

PERILS LAUNCHES INDUSTRY LOSS INDEX SERVICE FOR EUROPEAN WINDSTORM EVENTS

Zurich, 3 December 2009 - PERILS, the independent Zurich-based company established to aggregate and provide industry-wide European catastrophe insurance data, has today announced the launch of its Industry Loss Index Service for European windstorm events.

The new service provides index values which can be used in industry-loss-based Insurance Linked Securities (ILS) and Industry Loss Warranty (ILW) transactions. The underlying data is collected directly from insurers underwriting property insurance in the affected areas and is processed using a standardised procedure to estimate industry-wide insured losses. Index values are generally made available after six weeks of the event, with updates after three, six and twelve months.

Commenting on the launch, Dr Luzi Hitz, CEO of PERILS, said: "In the short time period since the foundation of PERILS, we have received tremendous support from the industry. We take this as proof that PERILS has met a true market need. Our index service addresses a long-standing issue in Europe by providing a reliable European event loss index prepared by an independent authoritative source. We are confident that this will ultimately lead to a more liquid European windstorm market and hence will be to the benefit of every stakeholder."

Over 50 insurance companies are currently supporting PERILS by providing exposure and event loss data in a standardised format. This number of participating companies is expected to grow steadily.

PERILS offers a number of advantages over existing sources of European windstorm event loss data. The company's bespoke IT system and rigorous data evaluation procedure ensure the complete independence and neutrality of the market loss indices. Industry loss indices are reported on a fixed schedule with a reporting structure guaranteed on a contractual basis. In addition, trigger definitions can be customised by allocating different weights to territories and property occupancy types.

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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.

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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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