


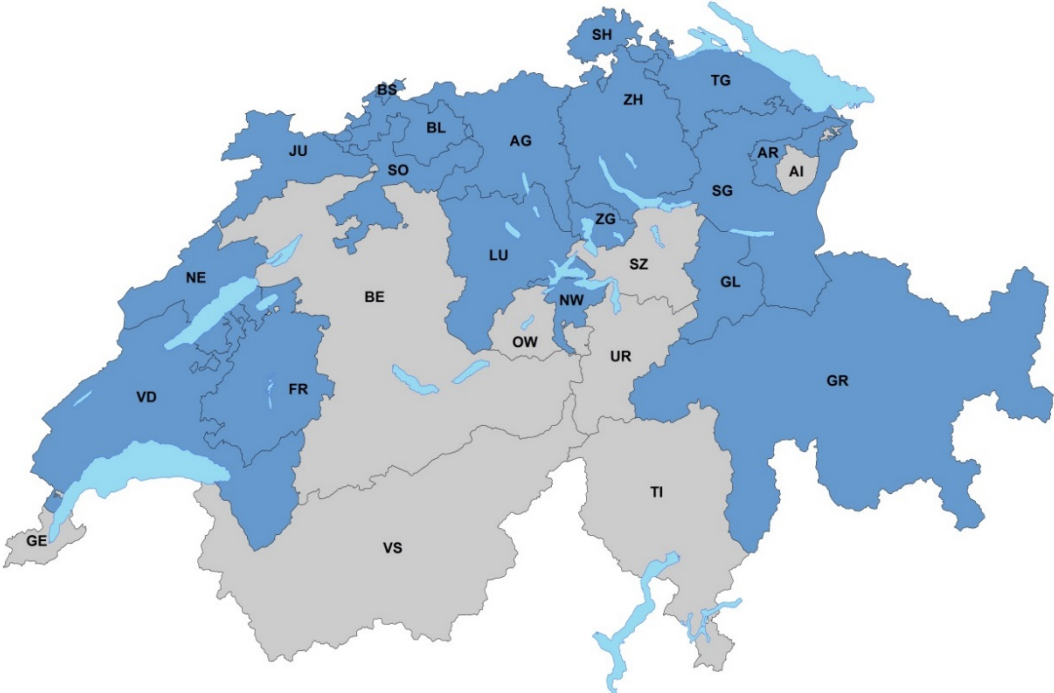
Natural Catastrophes Insurance Cover Individual System Summary Updates

As of 2019

1	The name of the Cover	<p><i>Interkantonaler Rückversicherungsverband</i> (called "IRV") or in english <i>Intercantonal Reinsurance Association</i></p> <div style="text-align: center;">  </div>
2	Cover Purchase / Distribution Channels	<p><i>The IRV is the reinsurer for 18 of the Public Insurance Companies for Real Estate (PIRE). At the same time the IRV is a "joint-venture" of those PIREs.</i></p> <p><i>The PIREs themselves are the monopoly insurers for buildings in their specific canton. As homeowners must insure their building, marketpenetration and marketshare of the PIRE are 100% in their specific canton. Only the additional criteria, that PIREs work as non-profit organisations, ensure our unique and sustainable set-up.</i></p>
3	Coverage (incl. perils, sum insured & premium etc.)	<p><i>The IRV provides all the necessary reinsurance covers for the PIREs / their lines of business:</i></p> <ul style="list-style-type: none"> - <i>Fire – up to 300 million CHF per event / per risk</i> - <i>Elemental perils (wind, flood, hail, ... but not EQ!) – up to a 50-year return period event.</i> - <i>Elemental Perils - a claims-pool (called Intercantonal Risk Community IRG) with a total capacity of 1.2 billion CHF in excess of afore mentioned covers</i> - <i>EQ – PIRE Zürich only, up to 900 million CHF coverage</i> <p><i>In addition the IRV acts as managing agency for the Swiss Earthquake Pool (SPE).</i></p>
4	Claim Criteria / Loss Trigger	<p><i>Talking about the "catastrophe" part of the program being the Intercantonal Risk Community (called IRG):</i></p> <p><i>The sum of elemental peril losses throughout the whole year have to reach a certain threshold – equal to a modelled 50-year return period event. Exceeding losses are pooled and settled within the IRG (claims pool with 18 PIREs and the IRV participating)</i></p> <p><i>Below that threshold the IRV provide individual reinsurance covers / structures for each and every PIRE.</i></p>

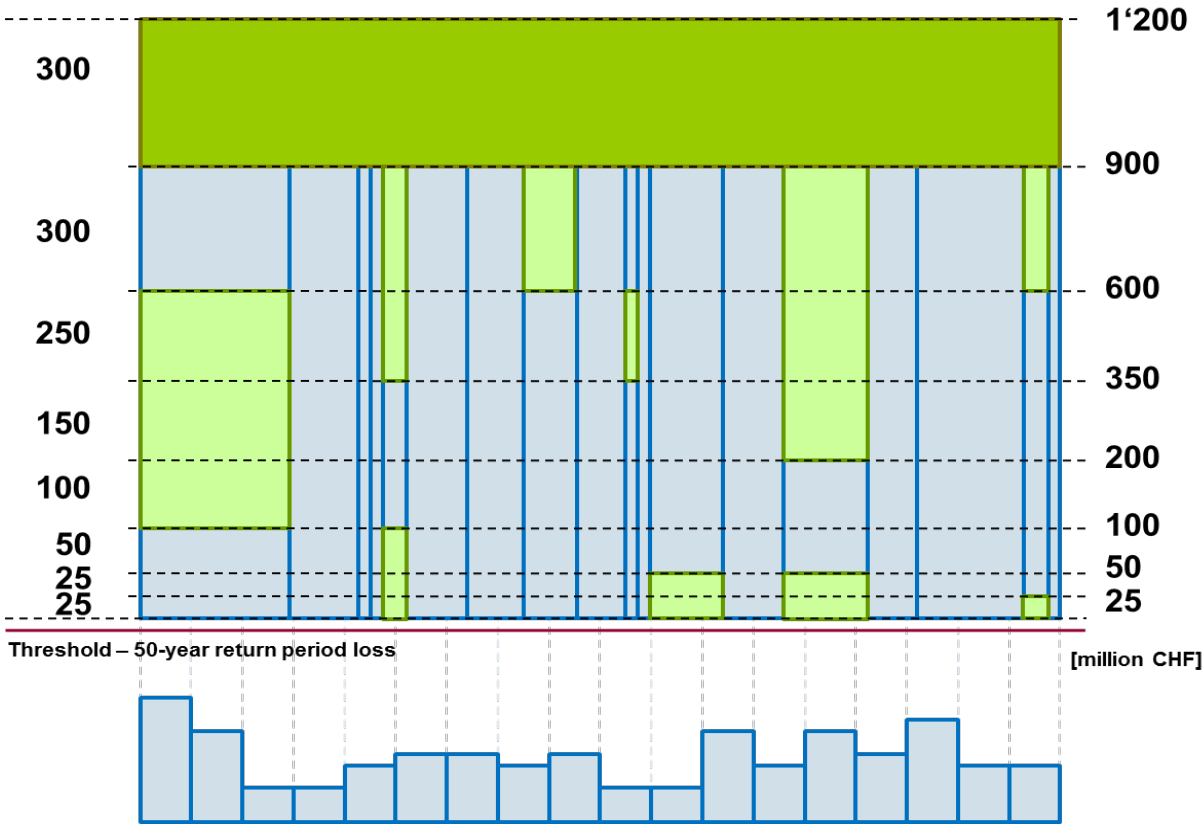
5	Current Risk Assuming and Transferring structure (see following diagram)	<p><i>The threshold of a 50-year return period event is calculated individually for every PIRE and can differ greatly.</i></p> <p><i>Exceeding losses are ceded to the IRG program and distributed / paid by all the 18 members and the IRV. Total capacity of the IRG is 1.2 billion CHF. Reinsurance of parts of the IRG is possible and can be bought through the IRV.</i></p> <p><i>See diagram next page</i></p>
6	Recent Loss events	<p><i>No recent loss activity. No PIRE did suffer from events, that were beyond the set threshold</i></p>
7	Latest take-up rate (Penetration rate)	<p><i>The PIBs themselves are the monopoly insurer for buildings in their specific canton. As homeowners must insure their building, marketpenetration and marketshare of the PIB are 100%. Only the additional criteria, that PIBs work as non-profit organisations, ensure our unique and sustainable set-up.</i></p>
8	Current Accumulate reserves (fund)	<p><i>The IRV currently stands at 950 million CHF risk carrying capital RCC</i></p> <p><i>It is a priority for the IRV to be very well reserved, due to the fact, that neither the IRV, nor PIRE themselves can access the capital markets to refund / recapitalize in case of major losses to the equity base of these units.</i></p>
9	Website/ annual report Linkage	<p><i>www.vkg.ch</i></p> <p><i>german / french site</i></p> <p><i>currently under review / construction</i></p>
10	Others	<p><i>The IRV is only part of a group of several units that focus on various aspects of the needs of the PIREs. Another one of these units to be mentioned is the Swiss Earthquake Pool (SPE).</i></p> <p><i>The newly founded Association of Public Insurance Companies (APIRE) is to monitor and facilitate the organization of those various units.</i></p>

Current Risk Assuming and Transferring structure (diagram)



Area covered by the IRV (member PIREs of the IRV)

Intercantonal Risk Community IRG 2019



Current Risk Assuming and Transferring structure – Intercantonal Risk Community IRG
 (blue – carried by PIREs, green – carried by IRV or reinsured)