

Munich, 25 November 2011

Press release

Core group of countries needs to take lead on 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
<http://twitter.com/munichre>

Munich Re is calling for new climate protection initiatives. To boost the campaign being waged on global warming despite the stalled UN climate negotiations, a core group of countries that have already set their climate goals needs to take the lead and concentrate all their efforts on promoting renewable energy. "Switching from fossil fuels to renewable energy is the prime task this century faces and offers substantial financial opportunities", comments Torsten Jeworrek, CEO of reinsurance operations at Munich Re.

Hopes of a successful conclusion to the world climate summit, which starts next Monday in Durban, South Africa, are extremely slim. Progress may be achieved in the second negotiating track, i.e. adaptation aid for the countries worst hit by climate change. However, mankind's global warming issue would appear, under the United Nations' process, to be doomed to further failure in Durban. This would mean that the Kyoto Protocol, still the only binding climate protection agreement, although not signed by all the major economies, would expire with no follow-up agreement. The global climate situation has not changed despite considerable international efforts. Based on the latest scientific findings, little doubt remains about anthropogenic climate change and its impacts. With rising global CO₂ emissions, the 2°C target that scientists consider the maximum for containing global warming within manageable limits is virtually no longer attainable.

Munich Re has been analysing climate change for nearly forty years and set up the largest database documenting natural catastrophes worldwide, which now contains over 30,000 events. The database shows that the number of registered loss occurrences from extreme weather throughout the world has almost tripled since 1980. The number of flood loss events has gone up by a factor of more than three and the number of windstorm natural catastrophes has more than doubled.

Whereas the increasing losses are primarily due to socio-economic developments (population growth, rising values, settlement patterns), the strong rise in the number of weather-related catastrophes can probably not be fully explained without climate change, especially as the number of earthquakes, volcanic eruptions and other geophysical events has only increased slightly. Prof. Peter

Höppe, Head of Munich Re's Geo Risks Research: "It's as if the weather machine had shifted up a gear. We believe that we can already see this in retrospect in our last 30 years' data for some regions, although the most severe impacts of global warming are still to come."

Strong evidence of a link between global warming and increasing weather extremes was also provided by the IPCC special report published last Friday. It emphasises that risk transfer mechanisms such as natural hazard insurance and reinsurance are key factors in the resilience of social systems to changing weather hazards. An increasingly prominent role is likely to be played by projects like the Munich Climate Insurance Initiative (MCII), aimed at establishing risk transfer systems in those countries worst hit by climate change.

Munich Re does not believe a further failure at the Durban summit would necessarily spell the end of climate protection, as countries and companies increasingly perceive switching from fossil fuels to renewable energy to be the prime task this century faces, as well as the financial opportunities this presents. Countries and companies increasingly regard switching from fossil fuels to renewable energy as the prime task this century faces and recognise, despite the immense efforts involved, the financial opportunities it presents. Many countries are pursuing ambitious goals and this has given rise to a new industry. The changeover to renewables will be given strong backing in the next few years by the market and technical progress but this massive challenge can only be overcome if a core group of nations that have already set their climate goals now take the lead and concentrate their efforts on promoting renewable energy.

Beyond the political framework, further obstacles need to be removed from the path of renewable energy. The insurance industry can help to facilitate the introduction of this technology to the market by assuming specific investment risks and giving investors greater security. Munich Re is a pioneer in this field and has brought a number of innovative solutions onto the market in recent years such as performance guarantee covers for photovoltaic modules and exploration risks cover for geothermal drilling projects. Munich Re is also making a commitment on the investments side and will invest up to €2.5bn directly in renewable energy in the next few years – possibly also in the context of the Desertec vision, the realisation of which was initiated by Munich Re and its partners two years ago and has since been driven within the Dii GmbH framework.

Information on the climate summit for journalists

During the Durban climate summit, Munich Re will publish an electronic press folder on the internet containing useful information on aspects of the summit at www.munichre.com."

25 November 2011
Press release
Page 3/3

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

Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. Munich Re creates value for clients, shareholders and staff alike. In the financial year 2010, the Group – which pursues an integrated business model consisting of insurance and reinsurance – achieved a profit of €2.4bn on premium income of around €46bn. It operates in all lines of insurance, with around 47,000 employees throughout the world. With premium income of around €24bn 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. Our primary insurance operations are concentrated mainly in the ERGO Insurance Group. With premium income of over €20bn, ERGO is one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal protection insurance. More than 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 €193bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

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.

Munich, 25 November 2011

Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
Media Relations
Königinstraße 107
80802 München
Germany