
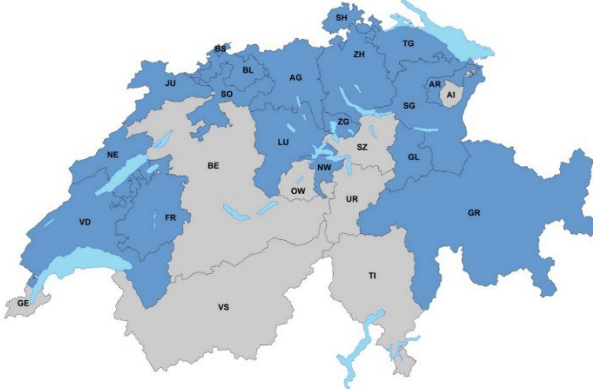


Natural Catastrophes Insurance Cover

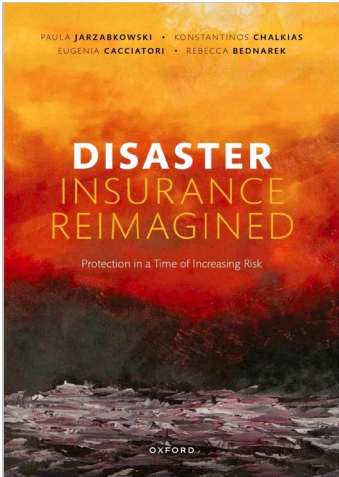
Individual System Summary Updates

As of **[September 2025]**

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| 1 | The name of the Cover |  <div style="display: inline-block; vertical-align: middle;"> <p>IRV Interkantonaler Rückversicherungsverband</p> <p>UIR Union intercantonale de réassurance</p> </div> |
| 2 | Cover Purchase / Distribution Channels | <p><i>The IRV is the joint reinsurance operation of 18 Public Insurance Companies for Real Estate PIRE.</i></p> <p><i>The IRV is the reinsurance entity within the Association of Public Insurance Companies for Real Estate APIRE.</i></p> <p><i>The PIREs themselves are the public law monopoly insurers for buildings in their specific canton. As public law entities the cornerstones of their operation is written into law. Three elements are crucial:</i></p> <ul style="list-style-type: none"> - <i>It is mandatory to insure everyone building (therefore the market in these cantons fully saturated at 100% market penetration). In general, the cover is set at replacement value, estimated by the PIRE.</i> - <i>The fire and elementals peril cover is only to be provided by the local Public Insurance Company for Real Estate PIRE (PIREs therefore acting as a monopolist with 100% market share in their specific canton)</i> - <i>The PIRE is a non-profit entity. Excess profit is given back to the customers / building owners by premium rabats and low tariffs in general.</i> <p><i>The IRV itself is a public law reinsurer owned by the member PIREs. IRV's task is to provide its members with adequate reinsurance, covering all their needs.</i></p> <p><i>In addition the IRV acts as managing agency of the Swiss Earthquake Pool (called "SPE").</i></p>  <p><i>Area covered by the IRV (PIREs member of the IRV)</i></p> |

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| 3 | Coverage (incl. perils, sum insured & premium etc.) | <p><i>The 18 PIRE cover around 2 million buildings with insured values of CHF 2'500 billion representing around 70% of the building stock in Switzerland.</i></p> <p><i>Including the 19th PIRE (Bern) the public law part of the system in Switzerland covers around 2,4 million buildings with insured values of CHF 3'000 billion representing around 80% of the building stock in Switzerland. 20% of the building stock are within the seven cantons, where there is no PIRE and insurance of buildings is up to private law insurance companies.</i></p> <p><i>The IRV provides all the necessary reinsurance covers for the member PIREs / their lines of business:</i></p> <ul style="list-style-type: none"> - <i>Fire – up to 300 million CHF per event</i> - <i>Elemental perils (wind, flood, hail, ... but excluding EQ!):</i> <ul style="list-style-type: none"> - <i>individual cover for each PIRE up to a 50-year return period loss (annual losses / aggregate excess of loss cover),</i> - <i>above an individual threshold of the 50-year return period loss (annual losses / aggregate excess of loss cover) losses are shared within a solidarity scheme between the 18 members and the IRV. The so-called Intercantonal Risk Community (called “IRG” – a claims pool) covers up to CHF 1,6 billion of additional losses.</i> - <i>EQ – PIRE Zürich only, up to CHF 1 billion.</i> |
| 4 | Claim Criteria / Loss Trigger | <p><i>The “catastrophe” part of the program being the Intercantonal Risk Community (called “IRG”):</i></p> <ul style="list-style-type: none"> - <i>The sum of elemental peril losses throughout the whole year must reach a certain threshold – being a 50-year return period loss.</i> - <i>Exceeding losses are pooled and settled within the IRG (claims pool with 18 PIREs participating).</i> - <i>The IRG has a total claims paying capacity of CHF 1,6 billion.</i> |
| 5 | Current Risk Assuming and Transferring structure (see following diagram) | <p><i>The threshold of a 50-year return period event is calculated individually for every PIRE and can differ greatly, depending on their individual risk profile / exposure.</i></p> <p><i>The IRG is financed through member contributions, IRV's contribution and reinsurance capacity.</i></p> <p><i>The capacity of the IRG grants its individual members cover up to a 200-year return period loss. On the other side this capacity has always to be reviewed under the aspect of affordability.</i></p> |

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| 6 | Recent Loss events | <p><i>After many years without loss activity, the IRG has been hit in 2021 and 2023 with moderate losses.</i></p> <p><i>In 2021 a stretch of bad weather in the summertime (around two months of bad weather with many local events – first for severe convective storms) caused losses with many a PIRE. Within this stretch of bad weather, especially one hail event caused widespread heavy damage in the cantons of Lucerne and Zug. The IRG helped to cover these losses, paying out around CHF 230 millions.</i></p> <p><i>In 2023 one single event caused local devastation in the city of La-Chaux-de-Fonds (canton Neuburg). A severe convective storm with extreme strong winds caused losses, of which the IRG covered around CHF 75 millions.</i></p> <p><i>It can be said that in the face of such events, which by far do not represent our worst-case scenarios, the system of the PIREs, together with the IRG performed as expected.</i></p> <p><i>No Homeowner got ruined and lost their home!</i></p> |
| 7 | Latest take-up rate (Penetration rate) | <p><i>The 18 PIRE cover around 2 million buildings with insured values of CHF 2'500 billion representing around 70% of the building stock in Switzerland.</i></p> <p><i>Including the 19th PIRE (Bern) the public law part of the system in Switzerland covers around 2,4 million buildings with insured values of CHF 3'000 billion representing around 80% of the building stock in Switzerland. 20% of the building stock are within the seven cantons, where there is no PIRE and insurance of buildings is up to private law insurance companies.</i></p> <p><i>The PIREs themselves are the public law monopoly insurers for buildings in their specific canton. As public law entities the cornerstones of their operation is written into law. Three elements are crucial:</i></p> <ul style="list-style-type: none"> <i>- It is mandatory to insure everyone building (therefore the market in these cantons fully saturated at 100% market penetration). In general, the cover is set at replacement value, estimated by the PIRE.</i> <i>- The fire and elementals peril cover is only to be provided by the local Public Insurance Company for Real Estate PIRE (PIREs therefore acting as a monopolist with 100% market share in their specific canton)</i> <i>- The PIRE is a non-profit entity. Excess profit is given back to the customers / building owners by premium rabats and low tariffs in general.</i> |
| 8 | Current Accumulate reserves (fund) | <p><i>While reserves are only one tool with regard of claims paying ability (others being buying reinsurance, calculation of premium rates for our member, managing financial assets), the Risk Carrying Capital RCC of the IRV is at CHF 1,1 billion.</i></p> <p><i>The RCC of the 18 PIRE is at in excess of CHF 10 billion.</i></p> |

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| 9 | Website/ annual report Linkage | www.vkg.ch <i>german / french / Italian individual websites for each PIRE</i> |
| 10 | Others | <p><i>For further information we would like to hint you to following publication: <u>Re-imagining Disaster Insurance: Protection in a Time of Increasing Risk</u></i></p>  |

Current Risk Assuming and Transferring structure (diagram)