

PERILS EXPANDS COVERAGE TO INCLUDE UK FLOOD RISK

Zurich, 15 December 2011 – PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today announced that it has extended its market coverage to include the peril of inland flooding in the UK.

As of 1 January 2012, PERILS will collect loss data from inland flood events in the UK which result in market losses in excess of EUR 200m. This will be in addition to collecting loss data from windstorms and other ensuing perils, such as storm surge. The UK flood exposure data will be made available on 1 April 2012, together with updated windstorm exposure data in the following eleven countries covered by PERILS: Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and the UK. The inclusion of this peril means that the PERILS database now incorporates the two most important natural catastrophe risks for the UK, namely windstorm and flood.

PERILS collects sums insured and event loss data from primary insurers across Europe on a CRESTA Zone and Property Line of Business basis. The collected data enables PERILS to produce independent and objective estimates of market exposure (total sums insured) and market loss portfolios. This information can be used for a range of applications, including natural catastrophe risk assessment and industry loss-based risk transfer products such as Industry Loss Warranties and Insurance-Linked Securities.

Commenting on the announcement, Luzi Hitz, CEO of PERILS, said: "The inclusion of UK flood risk marks another milestone in the expansion of the market coverage provided by PERILS. We are grateful for the support of the UK primary insurance industry in making this happen and take it as further encouragement to continue to broaden our coverage, both in terms of geography and perils. Our mission is to increase transparency in the natural catastrophe risk arena, and by adding UK flood risk to our market coverage, this is another significant step in this direction."

Eduard Held, Head of Products at PERILS, added: "We are proud to be able to announce this coverage extension, which will not only enable a better understanding of UK flood risk, but at the same also facilitate the risk transfer to the reinsurance and capital markets by using the PERILS industry loss estimates as underlying triggers."

Peter Frei, Head of Data Management at PERILS, said: "We are very pleased with the commitment shown by our data providers to PERILS and the constructive relationship we have with them. This is essential if we are to construct a high quality market database, which in turn can serve as a reliable and objective benchmarking tool for portfolio steering and risk assessment."

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About PERILS

PERILS is an independent Zurich-based organisation providing industry-wide natural catastrophe exposure and claims data. The PERILS Industry Exposure & Loss Database is available to all interested parties via annual subscription. The database contains industry property sums insured and loss information for eleven European countries on a CRESTA zone level and per property line of business. PERILS industry loss estimates, provided via the PERILS Industry Loss Index Service, can be used as triggers in insurance risk transactions such as industry loss warranty contracts (ILW) or insurance-linked securities (ILS). The use of PERILS exposure and loss data other than in conjunction with a valid PERILS License and according to its terms, by a Licensee or an Authorized User as defined in the License, is illegal and expressly forbidden.

More information can be found on www.perils.org

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