

## Facts and Figures 2003



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	24	2	26
Non-life insurers	78	38	116
Reinsurers	51	–	51
<b>Total</b>	<b>153</b>	<b>40</b>	<b>193</b>

Status: 31.8.2002

The 40 foreign insurance companies operating in Switzerland are headquartered in the following countries: Belgium 5, Bermudas 1, Denmark 1, France 5, Germany 8, Guernsey 2, Ireland 2, Luxembourg 1, Netherlands 1, Spain 1, Sweden 2, United Kingdom 11.

The insurance industry hosts approximately 49,000 jobs in Switzerland, this figure amounting to 100 000 for foreign operations.

	2000	2001	2002
Total employed <sup>1</sup>	146 815	149 584	163 816
– in Switzerland	47 859	49 366	48 171
– outside of Switzerland	98 956	100 218	115 645
Breakdown of those employed in Switzerland			
– trainees	2 178	2 202	2 320
– women	17 739	18 804	18 481
– men	30 120	30 741	29 690
– in field service	10 368	10 132	10 136

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

Status: 1.1.2002

## Premium revenue of the Swiss private insurance industry

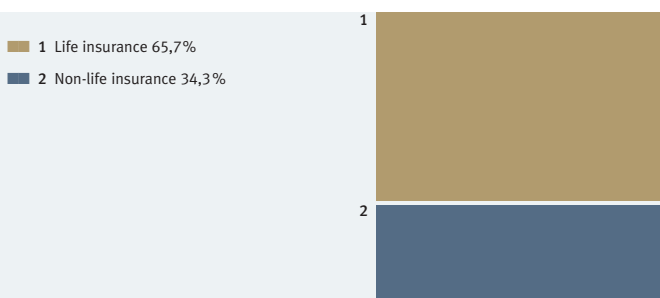
### Premium volume of Swiss direct insurance companies (including subsidiaries) according to territory of origin 2001

	Switzerland	Europe	other countries	Total
Life insurance	33,1	19,8	3,2	56,1
Non-life insurance	17,6	28,9	24,8	71,3
Total direct insurance	50,7	48,7	28,0	127,4
Reinsurance	2,2	19,2	22,3	43,7
Total in billion CHF	52,9	67,9	50,3	171,1
As a percentage	30,9	39,7	29,4	100,0

### Direct Swiss business 2001/2002

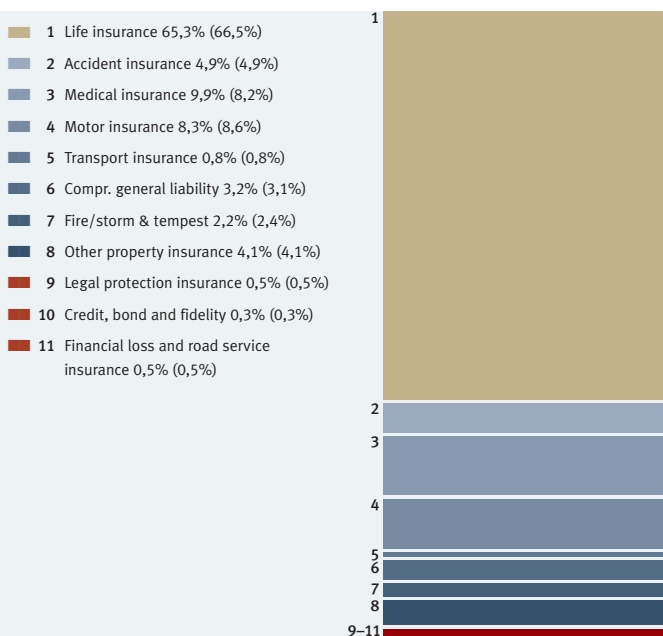
	2001	*2002
Life insurance	33,1	35,1
Non-life insurance	17,6	18,3
Total in billion CHF	50,7	53,4

\* SIA estimation



Direct Swiss business	2000	2001	Change %
Life insurance	31 472	33 147	+ 5,3
Accident insurance	2 333	2 493	+ 6,9
Medical insurance	3 876	5 043	+ 30,1
Motor insurance	4 085	4 214	+ 3,2
Ocean marine, aviation, transport insurance	390	413	+ 5,9
Comprehensive general liability insurance	1 468	1 602	+ 9,1
Fire/storm & tempest	1 132	1 116	- 1,4
Other property insurance	1 958	2 066	+ 5,5
Legal protection insurance	228	237	+ 3,9
Credit, bond and fidelity insurance	140	174	+ 23,9
Financial loss and road service insurance	241	251	+ 4,1
<b>Total in million CHF</b>	<b>47 325</b>	<b>50 757</b>	<b>+ 7,3</b>

Premium revenue total per insurance sector, Switzerland 2001 (2000)

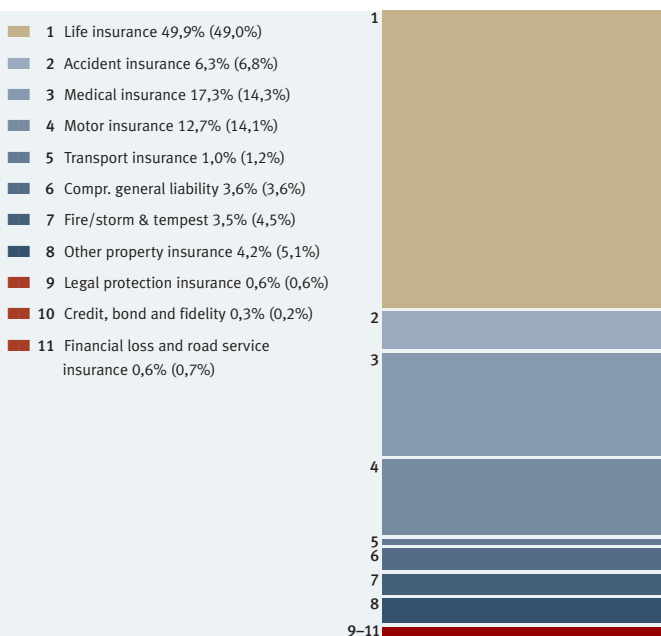


## Benefits disbursed by the Swiss private insurance industry

Swiss business	2000	2001	Change %
Life insurance	9 991	11 382	+ 13,9
Accident insurance	1 393	1 446	+ 3,8
Medical insurance	2 918	3 948	+ 35,3
Motor insurance	2 881	2 888	+ 0,2
Ocean marine, aviation, transport insurance	237	219	- 7,6
Comprehensive general liability insurance	726	811	+ 11,7
Fire/storm & tempest	922	789	- 14,4
Other property insurance	1 045	965	- 7,7
Legal protection insurance	111	135	+ 21,6
Credit, bond and fidelity insurance	38	78	+ 106,7
Financial loss and road service insurance	139	146	+ 5,5
<b>Total in million CHF</b>	<b>20 400</b>	<b>22 808</b>	<b>11,8</b>

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

### Benefits disbursed per insurance sector in 2001 (2000)



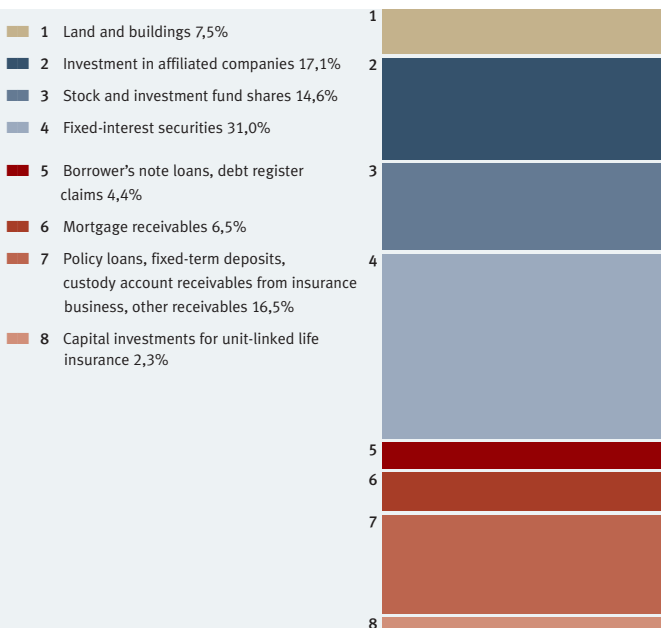
Capital investments	1999	2000	2001
Life insurance	275 681	280 731	291 265
Non-life insurance	80 692	92 424	107 021
Reinsurance	53 221	57 013	80 744
Total in million CHF	409 594	430 169	479 031

Breakdown of capital investments 2001	Life	Non-Life	Re	Total
Total in million CHF	291 265	107 021	80 744	479 031
Land and buildings	27 031	6 570	2 425	36 026
Investment in affiliated companies, shareholdings, own stock	19 903	36 330	25 780	82 013
Stock and investment fund shares	50 129	10 324	9 526	69 979
Fixed-interest securities	109 654	26 533	12 496	148 683
Borrower's note loans, debt register claims	19 275	1 779	1	21 055
Mortgage receivables	26 826	3 627	606	31 059
Policy loans, insurance business receivables	9 114	8 941	6 938	24 993
Fixed-term deposits, other capital investments	14 508	2 091	5 527	22 127
	464	4 299	15 793	20 556
Custody account receivables	3 256	6 529	1 652	11 437
Capital investments for unit-linked life insurance	11 104	–	–	11 104



Income from capital investments	1999	2000	2001
Total in million CHF	20 335	19 439	18 840

### Distribution of capital investments according to investment category



Reserves	2000	2000 <sup>1</sup>	2001	2001 <sup>1</sup>
Life insurers	265 844	698,2	274 930	683,1
Property insurers	59 081	236,6	60 490	207,3
Reinsurers	39 518	346,8	54 254	234,1
Total in million CHF	364 443		389 674	

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

Guaranty funds <sup>1</sup>	Mandatory minimum as of 31.12.2001	Total worth of coverage
Guaranty funds of Swiss life insurance institutions in million CHF	215 365	221 897

### 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.

	1999	2000	2001
Revenue surplus from the insurance business in million CHF	2 727	2 316	1 671

Source: SNB

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


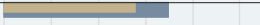





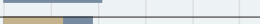

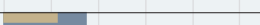
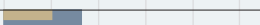
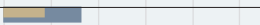
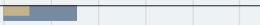


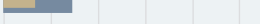
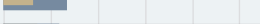





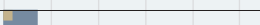

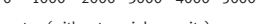
In 2001 the Swiss private insurance industry paid over CHF 460 millions in taxes.

#### <sup>1</sup> Art. 3 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> 2001

	Per capita premiums in USD	of which life insurance in USD	
Switzerland	4 343	2 716	
Japan	3 508	2 807	
United Kingdom	3 394	2 568	
USA	3 266	1 602	
Ireland	2 466	1 700	
Netherlands	2 324	1 345	
Finland	2 098	1 641	
Denmark	2 094	1 364	
France	1 899	1 268	
Sweden	1 768	1 356	
Belgium	1 768	1 155	
Australia	1 668	1 040	
Norway	1 657	879	
Luxembourg	1 563	555	
Hong Kong	1 545	1 250	
Germany	1 484	674	
Canada	1 460	676	
Austria	1 349	632	
Italy	1 186	721	
Taiwan	1 089	761	
South Korea	1 060	763	
Israel	1 018	525	
Singapore	959	713	
Spain	924	491	
New Zealand	731	198	

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 (2001)	Switzerland	Foreign	Total
Earned premiums, gross in million CHF	33 171	6 998	40 168
Direct Swiss business Premium revenue, gross		2001	of which single- premium
- Endowment insurance		7 019	2 353
- Annuity insurance		1 990	1 826
- Occupational pensions		22 286	13 428
- Unit-linked life insurance		1 852	1 007
Individual and group total in million CHF		33 147	18 615

### Benefits

Total insurance business (2001) Disbursements for claims, gross	Switzerland	Foreign	Total
In million CHF	28 823	3 773	32 595
Direct Swiss business	1999	2000	2001
Insurance benefits			
Surrendered policies, lump-sum settlements	8 553 12 448	9 991 13 795	11 382 17 441
Total	21 001	23 786	28 823
With-profits bonuses	2 669	2 500	2 455
Total including with profits bonuses in million CHF	23 670	26 286	31 278

Direct Swiss business	2000	2001
Individual insurance		
- Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	5 932	6 471
- Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	2 027	1 745
Group insurance		
- Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	4 059	4 910
- Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	11 768	15 696
Total in million CHF	23 786	28 823

Total payments	2000	2001
Individual		
- Endowment insurance	6 474	6 718
- Annuity insurance	1 298	1 282
Group	15 827	20 561
Unit-linked life insurance	186	216
Total in million CHF	23 786	28 823

Credited with-profits bonuses (exclusive of unit-linked life insurance)	2000	2001
- Individual	1 382	1 363
- Group	1 117	1 092
Total in million CHF	2 500	2 455

Policies in force	2000	2001
Individual endowment insurance	237 341	242 264
Individual annuity insurance	1 752	1 841
Group endowment insurance	354 707	376 369
Group annuity insurance	7 338	7 889
<b>Total in million CHF</b>	<b>601 138</b>	<b>628 701</b>

Endowment policies in force, individual	2000	2001
Mixed and similar insurance	158 848	163 192
Term life insurance	78 493	79 071
<b>Total in million CHF</b>	<b>237 341</b>	<b>242 264</b>
- of which restricted-access pension schemes (pillar 3a)	77 954	77 489
- of which free-access pension schemes (pillar 3b)	159 388	164 772

Annuity policies in force, individual	2000	2001
Retirement annuities	677	688
Widow, widower and orphan pensions, terminable annuities	188	191
Current pensions, perpetual and terminable annuities	887	961
<b>Total in million CHF</b>	<b>1 752</b>	<b>1 841</b>
- of which restricted-access pension schemes (pillar 3a)	240	217
- of which free-access pension schemes (pillar 3b)	1 512	1 624

Endowment policies in force, group	2000	2001
Mixed and similar insurance	84 324	86 318
Term life insurance	270 383	290 051
<b>Total in million CHF</b>	<b>354 707</b>	<b>376 369</b>
- of which for occupational pensions	348 178	369 402

Annuity policies in force, group	2000	2001
Reversionary annuities		
- Retirement annuities	516	479
- Survivorship annuities	5 731	6 207
Current annuities		
- Retirement annuities	846	937
- Survivorship annuities	245	265
Total in million CHF	7 338	7 889
- of which for occupational pensions	7 327	7 876
Policies	2000	2001
Individual		
- Individual endowment insurance	3 221 580	3 184 736
- Individual annuity insurance	191 333	197 298
Total	3 412 913	3 382 034
Group		
- Number of policies	336 787	349 088
- Number of insureds	2 546 853	3 218 885
Premium reserves	2000	2001
Individual endowment insurance	67 071	68 386
Individual annuity insurance	18 028	19 267
Group insurance	110 960	115 398
Unit-linked life insurance	8 239	8 628
Total in million CHF	204 732	211 936
of which foreign-currency policies	3 482	3 231

## Property insurance

Total insurance business (2001)	Switzerland	Foreign	Total
Earned premiums, gross	17 000	11 617	28 617
Disbursements for claims, gross in million CHF	11 427	6 738	18 165

Direct Swiss business (2001) <sup>1</sup>	Earned premiums, gross	Disbursements for claims, gross
Accident insurance	2 489	1 446
Medical insurance	4 762	3 751
Liability and motor insurance	6 165	3 919
Fire and property insurance	3 168	1 754
Other	643	360
Total in million CHF <sup>1</sup>	17 226	11 230

Number of policies	2000: 24 416 932	2001: 29 269 260
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Accident insurance <sup>1</sup>	Earned premiums, gross	Disbursements for claims, gross
Individual accident insurance	342	204
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	283	205
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	1 099	691
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	35	33
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	338	186
Motor passenger accident insurance	198	47
Other group accident insurance	194	79
Total in million CHF <sup>1</sup>	2 489	1 446

<sup>1</sup> Property insurers only



Medical insurance	Earned premiums, gross	Disbursements for claims, gross
Voluntary individual medical insurance	2 693	1 994
Group medical insurance	2 069	1 757
<b>Total in million CHF</b>	<b>4 762</b>	<b>3 751</b>
<b>Liability and motor insurance</b>	<b>Earned premiums, gross</b>	<b>Disbursements for claims, gross</b>
Motor liability insurance	1 989	1 654
Other motor insurance types	2 201	1 234
<b>Motor insurance, total</b>	<b>4 190</b>	<b>2 888</b>
Ocean marine, aviation and transport insurance	405	219
Comprehensive general liability	1 570	811
<b>Total in million CHF</b>	<b>6 165</b>	<b>3 919</b>
<b>Fire and property insurance</b>	<b>Earned premiums, gross</b>	<b>Disbursements for claims, gross</b>
Fire	919	377
Storm & tempest	210	212
Other property insurance	2 040	965
<b>Total in million CHF</b>	<b>3 168</b>	<b>1 754</b>
<b>Other insurance types</b>	<b>Earned premiums, gross</b>	<b>Disbursements for claims, gross</b>
Legal protection insurance	233	135
Credit	106	35
Bond and fidelity	59	43
Road service	119	88
Miscellaneous financial losses	124	58
<b>Total in million CHF</b>	<b>643</b>	<b>360</b>

## Reinsurance

Property insurance business 2001	Earned premiums, gross	Disbursements for claims, gross
Accident insurance	764	- 153
Medical insurance	137	- 171
Motor insurance	2 507	1 396
Ocean marine, aviation and transport insurance	1 221	909
Fire, storm & tempest, and property-casualty insurance	7 455	4 940
Comprehensive general liability insurance	3 045	2 439
Credit, bond and fidelity insurance	597	472
Other sectors	1 643	728
<b>Total in million CHF<sup>1</sup></b>	<b>22 888</b>	<b>13 896</b>
Life business 2001	Earned premiums, gross	Disbursements for claims, gross
Individual		
- Endowment insurance	8 835	1 148
- Annuity insurance	29	19
Group	2 160	1 546
- Unit-linked life insurance	35	19
<b>Total in million CHF<sup>1</sup></b>	<b>11 444</b>	<b>2 429</b>
Reinsurance coverage business	Earned premiums, gross	Disbursements for claims, gross
Property	22 345	13 896
Life	11 444	2 900
<b>Total</b>	<b>33 789</b>	<b>16 796</b>
Retroceded portion	2 652	2 105
<b>Total, net, in million CHF<sup>1</sup></b>	<b>31 138</b>	<b>14 690</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 provident insurance in Switzerland

### 1st pillar

Basic amounts applicable to Old-age and Surviving Dependents'/Disability Insurance pensions (AHV/IV)		2003
Full single old-age pension		
- Minimum amount	per year	12 660.–
	per month	1 055.–
- Maximum amount	per year	25 320.–
	per month	2 110.–
Full married couple old-age pension (current pensions)		
- Minimum amount	per year	18 990.–
	per month	1 582.–
- Maximum amount	per year	37 980.–
	per month	3 165.–
Pensions as a % of the single old-age pension		
Widow's pension		80%
Orphan's pension (one parent dead), children's pension		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 Dependents' 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.

		2003
Pay above the following amounts is subject to compulsory insurance coverage = Coordination deduction/= Maximum single old-age pension		25 320.–
Upper salary limit subject to compulsory insurance =Triple the maximum single old-age pension		75 960.–
Maximum salary subject to compulsory insurance = Coordinated pay		50 640.–
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.		3 165.–

## Pillar 3a

Deductible contributions to restricted-access pension schemes (self-employed and employed)	2003
Persons with 2nd pillar coverage up to 8% of the upper BVG salary limit	max. 6 077.–
Persons without 2nd pillar coverage up to 20% of pay, maximum of 40% of upper BVG salary limit	max. 30 384.–

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.

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#### 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 % on surrenderable single-premium endowment and annuity insurance policies.

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#### 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**

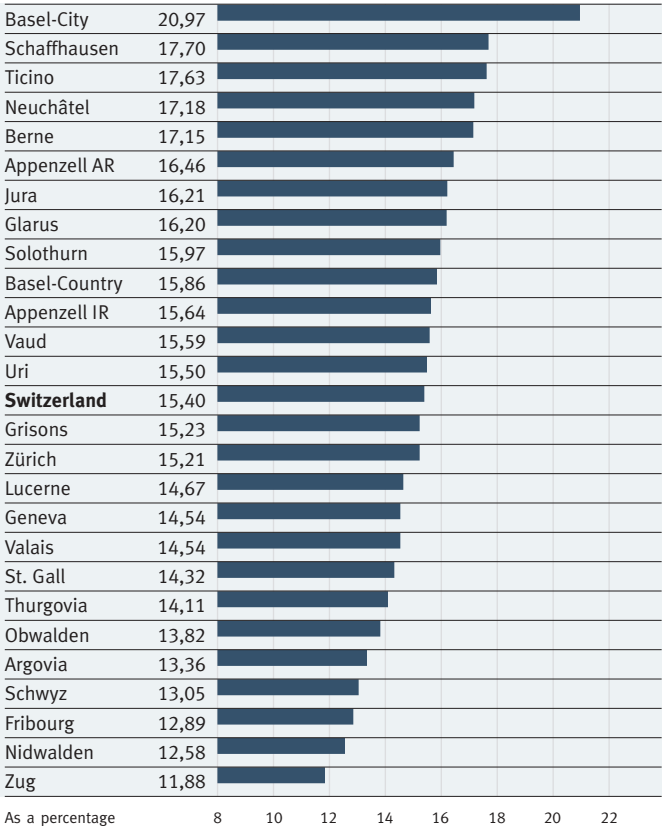
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#### Occupational coverage

- Current contributions and contracting-in sums completely deductible, the latter only in the event that future benefits are subject to full taxation. Since 1.1.2000, contracting-in possibilities are limited.

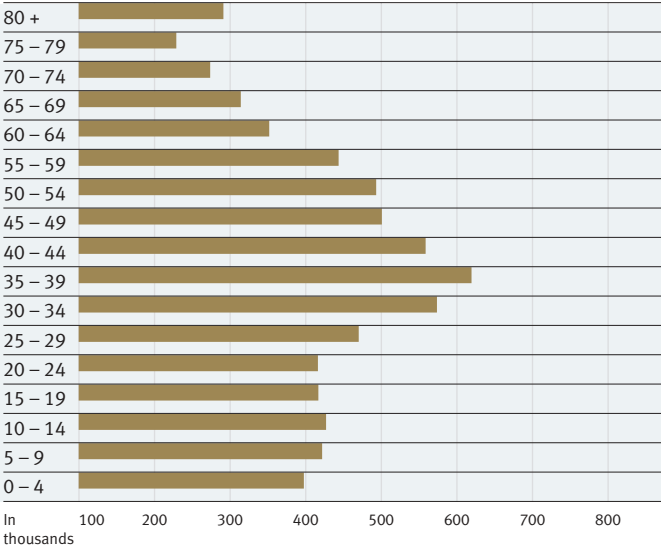
## About aging in Switzerland

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 (31.12.2000).



Source: Swiss Federal Statistical Office, Demographic Development

Age structure of the Swiss population (31.12.2000)



Age structure of the Swiss population (projected for 2050)

