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Press release

Two months to Cancún climate summit

Large number of weather extremes
as strong indication of climate change

Contact
Media Relations Munich,
Gerd Henghuber
Tel.: +49 (89) 3891-9896
Fax: +49 (89) 3891-79896
ghenghuber@munichre.com

**Münchener Rückversicherungs-
Gesellschaft**
Aktiengesellschaft in München
Media Relations
Königinstraße 107
80802 München
Germany
Letters: 80791 München

www.munichre.com

Floods in central Europe, wildfires in Russia, widespread flooding in Pakistan. The number and scale of weather-related natural catastrophe losses in the first nine months of 2010 was exceptionally high. Two months ahead of the World Climate Summit scheduled for 29 November to 10 December in Cancún, Mexico, Munich Re emphasises the probability of a link between the increasing number of weather extremes and climate change. In the run-up to the summit, Munich Re will focus attention on this issue with a series of communications on natural catastrophes, climate change and potential solutions. Research facts and findings will be available for download in an electronic press folder at www.munichre.com.

Globally, 2010 has been the warmest year since records began over 130 years ago, the ten warmest during that period all falling within the last 12 years. The warmer atmosphere and higher sea temperatures are having significant effects. Prof. Peter Höppe, Head of Munich Re's Geo Risks Research/Corporate Climate Centre: "It's as if the weather machine had changed up a gear. Unless binding carbon reduction targets stay on the agenda, future generations will bear the consequences."

Munich Re recorded a total of 725 weather-related natural hazard events with significant losses from January to September 2010, the second-highest figure recorded for the first nine months of the year since 1980. Some 21,000 people lost their lives, 1,760 in Pakistan alone, up to one-fifth of which was flooded for several weeks. Overall losses due to weather-related natural catastrophes from January to September came to more than US\$ 65bn and insured losses to US\$ 18bn. Despite producing 13 named storms, the hurricane season has been relatively benign to date, the hurricanes having pursued favourable courses.

Munich Re's natural catastrophe database, the most comprehensive of its kind in the world, shows a marked increase in the number of weather-related events. For instance, globally there has been a more than threefold increase in loss-related floods since 1980 and more than double the number of windstorm natural catastrophes, with particularly heavy losses as a result of Atlantic hurricanes.



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The rise in natural catastrophe losses is primarily due to socio-economic factors. In many countries, populations are rising, and more and more people moving into exposed areas. At the same time, greater prosperity is leading to higher property values. Nevertheless, it would seem that the only plausible explanation for the rise in weather-related catastrophes is climate change. The view that weather extremes are more frequent and intense due to global warming coincides with the current state of scientific knowledge as set out in the Fourth IPCC Assessment Report.

There are at present insufficient data on many weather risks and regions to permit statistically backed assertions regarding the link with climate change. However, there is evidence that, as a result of warming, events associated with severe windstorms, such as thunderstorms, hail and cloudbursts, have become more frequent in parts of the USA, southwest Germany and other regions. The number of very severe tropical cyclones is also increasing. One direct result of warming is an increase in heatwaves such as that experienced in Russia this summer. There are also indications of a higher incidence of atmospheric conditions causing air mass formation on the north side of the Alps and low-lying mountain ranges, a phenomenon which can result in floods. Heavy rain and flash floods are affecting not only people living close to rivers but also those who live well away from traditionally flood-prone areas. Although climate change can no longer be halted, even with the help of very ambitious schemes, it can still be curbed.

Information on the climate summit for journalists

In the two months preceding the World Climate Summit, Munich Re will be drawing attention to the climate change issue with a series of communications and publications. The ERGO Insurance Group and MEAG, the asset manager of ERGO and Munich Re, are also planning to issue press releases in the next few weeks on insurance products related to natural catastrophes and renewable energy as well as business activities designed to reduce carbon emissions. From mid-October, journalists will be able to access an electronic press folder containing useful information on the climate summit at www.munichre.com. One press briefing on the subject of weather extremes and climate change will be held with Prof. Peter Höpfe at the Foreign Press Association in Berlin on 26 October, and another in Munich with reinsurance Board member Dr. Torsten Jeworrek towards the beginning of November.

Note for the editorial staff:
For further questions please contact

Media Relations Munich, Gerd Henghuber
Tel.: +49 (89) 3891-9896

Media Relations Asia, Nikola Kemper
Tel.: +852 2536 6936

Media Relations USA, Terese Rosenthal
Tel.: +1 (609) 243-4339

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financial stability and client proximity. This is how Munich Re creates value for clients, shareholders and staff. In the financial year 2009, the Group – which pursues an integrated business model consisting of insurance and reinsurance – achieved a profit of €2.56bn on premium income of around €41bn. It operates in all lines of insurance, with around 47,000 employees throughout the world. With premium income of around €25bn from reinsurance alone, it is one of the world's leading reinsurers. Especially when clients require 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 Germany and Europe. 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 €182bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

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