

Princeton, New Jersey, October 19, 2010  
**Press release**

## **Munich Re Supports New Research Center to Help Strengthen Buildings Against Natural Disasters**

*As a founding member of the New, World-Class Institute for Business & Home Safety Research Center*

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Munich Re is proud to be among the leaders of the global property insurance industry who are founding members of the Institute for Business & Home Safety's (IBHS) new state-of-the-art, multi-peril Research Center, which officially opens today in South Carolina.

The IBHS Research Center, located about 50 minutes south of the Charlotte airport in Chester County, South Carolina, is the only facility of its kind in the world. Capable of meticulously recreating several types of windstorms, hailstorms, and wildfires in a controlled environment, the IBHS lab can accommodate full-scale 1- and 2-story residential and commercial structures in its cavernous test chamber. The defining feature of the lab is a massive array of 105 nearly 6-foot electric fans that can simulate gusty winds up to 140 mph.

"Munich Re is committed to developing solutions for its clients' as well as society's risks. We need to find solutions for reducing costs, and for saving lives in the event of natural disasters. The research that will come out of this facility will go a long way toward making homes safer, more resistant to damage caused by major catastrophes and other natural perils, and ultimately making insurance and reinsurance more affordable," said Tony Kuczinski, President and CEO of Munich Reinsurance America, Inc.

Natural catastrophes are becoming more costly to the insurance industry and the economy as a whole. According to Munich Re data, insured losses from significant U.S. natural catastrophes have almost doubled over the past two decades - from \$95 billion from 1990 to 1999, to \$185 billion from 2000 to 2009. Total economic loss also climbed from \$254 billion to \$351 billion during this period. Much of the increase in losses can be attributed to socioeconomic trends, including increased building along coastal areas.

The mission of the IBHS Research Center is to identify, objectively evaluate, and promote effective methods of property loss reduction and prevention. Testing conducted at the IBHS facility will help to establish clear, scientifically sound benchmarks for disaster-resistant design and construction of buildings, as well as helping to refine current product and system testing standards. The applied research will demonstrate the value, effectiveness, and affordability of better-built structures, as well as enhancing property risk modeling by strengthening the critical relationship between theoretical and actual building performance.

“We are very proud to be standing alongside the leaders of the global property insurance industry in this initiative,” said Julie Rochman, IBHS President and Chief Executive Officer. “The vision and real leadership demonstrated by the Founders of the IBHS Research Center is incredible. With this lab, they are stepping up and out to publicly demonstrate the extraordinary value they place on protecting families and their home, business owners and their operations, and entire communities from Mother Nature’s fury.”

### **Munich Re**

In the U.S., Munich Re provides access to a full range of property-casualty reinsurance and specialty insurance products through Munich Reinsurance America, Inc., American Modern Insurance Group and Hartford Steam Boiler Group. Together, we deal with the issues that affect society and work to devise cutting-edge solutions that render tomorrow’s world insurable. For more than 100 years, Munich Re has been successfully addressing the key challenges of the future in the US. Our clients trust us to develop solutions for the whole spectrum of reinsurance – from traditional reinsurance agreements to the management of complex specialty reinsurance risks. Our recipe for success: we anticipate risks early on and deliver solutions tailored to clients’ needs, creating opportunities to achieve sustained profitable growth.

### **Institute for Business & Home Safety**

IBHS is an independent, nonprofit, scientific and educational organization supported by the property insurance industry. The organization works to reduce the social and economic effects of natural disasters and other risks to residential and commercial property by conducting research and advocating improved construction, maintenance and preparation practices.

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