



## Facts and Figures 2001

ASA | SVV

Schweizerischer Versicherungsverband  
Association Suisse d'Assurances  
Associazione Svizzera d'Assicurazioni  
Swiss Insurance Association

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# Swiss private insurance industry

**Both domestic and foreign insurance companies operate in Switzerland.**

Insurance companies	Switzerland	Foreign	Total
Life insurers	28	2	30
Non-life insurers	73	35	108
Reinsurers	35	–	35
<b>Total</b>	<b>136</b>	<b>37</b>	<b>173</b>

Status: 30.9.2000

The 37 foreign insurance companies operating in Switzerland are headquartered in the following countries: Belgium 4, Bermudas 1, Germany 11, France 5, United Kingdom 10, Guernsey 2, Netherlands 1, Luxembourg 1, Sweden 1, Spain 1.

**The insurance industry hosts approximately 48,000 jobs in Switzerland, this figure amounting to 99,000 for foreign operations.**

	1998	1999	2000
Total employed <sup>1</sup>	120 954	145 845	146 815
– in Switzerland	48 110	48 973	47 859
– outside of Switzerland	72 844	96 872	98 956
<b>Breakdown of those employed in Switzerland</b>			
– trainees	2 127	2 134	2 178
– women	17 769	18 196	17 739
– men	30 341	30 741	30 120
– in field service	10 153	10 439	10 368

<sup>1</sup> Number of individuals recorded, not positions

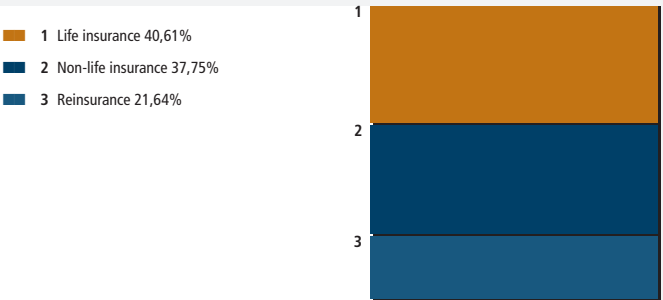
Status as at 1 January 2000

# Premium revenue of the Swiss private insurance industry

Premium volume of Swiss insurance companies (including subsidiaries) according to territory of origin 2000 (1999)

Total insurance business	Switzerland	EU	Rest of world	Total
Life insurance	32,1 (31,3)	23,8 (22,3)	3,6 (3,4)	59,5 (57,0)
Non-life insurance	14,5 (14,3)	25,9 (24,9)	14,9 (14,2)	55,3 (53,4)
Total direct insurance	46,6 (45,7)	49,7 (47,2)	18,5 (17,6)	114,8 (110,4)
Reinsurance	1,8 (1,8)	14,9 (14,5)	15,0 (14,1)	31,7 (30,4)
Total in billion CHF	48,4 (47,5)	64,6 (61,7)	33,5 (31,7)	146,5 (140,8)
As a percentage	33,0 (34,0)	44,0 (44,0)	23,0 (22,0)	100,0 (100,0)

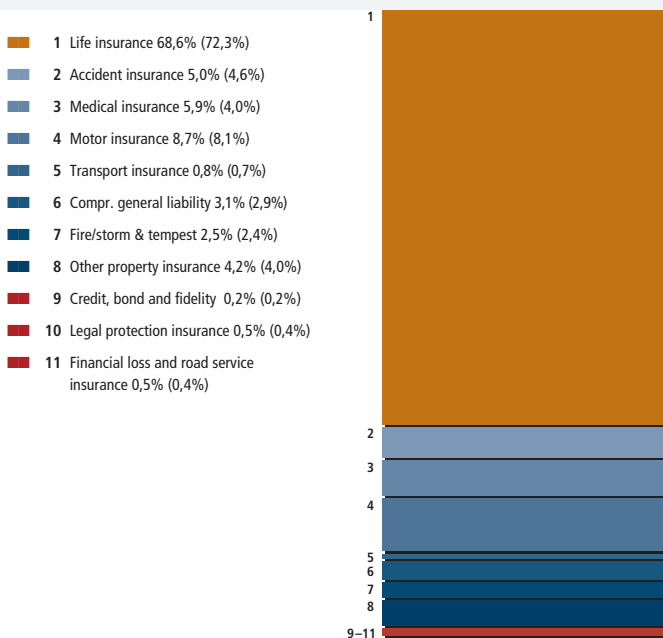
2000 figures = SIA estimates



## Premium revenue of the Swiss private insurance industry

Direct Swiss business	1998	1999	Change %
Life insurance	34 958	31 341	- 10,4
Accident insurance	2 227	2 301	+ 3,3
Medical insurance	1 927	2 709	+ 40,5
Motor insurance	3 917	3 962	+ 1,2
Ocean marine, aviation and transport insurance	356	353	- 0,9
Comprehensive general liability insurance	1 402	1 392	- 0,8
Fire/storm & tempest	1 153	1 121	- 2,8
Other property insurance	1 922	1 932	+ 0,5
Legal protection insurance	211	215	+ 1,9
Credit, bond and fidelity insurance	93	111	+ 19,5
Financial loss and road service insurance	214	240	+ 12,4
<b>Total in million CHF</b>	<b>48 381</b>	<b>45 678</b>	<b>- 5,1</b>

Premium revenue total per insurance sector, Switzerland 1999 (1998)

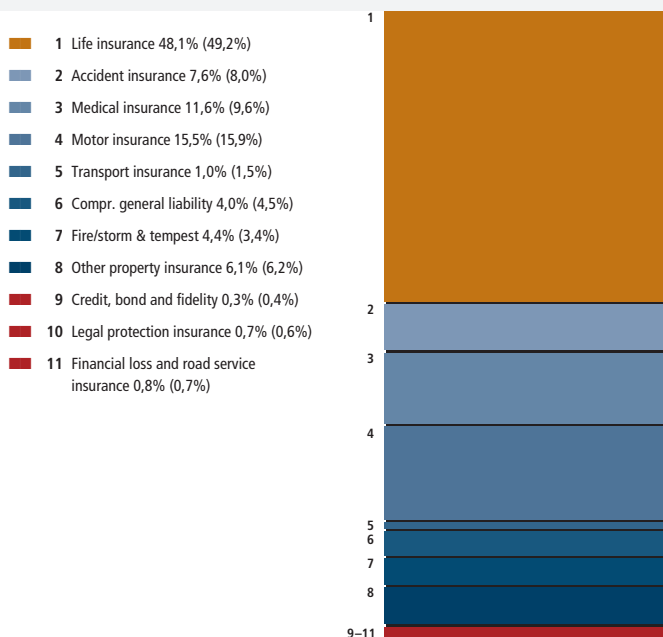


## Benefits disbursed by the Swiss private insurance industry

Swiss business	1998	1999	Change %
Life insurance	7 879	8 553	+ 8,6
Accident insurance	1 274	1 348	+ 5,8
Medical insurance	1 522	2 057	+ 35,2
Motor insurance	2 552	2 748	+ 7,7
Ocean marine, aviation and transport insurance	244	184	- 24,8
Comprehensive general liability insurance	717	713	- 0,5
Fire/storm & tempest	536	789	+ 47,4
Other property insurance	986	1 081	+ 9,6
Legal protection insurance	100	117	+ 16,6
Credit, bond and fidelity insurance	63	45	- 28,4
Financial loss and road service insurance	119	133	+ 12,4
<b>Total in million CHF</b>	<b>15 992</b>	<b>17 770</b>	<b>+ 12,3</b>

The reserves for pending claims are not included in these figures.

### Benefits disbursed per insurance sector in 1999 (1998)



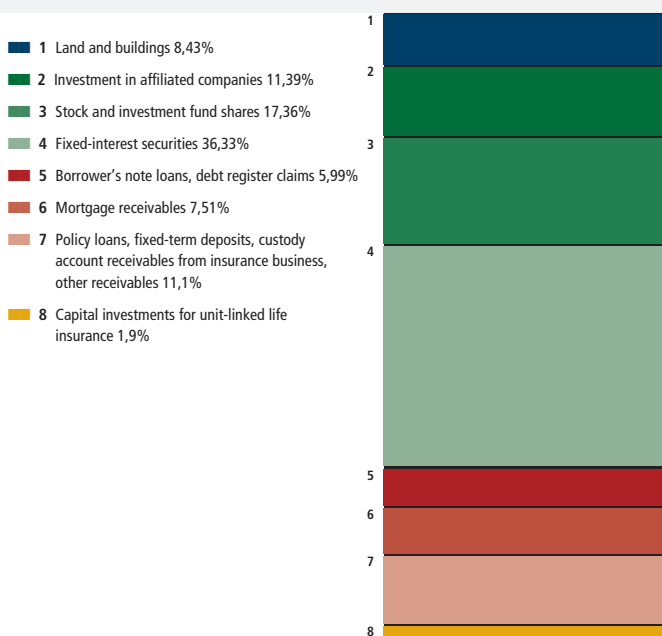
Capital investments	1997	1998	1999
Life insurance	224 285	252 284	275 681
Non-life insurance	75 852	75 796	80 692
Reinsurance	40 148	42 889	53 221
<b>Total in million CHF</b>	<b>340 285</b>	<b>370 969</b>	<b>409 594</b>

Breakdown of capital investments 1999	Life	Non-Life	Re	Total
<b>Total in million CHF</b>	<b>275 681</b>	<b>80 692</b>	<b>53 221</b>	<b>409 594</b>
Land and buildings	25 578	6 999	1 940	34 518
Investment in affiliated companies, shareholdings, own stock	9 007	20 782	16 845	46 633
Stock and investment fund shares	51 190	11 081	8 835	71 106
Fixed-interest securities	111 892	24 359	12 567	148 818
Borrower's note loans, debt register claims	21 750	2 358	432	24 540
Mortgage receivables	26 665	3 548	528	30 741
Policy loans, insurance business receivables	7 751	4 527	2 616	14 895
Fixed-term deposits, other capital investments	10 923	1 605	1 793	14 321
Custody account receivables	322	1 557	6 905	8 784
Other receivables	2 841	3 876	760	7 477
<b>Capital investments for unit-linked life insurance</b>	<b>7 763</b>	<b>–</b>	<b>–</b>	<b>7 763</b>



Income from capital investments	1997	1998	1999
Total in million CHF	16 999	17 826	20 335

### Distribution of capital investments according to investment category



Reserves	1998	1998 <sup>1</sup>	1999	1999 <sup>1</sup>
Life insurers	239 223	573,5	261 159	676,0
Property insurers	49 800	226,3	52 995	243,8
Reinsurers	27 309	237,8	37 103	331,0
Total in million CHF	316 332		351 257	

<sup>1</sup> As a % of net premiums

Guaranty funds <sup>1</sup>	Mandatory minimum as of 31 Dec 1999	Total worth of coverage
Guaranty funds of Swiss life insurance institutions in million CHF	195 360	211 483

### The Swiss private insurance industry and its contribution to Switzerland's balance of payments

Over one half of premium revenue comes from outside Switzerland.

Consequently, the Swiss insurance industry makes a considerable contribution to Switzerland's balance of payments.

	1997	1998	1999
Revenue surplus from the insurance business in million CHF	2 021	2 177	2 698

### The Swiss private insurance industry and its contribution to Switzerland's tax revenue

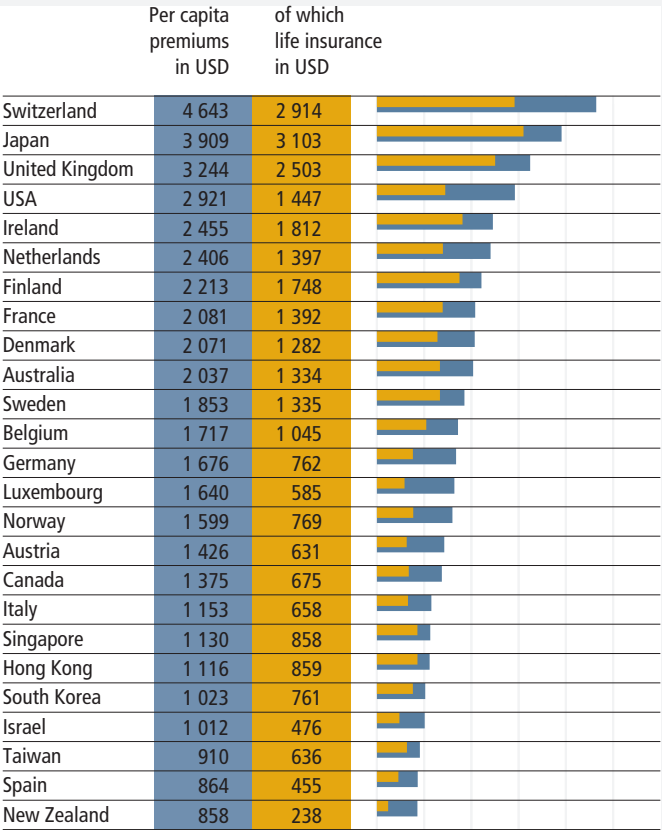
In 1999 the Swiss private insurance industry paid over CHF 800 million in taxes.

<sup>1</sup> **Art. 32 of the Federal Law Pertaining to the Securing of Claims from Life Insurance Policies**

The mandatory minimum of the guaranty fund is equal to the following amounts

1. amount of the premium reserve computed according to the operating plan to cover current insurance policies minus the loans and prepayments granted thereon and outstanding and deferred premiums;
2. reserves to cover pending insurance benefits;
3. policy dividends credited to individual policyholders;
4. adequate bonus.

# International insurance ratios<sup>1</sup> 1999



Source: sigma/Swiss Re

0 1000 2000 3000 4000 5000

<sup>1</sup> Amount spent on insurance premiums per capita and country (without social security).

## Life insurance

### Premiums

Total insurance business (1999)	Switzer-land	Foreign	Total
Earned premiums, gross in million CHF	31 391	7 158	38 549
Direct Swiss business Premium revenue, gross		1999	of which single- premium
- Endowment insurance		7 670	2 850
- Annuity insurance		2 342	2 204
- Occupational pensions		19 867	12 024
- Unit-linked life insurance		1 461	984
Individual and group total in million CHF		31 341	18 061

### Benefits

Total insurance business (1999)	Switzer-land	Foreign	Total
Disbursements for claims, gross In million CHF	21 001	3 985	24 986
Direct Swiss business	1997	1998	1999
Insurance benefits	7 401	7 879	8 553
Surrendered policies, lump-sum settlements	9 621	10 667	12 448
Total	17 022	18 546	21 001
With-profits bonuses	2 536	2 655	2 669
Total including with-profits bonuses in million CHF	19 558	21 201	23 670

Direct Swiss business	1998	1999
Individual insurance		
- Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance		
- Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	4 304	4 877
	1 748	1 486
Group insurance		
- Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	3 575	3 676
- Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	8 919	10 961
Total in million CHF	18 546	21 001
Total payments	1998	1999
Individual		
- Endowment insurance	4 931	5 096
- Annuity insurance	1 039	1 143
Group	12 495	14 637
Unit-linked life insurance	81	125
Total in million CHF	18 546	21 001
Credited with-profits bonuses (exclusive of unit-linked life insurance)	1998	1999
- Individual	1 422	1 470
- Group	1 233	1 199
Total in million CHF	2 655	2 669

Policies in force	1998	1999
Individual endowment insurance	225 895	234 153
Individual annuity insurance	1 503	1 662
Group endowment insurance	312 097	327 400
Group annuity insurance	6 931	7 612
<b>Total in million CHF</b>	<b>546 426</b>	<b>570 827</b>
<b>Endowment policies in force, individual</b>	<b>1998</b>	<b>1999</b>
Mixed and similar insurance	151 950	158 298
Term life insurance	73 945	75 855
<b>Total in million CHF</b>	<b>225 895</b>	<b>234 153</b>
- of which restricted-access pension schemes (pillar 3a)	64 502	72 694
- of which free-access pension schemes (pillar 3b)	141 805	161 459
<b>Annuity policies in force, individual</b>	<b>1998</b>	<b>1999</b>
Retirement annuities	579	665
Widow, widower and orphan pensions, terminable annuities	186	185
Current pensions, perpetual and terminable annuities	738	812
<b>Total in million CHF</b>	<b>1 503</b>	<b>1 662</b>
- of which restricted-access pension schemes (pillar 3a)	200	229
- of which free-access pension schemes (pillar 3b)	1 228	1 433
<b>Endowment policies in force, group</b>	<b>1998</b>	<b>1999</b>
Mixed and similar insurance	71 514	77 385
Term life insurance	240 583	250 015
<b>Total in million CHF</b>	<b>312 097</b>	<b>327 400</b>
- of which for occupational pensions	307 347	321 920

Annuity policies in force, group	1998	1999
Reversionary annuities		
- Retirement annuities	610	537
- Survivorship annuities	5 385	6 055
Current annuities		
- Retirement annuities	718	789
- Survivorship annuities	218	231
Total in million CHF	6 931	7 612
- of which for occupational pensions	6 919	7 601
<hr/>		
Policies	1998	1999
<hr/>		
Individual		
- Individual endowment insurance	3 142 497	3 185 408
- Individual annuity insurance	171 584	186 668
Total	3 314 081	3 372 076
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Group		
- Number of policies	181 449	274 151
- Number of insureds	2 952 673	3 020 710
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Premium reserves	1998	1999
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Individual endowment insurance	63 349	66 473
Individual annuity insurance	15 173	17 103
Group insurance	93 564	101 342
Unit-linked life insurance	4 979	6 840
Total in million CHF	177 065	192 173
of which foreign-currency policies	3 626	7 483

## Accident and property insurance

Total insurance business (1999)	Switzerland	Foreign	Total
Earned premiums, gross	14 040	7 977	21 916
Disbursements for claims, gross	9 217	5 831	15 047
In million CHF			

Direct Swiss business (1999) <sup>1</sup>	Earned premiums, gross	Disbursements for claims, gross
Accident insurance	2 303	1 348
Medical insurance	2 432	1 868
Liability and motor insurance	5 679	3 646
Fire and property insurance	3 071	1 870
Other	556	296
Total in million CHF <sup>1</sup>	13 939	9 217

Number of policies	1998: 20 306 067	1999: 23 713 599
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Accident insurance <sup>1</sup>	Earned premiums, gross	Disbursements for claims, gross
Individual accident insurance	296	186
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	178	193
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	1 081	616
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	41	29
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	335	180
Motor passenger accident insurance	195	48
Other group accident insurance	177	97
Total in million CHF <sup>1</sup>	2 303	1 348

<sup>1</sup> Property insurers only



Medical insurance	Earned premiums, gross	Disbursements for claims, gross
Voluntary individual medical insurance	981	697
Group medical insurance	1 451	1 171
<b>Total in million CHF</b>	<b>2 432</b>	<b>1 868</b>

Liability and motor insurance	Earned premiums, gross	Disbursements for claims, gross
Motor liability insurance	1 918	1 552
Other motor insurance types	2 031	1 196
<b>Motor, total</b>	<b>3 949</b>	<b>2 748</b>
Ocean marine, aviation and transport insurance	354	184
Comprehensive general liability	1 377	713
<b>Total in million CHF</b>	<b>5 679</b>	<b>3 646</b>

Fire and property insurance	Earned premiums, gross	Disbursements for claims, gross
Fire	897	584
Storm & tempest	236	205
Other property insurance	1 937	1 081
<b>Total in million CHF</b>	<b>3 071</b>	<b>1 870</b>

Other insurance types	Earned premiums, gross	Disbursements for claims, gross
Legal protection insurance	213	117
Credit	62	23
Bond and fidelity	44	22
Road service	101	75
Miscellaneous financial losses	136	117
<b>Total in million CHF</b>	<b>556</b>	<b>296</b>

## Reinsurance

Property insurance business 1999	Earned premiums, gross	Disbursements for claims, gross
Accident insurance	659	264
Medical insurance	130	79
Motor insurance	2 107	1 664
Ocean marine, aviation and transport insurance	773	748
Fire, storm & tempest, and property-casualty insurance	5 361	3 230
Comprehensive general liability insurance	2 647	525
Credit, bond and fidelity insurance	730	380
Other sectors	109	105
<b>Total in million CHF<sup>1</sup></b>	<b>13 753</b>	<b>8 079<sup>1</sup></b>

Life business 1999	Earned premiums, gross	Disbursements for claims, gross
Individual		
- Endowment insurance	1 595	1 189
- Annuity insurance	2	35
Group	1 470	775
<b>Total in million CHF</b>	<b>3 162</b>	<b>2 048<sup>1</sup></b>

Reinsurance coverage business	Earned premiums, gross	Disbursements for claims, gross
Property	13 753	8 079
Life	3 162	2 048
<b>Total</b>	<b>16 915</b>	<b>10 127</b>
Retroceded portion	2 153	1 620
<b>Total, net, in million CHF</b>	<b>14 762</b>	<b>8 507<sup>1</sup></b>

<sup>1</sup> The total also includes payments of insurance institutions which were unable to provide a breakdown of their property business according to sector.

## About insurance coverage in Switzerland

### State pension scheme (AHV/IV), occupational pension schemes (BVG), and voluntary pension plans – also known as the "three-pillar system"

#### 1st pillar

		2001
Basic amounts applicable to Old-age and Surviving Dependants'/Disability Insurance pensions (AHV/IV)		
Full single old-age pension		
- Minimum amount	per year	12 360.–
	per month	1 030.–
- Maximum amount	per year	24 720.–
	per month	2 060.–
Full married couple old-age pension (current pensions)		
- Minimum amount	per year	18 540.–
	per month	1 545.–
- Maximum amount	per year	37 080.–
	per month	3 090.–
Pensions as a % of the single old-age pension		
Widow's pension		80%
Orphan's pension (one parent dead)		40%
Orphan's pension (both parents dead)		60%
Permanent disability pension		100%

The prerequisites to be satisfied pursuant to the Federal Law Pertaining to the Old-age and Surviving Dependants' Pension Scheme (AHV) and Disability Insurance Scheme (IV) are applicable to these benefits.

#### 2nd pillar

Occupational coverage limits serve to establish the minimum salary limit subject to compulsory coverage, the upper and lower insured salary limits ("coordinated pay"), and the minimum insured salary.

		2001
Pay above the following amounts is subject to compulsory insurance coverage = Coordination deduction / = Maximum single old-age pension		24 720.–
Upper salary limit subject to compulsory insurance = Triple the maximum single old-age pension		74 160.–
Maximum salary subject to compulsory insurance = Coordinated pay		49 440.–
Minimum amount: If the coordinated pay amounts to less than 1/8 of the maximum single old-age pension, it has to be rounded up to this minimum amount.		3 090.–

## Pillar 3a

Deductible contributions to restricted-access pension schemes (self-employed and employed)	2001
Persons with 2nd pillar coverage up to 8% of the upper BVG salary limit	max. 5 923.–
Persons without 2nd pillar coverage up to 20% of pay, maximum of 40% of upper BVG salary limit	max. 29 664.–

Earned income of self-employed persons: gross earnings after deduction of AHV/IV/EO and ALV contributions; earned income of employed persons: amount remaining subsequent to credits, offsets and deductions having been applied, with any tax adjustments having been made.

## Tax treatment

### General remarks

#### Income deductions

- Occupational pensions: contributions fully deductible.
- Restricted-access pensions: contributions fully deductible, however inpayments are subject to restrictions.
- Free-access pensions: limited deductibility of contributions.

#### Taxation of benefits

- Benefits from occupational and restricted-access pension schemes (pillars 2 and 3a): Full income tax rate; a reduced tax rate is applicable to cash benefits from these two pillars. Same taxation applicable to endowment, death and disability benefits.
- Benefits from free-access pension schemes (pillar 3b):
  - No income tax payable on cash benefits from insurance policies with periodical premium payment; however, cantonal inheritance and gift taxes may apply.
  - Single-premium endowment life insurance policies are subject to direct federal income tax and cantonal income tax when the endowment benefit is disbursed or the policy is surrendered. They are tax-exempt when the policy was taken out prior to the insured's 66th birthday, the insured was over 60 when the benefit was disbursed, and the insurance policy had a term of a minimum of 5 years.
  - Reduced taxation rate of private pensions.

#### Net worth tax

- No taxation of entitlements from occupational and restricted-access pension plans before the benefits are due.
- Net worth tax payable on the surrender value of private endowment and deferred life annuities with a money-back guarantee.
- Stamp tax: 2.5 percent on surrenderable single-premium endowment and annuity insurance policies.

#### Withholding tax on insurance benefits

- Disbursed cash benefits in excess of CHF 5,000 and pensions in excess of CHF 500 p.a. are reported to the Swiss Federal Tax Administration. In the event that an objection is lodged by the policyholder or claimant, a tax deduction of 8% is applied to cash benefits and 15% to pensions.
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#### Withholding tax applicable to pension benefits

- Generally speaking, benefits from pillars 2 and 3a for individuals residing outside of Switzerland are taxed at source.

### Deductions

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#### Occupational coverage

- Current contributions and contracting-in sums completely deductible, the latter only in the event that future benefits are subject to full taxation.  
Since 2001, contracting-in possibilities are limited.

### Taxation of benefits

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#### Occupational and restricted-access pensions:

##### a) Direct federal income tax

- Cash benefits: Taxation separately of other income at one fifth of the applicable federal rate (annual tax).
- Pensions: Subject to full taxation as income together with other income.

##### b) Cantons

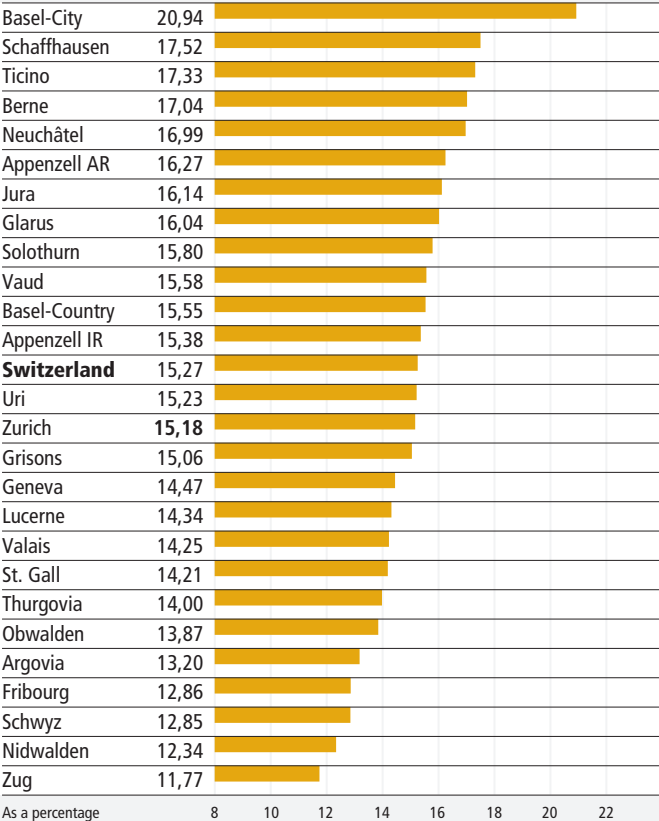
- Cash benefits: Reduced taxation of cash benefits from occupational and restricted-access pension plans, separately of other income (annual tax).
- Pensions: Same taxation as direct federal tax.
- Transition phase: Applies to benefits from occupational pension schemes disbursed between 1987 and 2002 and provident schemes originating before the BVG tax provisions entered into force. Taxed at a reduced rate, for pensions generally 80% of disbursed benefits.

#### Free-access pension schemes

- No income tax payable on cash benefits (including with-profits bonuses) from surrenderable life insurance policies with periodical premium payment; however, cantonal inheritance and gift taxes may apply.
- Self-financed private pensions are subject to income tax, this being applicable to 40% of the disbursed benefit.
- Revenue from single-premium endowment insurance policies is tax-free as from 1 January 1999 insofar as they serve providence purposes. "Serving providence purposes" applies to disbursement of benefits after the insured reaches age 60, providing the policy has been in force for at least 5 years and was taken out before the insured's 66th birthday.

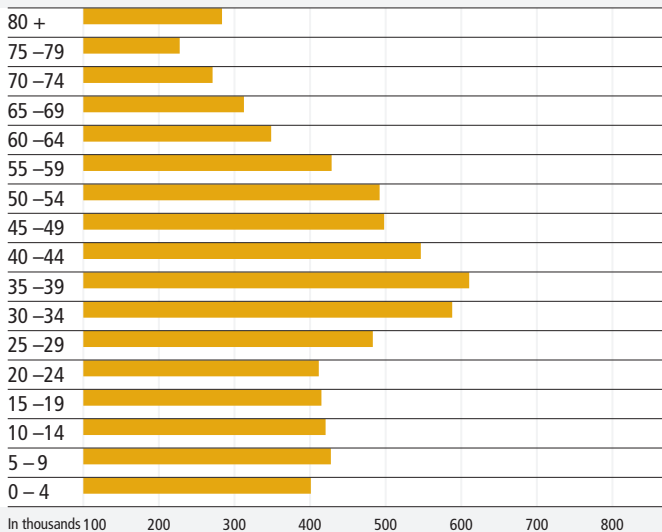
# About aging in Switzerland

The portion of senior citizens of the overall population varies considerably from canton to canton. The graphic shows the proportion of the over-64 group as a percentage of the population (31.12.1999).



Source: Swiss Federal Statistical Office, Demographic Development

### Age structure of the Swiss population (31.12.1999)



### Age structure of the Swiss population (projected for 2050)

