businesses are asked to put risk management frameworks in place to manage cyber exposures. So-called "silent" cyber risks, together with the explicit coverage of cyber can lead to a risk accumulation on re/insurers' balance sheets. This needs to be understood and actively managed.

In terms of insurance opportunity, demand for insurance protection continues to rise rapidly. However, cyber continues to be largely a preventative market, enabling clients to develop a strong defence against attacks. A strong trend is for insurers to partner with cyber security companies and develop offerings that span both prevention and financial risk transfer.

Our strategic response

Swiss Re provides the global cyber market with risk capacity and methods to assess, quantify and mitigate risks. We continue to develop cyber solutions that allow organisations and individuals to access state-of-the-art insurance and risk management support.

Digital innovation

> **4**^{bn}

people are connected online
(Source: Swiss Re Institute)

59%

of insurers are forming relationships with non-traditional partners such as e-commerce, retail or automotive companies
(Source: Accenture)

26 countries

in which Magnum, Swiss Re's automated L&H underwriting platform, is available

Digitalisation and related technologies have fundamentally altered how we interact and manage our lives. This has enabled the creation of new offerings and the optimisation of processes across all sectors and industries. These technologies became even more important during and following the COVID-19 lockdowns – for example, by enabling growth in online business models.

Prior to the COVID-19 outbreak, insurance was, on average, lagging behind other industries in terms of digitalised service offerings. While many people use the internet to research insurance, relatively few purchases are made online. Increased demand for online services may favour competition from insurtech start-ups and tech-savvy players entering the markets if traditional players are not able to gain momentum. In Swiss Re's 2020 APAC consumer survey, respondents said they wanted insurers to process policies and claims entirely online.

The level of connectivity across the globe is vast and the sheer amount of data enables effective networking capabilities.

Over 4 billion people are connected online, 90% of whom are connected via mobile devices. With adequate analytics capabilities, insurance companies can benefit from this vast amount of data. Technology is now enabling better monitoring and modelling of risks and is optimising risk management, loss prevention and pricing. The insights gained from data allow insurers to provide customers with more flexible and personalised products and services, and to make offerings more efficient and affordable.

Our strategic response

Co-developing solutions is at the heart of our strategy. Examples include the creation of our Digital Market Center with Microsoft to create risk management and insurance solutions that go beyond traditional insurance product development. Other areas include new automotive solutions – especially in the area of Advanced Driver Assistance Systems (ADAS). iptiQ, our digital insurance platform, enables both insurance and non-insurance partners to advance the digital distribution of insurance.

Longevity and medical innovation

15.9%

share of population aged 65 and older by 2050
(Source: United Nations)

73 years

global average life expectancy in 2020
(Source: United Nations)

48%

growth of global health data volumes annually
(Source: International Data Corp.)

The speed of medical innovation in recent years has been remarkable. For example, the first COVID-19 vaccine was in use less than a year after the first reported infections.

Improved vaccines and public health programmes impact our life expectancy. WHO data indicate a global average life expectancy of nearly 73 years in 2020, up from 67 years in 2000. A big challenge for society is that the global share of people aged 65 and older is expected to rise from 9.3% in 2020 to 15.9% by 2050. Ultimately, this puts more pressure on healthcare and pension systems.

The long-term health impact of the COVID-19 pandemic is also a concern for our industry. We have already seen that COVID-19 has the potential to leave recovered patients with long-term health impairments, such as permanent lung damage. The side-effects of COVID-19 survival are still largely unknown, resulting in greater uncertainty around potential claims.

Our strategic response

Swiss Re is the largest life and health reinsurer globally and has deep knowledge of health and mortality risks, using data to create unique risk and portfolio insights. Through our dedicated research and development activities, we are in a strong position to lead change in the industry.

To better understand the impact of health and lifestyle factors, in 2020, we expanded our research into six key lifestyle factor areas, with the aim of harnessing what they mean to the insurance industry. Our work combines the power of new data and casualty models with our underwriting expertise.

Using our capacity, technical expertise and diversification within the life and health portfolio, we provide our clients with bespoke risk transfer solutions – for example, in the area of longevity – where tailored transactions supported life and health premium growth for Swiss Re in 2020.

Our business and strategy

We have evolved our business and strategy to enable sustainable growth over the long term.

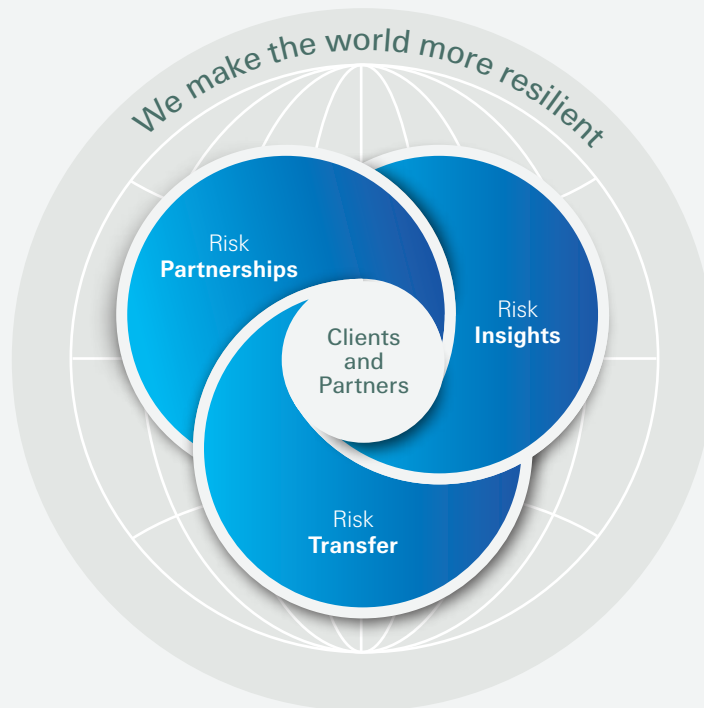
During 2020, Swiss Re's Group Executive Committee conducted an assessment of Swiss Re's business model and strategy.

The outcome is a refreshed and sharpened Group strategy that builds on our existing strengths and our key convictions about the future.

What we do

Our purpose is to make the world more resilient. We do this by placing our clients and partners at the centre of our business. We address risks across the global economy in three ways:

- 1. Transfer:**
Reducing our clients' risk exposure and that of their customers
- 2. Insights:**
Helping our clients better understand and take risks
- 3. Partnerships:**
Working with others to find new and innovative ways to process, transfer and distribute risk



- We link our strategy to our purpose
- We put our clients and partners at the centre
- We expand our mandate beyond risk transfer

Risk transfer
We work with our clients and partners to re/insure against large losses. Types of risk transfer include: traditional property and casualty and life and health re/insurance; large and complex transactions; and public sector risk transfer, where we work with governments.

Risk insights
Our research, solutions and tools enable an improved understanding of risks and opportunities. We are leveraging new technology, specifically data and analytics capabilities, to further our ability to offer services and risk insights that help our clients and partners make more data-driven decisions and take risks.

Risk partnerships
Through strong partnerships, we create platforms to process, transfer and distribute risks. This includes access to capital markets, business-to-business-to-consumer (B2B2C) products and new ecosystems.

- Our platforms include:
- Swiss Re Institute
 - CatNet®
 - Magnum
 - SwiftRe®

How we do it

We act as “One Swiss Re”, leveraging strengths and capitalising on synergies across our businesses as we become a more integrated Group. Reinsurance is in the centre as the core of our business, alongside Corporate Solutions, a specialised risk partner for corporate clients, and iptiQ, a digital B2B2C insurance platform. We have specific strategic priorities for each business segment.

The business segments are supported by the Group foundation, with our people as the key asset driving the performance of the Group, along with Swiss Re’s three competitive differentiators.



- Reinsurance is our core business
- We act as “One Swiss Re” based on one foundation
- We remain flexible towards creating new businesses

Our people

Our people form the basis of everything we do, with our attitude and mindset playing a critical role in how we execute on our strategy

13 189
employees across
the Swiss Re Group
as of 31.12.2020

Our competitive differentiators

We focus on three differentiators:

- Our capital strength, with one capital base and a streamlined legal entity structure
- One client approach and access to public sector and corporate partnerships
- Our established leadership in risk knowledge, including our Swiss Re Institute

200–250%
target Group SST range
from 2021

~11 000
mid-sized and large
corporate clients

>250
research notes and
publications in 2020

Sustainability at Swiss Re

Our Group Sustainability Strategy supports our purpose and ensures that our business remains sustainable over the long term.

For us, sustainability is a strategic, long-term value driver and we embed this approach throughout our re/insurance value chain. Sustainable re/insurance spans both the liability and the asset sides of our balance sheet, as well as our own operations. It is also a key topic in our dialogue with stakeholders.

Major challenges that undermine sustainable development, such as climate change or health funding gaps, can weaken resilience because they create new risks or aggravate existing ones. Our focus on sustainability seeks to identify and address these challenges and to support sustainable progress in partnership with our clients.

Our 2030 sustainability ambitions

We have set ourselves three ambitions for 2030: we will help mitigate climate risk and advance the energy transition; we strive to strengthen societal resilience with our re/insurance solutions and investments; and we make insurance more available and affordable through digital solutions and risk knowledge worldwide.

Our sustainability topics

These sustainability ambitions create broad focus areas for our work. In addition, we have specified six topics that guide our efforts in driving Swiss Re's sustainability performance.

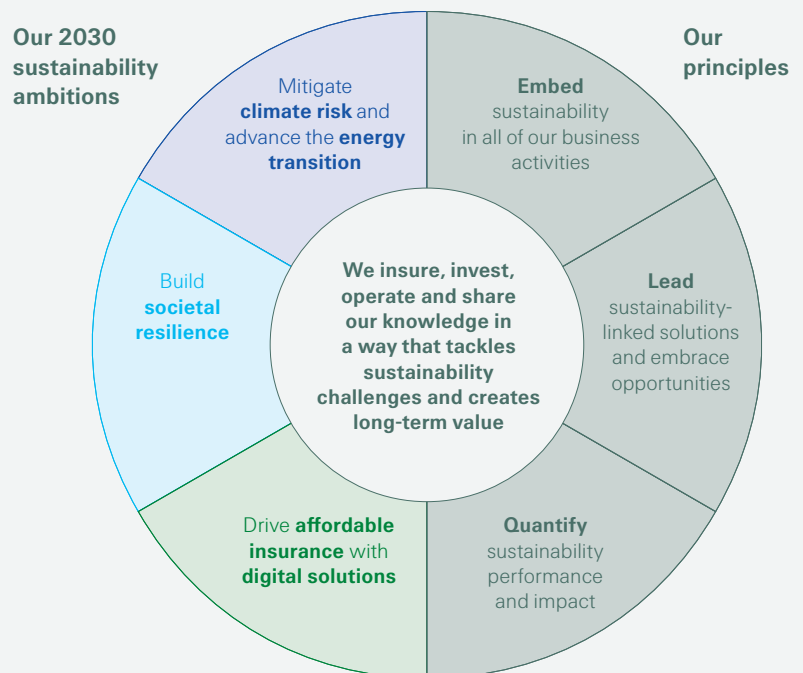
Our principles

We have defined three principles that guide how we implement the Group Sustainability Strategy when conducting business. We embed sustainability in all of our business activities, develop sustainability-linked solutions and embrace opportunities, and we quantify sustainability performance and impact.

How we report sustainability

Alongside the stories from across Swiss Re contained in this report, we encourage you to look at our 2020 Sustainability Report at <https://reports.swissre.com/sustainability-report/2020>

Swiss Re's Group Sustainability Strategy



Creating solutions for sustainability

An important element of our sustainability strategy is creating solutions that help our clients and their customers deal with environmental and social issues. We focus on areas such as climate change, renewable energy, agriculture, health and infrastructure. We are also driving the expansion of digital solutions that can increase the access, availability and value of insurance.

In many ways, this work is intrinsic to our traditional re/insurance protection. For example, our core natural catastrophe business is clearly linked to helping society recover from climate-related events.

Our public-private partnerships facilitate recovery efforts following hurricanes and

earthquakes, while also helping to finance development projects. Swiss Re often supports such partnerships through its alternative capital instruments. For example, we issued catastrophe bonds with the Mexican government and the World Bank.

We provide solutions to de-risk renewable energy projects, such as the construction of wind farms or large solar energy projects, enabling the energy transition.

Our digital solutions can address broader societal issues, such as the prevention and management of type 2 diabetes. In tackling these issues, we are extending the value of insurance in people's lives beyond simple financial risk transfer.



Making progress on key topics

Investing responsibly

By financing green solutions, we support climate change mitigation and the transition to a net-zero emissions economy.

USD **2.3**bn

**green government
and corporate bonds**
(2019: USD 1.8bn)

Managing sustainability risks

We manage ESG risks across Swiss Re's balance sheet. In 2020, we began assessing the carbon footprint of our direct insurance book, building the foundation to reach net zero in our underwriting by 2050.

120

**estimated weighted average carbon
intensity of our direct insurance
portfolio, measured in tonnes of CO₂
equivalents per million USD of revenue**

Engaging our people

We are an organisation where diverse talents come together globally to apply fresh perspectives and knowledge. For this, it is imperative that we build an engaged, inclusive and agile organisation.

81%

**of our employees agree that
Swiss Re provides an open and
inclusive work environment**
(2019: 68%)

Driving sustainable operations

We lead by example and work to minimise the environmental impact of our operations. We have been a climate-neutral company since 2003. Bringing our CO₂ emissions to net zero by 2030 is our next key target.

100%

**of Swiss Re operations powered
by renewable electricity**
(2019: 92%)

Ensuring good corporate governance and compliance

We conduct business ethically and with integrity, complying with all applicable laws and regulations to safeguard the trust our clients place in us.

90%

**of employees agree their colleagues act
ethically and with integrity**
(2019: 86%)

Fostering resilient societies

Swiss Re Foundation partners with NGOs, social entrepreneurs, foundations and academic institutions. It leverages the expertise of Swiss Re employees and collaborative networks to help communities increase their resilience.

CHF **5.36**m

**committed to 82 partners in 29
countries to support COVID-19 response**

Transforming Tomorrow Together

Our purpose is to make the world more resilient.

It's what we do. And in a world facing unprecedented upheaval, it's now more important than ever.

Now is the time to rethink old ways, adopt forward-looking approaches and work together to reshape our industry.

On the following pages, you'll read about how we have been doing this and working to transform tomorrow together.

Transforming

How can we build resilience in the wake of COVID-19?

Page 22 [↗](#)

Tomorrow

How can we use digital solutions to make insurance more accessible?

Page 28 [↗](#)

How can we work together towards net zero?

Page 34 [↗](#)

Together

How can partnerships help us close protection gaps?

Page 40 [↗](#)

Transforming



How can we build resilience in the wake of COVID-19?

In 2020, our role in helping make the world more resilient became critical. We provided support to societies through our financial strength, innovative solutions and risk knowledge.

It has been a challenging year; the COVID-19 pandemic caused widespread lockdowns, travel restrictions, business interruption and social distancing. Our financial strength, combined with our powerful research and data capabilities, put us in a position to be able to support our partners during these difficult times.

As a leader, we will focus on going beyond insurance and finding solutions that help our partners to do so. In this section, we look at how we have supported our clients over the year, worked with governments and stayed one step ahead through our sophisticated pandemic research and risk modelling.

Transforming

Thierry Léger

Group Chief Underwriting Officer



Insurance will have a central role in the process of rebuilding the global economy, protecting the vulnerable and making the world more resilient.

Learning together to strengthen our societies

For more than 150 years, we have supported our clients through challenging times with our financial strength and expertise. In this respect, the COVID-19 pandemic has been no different.

We care for our clients and partners by fulfilling our role of covering agreed losses, providing capacity, sharing knowledge and innovating.

We are a risk knowledge company, but we know that every event, like every client, is unique. For this reason, we continue to learn and share our learnings with our clients and partners.

Innovation is also key if we are to stay in step with our customers and the new risks that they face. By driving change, we play our role in developing resilient societies.



A strong partner for our clients

For more than 150 years, Swiss Re's financial strength and risk expertise have enabled us to support our clients through many global crises. During the COVID-19 pandemic, Swiss Re was again a strong partner that our clients and partners could rely on.

Our teams of experts have been actively monitoring developments and collecting data since the first cases of infection with the novel coronavirus were reported in China, long before COVID-19 was officially declared a pandemic. As the situation unfolded, Swiss Re's strong global crisis management set-up and robust IT infrastructure kept the business running without any operational disruptions, even as most employees had to work from home. Swiss Re staff continued to handle claims, renew contracts, share their knowledge and innovate.

In total, Swiss Re set aside USD 3.9 billion in 2020 to pay for claims related to

the COVID-19 pandemic. Our experts went through a very detailed and thorough analysis to arrive at this figure because the level of actual claims has so far been low.

On the P&C side, our teams collected bottom-up data from clients, actively researched cancelled or postponed events, made a detailed analysis of contract wordings and integrated assessments from internal and external legal counsel. On the L&H side, a different team built a top-down mortality model, based on emerging population data across the world and progressively refined it as more granular data became available.

This COVID-19 process was ongoing throughout 2020. It also ran in parallel to a record number of large loss assessment processes, which were triggered by the extraordinary number of hurricanes in the North Atlantic. In total, the team conducted 13 such assessments; more than 2018 and 2019 combined.

Apart from analysing Swiss Re's own exposure, our pandemic experts developed the Risk Resilience Center in partnership with Palantir Technologies, collecting health, economic and social data onto one unique platform. We shared

this knowledge and pandemic expertise with our clients through webinars and online meetings. We also actively engaged with governments around the world to develop solutions to ensure that we, as a society, are better prepared for the next pandemic.

Strengthening the commitment to our clients in 2020

USD 3.9 bn COVID-19-related claims and reserves	80 % IBNRs ¹ P&C Re 2020 COVID-19 reserves
USD 1.9 bn COVID-19 claims and reserves: P&C Re	USD 999 m COVID-19 claims and reserves: L&H Re
USD 943 m COVID-19 claims and reserves: Corporate Solutions	200–250 % within new Group SST target range as of 1 January 2021

¹ "Incurred but not reported" reserves for events that have occurred but the client has not yet filed a claim.

Securing lines of credit for SMEs

In emerging markets, access to local credit is critical for small and medium-sized enterprises (SMEs) as they employ the vast majority of the local workforce. Due to COVID-19, many local banks were forced to freeze or restrict lending in 2020, as their access to financing dried up.

To combat this problem, the International Finance Corporation (IFC) developed a rapid response facility that provides financing to local banks, who in turn offer loans to local SMEs.

Swiss Re is a global leader in the credit and surety business. Through our Corporate Solutions Business Unit, and in conjunction with a panel of other insurers, we support the IFC by sharing underlying credit risk for the facility.



Working with governments to insure widespread societal risks

To address the insurability of pandemics and create a more sustainable risk-sharing model for such a scenario, public-private partnerships (PPPs) are key. Ivo Menzinger describes how PPPs help to plug the protection gap and explains what Swiss Re is doing in this rapidly evolving area.



Ivo Menzinger
Head Public Sector Solutions EMEA

Q. Why are public-private partnerships so important in addressing a pandemic?

A. Unlike natural disasters, pandemics are of a global systemic nature and this makes them uninsurable on a purely private basis. For example, the loss in economic output over 2020 and 2021 due to COVID-19 is estimated at USD 12 trillion, far exceeding the capital of the entire insurance industry. As a result, governments are called upon to absorb the majority of financial risk.

Q. How do PPPs work in relation to pandemic insurance?

A. There are three essential elements: prevention and preparedness; intervention and emergency management; and financing. Re/insurance plays an important role through its risk knowledge. Furthermore, it is vital to ensure that financial support – whether public or private – gets to those enterprises that are significantly impacted

by such an event. The private insurance market has the deep client relationships and industry expertise to make that happen.

Q. Will there be closer public-private sector collaboration to make society more resilient?

A. Swiss Re is actively engaged in discussions with governments, legislators, regulators and the insurance industry to share its experience in establishing new risk-sharing arrangements. As experts in parametric insurance solutions and technological innovation, this year Swiss Re successfully closed more than 30 new PPP transactions. In doing so, we participated in supporting food security in India, Vietnam and Kazakhstan, and enhancing disaster resilience in Morocco, Puerto Rico and Indonesia, as well as facilitating investment in housing through credit life products in Ghana.



Opening up Life Guide to clients

As the pandemic took hold, Swiss Re's L&H underwriting team opened access to Life Guide, Swiss Re's market-leading life and health underwriting manual. The 90-day free offer helped more life and health insurers address the emerging risks associated with COVID-19.

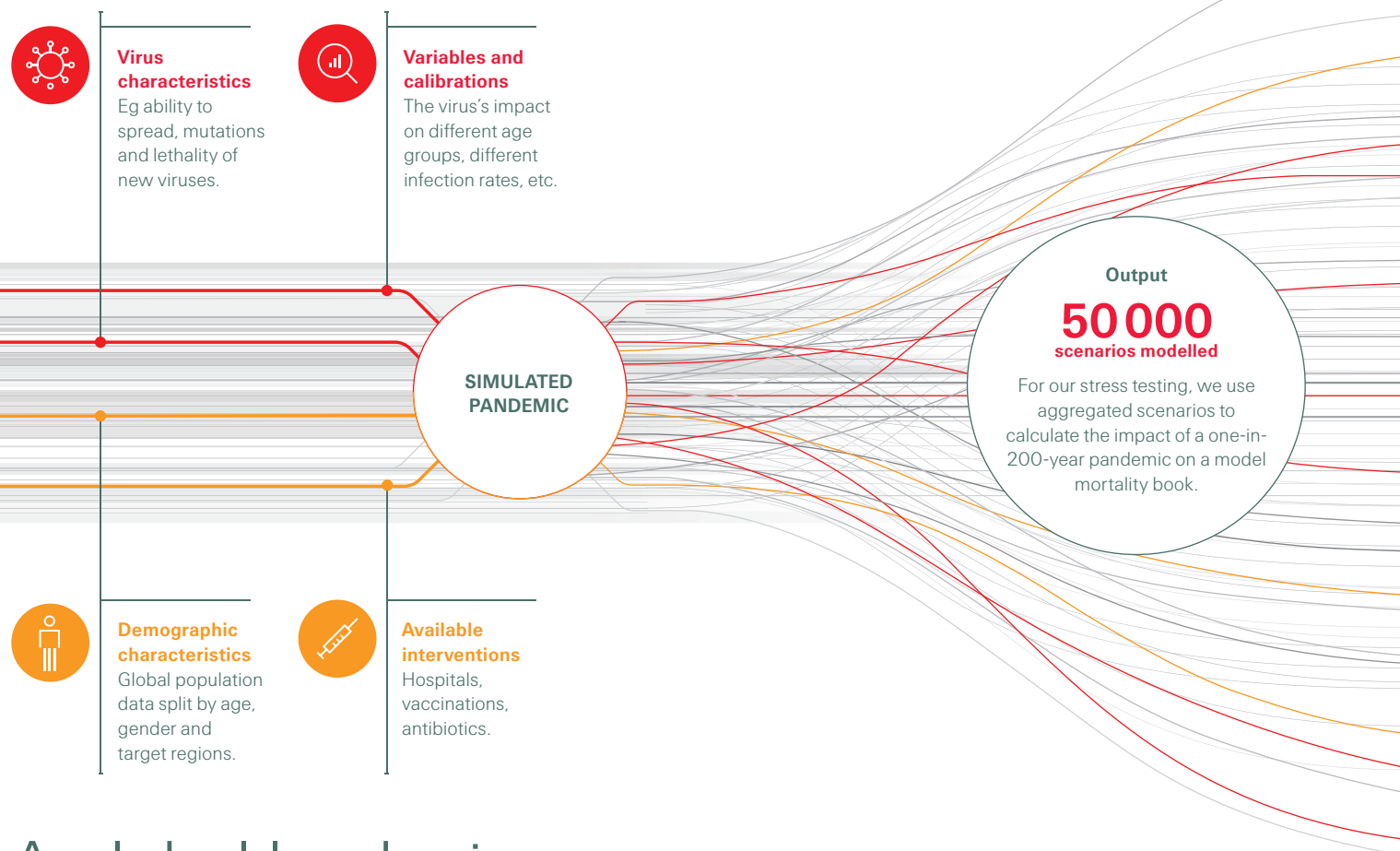
By applying our global perspective and research, Swiss Re was the first to provide this underwriting guidance. Many clients cited this as critical support that gave them greater confidence in their underwriting decisions, as the world continued to discover more about the virus and its effects.

The team continues to update Life Guide as more research emerges on COVID-19. For example, in the third quarter of 2020, we included new guidance for individuals participating in vaccine trials and considerations for broader antigen and antibody testing.

29
life and health insurers benefitted from accessing Life Guide

90 days
free period for Life Guide

MODELLING PANDEMICS



A global leader in pandemic modelling

Swiss Re's pandemic model is an important tool for steering our business – and a cornerstone of our financial strength.

Origins of the model

The SARS epidemic in the early 2000s showed the importance of understanding how pandemics affect our balance sheet.

Created in 2006, the pandemic model was developed to allow us to stress test our portfolio as we do for large natural catastrophes. This understanding has allowed us to steer key decisions around risk appetite and our capital position. Since its inception in 2006, the model has received regulatory approval and is regularly audited.

How the model works

Our pandemic model uses large data sets to calculate the likely losses from different pandemic scenarios. It is based on both the characteristics of diseases that could result in a pandemic and society's ability to cope with any given pandemic event.

The model draws on data around which viruses might cause a pandemic, how quickly they can spread and how lethal they are likely to be. It then incorporates insights on available medications that might decrease the rates of infection and the progression of the disease once people have been infected. It also includes factors such as healthcare structures and demographic data.

The output and usage

The model statistically analyses 50 000 different pandemic scenarios to see what the impact of a certain strength of a modelled pandemic might be on a certain portfolio.

The output from this scenario analysis can be applied to our existing life portfolios to stress test what our financial position would be.

COVID-19 and our model

It is important to remember that the model is not a predictive tool for the eventual costs of COVID-19 or any other pandemic, but is a tool to understand the impact of certain scenarios on our financial strength.

Going forward, the huge influx of knowledge that we acquired in 2020 will flow into the model, allowing for further refinements. For example, we are now much more aware of the potential economic impact from lockdowns and the accumulation potential from business interruption.

These factors are being incorporated into our model as part of its ongoing evolution. This will allow us to better understand the possible impact of future pandemics.

Keeping ahead of future pandemics

Knowledge-transfer partnerships such as The Trinity Challenge enable us to be better prepared for the next pandemic.

In October 2020, Swiss Re became part of The Trinity Challenge, a global coalition that aims to better predict and prevent disease outbreaks by harnessing the power of data and analytics.

Swiss Re's participation is based around the Risk Resilience Center, developed in partnership with leading big data analytics company Palantir Technologies.

This Risk Resilience Center is the world's richest COVID-19 data platform. It integrates publicly available global data from more than 100 sources.

The Trinity Challenge participants thereby have the tools to analyse pandemics and prepare possible responses to mitigate their impact.

By contributing to The Trinity Challenge, we are joining a coalition of leaders across the academic, non-profit and private sectors, including Google, Microsoft, McKinsey & Company, the Bill & Melinda Gates Foundation, the University of Cambridge and Imperial College London.



Having access to this wealth of data and analytics creates a tremendous opportunity for academics, researchers and analysts. It provides the basis for new modelling, ground-breaking analyses and actionable solutions.

Dame Sally Davies

Master of Trinity College Cambridge

Research that drives value for our clients

Christoph Nabholz, Chief Research Officer at Swiss Re Institute, was one of the experts engaged in helping our clients learn about the COVID-19 pandemic and ensuring our research kept us abreast of developments.



Christoph Nabholz
Chief Research Officer,
Swiss Re Institute

Q. How has Swiss Re approached learning about COVID-19?

A. We knew, in general terms, that a pandemic would cause economic fallout, but the scale of the global containment measures due to COVID-19 was unprecedented and therefore we needed to accelerate our research.

Swiss Re Institute took early steps to make sure we had the data and resources to report on the true scale of the pandemic in a highly connected world. We took steps to secure access to reliable data on critical areas, such as the virus's lethality, and the impact on both our business and that of our clients.

Q. How has client demand for our research been?

A. Demand has been strong. Since our business is based on understanding our clients' needs, much of our team's energy has been spent on gauging the right kind of expertise and information needed by different clients at different times.

Reaching out and talking to our clients through digital channels helped us to maintain a continuous dialogue despite the social distancing restrictions. In fact, in Asia alone, we connected with over 9 000 clients through our webinars.

Q. How will we approach pandemic risk in the future?

A. Clearly, we cannot stop learning. We know that a global pandemic is a one-in-30-year event, so clearly ongoing research, monitoring and preparation are essential. It is also vital that we incorporate the learnings – such as the economic impact of lockdowns – into our financial models and underwriting tools. We need to look at technical issues such as contract wordings. We also have to continue to develop the best possible risk management solutions to ensure the impact of a future pandemic is minimal and to partner with our clients. Only then can we be sure our underlying business is more resilient to future pandemics.

Tomorrow

How can we use digital solutions to make insurance more accessible?

Technology and data help us to underwrite new risks. Thanks to the fast-paced digital revolution, we can create and manage increasing amounts of data and improve our risk insights.

As an example, our advanced flood modelling is based on innovative technologies and data that enable us to underwrite new risks.

We plug protection gaps by making insurance products more accessible and affordable. This means we can address issues such as the fact that only one in six Americans is protected against flood despite the increased risk.

In this section, we look at Swiss Re's cyber solutions, satellite-powered parametric insurance schemes and flood modelling.

Tomorrow

Anette Bronder

Group Chief Operating Officer



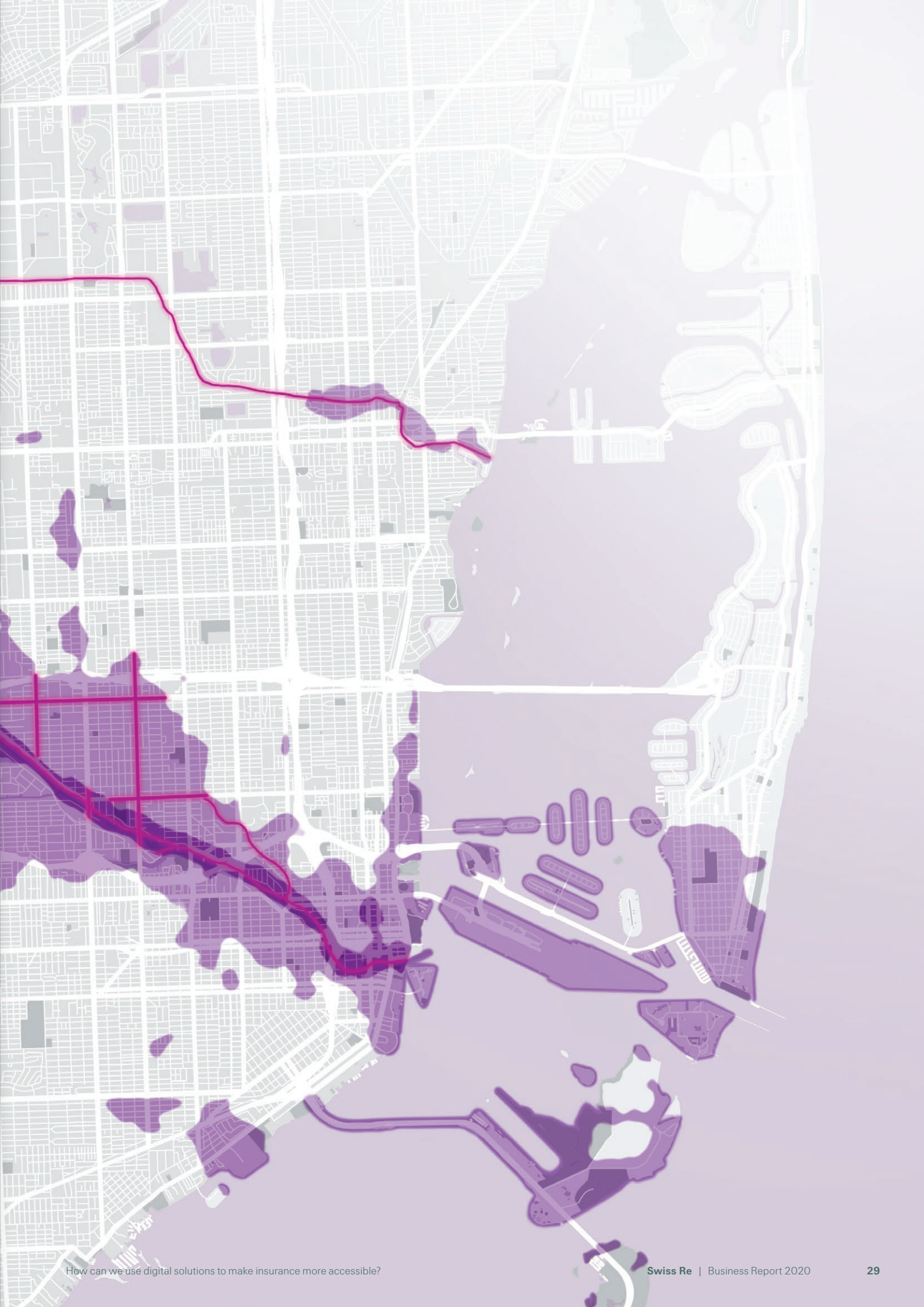
By accelerating the use of technology and data in our industry, we bring millions more people within the insurance safety net. ☞

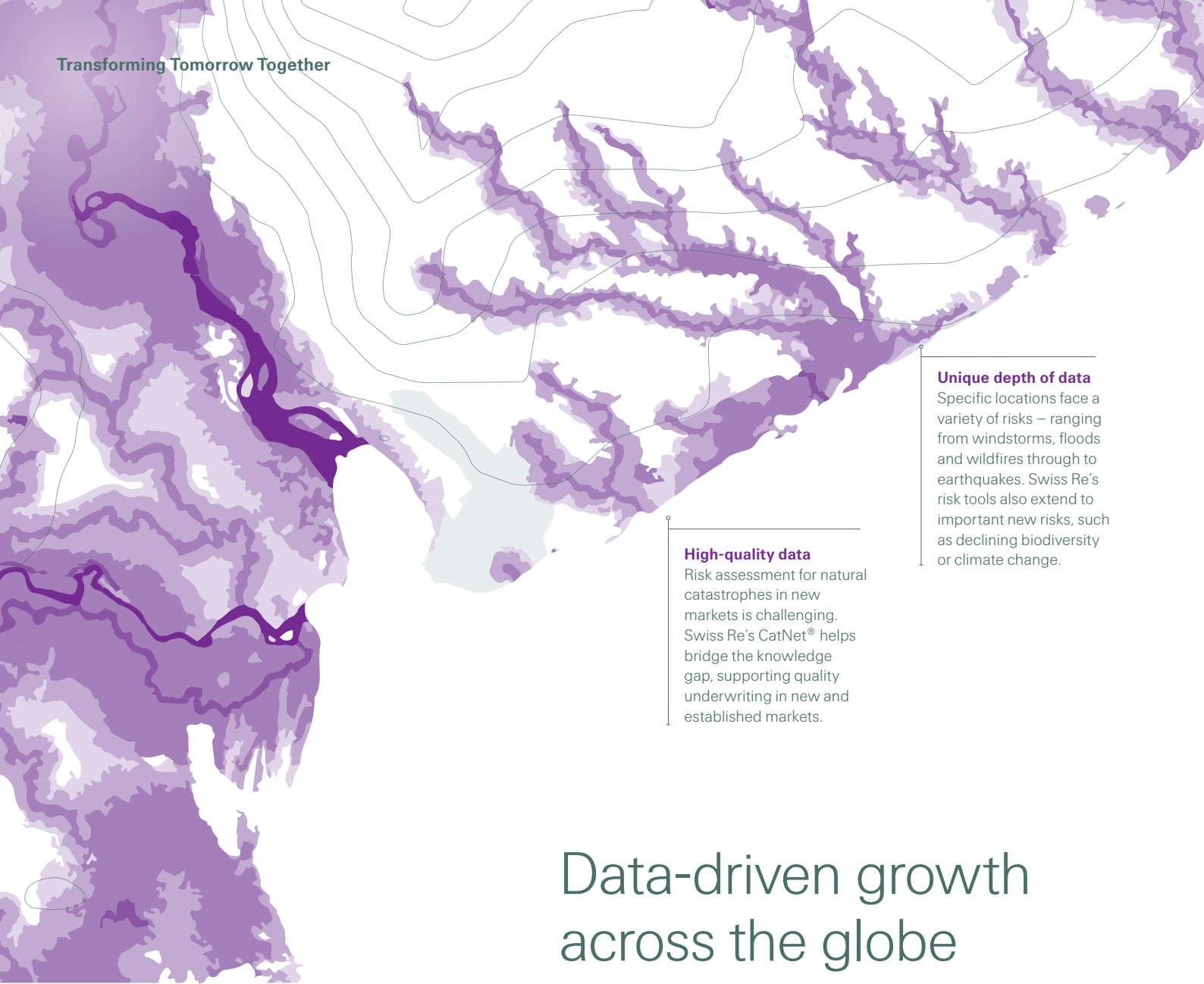
A multi-faceted approach

At the core of our digital journey is a combination of in-house developments and strategic partnerships, which give us the flexibility and scale to truly transform both our business and that of our clients.

Our tech strategy has four focus areas: first, we will make better use of our data, which enables us to build a competitive advantage. Then we aim to improve our own value chain, to simplify it and drive efficiency – and once we've done that, we do the same for our clients to improve their competitiveness. Lastly, we will get closer to risk in the primary insurance space and gain access to attractive risk pools through digital platforms.

Tech solutions are emerging across the risk landscape, from the health space to natural catastrophe covers for emerging economies. We must make full use of this unique set of tools to address the challenges that our industry and society face.





Unique depth of data

Specific locations face a variety of risks – ranging from windstorms, floods and wildfires through to earthquakes. Swiss Re’s risk tools also extend to important new risks, such as declining biodiversity or climate change.

High-quality data

Risk assessment for natural catastrophes in new markets is challenging. Swiss Re’s CatNet® helps bridge the knowledge gap, supporting quality underwriting in new and established markets.

Data-driven growth across the globe

From the massive US property market through to smaller emerging economies, millions of people are benefitting from improved technology tools to make their homes and businesses insurable.

Key

Likelihood of a flood event:



Data for disciplined underwriting

When extending coverage to millions of previously uninsured people, a scientific and data-driven approach to new frontiers gives more certainty regarding the underlying insurance risk. In this way, insurers can reach into new markets without being blind to the potential liabilities.

1 100
clients using
CatNet®

66
parametric deals
since 2017

Expanding the US flood market

Each year, floods across the United States cause approximately USD 15 billion in damage. Despite that, just one in six US homes has flood insurance. Finding a way to increase this uptake, in partnership with our insurance clients, will therefore have a big impact on the resilience of businesses and households across the country.

The issue around flood insurance was sourcing the relevant granular data to accurately model the risk. Thankfully, recent advances in technology are helping us to address this challenge. Swiss Re’s inland flood model, developed by our Catastrophe Perils team, is high-resolution and fully

Emerging markets

Satellite-based protection in Vietnam

In 2020, Swiss Re partnered with the Vietnam National Reinsurer (VINARE) to develop the first index-based rice insurance product adopted within a public scheme by the Association of Southeast Asian Nations (ASEAN).

The cover draws on satellite technologies to measure rice production and damage to fields and then uses an index-based trigger to enable swift payouts through a simplified claims process.

The technology providing the technical data is enabled by RIICE (Remote Sensing-based Information and Insurance for Crops in Emerging Economies). This scheme was created through a public-private partnership between the satellite data processing company sarmap, the International Rice Research Institute, the Swiss Agency for

Development and Cooperation, the Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation) and Swiss Re.

Satellite technologies are proving increasingly useful for public-private insurance partnerships. This is especially so for the agricultural sector, where the costs of assessing losses are a barrier to affordable coverage.

Rainfall cover in India

In 2020, we created a new parametric insurance structure that covers the Indian state of Nagaland for excess rainfall that can lead to severe flooding.

The coverage is based on a geospatial dataset where rainfall intensity is derived from satellite observation and rain gauges.

By design, the state is divided into multiple regions and a stepped payout feature allocates funds to regions where losses occur and in proportion to the amount of recorded rainfall.

Further expansion in Africa

The African Risk Capacity's Tropical Cyclone cover was another important sovereign programme supported by Swiss Re in 2020.

This work builds on Swiss Re's track record of developing innovative solutions for the African continent. We have provided parametric and satellite-based insurance to support the agricultural sector there, as well as forming digital partnerships to create commercial cyber products and telematic solutions for motor insurance.



There is a strong willingness to close the flood protection gap in the US. We can only do this if we deploy smart digital solutions that help insurers understand risks.

Matt Junge

Head of Property Solutions US&Canada



probabilistic. It combines detailed hazard information and insurance conditions to support underwriting for flood insurance.

This fully digital solution is easily integrated into our clients' underwriting processes. The comprehensive dataset and visualisation tools allow clients to model various risks, such as river flood, heavy rainfall and storm surge, at any location across the globe.

This solution is fuelling growth in the market. From 2018 to 2020, we saw a 300% increase in the number of flood programmes that we are supporting. The digital capabilities that have since evolved provide a true end-to-end solution for clients. They

can now create their own flood products, develop ratings and underwriting guidelines and are even supported in their regulatory filings.

Digital solutions such as Swiss Re's global inland flood and storm surge zones are helping the US private flood insurance market move out of its infancy. With an estimated USD 38 billion in potential premiums, there is a strong incentive for insurers to tackle a risk once deemed "uninsurable".

300%
growth in the number of supported flood programmes 2018–2020

USD **38** bn
potential flood insurance market premiums in the US



Data-driven risk knowledge platforms open up opportunities to apply our risk insights beyond today's insurance and financial risk transfer mechanisms. 

Pravina Ladva
Group Digital Transformation Officer

Developing a digital sixth sense

Our partnership with Microsoft puts Swiss Re at the forefront of big data capabilities in the insurance industry. It provides us with data tools that open up new ways of doing business.

In March 2020, we announced our partnership with Microsoft to create a Digital Market Center. The Center draws on cutting-edge capabilities across Microsoft's next-generation Azure cloud technologies, internet of things and artificial intelligence.

This partnership goes beyond insurance. It will enable the development of next-generation, large-scale tools that will transform the way the insurance industry predicts and manages risks. The Center will also create innovative platforms to measure business risks in a digital environment,

enabling industries to foster stronger societal resilience. Ultimately, it acts as a digital sixth sense that helps us to understand the ripple effects of risks on society, governments and economies.

For example, the Center's capabilities enable risk managers to get a data-driven understanding of how the loss of a ship's cargo or unexpected breakdown may impact entire global supply chains. City planners and developers can also model how natural catastrophes will affect a government's key infrastructure investments – and create real-time responses in preparation.

Based on these types of data insights, insurers can develop solutions that proactively mitigate losses before they occur.

The first areas of application are planned to be cyber risk, supply chain management, natural catastrophe resilience and connected vehicles and mobility.



A safety net for cyber risk

Our evolving global digital services are critical for individuals, communities and businesses today – and will become ever more so.

Digital communication was the key enabler of business continuity and connectivity during the COVID-19 lockdowns. However, it has also exposed businesses and individuals to increased cyber risks, meaning people need to take steps to better protect themselves and their businesses.

Cybercrime now results in losses of almost USD 1 trillion a year, according to a recent study by security software company McAfee. Cyber insurance market premiums, however, stood at only USD 5.5 billion in

2020, which is modest compared with more established insurance lines.

Easy and customised solutions

To support clients in offering solutions to counter this growing risk, Swiss Re's Cyber & Digital Solutions team has developed a comprehensive and customisable cyber insurance product development toolkit for insurers wishing to develop their own cyber insurance offering. The toolkit includes support on policy wording, risk assessment and costing. In order to grow the cyber insurance portfolio sustainably, the Cyber Product Suite also comes with reinsurance capacity included in the package.

The Cyber Product Suite is tailored for small and medium-sized companies that require end-to-end cyber solutions to protect their business, as well as for individuals seeking to protect themselves against this emerging risk class.

Affordable private cyber insurance

In August 2020, Swiss Re's iptiQ and a leading Dutch financial comparison platform, Independer, announced the launch of a first-of-its-kind cyber insurance proposition for private individuals in the Netherlands. The product provides protection against the most common cyber risks from just EUR 4.10 per month for individuals and families.

Cyber combined with home insurance

In 2020, Swiss Re and Alte Leipziger developed and launched a private cyber module as part of their home contents insurance. This gives consumers the opportunity to buy comprehensive protection against cyber risks at a relatively low price. The product even includes professional support for young people against cyberbullying.



USD **5.5** bn
cyber insurance market
premiums in 2020

USD **1** tn
estimated annual cost of
cyber attacks to global economy

Tomorrow



How can we work together towards net zero?

The transition to a low-carbon economy is essential in order to mitigate the effects of climate change.

In 2015, Swiss Re signed the Paris Pledge for Action, an initiative that aims to strengthen the global response to the threat of climate change.

Since then, we have taken decisive actions to align our investments, underwriting and operations with our commitment to cutting carbon emissions.

We are also developing solutions that help others transition to a low-carbon world, for example by backing insurance products that de-risk new wind and solar energy projects.

In this section, we look at what it means to work towards a net-zero future.




Tomorrow



Christian Mumenthaler

Group Chief Executive Officer and Co-Chair of WEF's Alliance of CEO Climate Leaders



A net-zero future is achievable. We are taking action to reduce our impact. And we will support others as they commit to reducing CO₂ emissions. 

The time is now to strive for net zero

We believe that the private sector plays a huge role in reducing carbon emissions and therefore combatting climate change. We are taking action to lead the change.

In 2020, we took several important steps on our journey. We committed to cut business support in underwriting and asset management for the world's 10% most carbon-intensive oil and gas by 2023. We announced a triple-digit carbon levy across our operations, which will incentivise green decision-making as we conduct our business and help us strengthen our investment into high-quality carbon removal.

These actions are only the next steps on a long road to a net-zero future. They send a strong signal that the time has come to turn knowledge into action.

As we lead the change, we will use our knowledge and our investments to help our partners build a more sustainable future.



Our commitment to reach net-zero emissions

Swiss Re is supporting global efforts to limit greenhouse gas emissions. Our public commitments include signing the Paris Pledge for Action in 2015, which we have reinforced through our own company-wide targets and actions.

Decarbonising our business model

We have made three interlinked commitments to strive for net-zero emissions across the whole company:

- For our underwriting, we were an early signatory to the UN Global Compact Business Ambition for 1.5°C;
- For our investments, we are a founding member of the UN-convened Net-Zero Asset Owner Alliance;
- For our own operations, we created a thought-leading CO2NetZero Programme.

This is only the beginning of our journey to decarbonise our business and we are already taking the next steps. These include developing risk transfer solutions to spur on the transition to a low-carbon economy, implementing our responsible investing strategy and actively reducing and removing our operational carbon footprint.

Timeline for net-zero emissions

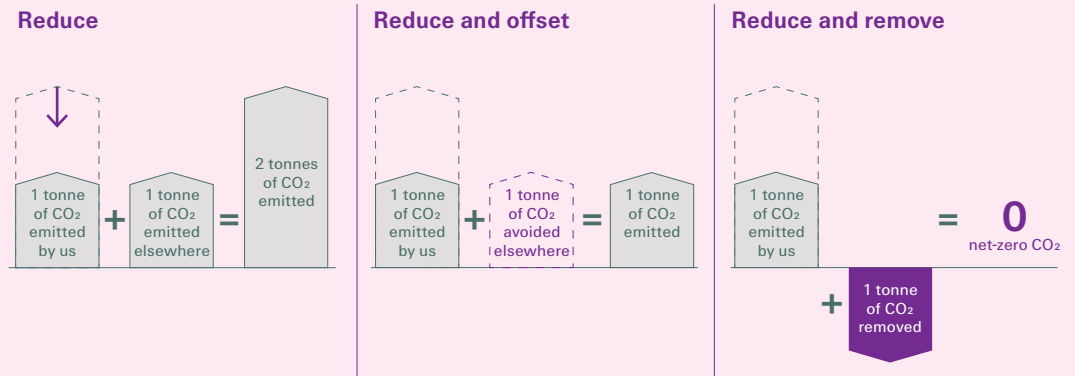
By **2030**
in our own operations

By **2050**
in our underwriting portfolio

By **2050**
in our investment portfolio

Getting to net zero: "Do our best, remove the rest"

To reach net zero, it's not enough to simply reduce emissions nor to offset emissions through carbon avoidance certificates. We need to do our best to reduce emissions and then remove the rest from the atmosphere. We will balance any unavoidable emissions by focusing on carbon removal via our insurance and investment activities, as well as by compensating for our operational emissions.



Putting net zero into action

We have set interim targets and implemented measures to deliver on our net-zero ambition across our underwriting, investments and operations. We are also looking to drive the development of key technologies for the net-zero future. We provide a few highlights here.

Decarbonising our underwriting

Since 2018, our underwriters have restricted business related to thermal coal. From July 2023, we will no longer provide individual insurance cover for those oil and gas companies that are responsible for the world's 10% most carbon-intensive oil and gas production. These restrictions are in place for underwriting single risks, and this approach is being extended to restrictions across the more complex treaty business.

Decarbonising our investments

In 2020, we set a 2025 carbon intensity reduction target of 35% for our corporate bond and listed equity portfolio. As the transition of the real economy is essential to achieve a 1.5°C world, we have introduced an aspirational Engagement Framework that encourages our investee companies to develop a corresponding climate strategy. In addition, we have for the first time set a target to increase investments in renewable

and social infrastructure loans by USD 750 million by the end of 2024. Further details are available in the Climate-related Financial Disclosures section of Swiss Re's Financial Report 2020.

Decarbonising our operations

In 2020, we sourced 100% of our power needs from renewable sources. In 2021, we will curb flight emissions by 30%, relative to the 2018 level.

On top of that, we have stepped up to a real internal carbon levy of USD 100 per tonne of CO₂. The levy gives a good incentive to further reduce our operational emissions and provides the necessary funding to compensate for our residual emissions via carbon removal. By 2030, the levy will increase to USD 200 per tonne of CO₂, the market price we expect for high-quality removal certificates at that point in time.

Emerging technologies that will help make net zero a reality

To reach net zero, it's necessary to develop and deploy key technologies. Swiss Re plays a role in helping to rapidly advance progress in this area.

We de-risk projects to make them profitable, provide funding through our investments and focus on carbon removal in our operational footprint measures. This sends a positive signal that stimulates demand for new technologies, such as:

Renewable energies

Wind and solar projects are the leading renewable energy sources. Insurance solutions already exist for construction covers.

Lithium battery storage

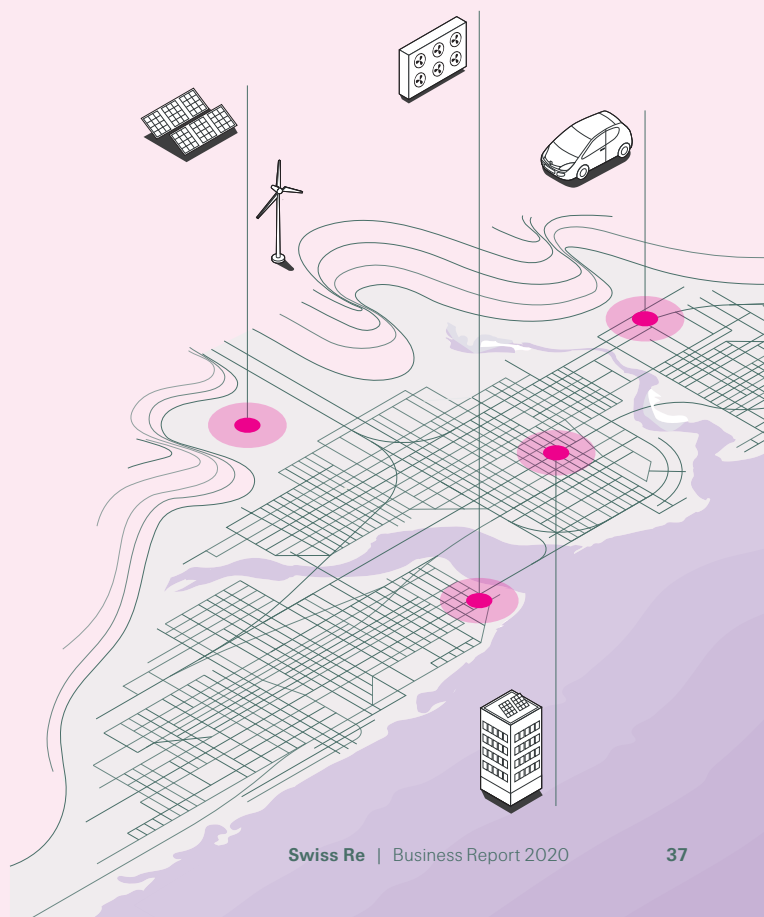
As an example of a new technology, lithium ion batteries are essential to power a low-carbon economy. However, they are also an emerging risk – for example, the risk of fire when storing them.

Green buildings

Improved heating systems, appliances, insulation and building materials are adaptations that make building more efficient.

Carbon removal

Natural methods such as afforestation removes carbon dioxide from the atmosphere. New high-tech carbon capture technologies exist, but still require significant investment.





Helping to accelerate renewable energy development in the US

Swiss Re is committed to reaching net-zero carbon emissions by 2050 – this means we need to act in a smart, sustainable way now.

In our mission to help make the world more resilient, we proudly teamed up with several leading technology companies to collaborate on a project that supports clean energy progress in the United States.

Located in Illinois, the Green River Wind Farm became operational in November 2019 and has since generated an impressive 591 910 MWh – which is the equivalent electrical usage of approximately 65 000 Illinois homes. According to the United States Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator, Green River has already offset CO₂ emissions by approximately 418 000 metric tonnes.

This collaboration brings Swiss Re closer to its ambition of net-zero carbon emissions by 2050. “Swiss Re has long been an avid

supporter of sustainable business practices, both as an insurer and as a global corporate citizen,” said Brian Beebe, Head of Origination North America, Weather and Energy, Swiss Re Corporate Solutions. “To our employees in those areas, we provide access to 100% impactful green power by entering a long-term contract with the Green River Wind Farm.”

As an operating project, Green River has begun to provide positive long-term economic impacts to the local and state communities. The project is estimated to contribute approximately USD 35 million in new tax revenue and USD 20 million in landowner payments throughout the first 20 years of operations.

equivalent of
~ **65 000**
Illinois homes powered
by project so far

~USD **55** m
expected economic benefit to
local communities over 20 years



Investing in a brighter future

In the global quest to reduce CO₂ emissions and eventually reach net zero, investment in clean energy plays a key role. Yet, as with any new and emerging segment, investors need to be convinced that it is worth investing in. Insurance has an important role to play in de-risking the investment.

In September 2020, Swiss Re Corporate Solutions and its data partner, kWh Analytics, successfully developed a ten-year Solar Revenue Put for an investor in large, utility-scale solar projects. The client was familiar with this Business Unit's power-generation expertise and its claims experience from previous insurance transactions.

The Solar Revenue Put is an insurance product that guarantees up to 95% of a solar farm's expected output, helping to mitigate a central risk of generating solar power – lack of sunshine. The client pays a premium for the product and, if the plant does not generate enough power, Swiss Re covers the lost revenue.

The product helped the client to refinance their portfolio of projects in Utah. By driving down the investment risk, the client successfully issued around USD 300 million in senior-secured private placement debt.

This was a landmark deal on two counts. Firstly, a leading renewable project ratings agency gave the solar project an investment grade rating of BBB-, citing the Swiss Re Solar Revenue Put as a contributing factor. This opens the door to additional solar deals for Swiss Re. Secondly, it was the first time that this product was used in the financing or refinancing of solar projects within the US private-placement debt market.

USD **300** m
secured financing

Revenue Put guarantees
~ **95** %
of expected solar output



Swiss Re has long been an avid supporter of sustainable business practices, both as an insurer and as a global corporate citizen.

Brian Beebe

Head of Origination North America,
Weather and Energy, Swiss Re
Corporate Solutions



Together



How can partnerships help us close protection gaps?

Partnerships give us the means to assess the risk landscape, explore the future of risk coverage and drive forward industry change.

The most successful journeys are the ones that we take together with our partners: clients, companies, academic institutions and sovereigns.

We work on innovative new solutions that close protection gaps in all lines of business across the industry. For instance, we have partnered with key players from the automotive industry to make motor insurance more affordable and accessible for customers.

In this section, we look at how our partnerships help us to tackle the big industry challenges and find solutions that enable societies to become more resilient together.

Together

Moses Ojeisekhoba

Chief Executive Officer Reinsurance



“
You can only move forward when you move together.
Working with our partners, we build new relationships and co-create new solutions.”

New partners, new perspectives

Ever since its inception, Swiss Re has been centred around partnerships – many of which have endured over generations.

We are proud that several of our innovations today are linked to these ongoing collaborations. It is no coincidence, for example, that our ground-breaking work on diabetes management in 2020 was undertaken with one of our strongest long-term partners in the UK.

Today, we are also building partnerships with a wider range of businesses – from retailers and car manufacturers to software companies. Many of these partnerships centre around the incorporation of new technologies. This enables us to develop new products, allowing our partners to confidently provide the best possible insurance solutions to their customers.

In this way, we collectively unlock new business models across the industry, push the boundaries of insurance and close protection gaps.



Partnering to transform automotive insurance

As automotive technology advances, so too must motor insurance. This requires effective collaboration and innovation, which is exactly how we developed the ADAS Risk Score.

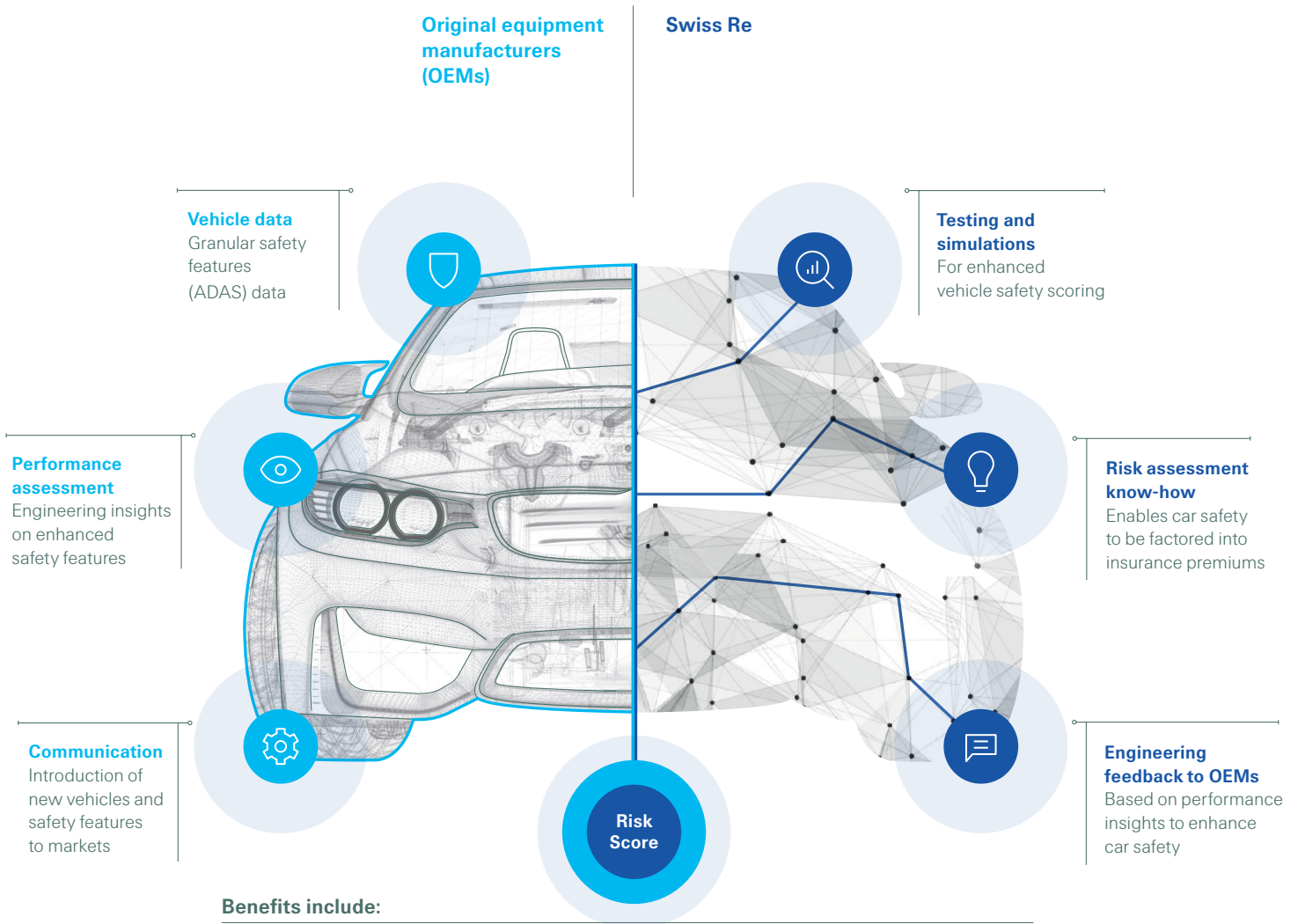
On the road to successful risk scoring

Vehicles equipped with Advanced Driver Assistance Systems (ADAS) help drivers to more easily avoid accidents. This should lead to more accurate insurance premiums for car owners. However, until recently, insurers had no way of knowing which vehicles were equipped with which safety features.

To address this issue, in 2019 Swiss Re and BMW Group launched the ADAS Risk Score, a vehicle-specific insurance rating. With this score, primary insurers worldwide can

calculate insurance premiums for BMW vehicles while taking the safety of driver assistance systems into account. In September 2020, we also partnered with Toyota Insurance Services to make this solution available for Toyota and Lexus vehicles across Europe from 2021.

Swiss Re intends to integrate other major car brands into the ADAS platform, creating an industry standard for motor insurance.



OEMs
Manufacturers have more leverage to sell ADAS-equipped vehicles.

Clients
Insurers enjoy healthier and better performing portfolios.

End customer and society
Car owners benefit from a reduced cost of ownership and safer vehicles.

Swiss Re and Daimler launch online motor insurance company

In October 2020, Swiss Re and Daimler Insurance Services jointly launched a new insurance company, Movinx, to cater to the changing needs of car manufacturers and customers. The aim is to enable Mercedes-Benz customers to conveniently purchase and manage motor insurance products online that are specifically tailored to their automobile model and usage type. For instance, the products are being developed based on characteristics such as a vehicle's safety features or whether an automobile will be owned or shared.



Sebastiaan Bongers
Managing Director, Chief Product Officer, Movinx



Andreas Roth
Managing Director, Chief Financial Officer, Movinx

Q. What was the idea behind creating Movinx?

A. Sebastiaan Bongers: With the rise of e-mobility, automated driving and more flexible car usage, the automotive sector is undergoing a significant transformation. Our aim is to create a new international insurance intermediary where product development, pricing, marketing and servicing are closely aligned with the changing needs of car manufacturers and customers.

Q. How was the partnership formed?

A. Andreas Roth: Daimler was looking for a solid partner to create a new insurance set-up. Its vision requires launching innovative insurance products across the globe – at high pace and frequency. To make that easier, we created Movinx in partnership with Swiss Re, so that Daimler only has to discuss its needs and ideas with one partner (Movinx). We jointly develop the customer journey and Movinx takes care of the insurance components such as the product development.

Q. What do you find most impressive about this partnership?

A. Andreas Roth: The openness and close collaboration is what really impressed me. We have a strong joint vision to transform motor insurance.

Q. What has been most challenging so far?

A. Andreas Roth: Due to COVID-19, Daimler and Swiss Re had a long-distance relationship. So, we had to be organised about exchanging information and ideas.
A. Sebastiaan Bongers: The other challenge was building a scalable global proposition right from the beginning.

Q. What makes Movinx unique?

A. Andreas Roth: We are not just another white-label programme. Movinx is unique because it involves a strategic alliance between Daimler and Swiss Re that is purely dedicated to the new automotive and mobility era of connected, autonomous, shared and electric vehicles. The Movinx strategy is to eventually expand in order to form a closer and stronger cooperation between the wider insurance and automotive industry.



We have a strong joint vision to transform motor insurance.

Andreas Roth
MD, CFO, Movinx

Supporting healthier clients

Type 2 diabetes is one of the major global health concerns. However, it can be managed and prevented. Gro Health is an innovative app with a successful track record for improving health and putting diabetes into remission. In 2020, we piloted Gro Health with Aviva's employees.



The incidence of type 2 diabetes is growing in the UK, with the number of people suffering from the condition set to grow to 4.5 million by 2025.

Gro Health is an app that helps people change their behaviour regarding nutrition, fitness, sleep and mental wellbeing. The user-friendly platform includes coaching, exercises and diet plans, among many other features.

Building on a long-term partnership

We piloted Gro Health's Low Carb Programme with Aviva employees via their MyAviva wellness app. During the scheme, the employees followed Gro Health's diet and exercise plans and then provided feedback on their experiences.

More than 260 employees joined the pilot and the results were very positive. For instance, weight reduction was recorded by over a quarter of the participants. The app also received a very high satisfaction rating from its users.

Adapting to COVID-19

COVID-19 caused only minimal disruption to the pilot. Gro Health even introduced lockdown-specific content such as indoor workouts and mindfulness exercises, which had a positive effect on uptake.

Opportunity for growth

In addition to supporting Aviva's employees, the pilot has given us insights into how we can develop other diabetes solutions. Growth opportunities are not limited to the UK. We are already seeing opportunities to offer this solution in several key global markets and also within different client segments.

Benefits for the industry

With one in 11 adults globally suffering from diabetes, rolling out more programmes such as this will likely benefit insurers by reducing the frequency and cost of claims – and, even more importantly, help improve the lives of millions of people around the globe.



Gro Health was introduced to Aviva by Swiss Re as an innovative solution to bolster engagement and improve the health of Aviva employees.

Nina Brown
Wellbeing Lead, Aviva

Partnerships that get us to scale

Our partners provide the technology and consumer outreach to bring large numbers of people within the insurance safety net. Here are two examples.

Health insurance for China's children

In 2019, Swiss Re entered into a strategic partnership with JD Technology Group, a business group under the Chinese company JD.com.

The partnership focuses on providing industrial enterprises, financial institutions and governments with technological products and solutions, including the application of insurtech in the area of life and health insurance.

In 2020, the partnership led to the launch of a simplified health product. Based on a co-created risk selection process, the product covers 15 critical diseases for children from birth to 17 years of age.

Granular Insurance and new health care

Verily is a subsidiary of Alphabet that focuses on making health data useful so that people can enjoy healthier lives. Its tools and devices collect, organise and activate health data, and enable appropriate measures to prevent and manage disease.

Swiss Re Corporate Solutions and Verily have partnered to form Granular Insurance. The company's first solution to enter the market will help self-funded employers to manage their healthcare costs through an innovative stop-loss product. This product reimburses employers for claims above a defined amount and therefore allows them to protect themselves from unexpected and large employee health benefit claims.

iptiQ: Growing into P&C

Originally launched as a white-label insurance platform for new life and health distributors, iptiQ significantly grew its new property and casualty business in 2020. Andreas Schertzingler led this work in EMEA, building new partnerships across Europe.



Andreas Schertzingler
CEO, iptiQ P&C EMEA

Q. Why is iptiQ important for Swiss Re and our industry?

A. iptiQ's end-to-end technology gives new partners everything they need to enter into insurance. It is also useful for insurers to extend their reach into new products and distribution channels.

iptiQ is set to become a growth engine for Swiss Re. In 2020, we reached USD 371 million in premiums, with an 83% annual growth rate since 2017. Our market-implied valuation is USD 2 billion, making it a very exciting business.

Q. iptiQ began in L&H. How is its P&C growth developing?


A. iptiQ P&C onboarded six new distribution partners across Europe in 2020, offering a variety of products from cyber to motor to home insurance. It's early days, but judging by the calibre of our partners, we're on the right track.

Q. What is the value of iptiQ for our partners?

A. Simplicity. iptiQ makes insurance easy for companies, who in turn make it easier for their customers. We offer a technological platform from which to underwrite and administer business and manage claims. We also provide services such as behavioural economics to design a great customer journey.

Given our global footprint, we help distributors with local issues, such as specific product requirements or accessing local insurance partners to support them.




iptiQ makes insurance easy for companies and their customers. 

Our people and culture

Swiss Re's workforce rose to the challenge in 2020, remaining focused on clients and partners.

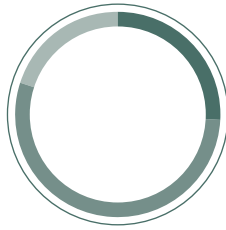
In the extraordinary year that was 2020, we increased our efforts to service our clients. We did so by ensuring that our business continued to run without disruption during lockdown. We also increased our focus on employee wellbeing as our people dealt with the added challenges of juggling working from home, lockdowns, family life and day-to-day business.

It was a year in which diversity was a major social theme and we responded to this challenge with initiatives that increased inclusivity across our global workforce.

 To learn more about our people initiatives and performance in 2020, please see our Sustainability Report at <https://reports.swissre.com/sustainability-report/2020>



Our people split by region



- 26% Americas
- 54% EMEA
- 20% Asia-Pacific

Our international team

81

office locations in 29 countries

(2019: 80 office locations in 31 countries)

13 189

employees

(2019: 15 401)

121

nationalities

(2019: 115)

Inclusion and diversity

At Swiss Re, we are aware of the value that Inclusion & Diversity (I&D) brings to our company. We work hard to ensure that every employee feels that they belong and are able to contribute and thrive.

As our own understanding of what constitutes an inclusive organisation evolves, so too does our approach to I&D. In 2020, triggered by the Black Lives Matter movement, we increased our employee engagement on issues of race and ethnicity.

One example is the expansion of "Mosaic", an employee resource group that promotes an inclusive and productive environment. The group aims to enhance the professional and personal development of people of colour and ethnic minority groups.

Mosaic was established in the US and Mexico in 2019. By the end of 2020, it had expanded beyond the Americas, with local branches established in South Africa, Switzerland and the UK.

Alongside Mosaic, we have several active employee resource groups focusing on inclusion through the lens of topics such as gender diversity, LGBTI+ and mental health.

These groups build awareness about I&D topics across the organisation and represent the voice of our employees by providing feedback, sharing ideas and co-creating impactful I&D solutions.

Building employee resilience

Our vision to make the world more resilient can only be achieved if our employees themselves are resilient. This became all the more apparent during the COVID-19 pandemic, when we had to change our normal working patterns to accommodate working from home, home schooling and dealing with new emotions and worries – all while maintaining a seamless business flow. In recognition of our employees’ extra efforts in 2020, we introduced a special Swiss ReSilience Day on 15 January 2021, where each of our employees was given the day off to rest and recharge their batteries.

The benefit of an established culture

Swiss Re’s flexible ‘Own The Way You Work’ culture paid dividends as the COVID-19 lockdowns were rolled out across the globe. On the technical side, our well-established IT infrastructure enabled teams to operate remotely from home without any disruption. We were therefore grateful that we could draw on our established culture of flexibility.

The result was uninterrupted service for our clients – in fact, our Asian Treaty team even increased the number of renewed contracts it processed versus 2019.



Wellbeing, not just performance

Health and safety was a focus area for us in 2020. We know that prolonged working from home comes with its challenges for both physical and mental health.

Throughout 2020, we ran surveys with our workforce to feel the pulse on their wellbeing. We learned that a large majority of employees feel Swiss Re responded strongly to the COVID-19 crisis and took timely decisions showing care and support.

In Zurich, our mental health survey in November 2020 showed that 72% of all employees felt Swiss Re had increased awareness for mental health issues. Also, 88% of people said that they would approach a colleague who they believed was mentally unwell to check on their wellbeing.

Further action beyond 2020

We are committed to continuing on this path and further developing our employee support initiatives.

Pathways, Swiss Re’s mental health network, allows employees in all locations to raise their hands and become Mental Health Champions. By the end of 2020, we had over 200 Champions offering support such as mental health talks, mindfulness sessions and desk yoga.

The Champions raise awareness of mental health issues among employees, challenge mental health stigma and provide peer support to colleagues. They lend an ear to anyone in need of support, including those who are experiencing mental health issues or emotional distress. They also spread the word about the wellbeing support available.

Enabling people to succeed



Monika Waber
Head Organisation & People Development

Q. Why is developing our people so important?

A. As a risk knowledge company, we need to enable continuous learning and development for our people to ensure we jointly shape the success of our company today and in the future. We want a culture where working for Swiss Re leads to fulfillment for our people and where they are able to continuously grow and realise their full potential.

Q. What are the priorities for 2021 and beyond?

A. Our overall mission remains to shape the culture of the company for business impact. Within this, one clear priority for 2021 and beyond is to push our Inclusion & Diversity agenda to the next level. We want to build on the strong foundation Swiss Re has and create an even more inclusive work environment, enabling everyone to be at their best and succeed.



Our passion is to drive the development of our people and our culture to create impact for our business.

Delivering long-term returns in an ever-changing environment

After over 30 years at Swiss Re, including 12 years as Chairman of the Board of Directors, Walter B. Kielholz will retire in 2021. He discusses how Swiss Re has been able to maintain its superior capitalisation, grow in a volatile risk landscape and deliver a strong long-term return for shareholders.



Walter B. Kielholz addresses guests during Swiss Re's 150-year anniversary event in London in 2013. Over the course of the year, more than 30 000 guests across the globe joined Swiss Re to celebrate this major milestone in the company's history.

Q. Mr. Kielholz, you became an Executive Board member of Swiss Re in 1993, then the CEO from 1997 until 2002, when you took on the Chairman role at Credit Suisse, and then you returned to Swiss Re as the Chairman in 2009. How has the company developed over the past three decades?

A. Swiss Re has gone through many ups and downs. We had phases of divestures and acquisitions, years of very low claims and periods of large losses. Through all these phases, we were guided by our capital management priorities. Our long-term shareholders will be very well familiar with them. The first priority has always been to ensure superior capitalisation at all times. The second priority is to grow the regular dividend with long-term earnings. The third is to deploy capital for business growth, and the fourth is to repatriate excess capital to shareholders.

Q. Can you give us an example of how this emphasis on superior capitalisation guided the management's decision?

A. In the early 1990s, we were one of the largest direct insurance groups in Europe, with big businesses in Germany, Italy, Spain and the UK. When the asbestos crisis swept over the industry, to be able to increase our reserves and preserve strong capitalisation, we decided to sell these direct insurers and concentrate more exclusively on reinsurance, where the outlook was judged to be more favourable. As a consequence of this decision, our share price increased 500%. We became a much smaller company, much more focused, and also much more valuable.

Q. Has the notion of what constitutes superior capitalisation evolved over the past three decades?

A. To put it very simply, as a CEO and then a Board Member, I always wanted to sleep well at night. And to sleep well, we needed the strong capital base. Of course, there was nothing like the Swiss Solvency Test 30 years ago. Back then, the Swiss insurance regulator actually considered not regulating reinsurance companies. So, the way capitalisation is measured has definitely changed over the years, but our desire to be strongly capitalised was always the same, irrespective of regulation. At the end of the day, this gives us a strategic advantage – our clients want to work with a reinsurer whose capital strength is beyond any doubt.

Q. Since that divestiture of the direct insurance companies in the 1990s, Swiss Re has grown significantly. How was this achieved?

A. That divestiture later allowed us to acquire a whole range of national reinsurance companies in Europe and America, establishing Swiss Re as a truly global reinsurer. In the 1990s we also made the strategic decision to grow our Life and Health businesses to complement the already-strong Property & Casualty franchise and provide additional diversification benefits to the Group. We pursued this growth through acquisitions of Mercantile & General Re Group in 1996, Life Re in 1998 and Lincoln Re in 2001, and today we are the market leader in Life and Health Reinsurance. Finally, after establishing the Admin Re business in 1998, which focused on efficient administration of closed and legacy books of life insurance, we made many acquisitions in this space until we decided to sell this business.

Q. The Admin Re business you are referring to had grown into ReAssure, which Swiss Re sold in 2020. What was the reason for the sale?

A. We decided to sell ReAssure because of the high capital requirements for this business under the Swiss solvency rules and because we were not prepared to take as much risk on the asset side as was necessary for achieving target returns. In our business of taking risks, you can't always grow and grow and take more and more risk. We must be selective.

Q. And what investments is Swiss Re focusing on now?

A. Now we're reinvesting the money from the sale of ReAssure into the growth of our white-label digital insurance platform iptiQ, where we see great opportunities for the future. We also see attractive opportunities to invest our capital in the P&C Re business, now that we are finally in a hardening market after so many years of inadequate prices.

Q. Growing the dividend and repatriating excess capital to shareholders are the other two capital management priorities you mentioned. Can you elaborate on the developments over the past three decades?

A. With the exception of extraordinary loss events, such as the terrorist attack on 11 September 2001 or the losses in the global financial crisis, we continuously grew the ordinary dividend we pay to shareholders. This was also complemented by special dividend payments and share buybacks to return excess capital. Since 1993, Swiss Re repatriated nearly USD 38 billion to our shareholders through these measures. For 2020, even though the COVID-19 crisis has led us to report an annual loss, the Board of Directors is proposing an unchanged dividend of CHF 5.90 per share, underlining our capital strength and confidence in the future of Swiss Re.

Q. And how has Swiss Re's share price developed over this time?

A. When looking at the share price development for a company like Swiss Re,

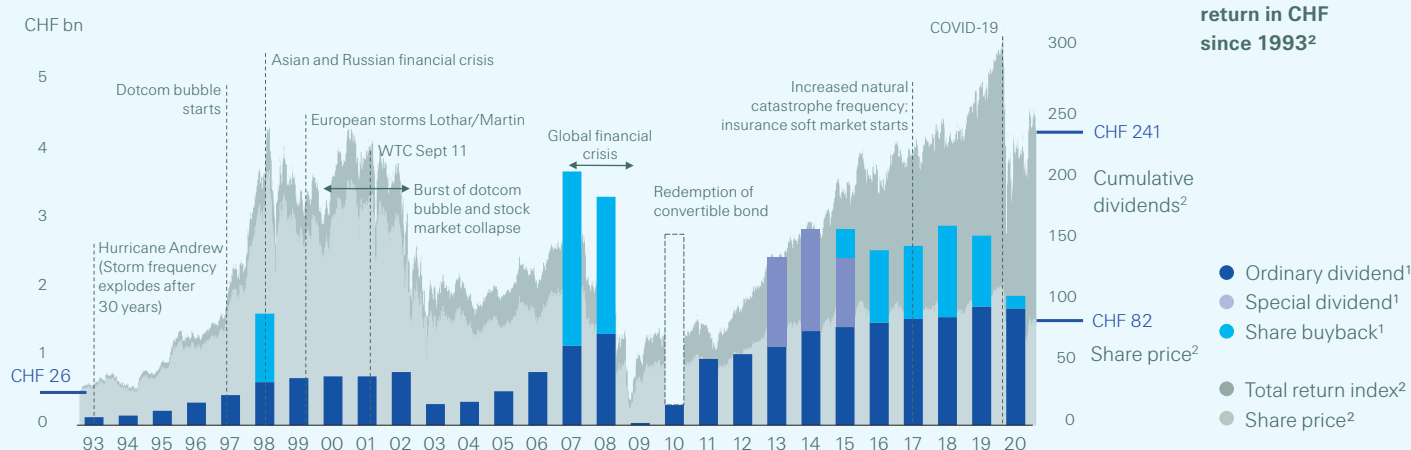
which constantly repatriates capital to shareholders, you have to look at the total return that investors get. Our long-term shareholders received a total return of 8% per annum since 1993. This is not something to be taken for granted. As a comparison, the MSCI World Index – which includes the largest companies across 23 developed countries and has been propelled higher and higher in recent years by the growth in technology stocks like Apple, Microsoft, Amazon or Google – returned 7% per year over the same period. The MSCI World Insurance Index returned 5% per year since it was first established in 1995.

Q. Why do you think Swiss Re has managed to outperform?

A. Our company has a very resilient business model. We are in a volatile business, which can be challenging at times. We act as a shock absorber, and this means that every few years we will encounter circumstances that lead to large claims. We have supported our clients through many crises, and we are doing the same with the COVID-19 pandemic. I have always attributed the success of Swiss Re to three factors: the heart, the brain and the wallet. The heart stands for our strong relationships with clients, the brain represents the tremendous amount of risk knowledge we possess, and the wallet is our capital strength. All three of these success factors are as strong as ever, which also makes me very optimistic for the company's future.

Swiss Re total shareholder return

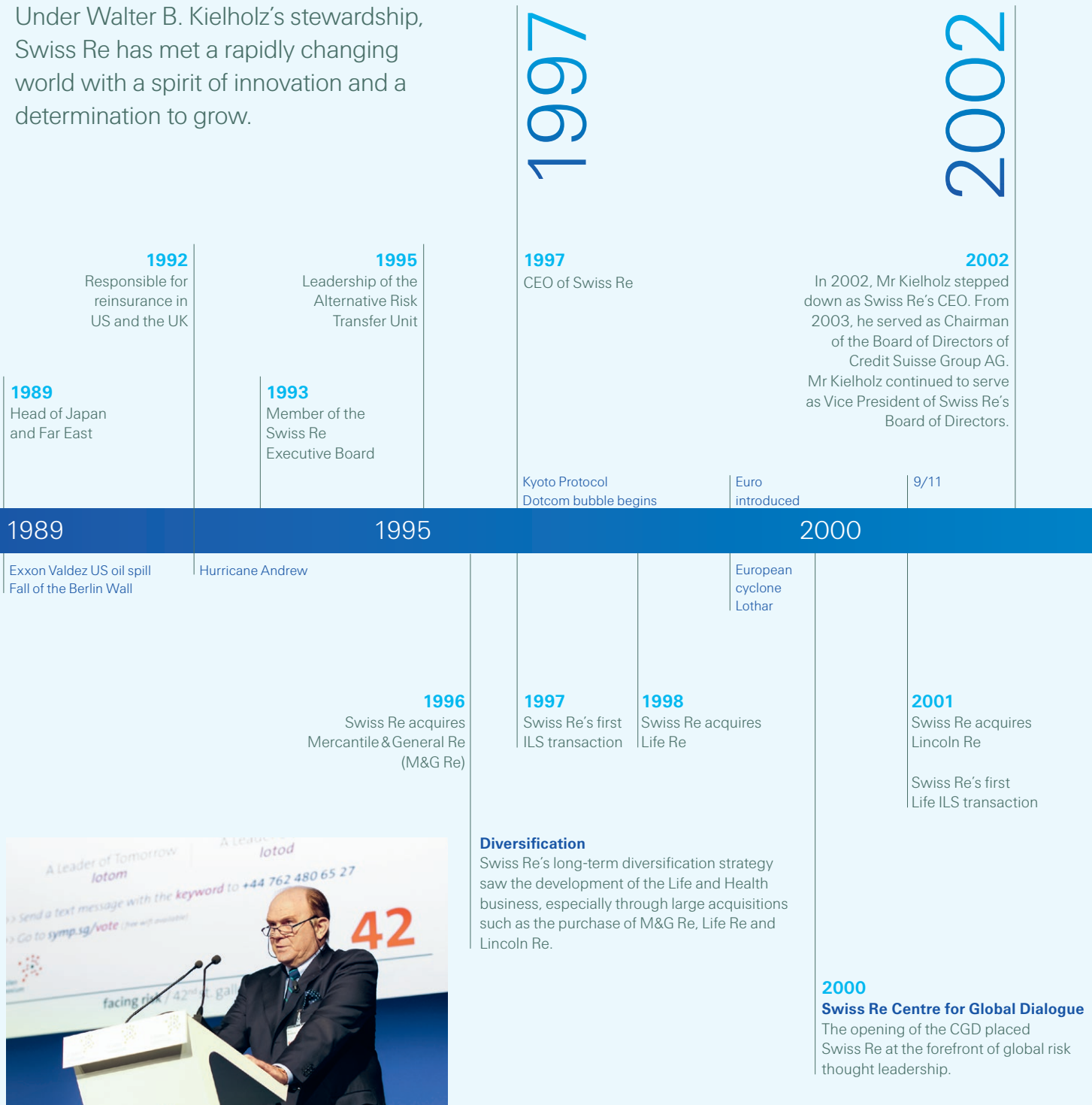
Two distinct phases: Growth until 2009 and disciplined capital repatriation to shareholders after 2009



¹ Paid amount in respective year.
² Over the period 4 Jan 1993 – 5 Feb 2021, assuming full reinvestment of the dividends.

Over 30 years of innovation at Swiss Re

Under Walter B. Kielholz's stewardship, Swiss Re has met a rapidly changing world with a spirit of innovation and a determination to grow.



Walter B. Kielholz speaking on the topic of "Reflection on Facing Risk" at the 42nd St Gallen Symposium, 2012.



Walter B. Kielholz was elected Chairman of the Board of Directors on 13 March 2009.

2009



2005

Inducted into the International Insurance Society Hall of Fame

Global Financial Crisis

2009

Elected Chairman of the Board of Directors of Swiss Re



2017

Campus Mythenquai

Swiss Re Next opened in 2017. The introduction of a flexible work culture would prove valuable for employees to adapt to the move to home office during the COVID-19 pandemic.

COVID-19 pandemic

2005

2010

2015

2020

Indian Ocean earthquake and tsunami

Hurricanes Katrina, Rita, Wilma

Hurricane Ike

Fukushima, New Zealand earthquake, Thailand floods

Hurricanes Harvey, Irma, Maria.

2004

30 St Mary Axe

Since its opening, 30 St Mary Axe, or "The Gherkin", has been an iconic part of the London skyline.



2006

Swiss Re acquires GE Insurance Solutions

2013

Swiss Re's 150th anniversary



2020

Sale of ReAssure to Phoenix Group

2011

Holding company structure

The creation of a holding company structure allowed for the creation of distinct Business Units, providing more transparency and accountability.

Board of Directors



Walter B. Kielholz
Chairman, non-executive

Walter B. Kielholz was elected to the Board of Directors of Swiss Reinsurance Company Ltd in 1998 and to the Board of Directors of Swiss Re Ltd in connection with its formation in 2011. He was Vice Chairman from 2003 to April 2009 and has been Chairman of the Board of Directors since May 2009. He chairs the Chairman's and Governance Committee.

Renato Fassbind
Vice Chairman and Lead Independent Director, non-executive and independent

Renato Fassbind was elected to the Board of Directors of Swiss Re Ltd in 2011. He was appointed Vice Chairman in 2012 and Lead Independent Director in 2014. He chairs the Nomination Committee and the Audit Committee and is a member of the Chairman's and Governance Committee and the Compensation Committee.

At the Annual General Meeting on 17 April 2020, Sergio P. Ermotti, Joachim Oechslin and Deanna Ong were elected as new members of the Board of Directors. Trevor Manuel and Eileen Rominger did not stand for re-election. Walter B. Kielholz was re-elected as member and Chairman of the Board of Directors for a one-year term of office. The shareholders also re-elected the following members of the Board of Directors for a one-year term of office: Renato Fassbind (Vice Chairman and Lead Independent Director), Raymond K.F. Ch'ien, Karen Gavan, Jay Ralph, Joerg Reinhardt, Philip K. Ryan, Sir Paul Tucker, Jacques de Vaucheroy, Susan L. Wagner and Larry Zimpleman.

The Board of Directors consists of 14 members.

For further information, please see p. 88 of the Financial Report



Deanna Ong
Member, non-executive and independent

Deanna Ong was elected to the Board of Directors of Swiss Re Ltd in 2020. She is a member of the Audit Committee. She is also a member of the Board of Directors and Chairperson of the Audit Committee of Swiss Re Asia Pte. Ltd.

Jay Ralph
Member, non-executive and independent

Jay Ralph was elected to the Board of Directors of Swiss Re Ltd in 2017. He is a member of the Finance and Risk Committee and the Investment Committee.

Joerg Reinhardt
Member, non-executive and independent

Joerg Reinhardt was elected to the Board of Directors of Swiss Re Ltd in 2017. He is a member of the Nomination Committee and the Compensation Committee.

Philip K. Ryan
Member, non-executive and independent

Philip K. Ryan was elected to the Board of Directors of Swiss Re Ltd in 2015. He chairs the Finance and Risk Committee and is a member of the Chairman's and Governance Committee and the Audit Committee. He is also Chairman of Swiss Re America Holding Corporation.



Raymond K.F. Ch'ien
Member, non-executive
and independent

Raymond K.F. Ch'ien was elected to the Board of Directors of Swiss Reinsurance Company Ltd in 2008 and to the Board of Directors of Swiss Re Ltd in connection with its formation in 2011. He is a member of the Compensation Committee and the Investment Committee. He is also a member of the Board of Directors of Swiss Re Asia Pte. Ltd.



Sergio P. Ermotti
Member, non-executive
and independent

Sergio P. Ermotti was elected to the Board of Directors of Swiss Re Ltd in 2020. In 2021, Sergio P. Ermotti will be nominated for election by the Annual General Meeting 2021 to succeed Walter B. Kielholz as Chairman of the Board of Directors.



Karen Gavan
Member, non-executive
and independent

Karen Gavan was elected to the Board of Directors of Swiss Re Ltd in 2018. She is a member of the Audit Committee and the Compensation Committee. She is also a member of the Board of Directors of Swiss Re America Holding Corporation.



Joachim Oechslin
Member, non-executive
and independent

Joachim Oechslin was elected to the Board of Directors of Swiss Re Ltd in 2020. He is a member of the Finance and Risk Committee and the Investment Committee.



Sir Paul Tucker
Member, non-executive
and independent

Sir Paul Tucker was elected to the Board of Directors of Swiss Re Ltd in 2016. He is a member of the Finance and Risk Committee and the Investment Committee.



Jacques de Vaucleroy
Member, non-executive
and independent

Jacques de Vaucleroy was elected to the Board of Directors of Swiss Re Ltd in 2017. He chairs the Compensation Committee and is a member of the Chairman's and Governance Committee, the Nomination Committee and the Investment Committee. He is also Chairman of Swiss Re Europe S.A. and Swiss Re International SE.



Susan L. Wagner
Member, non-executive
and independent

Susan L. Wagner was elected to the Board of Directors of Swiss Re Ltd in 2014. She chairs the Investment Committee and is a member of the Chairman's and Governance Committee, the Nomination Committee and the Finance and Risk Committee.



Larry Zimpleman
Member, non-executive
and independent

Larry Zimpleman was elected to the Board of Directors of Swiss Re Ltd in 2018. He is a member of the Audit Committee and the Finance and Risk Committee.

Group Executive Committee

Thierry Léger, former Chief Executive Officer Life Capital, was appointed Group Chief Underwriting Officer as of 1 September 2020. He succeeded Edouard Schmid, who decided to step down as of 31 August 2020. Jonathan Isherwood, previously Head Globals Reinsurance, was appointed CEO Reinsurance Americas as of 1 April 2020 and Regional President Americas and member of the Group Executive Committee as of 14 August 2020. He succeeded J. Eric Smith, who retired on 13 August 2020. Since 1 September 2020, the Group EC consists of 13 members; prior to that, it consisted of 14 members.

For further information, please see p. 102 of the Financial Report



Christian Mumenthaler
Group Chief Executive Officer

Christian Mumenthaler was appointed Group Chief Executive Officer in July 2016. Prior to that, he held several leading positions within the company, including Chief Executive Officer Reinsurance, Head of Life & Health and Group Chief Risk Officer. He became a member of the Group Executive Committee in 2011.

Urs Baertschi
Chief Executive Officer Reinsurance EMEA/Regional President EMEA

Urs Baertschi was appointed Chief Executive Officer Reinsurance EMEA and Regional President EMEA and a member of the Group Executive Committee in September 2019. Prior to that, he served as President of Reinsurance, Latin America.



Guido Fürer
Group Chief Investment Officer

Guido Fürer was appointed Group Chief Investment Officer and a member of the Group Executive Committee in November 2012. In 2019, he additionally assumed the roles of Swiss Re Country President Switzerland and Chairman of the Swiss Re Strategic Council.

Hermann Geiger
Group Chief Legal Officer

Hermann Geiger assumed the global position as Head Legal & Compliance and Group Chief Legal Officer in 2009. He was appointed as a member of the Group Executive Committee with effect from July 2019.

Russell Higginbotham
Chief Executive Officer Reinsurance Asia/Regional President Asia

Russell Higginbotham assumed the role of Chief Executive Officer Reinsurance Asia and Regional President Asia with effect from July 2019. Prior to that, he was Chief Executive Officer Reinsurance EMEA and Regional President EMEA. He became a member of the Group Executive Committee in September 2018.

Jonathan Isherwood
Chief Executive Officer Reinsurance Americas/Regional President Americas

Jonathan Isherwood was appointed Chief Executive Officer Reinsurance Americas as of 1 April 2020, and Regional President Americas and a member of the Group Executive Committee as of 14 August 2020. Prior to that, he served as Head Globals Reinsurance.



Andreas Berger
Chief Executive Officer
Corporate Solutions

Andreas Berger joined Swiss Re in March 2019 as Chief Executive Officer Corporate Solutions and member of the Group Executive Committee. Prior to that, he held several leading positions at Boston Consulting Group, Gerling and Allianz Global Corporate & Specialty SE (AGCS).



Anette Bronder
Group Chief Operating Officer

Anette Bronder joined Swiss Re in June 2019 and was appointed Group Chief Operating Officer and a member of the Group Executive Committee effective July 2019. Before that, she held various leadership positions at Hewlett Packard, Vodafone, T-Systems International and Deutsche Telekom.



John R. Dacey
Group Chief Financial Officer

John R. Dacey joined Swiss Re in October 2012 and was appointed Group Chief Strategy Officer and a member of the Group Executive Committee in November 2012. He also served as Chairman Admin Re® from November 2012 to May 2015. He was appointed Group Chief Financial Officer with effect from April 2018.



Nigel Fretwell
Group Chief Human Resources
Officer

Nigel Fretwell joined Swiss Re as Group Chief Human Resources Officer in May 2013 and was appointed as a member of the Group Executive Committee effective July 2019. Prior to that, he held various senior roles at Barclays and HSBC.



Thierry Léger
Group Chief Underwriting
Officer

Thierry Léger was appointed Chief Executive Officer Life Capital and a member of the Group Executive Committee as of January 2016. With effect from 1 September 2020, he assumed the role of Group Chief Underwriting Officer.



Moses Ojeisekhoba
Chief Executive Officer
Reinsurance

Moses Ojeisekhoba joined Swiss Re in February 2012 and was appointed Chief Executive Officer Reinsurance Asia, Regional President Asia and a member of the Group Executive Committee in March 2012. In July 2016, Moses Ojeisekhoba was appointed as Chief Executive Officer Reinsurance.



Patrick Raaflaub
Group Chief Risk Officer

Patrick Raaflaub was appointed Group Chief Risk Officer and a member of the Group Executive Committee in September 2014. Prior to that, he served as Chief Executive Officer of the Swiss Financial Market Supervisory Authority FINMA and held several leading positions within Swiss Re.

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, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the reinsurance sector;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- increased volatility of, and/or disruption in, global capital and credit markets;
- 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 Group’s inability to realise amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- the Group’s inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;

- changes in legislation and regulation, or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, 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;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability;
- 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, and the overall impact of changes in tax regimes on the Group's business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities;
- changes in accounting standards, practices or policies;
- strengthening or weakening of foreign currencies;
- reforms of, or other potential changes to, benchmark reference rates;
- failure of the Group's hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than-expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
- operational factors, including the efficacy of risk management and other internal procedures in anticipating and 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

Contacts

Swiss Re has 81 office locations in 29 countries. For a full list of our office locations and service offerings, please visit www.swissre.com

Investor Relations

Telephone +41 43 285 4444
investor_relations@swissre.com

Media Relations

Telephone +41 43 285 7171
media_relations@swissre.com

Share Register

Telephone +41 43 285 6810
share_register@swissre.com

Head office

Swiss Re Ltd
Mythenquai 50/60, P.O. Box,
8022 Zurich, Switzerland
Telephone +41 43 285 2121

Americas

Armonk
175 King Street
Armonk, NY 10504
Telephone +1 914 828 8000

Kansas City
1200 Main Street
Kansas City, MO 64105
Telephone +1 816 235 3703

New York
1301 Avenue of the Americas
New York, NY 10019
Telephone +1 212 317 5400

Los Angeles
777 South Figueroa Street
Los Angeles, CA 90071
Telephone +1 213 457 6190

Toronto
150 King Street West
Toronto, Ontario M5H 1J9
Telephone +1 416 408 0272

Mexico City
Avenida Insurgentes Sur 1898
Torre Siglum
Colonia Florida, Del Alvaro Obregon
México City 01030
Telephone +52 55 5322 8400

São Paulo
Avenida Brigadeiro Faria Lima 3064
Itaim Bibi
São Paulo, SP 01451-001
Telephone +55 11 3073 8000

Europe (incl. Middle East and Africa)

Zurich
Mythenquai 50/60
8022 Zurich
Telephone +41 43 285 2121

London
30 St Mary Axe
London
EC3A 8EP
Telephone +44 20 7933 3000

Munich
Arabellastrasse 30
81925 Munich
Telephone +49 89 3844 1200

Cape Town
Block B
The Boulevard Office Park
Searle Street
Woodstock
Cape Town, 7925
Telephone +27 21 469 8400

Madrid
Torre Europa
Paseo de la Castellana, 95
28046 Madrid
Telephone +34 91 598 1726

Paris
11–15, rue Saint-Georges
75009 Paris
Telephone +33 1 43 18 30 00

Rome
Via di San Basilio, 72
00187 Rome
Telephone +39 06 323931

Asia-Pacific

Singapore
Asia Square Tower 2
12 Marina View
Singapore 018961
Telephone +65 6532 2161

Hong Kong
Central Plaza
18 Harbour Road
Wanchai
Hong Kong
Telephone +852 2827 4345

Sydney
Tower Two
International Towers Sydney
200 Barangaroo Avenue
Sydney, NSW 2000
Telephone +61 2 8295 9500

Beijing
China Life Financial Centre
23 Zhenzhi Road
Chaoyang District
Beijing 100026
Telephone +86 10 6563 8888

Tokyo
Marunouchi Nijubashi Building
3-2-3 Marunouchi
Tokyo 100-0005
Telephone +81 3 5219 7800

Mumbai
One BKC Plot no. C-66, G-Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Telephone +91 22 6661 2121

©2021 Swiss Re. All rights reserved.

Title:

Business Report 2020

Editorial:

Chloë Barrow

Christopher Onuoha

Michael Gawthorne

Design:

Superunion

Swiss Re Corporate Real Estate & Services/

Media Production, Zurich

Photography:

Braschler/Fischer

Cliffon Mandola

Fredi Lienhardt

Getty Images, Shutterstock

Jeromy Knight

Leonardo Finotti

Marc Wetli

Michael Gawthorne

Simon Wachter

Swiss Re

5th Avenue Digital

Printing:

Multicolor Print AG, Baar

printed in
switzerland



This report is printed on sustainably produced paper and is climate neutral.

The wood used comes from forests certified to 100% by the Forest Stewardship Council (FSC).

Original version in English.

The Annual Report 2020 is also available in German. The web version of the Annual Report 2020 is available at: reports.swissre.com

Order no: 1490793_21_en

03/21, 1850 en

Swiss Re Ltd
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2121
www.swissre.com