

The private insurance industry
Facts and Figures 2005
Swiss Insurance Association

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ASA | SVV

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

Swiss Insurance Association

The Swiss Insurance Association is the umbrella organization for the private insurance industry. Our organisation is comprised of small and large primary insurers and reinsurers active on the national as well as international level. Over 95 % of the premiums earned in private insurance on the Swiss market are generated by its more than 70 member companies. The SIA is a reliable, professional partner for the authorities, the government and the general public.

We committed to promoting a market environment and competition that are both liberal and adhere to socially accepted principles. We also strive to maintain acceptable economic conditions.

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Private insurance institutions in Switzerland 2000–2004

	Registered office in Switzerland	Registered office abroad	Total
<i>Life insurance</i>			
2000	28	2	30
2001	28	2	30
2002	24	2	26
2003	24	2	26
2004	24	2	26
<i>Property insurance</i>			
2000	73	35	108
2001	79	35	114
2002	78	38	116
2003	79	38	117
2004	78	37	115
<i>Reinsurance</i>			
2000	35	–	35
2001	44	–	44
2002	51	–	51
2003	55	–	55
2004	62	–	62
Total			
2000	136	37	173
2001	151	37	188
2002	153	40	193
2003	158	40	198
2004	164	39	203

Source: Federal Office for Private Insurance

Employee statistics of Swiss private insurance companies 2001–2004

at 1 January	2001	2002	2003	2004
<i>Total employed</i>	149,584	163,816	157,929	135,291
in Switzerland	49,366	48,171	46,175	44,514
outside of Switzerland	100,218	115,645	111,754	90,777
<i>Breakdown of those employed in Switzerland</i>				
women	18,804	18,481	17,942	17,309
men	30,562	29,690	28,233	27,205
full-time employees	41,477	40,869	39,125	36,922
part-time employees	7,889	7,302	7,050	7,592
administration	39,234	38,035	35,865	35,479
sales force	10,132	10,136	10,310	9,035
female trainees	1,239	1,282	1,226	1,181
male trainees	963	1,038	885	839
total trainees	2,202	2,320	2,111	2,020

Source: Swiss Insurance Association

Premium volume of Swiss private insurance companies 2003

Total in CHF billions	Switzerland	Foreign	Total
Life	32.2	33.7	65.9
Non-life	19.4	66.8	86.2
Total direct insurance	51.6	100.5	152.1
Re	2.8	41.9	44.7
Overall total	54.4	142.4	196.8
Breakdown in percent	28%	72%	100%

Source: Federal Office for Private Insurance
Swiss Insurance Association estimate

2003 premium volumes for the 12 largest Swiss private insurers worldwide

Total in CHF billions	* in USD billions
Zurich	48.9 *
Winterthur	33.5
Swiss Re	30.7
Swiss Life	18.8
Basler	7.4
Helvetia Patria	5.4
Converium	4.2 *
Allianz Suisse	3.7
Mobiliar	2.6
Generali	1.8
Vaudoise	1.8
Swiss National	1.8

Source: 2003 annual reports

Current account balance

Cross-border sales of insurance services are extremely limited in the direct insurance sector and direct insurance business has a strong national focus. Swiss primary insurers operate internationally chiefly via subsidiaries or branches abroad. In contrast to this, cross-border reinsurance is gaining in importance. According to current account statistics, the income and expenses of Swiss direct insurers and reinsurers (premium income less claims paid) developed as follows:

	2000	2001	2002	2003
Insurance exports (income)	2,582	1,959	4,333	4,759
Insurance imports (expenses)	125	125	133	133
Balance in CHF millions	2,457	1,834	4,200	4,627

Source: Swiss National Bank, revised

It should be noted that these figures do not include the income of Swiss holdings from equity investments in international subsidiaries (and vice versa). These are included in the capital account, and are not broken down according to sector.

Premium revenue – Direct Swiss business

Premium revenue – Direct Swiss business	2001	2002	2003	Change % 2002/ 2003
Life	33,147	34,661	32,181	-7.1
Medical	5,043	5,371	5,574	3.8
Motor	4,214	4,423	4,732	7.0
Fire/storm and tempest, other property	3,182	3,283	3,453	5.2
Accident	2'494	2'520	2,553	1.3
Compr. general liability	1,602	1,614	1,867	15.7
Credit, bond and fidelity, Financial loss and road service	425	467	488	4.7
Ocean marine, aviation, transport insurance	413	466	466	0
Legal protection	237	250	268	7.1
Total in CHF millions	50,757	53,055	51,584	-2.7

Source: Federal Office for Private Insurance

Benefits – Direct Swiss business

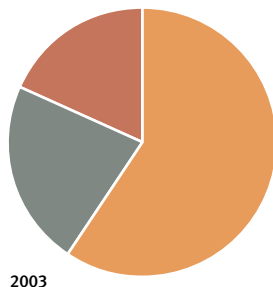
Gross payments for insurance claims	2001	2002	2003	Change % 2002/ 2003
Life	11,382	14,297	14,623	2.3
Medical	3,948	4,096	4,253	3.8
Motor	2,888	3,040	3,151	3.7
Fire/storm and tempest, other property	1,754	1,869	1,835	-1.8
Accident	1,446	1,490	1,624	9.0
Compr. general liability	811	1,225	871	-28.9
Credit, bond and fidelity, Financial loss and road service	224	233	217	-6.9
Ocean marine, aviation, transport insurance	220	216	219	1.6
Legal protection	135	144	153	6.2
Total in CHF millions	22,808	26,610	26,946	1.3

Source: Federal Office for Private Insurance

Capital investments

	2001	2002	2003
Life	291,265	291,810	297,676
Non-life	107,022	107,799	112,132
Re	80,744	85,993	91,569
Total in CHF millions	479,031	485,602	501,377

Source: Federal Office for Private Insurance



Income from capital investments

	2001	2002	2003
Total in CHF millions	18,840	20,363	20,707

Source: Federal Office for Private Insurance

Breakdown of capital investments 2003

	Life	Non-life	Re	Total
Fixed-interest securities	140.0	38.7	18.4	197.1
Investments, holdings	16.5	37.2	21.8	75.5
Land and buildings and mortgages	54.9	9.3	2.9	67.1
Stock and investment fund shares	22.6	5.6	7.6	35.8
Funds deposited with ceding companies in reinsurance business	0.4	6.0	24.3	30.8
Fixed-term deposits	20.0	2.9	5.1	28.0
Policy loans	9.3	6.3	10.7	26.3
Borrower's note loans	19.7	1.8	–	21.6
Other	14.3	4.2	0.7	19.3
Total in CHF billions	297.7	112.1	91.6	501.4

Source: Federal Office for Private Insurance

Premiums – Direct Swiss business

	Switzerland 2002	Switzerland 2003
Total in CHF millions	34,661	32,181

Premium revenue, gross	2002	of which single- premium	2003	of which single- premium
Endowment insurance	7,861	3,160	6,224	1,580
Annuity insurance	2,028	1,871	1,518	1,359
Group	23,303	14,027	22,931	13,078
Unit-linked life insurance Individual and group	1,469	328	1,508	326
Total in CHF millions	34,661	19,386	32,181	16,343

Source: Federal Office for Private Insurance

Benefits – Direct Swiss business

	Switzerland 2001	Switzerland 2002	Switzerland 2003
Total in CHF millions	28,822	31,003	36,285
	2001	2002	2003
Insurance benefits	11,382	14,318	14,626
Surrendered policies, lump-sum	17,441	16,685	21,659
Total	28,823	31,003	36,285
With-profits bonuses	2,455	3,428	1,376
Total including with-profits bonuses in CHF millions	31,278	34,431	37,661

Individual insurance

Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	6,471	8,106	9,556
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	1,745	1,865	1,818

Group insurance

Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	4,910	6,192	5,068
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	15,696	14,790	19,843
Total in CHF millions	28,823	30,953	36,283

Total payments

	2001	2002	2003
Individual			
– Endowment	6,718	8,388	9,556
– Annuity	1,282	1,347	1,416
Group	20,561	20,983	24,913
Unit-linked life insurance	216	285	400
Total in CHF millions	28,823	31,003	36,285

Credited with-profits bonuses

exclusive of unit-linked insurance	2001	2002	2003
Individual	1,363	1,184	609
Group	1,092	2,244	767
Total in CHF millions	2,455	3,428	1,376

Policies in force

	2001	2002	2003
Individual endowment insurance	242,264	243,710	243,528
Individual annuity insurance	1,841	1,890	1,947
Group endowment insurance	376,369	388,894	390,771
Group annuity insurance	7,889	8,246	8,261
Total in CHF millions	628,701	642,740	644,507

Endowment policies in force, individual

	2001	2002	2003
Mixed and similar insurance	163,192	164,184	165,099
Term life insurance	79,071	79,526	78,429
Total in CHF millions	242,264	243,710	243,528
of which restricted-access pension schemes (pillar 3 a)	77,489	79,346	85,428
of which free-access pension schemes schemes (pillar 3 b)	164,772	164,364	158,100

Endowment policies in force, individual

	2001	2002	2003
Retirement annuities	688	675	693
Widow, widower and orphan pensions, terminable annuities	191	198	204
Current pensions, perpetual and terminable annuities	961	1,017	1,049
Total in CHF millions	1,841	1,890	1,946
of which restricted-access pension schemes (pillar 3 a)	217	212	209
of which free-access pension schemes schemes (pillar 3 b)	1,624	1,678	1,737

Source: Federal Office for Private Insurance

Endowment policies in force, group

	2001	2002	2003
Mixed and similar insurance	86,318	90,755	89,952
Term life insurance	290,051	298,139	300,820
Total in CHF millions	376,369	388,894	390,772
of which for occupational pensions	369,402	382,642	386,396

Annuity policies in force, group

	2001	2002	2003
<i>Reversionary annuities</i>			
– Retirement annuities	479	403	376
– Survivorship annuities	6,207	6,577	6,535
<i>Current annuities</i>			
– Retirement annuities	937	989	1,064
– Survivorship annuities	265	277	286
Total in CHF millions	7,889	8,246	8,261
of which for occupational pensions	7,876	8,244	8,188

Source: Federal Office for Private Insurance

Policies

	2001	2002	2003
<i>Individual</i>			
– Individual endowment insurance	3,184,736	3,172,760	3,127,649
– Individual annuity insurance	197,298	202,611	204,536
Total Policies	3,382,034	3,375,371	3,332,185
<i>Group</i>			
– Number of policies	349,088	352,269	154,824
– Number of insureds	3,218,885	2,565,247	2,866,333

Premium reserves

	2001	2002	2003
Individual endowment insurance	68,386	68,502	66,190
Individual annuity insurance	19,267	20,200	21,125
Group insurance	115,398	121,389	122,556
Unit-linked life insurance	8,628	8,404	9,983
Total in CHF millions	211,936	218,495	219,854
of which foreign-currency policies	3,231	3,026	2,941

Source: Federal Office for Private Insurance

Premium revenue – Direct Swiss business

	2001	2002	2003
Accident insurance (excluding health insurers)	2,493	2,520	2,553
Medical insurance (excluding health insurers)	5,043	5,370	5,575
Liability and motor insurance	6,229	6,504	7,066
Fire and property insurance	3,182	3,283	3,453
Other	661	717	755
Total in CHF millions	17,608	18,394	19,402

Premium revenue – Accident insurance

	2001	2002	2003
Individual accident insurance	341	363	362
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	283	415	423
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	1,099	967	984
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	35	34	33
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	339	343	342
Motor passenger accident insurance	197	199	199
Other group accident insurance	199	199	210
Total in CHF millions	2,493	2,520	2,553

Source: Federal Office for Private Insurance

Premium revenue – Medical insurance

	2001	2002	2003
Voluntary individual medical insurance	2,760	2,889	2,988
Group medical insurance	2,283	2,481	2,587
Total in CHF millions	5,043	5,370	5,575

Premium revenue – Liability and motor insurance

	2001	2002	2003
Motor liability insurance	1,987	2,087	2,277
Other motor insurance types	2,227	2,336	2,455
Motor insurance, total	4,214	4,423	4,732
Ocean marine, aviation and transport insurance	413	466	467
Comprehensive general liability	1,602	1,614	1,867
Total in CHF millions	6,229	6,503	7,066

Premium revenue – Fire and property insurance

	2001	2002	2003
Fire insurance	912	1,047	1,172
Storm & tempest insurance	204	218	217
Other property insurance	2,066	2,018	2,064
Total in CHF millions	3,182	3,283	3,453

Premium revenue – Other insurance types

	2001	2002	2003
Legal protection insurance	237	250	268
Credit	117	100	84
Bond and fidelity	57	72	100
Road service	124	140	134
Miscellaneous financial losses	127	155	169
Total in CHF millions	662	717	755

Source: Federal Office for Private Insurance

Claims paid – Direct Swiss business

	2001	2002	2003
Accident insurance (excluding health insurers)	1,446	1,490	1,624
Medical insurance (excluding health insurers)	3,948	4,096	4,253
Liability and motor insurance	3,919	4,481	4,241
Fire and property insurance	1,754	1,869	1,835
Other	360	377	369
Total in CHF millions	11,427	12,313	12,322

Claims paid – Medical insurance

	2001	2002	2003
Individual accident insurance	204	218	207
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	205	308	326
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	691	595	704
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	33	32	31
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	186	195	204
Motor passenger accident insurance	47	42	43
Other group accident insurance	79	100	109
Total in CHF millions	1,446	1,490	1,624

Source: Federal Office for Private Insurance

Claims paid – Medical insurance

	2001	2002	2003
Voluntary individual medical insurance	2,039	2,011	2,061
Group medical insurance	1,909	2,085	2,192
Total in CHF millions	3,948	4,096	4,253

Claims paid – Liability and motor insurance

	2001	2002	2003
Motor liability insurance	1,654	1,674	1,731
Other motor insurance types	1,234	1,366	1,420
Motor insurance, total	2,888	3,040	3,151
Ocean marine, aviation and transport insurance	219	216	219
Comprehensive general liability	811	1,225	871
Total in CHF millions	3,918	4,481	4,241

Source: Federal Office for Private Insurance

Claims paid – Fire and property insurance

	2001	2002	2003
Fire insurance	577	734	690
Storm & tempest insurance	212	107	96
Other property insurance	965	1,028	1,049
Total in CHF millions	1,754	1,869	1,835

Claims paid – Other insurance types

	2001	2002	2003
Legal protection insurance	135	144	153
Credit	35	58	79
Bond and fidelity	43	23	2
Road service	88	106	84
Miscellaneous financial losses	59	46	51
Total in CHF millions	360	377	369

Source: Federal Office for Private Insurance

Note: These figures do not include reserves established for claims notified but not yet settled, claims which have occurred but have not yet been notified, and the associated administration costs.

Earned premiums – Non-life business

	2001	2002	2003
Accident	764	865	1,002
Medical	137	92	128
Motor	2,507	2,467	3,795
Ocean marine, aviation and transport	1,221	2,489	2,258
Fire, storm & tempest, and property-casualty	7,455	9,064	9,111
Comprehensive general liability	3,045	4,788	3,647
Credit, bond and fidelity	597	1,076	1,303
Other sectors	1,643	1,173	1,493
Total in CHF millions*	22,888	30,093	23,470

Earned premiums – Life business

	2001	2002	2003
Individual			
– Endowment	8,862	5,176	7,233
– Annuity	20	91	18
Group	2,157	3,996	2,142
Unit-linked life insurance	45	33	22
Total in CHF millions*	11,458	9,491	9,527

Earned premiums – Total

	2001	2002	2003
Total	34,346	39,584	32,996
Retroceded portion	2,467	3,449	3,479
Total net in CHF millions*	31,879	36,135	29,517

Claims paid, gross – Non-life

	2001	2002	2003
Accident	-153	76	438
Medical	-171	334	148
Motor	1,396	1,013	2,403
Ocean marine, aviation and transport	909	856	1,194
Fire, storm & tempest, and property-casualty	4,940	4,325	5,302
Comprehensive general liability	2,439	1,878	1,457
Credit, bond and fidelity	472	407	503
Other sectors	728	472	397
Total Property*	13,896	13,588	14,176

Source: Federal Office for Private Insurance

* The total also includes figures from institutions which were unable to provide a breakdown of their reinsurance business acquired according to sector.

Claims paid, gross – Life

	2001	2002	2003
Individual			
– Endowment	1,148	2,519	3,046
– Annuity	19	90	11
Group	1,546	1,931	1,439
Unit-linked life insurance	19	26	16
Total life*	2,900	4,649	4,594


























Claims paid, gross – Total

	2001	2002	2003
Total	16,796	18,237	18,424
Retroceded portion	2,105	2,334	2,090
Total net in CHF millions*	14,690	15,903	16,333

Source: Federal Office for Private Insurance

* The total also includes figures from institutions which were unable to provide a breakdown of their reinsurance business acquired according to sector.

International insurance ratios¹ 2003

	Per capita premiums in USD	of which life insurance in USD	
Switzerland	5660	3431	
United Kingdom	4059	2617	
Japan	3771	3003	
Ireland	3670	2313	
USA	3638	1658	
Denmark	3116	2038	
Netherlands	3094	1562	
Belgium	2876	2005	
Finland	2714	2127	
France	2698	1768	
Sweden	2358	1602	
Norway	2321	1323	
Germany	2051	930	
Australia	2041	1129	
Italy	1913	1238	
Canada	1872	723	
Austria	1847	811	
Hong Kong	1833	1484	
Singapore	1621	1300	
South Korea	1243	874	
New Zealand	1215	272	
Spain	1146	489	
Israel	1041	461	
Russia	98	34	
China	36	25	

Source: sigma/Swiss Re

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

1st pillar

Basic amounts applicable to Old-age and Surviving Dependants'/Disability Insurance pensions (AHV/IV)		2005
<i>Full single old-age pension</i>		
Minimum amount	per year	12,900.–
	per month	1,075.–
Maximum amount	per year	25,800.–
	per month	2,150.–
<i>Full married couple old-age pension (current pensions)</i>		
Minimum amount	per year	19,350.–
	per month	1,613.–
Maximum amount	per year	38,700.–
	per month	3,225.–
<i>Pensions as a % of the single old-age pension</i>		
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 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.

	2005
Pay above the following amounts is subject to compulsory insurance coverage	19,350.–
Coordination deduction = $\frac{7}{8}$ of the maximum single old-age pension	22,575.–
Upper salary limit subject to compulsory insurance = Triple the maximum single old-age pension	77,400.–
Maximum salary subject to compulsory insurance = Coordinated pay	54,825.–
Minimum amount: If the coordinated pay amounts to less than $\frac{1}{8}$ of the maximum single old-age pension, it has to be rounded up to this minimum amount.	3,225.–

Pillar 3 a

Deductible contributions to restricted-access pension schemes (self-employed and employed)		2005
Persons with 2nd pillar coverage up to 8 % of the upper BVG salary limit	max.	6,192.–
Persons without 2nd pillar coverage up to 20 % of pay, maximum of 40 % of upper BVG salary limit	max.	30,960.–

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 in payments 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 3 a): 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:
 - 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 with 40 % of income.

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.

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.

Withholding tax applicable to pension benefits

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

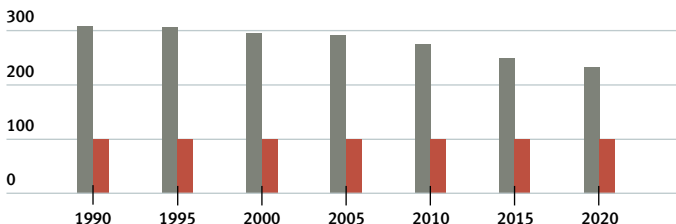
Deductions

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.

Working population indicators

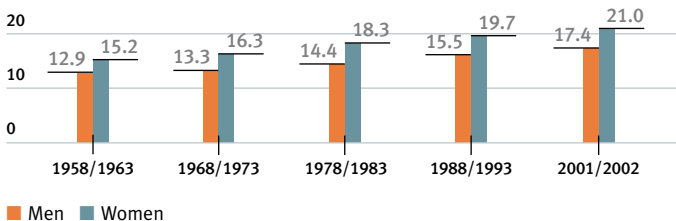


- Number of persons aged 20–64 in the working population (full-time)
- Number of persons aged 65 and over

Example: In 2005, 286 working persons will support 100 persons aged 65 and over.

Source: Federal Statistical Office, “Scenario Trend”

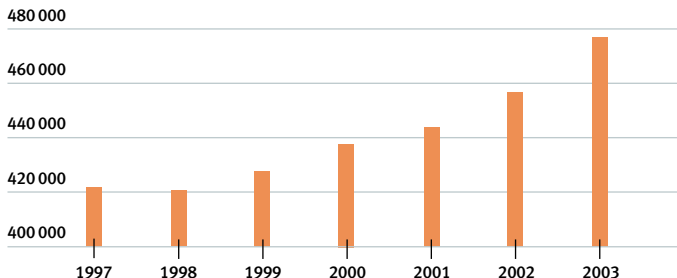
Life expectancy at age 65 in years



- Men
- Women

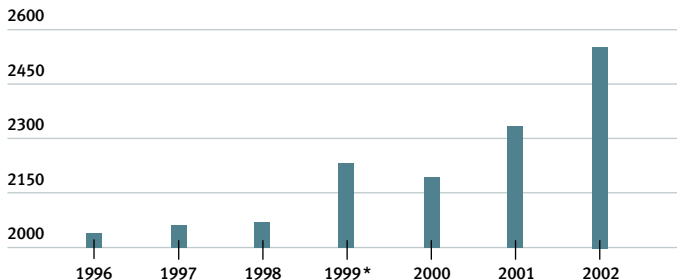
Source: Federal Statistical Office

Non-occupational accidents; newly registered cases



Source: Federal Law on Accident insurance accident statistics, 2004

Cost trend in non-occupational accident insurance in CHF millions

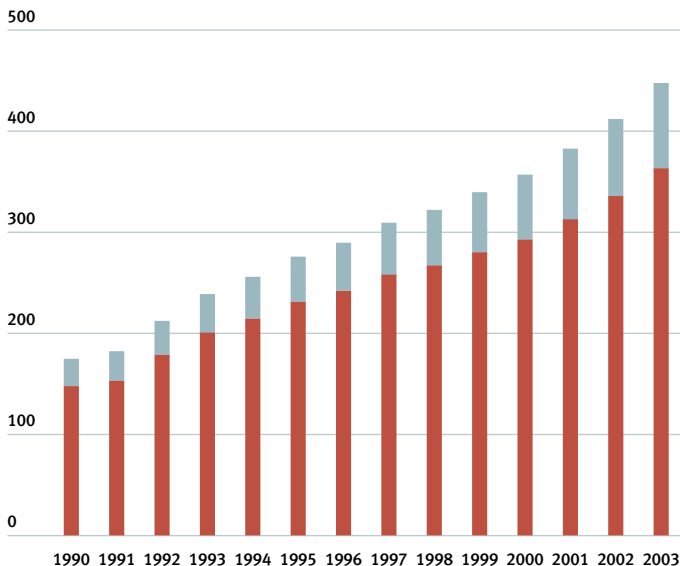


* The financial year 1999 cannot be compared with the other years.

Total disability pensions 1990–2003

In CHF millions

All pensioners (monthly statistics for March until 1994, and from 1995 for January)

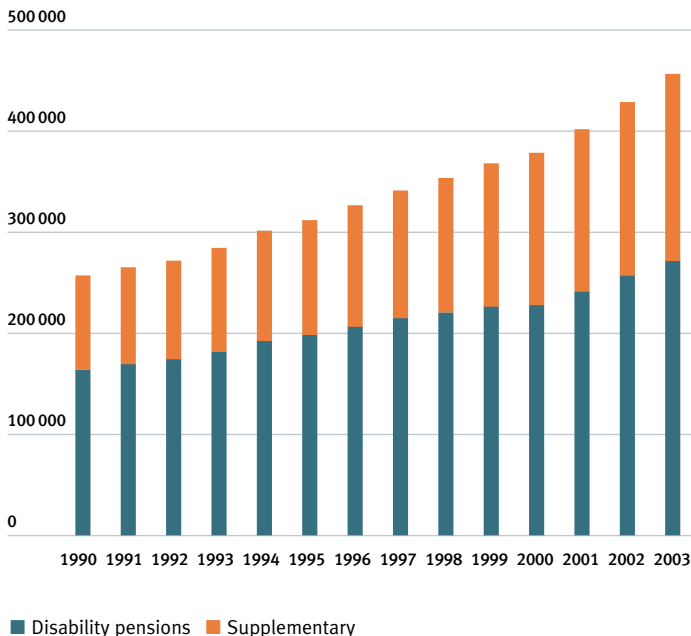


■ Disability pensions ■ Supplementary pensions

Source: Federal Statistical Office, IV statistics

Number of persons with disability pension 1990–2003

All pensioners (monthly statistics for March until 1994, and from 1995 for January)



Source: Federal Statistical Office, IV statistics

The SIA site provides up-to-date comprehensive information about insurance-related topics in German, French and English. Please visit us at: www.svv.ch





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