

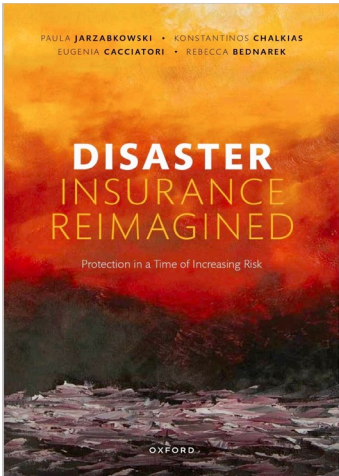


Natural Catastrophes Insurance Cover Individual System Summary Updates

As of **[September 2025]**

1	The name of the Cover	 <p>SPE Schweizerischer Pool für Erdbebendeckung PSDS Pool suisse pour la couverture des dommages sismiques</p>
2	Cover Purchase / Distribution Channels	<p><i>The SPE is the joint reinsurance operation of 17 Public Insurance Companies for Real Estate PIRE.</i> <i>The SPE is the reinsurance entity within the Association of Public Insurance Companies for Real Estate APIRE.</i> <i>The SPE is managed by the Interkantonaler Rückversicherungsverband IRV.</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. With regard to specific earthquake cover, it has to be noted:</i></p> <ul style="list-style-type: none"> - <i>Earthquake is NOT covered under fire and elemental perils.</i> - <i>Earthquake is a named exclusion (direct and indirect losses).</i> - <i>The PIRE may participate or be a member of any organisation, that support homeowners “in time of need”.</i> <p><i>The SPE itself is a public law reinsurer owned by the member PIREs. SPE’s task is to provide its members with adequate reinsurance, covering the voluntary payouts by its members.</i></p>  <p><i>Area covered by the SPE (PIREs member of the SPE)</i></p> <p><i>Note:</i> <i>In comparison to the IRV, the PIRE of the canton Zurich is not a member of the SPE. This is because in the canton of Zurich earthquake is a covered peril. Therefore, this PIRE has different reinsurance needs covered by the IRV.</i></p>

3	Coverage (incl. perils, sum insured & premium etc.)	<p><i>The SPE is a charity fund. No insurance policies are provided to the homeowners / customers.</i></p> <p><i>The SPE provides all the necessary reinsurance covers for the member PIREs to make voluntary payouts:</i></p> <ul style="list-style-type: none"> <i>- In case of an earthquake acknowledged by the Swiss Seismic Service at the ETH, causing losses intensity VII+ (EMS 98 Scale) and after activation of the Schadenorganisation Erdbeben SOE.</i> <i>- The SPE has a total claims paying capacity of CHF 4 billion per year, or CHF 2 billion per event.</i> <i>- Up to CHF 100'000 maximum payout per building.</i> <i>- Covering emergency funding for affected homeowners in the cantons of the member PIREs. The payouts are not directly linked to reconstruction activities (in comparison to the core business of the PIREs).</i> <p><i>Due to its character this cover is free of premium for the homeowners.</i></p>
4	Claim Criteria / Loss Trigger	<p><i>The SPE is triggered when all three of the following criteria are met:</i></p> <ul style="list-style-type: none"> <i>- An natural earthquake acknowledged by the Swiss Seismic Service at the ETH,</i> <i>- Causing (expected) losses intensity VII+ (EMS 98 Scale),</i> <i>- Schadenorganisation Erdbeben SOE was activated (responsible for claims adjusting).</i>
5	Current Risk Assuming and Transferring structure (see following diagram)	<p><i>When the SPE is triggered, the following capacities can be attached</i></p> <ul style="list-style-type: none"> <i>- The SPE has a total claims paying capacity of CHF 4 billion per year, or CHF 2 billion per event.</i> <i>- Up to CHF 100'000 maximum payout per building.</i> <i>- Covering emergency funding for affected homeowners in the cantons of the member PIREs. The payouts are not directly linked to reconstruction activities (in comparison to the core business of the PIREs).</i> <p><i>The SPE is financed through its own funds, member contributions and reinsurance capacity. This capacity has always to be reviewed under the aspect of affordability. However, the CHF 2 billion per event is a very well know number with Swiss politics and the public simply assumes this capacity as a fact.</i></p>
6	Recent Loss events	<i>Since inception 1078 the SPE has been loss free.</i>
7	Latest take-up rate (Penetration rate)	<i>As the members of the SPE are public law entities, all the homeowners in the cantons of the members automatically become subject to this cover. Market penetration therefore is 100% within the 17 cantons of the member PIREs.</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 (while it is premium free for homeowners, it is not premium free for the PIREs), managing financial assets), the Risk Carrying Capital RCC of the SPE is at CHF 230 million.</i></p> <p><i>The 17 PIRE do not have specific reserves to cover Earthquake, as it is an excluded peril by law. Any payout has to be recovered from the SPE and no additional payouts by PIREs is foreseen.</i></p>
9	Website/ annual report Linkage	<p>www.vkg.ch</p> <p><i>german / french / Italian individual websites for each PIRE</i></p>
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)