



PERILS INDEX USED FOR ILW TRANSACTIONS

Zurich, 17 December 2009 - PERILS AG, the independent Zurich-based company established to aggregate and provide industry-wide European catastrophe insurance data, has today announced the placement of the first two insurance risk transactions based on a PERILS industry loss index.

The transactions relate to Industry Loss Warranty (ILW) reinsurance contracts which will provide protection against a major European windstorm event. One contract involves Credit Suisse Asset Management as the protection provider and Munich Re as the counterparty. The other was arranged by Willis Re with the counter-parties remaining unnamed.

PERILS will provide an independent authoritative source of data to determine the property market loss arising from a large windstorm event affecting Europe. This information will be used to produce an index value to determine the payout of the protection under the ILW contracts.

Commenting on the transaction, Luzi Hitz, CEO of PERILS, said: "These two transactions are the first ILWs to use a PERILS index. This is an important development, as it illustrates the key role which PERILS plays, as an independent loss aggregator, in enabling the use of industry loss triggers for European windstorm events."

Niklaus Hilti, Head of Insurance Linked Strategies at Credit Suisse, added: "The use of a PERILS industry loss index in this ILW reinsurance contract is a key milestone in the development of a more mature and liquid market which is in the best interest of both reinsurers and investors. We are happy to support PERILS together with Munich Re."

Hans Joachim Thoenes, Head of Retrocession at Munich Re, added: "Munich Re fully supports the PERILS initiative. Our main objective is to contribute to the creation of a more liquid and standardised ILS and derivatives market for European windstorm risk which is to our own benefit, that of our clients in the insurance industry and potential investors. The launch of PERILS is, in our opinion, an important step in this direction. We are proud to have been able to set up with Credit Suisse Asset Management the first transaction in the market based on a PERILS industry loss index."

Henry Kingham, Executive Director of Willis Re, commented: "We are delighted to have worked closely with Luzi and the team on the first brokered PERILS transaction. As we have commented before, PERILS helps deal with the long standing issue of an independent European wind loss index and will hopefully mean the expansion of indexed trades triggering off European windstorm events."

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About PERILS

PERILS is a European insurance industry initiative aimed at providing aggregated data of natural catastrophe claims and exposure. PERILS receives its data directly from insurance companies underwriting property business in the affected areas and applies a standardised procedure to estimate industry-wide insured losses, which then form the basis of the PERILS index service. PERILS also makes available aggregated exposure data (sums insured) which can be used to model probabilities of triggering specified index values through probabilistic catastrophe modelling techniques.

PERILS loss indices and exposure data can be applied in ILW transactions as well as in insurance-linked securities (ILS).

More information can be found on **www.perils.org**

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