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Press release

Innovative renewable energy insurance facility introduced to cover risks in developing countries

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Munich Re, RSA Insurance Group (RSA), and CarbonRe, with support from the Global Environment Facility (GEF) and the United Nations Environment Programme (UNEP), have launched an innovative mechanism for insuring renewable energy projects in developing countries. The global renewable energy insurance facility, which will be operated via the new internet website “insurance4renewables”, will offer standard and customised insurance solutions for renewable energy projects in developing countries.

Risk management and risk transfer are key components in the successful development of renewable energy projects. Without adequate insurance cover, the planning, construction and operation of mid- to large-scale renewable energy projects would not be viable. This initiative sends a strong message to the international community, who will be meeting at the end of the year in Copenhagen to agree on a crucial post-Kyoto climate change framework agreement. It shows that the right environment can be created to ensure growth and sustainability of renewable energy investments and that all countries can benefit from and contribute to the climate change mitigation efforts. Nearly one third of global investments in renewable energy projects are happening in developing countries. This share can grow at a faster pace if insurance solutions for renewable energy projects are made extensively available to developing countries in the same way as they have been made available in industrialised ones.

To address this need, RSA, Munich Re and CarbonRe have jointly launched “insurance4renewables”, a global renewable energy insurance facility that will be operated online at <http://www.insurance4renewables.com>. This innovative risk management approach was developed under the umbrella of the United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF). Both UNEP and GEF are seeking to raise investors’ awareness of risk mitigation solutions for renewable energy projects and build public-private partnerships to bring necessary standard and innovative risk mitigation tools to developing countries’ markets.

Insurance4renewables is intended to offer tailor-made products for renewable energy projects and to support the development of insurance solutions that meet the requirements of renewable energy projects operating in developing countries where often the lack of data provides a barrier to insurers who aim to underwrite a number of renewable energy risks. CarbonRe, an insurance broker

specialising in clean energy projects, is the appointed broker for access to this unique facility. CarbonRe will work together with two leading global insurance groups. This network will offer outstanding expertise embracing a broad spectrum of technologies such as wind power, photovoltaics, solar thermal and biomass and biogas systems in every phase of construction and operation. Besides the traditional insurance products for construction, operation and transit, the facility will be offering on a case-by-case basis innovative covers such as carbon counterparty credit risk insurance, carbon all risk insurance, carbon delivery guarantee insurance/Kyoto Multi Risk Policy and lack-of-sun/wind insurance.

The partners in the initiative will continue to expand the website's range of offerings as the demand for products and information grows.

Monique Barbut, Chief Executive Officer of the GEF said: "Creative market mechanisms are unleashing investment, innovation and furthering the penetration of wind and solar to geothermal and other clean tech energy systems. Insurance has an important role, especially as more developing countries climb on board the clean energy train. Thus I welcome this innovative insurance4renewables initiative as a part of the catalysts towards a sustainable 21st century."

Achim Steiner, UN Under-Secretary General and UNEP Executive Director, added: "Renewable energy is one of the key factors in the transition towards a low-carbon, resource-efficient green economy. Also a key to accelerating access to electricity for the two billion people without it."

Peter Röder, member of Munich Re's Board of Management: "The initiative shows yet again how public-private partnerships can give rise to something meaningful and how expertise creates value that benefits everyone. Munich Re has been drawing attention to the necessity of climate protection for a long time, and generating energy from renewable sources is an important part of this. With our know-how, we can offer customised insurance covers for such systems. That benefits the climate, the client and us as a company."

"We recognise the importance of renewable energy in developing countries and are pleased to be able to provide insurance solutions that will better enable the achievement of their energy goals", added Ken Norgrove, CEO of Renewable Energy, RSA.

Dirk P. Kohler, CEO of CarbonRe: "Risk management and risk transfer is key to the successful development of renewable (clean) energy projects, and insurance4renewables will provide the best available insurance and reinsurance services to boost projects in developing countries and emerging markets."

24/09/2009
Press release
Page 3/4

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Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and close client proximity. This is how Munich Re creates value for clients, shareholders and staff. In the financial year 2008, the Group – which pursues an integrated business model consisting of insurance and reinsurance – achieved a profit of €1.5bn on premium income of around €38bn. It operates in all lines of insurance, with around 44,000 employees throughout the world. With premium income of around €22bn from reinsurance alone, it is one of the world's leading reinsurers. Especially when clients seek solutions for complex risks, Munich Re is a much sought-after risk carrier. The primary insurance operations are mainly concentrated in the ERGO Insurance Group. With premium income of over €17bn, ERGO is one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal expenses insurance, and 40 million clients in over 30 countries place their trust in the services and security it provides. In international healthcare business, Munich Re pools its insurance and reinsurance operations, as well as related services, under the Munich Health brand. Munich Re's global investments amounting to €175bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

With an almost 300-year heritage, **RSA** is one of the world's leading multinational quoted insurance groups. It has the capability to write business in over 130 countries and with major operations in the UK, Scandinavia, Canada, Ireland, Asia and the Middle East and Latin America. Focusing on general insurance, it has around 22,000 employees and, in 2008, its net written

24/09/2009
Press release
Page 4/4

premiums were £6.5bn.

CarbonRe is the first insurance broker to be launched with the sole objective to identify, assess and transfer risks out of the carbon community into capital markets and is a leader in insurance-based risk management mechanisms; insurance service provider for risk managers facing the challenges of the global carbon markets.

The GEF unites 178 countries in partnership with international institutions, non-governmental organizations (NGOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives. Today the GEF is the largest funder of projects to improve the global environment. The GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. Since 1991, GEF has achieved a strong track record with developing countries and countries with economies in transition, providing \$8.3 billion in grants and leveraging \$33.7 billion in co-financing for over 2,200 projects in over 165 countries.

UNEP and its Division on Technology Industry and Economics (DTIE) encourages decision makers in government, local authorities and industry to develop and implement policies, strategies and practices that are cleaner and safer, make efficient use of natural resources, ensure environmentally sound management of chemicals, reduce pollution and risks for humans and the environment, enable implementation of conventions and international agreements, and incorporate environmental costs. The UNEP DTIE strategy is to influence informed decision making through partnerships with other international organizations, governmental authorities, business and industry, and nongovernmental organizations; support implementation of conventions; and build capacity in developing countries.

Disclaimer

This press release contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

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