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Introduction

**What are Top Topics?**
Top Topics are issues of concern to Swiss Re, the re/insurance industry and society as a whole. Swiss Re has identified five Top Topics:
- Partnering for food security
- Managing climate and natural disaster risk
- Advancing sustainable energy solutions
- Funding longer lives
- Supporting financial stability

Swiss Re invests substantial resources in analysing the global risk landscape and the developments that shape it. Our Top Topics are issues for which Swiss Re can make a difference. By sharing our knowledge, we raise awareness of risks that our solutions and expertise can address. In addition, the Top Topics highlight our thought leadership and articulate Swiss Re’s stance on sustainability and corporate responsibility.

**How are Top Topics identified?**
Swiss Re takes a strategic approach to communications and has a recognised track-record in issue management. Our senior leadership regularly reviews the Top Topics to ensure they are relevant to Swiss Re, our clients and other key stakeholders.

**About this publication**
This publication introduces our Top Topics portfolio. It explains why Swiss Re has picked these five issues as our Top Topics and provides an insight into our key messages for each.
Partnering for food security

Why is this a Top Topic?
Today, about 870 million people – one in eight – are chronically hungry and malnourished. Hunger can lead to death from starvation and malnutrition can cause lifelong physical and mental weakness, with all the related social and economic consequences for our society.

Our growing world population – an estimated 9 billion people by 2050 – will be accompanied by a growing demand for food. Meeting this increasing demand is particularly challenging as supply is constrained by aggravating factors such as climate change, depleting agricultural soils, and land, water and energy restrictions. Additionally, dietary patterns are shifting towards more protein-rich foods such as meat and fish.

Farmers and the agricultural industry hold one of the keys to this demand-supply challenge, as they can increase productivity, especially in emerging markets. The role of the insurance industry is to offer farmers the financial security they need to invest in better seeds, fertiliser and farm infrastructure. These investments will increase productivity and the supply of crops, vegetables, fruit and livestock, ensuring enough food for all and sustainable agricultural practices.

Emerging markets are of particular importance because they contribute roughly 70% of worldwide food production. But agricultural productivity is considerably lower than in developed markets and insurance penetration is roughly 25% of that in countries of the Organisation for Economic Co-operation and Development (OECD). As farmers in emerging markets have limited access to credit for financing investments, agricultural insurance can help to create the financial resilience needed by farmers, banks and the agricultural industry by covering shortfalls in production and loss of income. Supporting the agricultural sector therefore helps to improve food security and contributes to the fight against poverty.
What does Swiss Re have to offer?

- Swiss Re is a leader in agricultural insurance markets providing solutions for direct insurers, the public sector and larger-sized farmers, input providers, grain handlers, traders, crushers and food processors.
- In addition to products that cover production risks, we also offer cover for price risks and provide solutions in markets that so far could not insure against agricultural risks.
- We use our experience, expertise and financial strength to provide cutting-edge solutions to all stakeholders of the agricultural value chain. By insuring the agricultural sector, we play a vital role in fighting hunger and poverty.
- Our product offering includes: crop insurance (hail, drought, multi-perils, area-yield, revenue guarantees), livestock, bloodstock, aquaculture, forestry and greenhouses.
Managing climate and natural disaster risk

Why is this a Top Topic?
Losses from floods, storms, earthquakes and other natural catastrophes (Nat Cat) impact the economies of entire countries and are therefore a key driver of the re/insurance business. Such losses are becoming more frequent and severe due to higher insurance penetration and the concentration of assets in exposed areas as well as climate change. If unmitigated, climate change could cost the world economy around 20% of global GDP by the end of this century.

Financing for disaster risk mitigation and climate adaptation strengthens the resilience of companies as well as local and national economies. Insurance puts a price tag on risk and incentivises investments in prevention measures. Understanding Nat Cat risks and the impact of climate change is critical to assess our business accurately and structure sound risk transfer solutions.

The public sector is increasingly interested in comprehensive country risk management and new solutions to finance disaster losses.

What does Swiss Re have to offer?
- We provide tailor-made re/insurance products for insurers, corporate and public sector clients, including non-traditional solutions such as insurance-linked securities (Cat bonds)
- We promote risk transfer as a way of becoming more resilient
- We create business opportunities and push the boundaries of insurability
- We use our capital strength, experience and knowledge to best serve Swiss Re’s clients, shareholders and other stakeholders

Our expertise is essential to structure innovative and sound risk transfer solutions. This is why we share the knowledge of our global team of experts and invest in proprietary, state-of-the-art Nat Cat models.
We also offer climate risk modeling capabilities and support our clients with strategic expertise and services on natural disaster risk and climate adaptation. These include the economics of climate adaptation (ECA) studies, our expertise publications and access to Swiss Re’s CatNet®.

We collaborate with universities and scientific institutions to stay abreast of the latest knowledge on the economic impact of natural disasters, including the effects of climate change.
Advancing sustainable energy solutions

Why is this a Top Topic?
Sustainable energy sources will be instrumental in reducing CO₂ emissions and securing future energy supplies. The associated risks offer opportunities to promote risk transfer and Swiss Re’s climate and sustainability reputation.

Consumer preferences for energy-efficient products and services are increasing, with cost pressure also influencing corporate efforts to increase energy efficiency. But austerity-driven subsidy cutbacks are triggering uncertainty in energy markets and making investment planning difficult. By reducing risks in sustainable energy projects and strengthening risk management strategies, risk transfer solutions can help overcome financing barriers and drive investments.

What does Swiss Re have to offer?
- We have recognised expertise in sustainability, climate mitigation and renewable energy issues. We are also known for our ability to assess the associated climate risks and shape the global climate debate
- We can offer comprehensive risk transfer solutions along the value chain of a renewable energy project, covering technical, financial and external risks (such as the unpredictable nature of weather)
- We lead by example in reducing our own carbon footprint. This, combined with our reputation and leading market position in the weather and energy business, reconfirms our vested interest, commitment and action in the sustainable energy space
Funding longer lives

Why is this a Top Topic?
People are living longer and there are decreasing numbers of people of working age to support ageing populations. The costs of funding retirement income, health care and long-term care in old age will increase dramatically. This could have significant financial consequences for individuals, insurers, employer pension funds and society in general. Public-private partnerships are needed to overcome this potential burden.

What does Swiss Re have to offer?
We are the world’s largest reinsurer of mortality, and life and health reinsurance is part of our core business. We are consequently a natural home for the longevity and health risks associated with ageing societies and have the financial strength to write risks across the lifespan.

Our in-depth research and development in the areas of life and health combines medical, demographic, social, behavioural and financial expertise to deliver unique insights into the implications of funding longer lives.

Our global presence and understanding of different demographic needs throughout the world allow us to adapt and develop solutions in new markets.

Concretely, our capability embraces:
- Longevity insurance and reinsurance for pension funds and insurers
- Old-age health solutions
- Experience in transferring risk onto our balance sheet
- Expertise in public-private partnership solutions
- Specialised skills, including top-flight research and development, actuarial expertise and medical underwriting knowledge
Supporting financial stability

**Why is this a Top Topic?**
We define financial stability in the context of regulatory reforms and the macroeconomic environment. These two elements affect both sides of insurers’ and reinsurers’ balance sheets: on the one hand, asset allocation and counter-party credit risk and, on the other, supervisory and prudential requirements.

Financial stability emerged as a topic following the 2008/2009 financial crisis that revealed flaws in regulatory, corporate and macroeconomic structures. New regimes have been introduced to address the causes of the crisis, and insurers now face a new dimension of macro-prudential regulation and new institutions unfamiliar with the insurance industry. These reforms are taking place against a backdrop of a very challenging and uncertain macroeconomic environment.

**What does Swiss Re have to offer?**
We are recognised as an industry leader and active participant in shaping global and local regulatory reforms.

Swiss Re is a trusted partner to clients negotiating the current wave of regulatory reform and difficult economic environment. We have the skills, knowledge and ability to identify clients’ needs and provide tailored solutions.

The fundamentals of Swiss Re’s business model promote financial and economic stability. We achieve this through:

- Providing risk- and capital-management solutions
- Stabilising and promoting growth within the insurance industry by means of our reinsurance solutions
- Benefiting society by investing in the economy while acting as a shock absorber, risk-remover and stabiliser through our insurance and reinsurance solutions
Contact information

For more information on each Top Topic and how Swiss Re rethinks risk, please visit http://www.swissre.com/rethinking/ or email Top_Topics@Swissre.com