

## Event Report



### CSA Insurance Linked Strategies

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#### Coronavirus in China – January 2020

We would like to provide some information on the developing situation regarding the recent coronavirus that emerged in Wuhan, China, rapidly expanding across China, and now globally.

The novel coronavirus emerged in December 2019 in the town of Wuhan at a food market with wild animals and as of 23 January 2020 has led to 581 confirmed cases, of which 95 are severe and 17 deaths. There are over 1'100 suspected cases and 10 total cases reported outside of China.

The virus is similar to the MERS and SARS viruses but is currently differentiating itself by being less aggressive in terms of symptoms and mortality rates. However, such viruses can change quickly and become increasingly hostile.

There is “fourth-generation” spread of the virus in Wuhan, meaning there are cases where an individual has spread it to a second person, that second person spread it to a third, and the third to a fourth. Outside of Wuhan, there is also evidence of second-generation cases.

There are many questions surrounding the virus but there are also some initial answers from the decoding of DNA, which is key in determining reproduction factors and in the development of vaccines. The reproduction factor defines the number of infected people caused by a single infected person – and the fatality rate. Currently, this is around 1.4 to 2.5, which means that each infected person is estimated to be transmitting the virus to between 1.4 to 2.5 people, which is lower than the reproduction factor of the SARS coronavirus. The fatality rate is challenging to assess at this stage but based on early observations it should be lower than the SARS coronavirus because 25% of cases are reported to be severe and the lethality rate is at 4%. Please note that those figures could change with the reporting of new cases. Furthermore, a screening test has already been developed and is ready for use in order to identify infected people early on.

The Chinese government has been informed relatively quickly and taken unprecedented measures to try and contain the spread of the virus. Over 40 million people have been put under travel restrictions and / or been quarantined.

Key question: What is the risk that this virus can develop into a pandemic? As of now, this cannot be answered as there is too little information and experience with the virus. However, we believe the quick reaction around the world will not prevent the virus from spreading globally. Shut down of travel activity would buy the global population more time to develop vaccines or anti-viral drugs.

We believe there is moderate risk indicating this virus can develop into a pandemic with global human and economic consequences. The portfolio has very limited exposure to pandemic risk. We will keep you updated on significant developments.

In the meantime, please do not hesitate to contact us if you have any questions.

Kind regards,  
Credit Suisse Insurance Linked Strategies Ltd

Sources: Credit Suisse, WHO

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