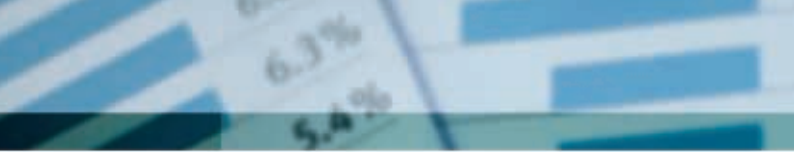


The private insurance industry

Facts and Figures 2004

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 organisation for the private insurance industry. Over 95 % of the premiums earned in private insurance on the Swiss market are generated by its 69 member companies. The SIA is a reliable, professional partner for the authorities, the government and the general public.

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Private insurance institutions in Switzerland 2000–2003

	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
<i>Property insurance</i>			
2000	73	35	108
2001	79	35	114
2002	78	38	116
2003	79	38	117
<i>Reinsurance</i>			
2000	35	–	35
2001	44	–	44
2002	51	–	51
2003	55	–	55
Total			
2000	136	37	173
2001	151	37	188
2002	153	40	193
2003	158	40	198

Source: FOPI

Employee statistics of Swiss private insurance companies 2001–2003

at 1 January	2001	2002	2003
<i>Total employed</i>	149'584	163'816	157'929
in Switzerland	49'366	48'171	46'175
outside of Switzerland	100'218	115'645	111'754
<i>Breakdown of those employed in Switzerland</i>			
men	30'562	29'690	28'233
women	18'804	18'481	17'942
full-time employees	41'477	40'869	39'125
part-time employees	7'889	7'302	7'050
administration	39'234	38'035	35'865
sales force	10'132	10'136	10'310
trainees	2'202	2'320	2'111

Source: SIA

Premium volume of Swiss private insurance companies 2002

Total in CHF billions	Switzerland	Foreign	Total
Life	34.6	31.8	66.4
Non-life	18.4	68.9	87.3
Total direct insurance	53.0	100.7	153.7
Re	2.6	42.3	44.9
Overall total	55.6	143.0	198.6
Breakdown in percent	28%	72%	100%

SIA estimate

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:

	1999	2000	2001	2002
Insurance exports (income)	2'852	2'441	1'796	3'730
Insurance imports (expenses)	125	125	125	133
Balance in CHF millions	2'727	2'316	1'671	3'597

Source: Swiss National Bank

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

	2000	2001	2002	Change % 2001/2002
Life	31'472	33'147	34'639	4.5
Medical	3'876	5'043	5'371	6.5
Motor	4'085	4'214	4'423	5.0
Fire/storm and tempest, other property	3'091	3'182	3'283	3.2
Accident	2'334	2'494	2'520	1.1
Compr. general liability	1'468	1'602	1'614	0.7
Credit, bond and fidelity, Financial loss and road service	381	425	467	9.9
Ocean marine, aviation, transport insurance	390	413	466	12.8
Legal protection	228	237	250	5.5
Total in CHF millions	47'325	50'757	53'033	4.5

Source: FOPI

Benefits – Direct Swiss business

	2000	2001	2002	Change % 2001/2002
Life	9'991	11'382	14'297	25.6
Medical	2'918	3'948	4'096	3.7
Motor	2'881	2'888	3'040	5.3
Fire/storm and tempest, other property	1'966	1'754	1'869	6.6
Accident	1'393	1'446	1'490	3.0
Compr. general liability	726	811	1'225	51.0
Credit, bond and fidelity, Financial loss and road service	177	224	233	4.0
Ocean marine, aviation, transport insurance	237	220	216	-1.4
Legal protection	111	135	144	6.7
Total in CHF millions	20'400	22'808	26'610	16.7

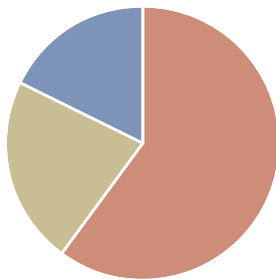
The reserves for pending claims are not included in these figures.

Source: FOPI

Capital investments

	2000	2001	2002
■ Life	280'731	291'265	291'810
■ Non-life	92'424	107'022	107'799
■ Re	57'014	80'744	85'993
Total in CHF millions	430'169	479'031	485'602

Source: FOPI



2002

Income from capital investments

	2000	2001	2002
Total in CHF millions	19'439	18'840	20'363

Source: FOPI

Breakdown of capital investments 2002

	Life	Non-life	Re	Total
Land and buildings	28'587	6'186	2'251	37'024
Investment in affiliated companies, equity interests, and own shares	17'057	38'274	22'930	78'261
Stock and investment fund shares	26'627	8'357	8'687	43'670
Fixed-interest securities	127'967	29'800	12'542	170'308
Borrower's note loans, debt register claims	19'404	1'838	1	21'243
Mortgage receivables	25'362	3'447	643	29'452
Policy loans, insurance business receivables	9'566	6'206	14'958	30'729
Fixed-term deposits, other capital	23'677	2'462	5'496	31'636
Funds deposited with ceding companies in reinsurance business	503	5'163	16'886	22'552
Other receivables	2'309	6'067	1'600	9'975
Capital investments for unit-linked life insurance	10'751	–	–	10'751
Total in CHF millions	291'810	107'799	85'993	485'602

Source: FOPI

Premiums – Direct Swiss business

	Switzerland 2001	Switzerland 2002
Total in CHF millions	33'147	34'639

Premium revenue, gross	2001	of which single- premium	2002	of which single- premium
Endowment insurance	7'019	2'353	7'840	3'160
Annuity insurance	1'990	1'826	2'027	1'871
Occupational pensions	22'286	13'428	23'303	14'027
Unit-linked life insurance	1'852	1'007	1'469	328
Individual and group total in CHF millions	33'147	18'615	34'639	19'386

Benefits – Direct Swiss business

Disbursements for claims, gross	Switzerland 2000	Switzerland 2001	Switzerland 2002
Total in CHF millions	23'786	28'823	30'953
Insurance benefits	9'991	11'382	14'297
Surrendered policies, lump-sum	13'795	17'441	16'656
Total	23'786	28'823	30'953
With-profits bonuses	2'500	2'455	3'426
Total including with profits bonuses in CHF millions	26'286	31'278	34'379
<i>Individual insurance</i>			
Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	5'932	6'471	8'106
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	2'027	1'745	1'865
<i>Group insurance</i>			
Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	4'059	4'910	6'192
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	11'768	15'696	14'790
Total in CHF millions	23'786	28'823	30'953

Total payments

	2000	2001	2002
Individual			
– Endowment	6'474	6'718	8'349
– Annuity	1'298	1'282	1'341
Group	15'827	20'561	20'982
Unit-linked life insurance	186	216	281
Total in CHF millions	23'786	28'823	30'953

Credited with-profits bonuses

exclusive of unit-linked insurance	2000	2001	2002
Individual	1'382	1'363	1'182
Group	1'117	1'092	2'244
Total in CHF millions	2'500	2'455	3'426

Policies in force

	2000	2001	2002
Individual endowment insurance	237'341	242'264	243'710
Individual annuity insurance	1'752	1'841	1'890
Group endowment insurance	354'707	376'369	388'894
Group annuity insurance	7'338	7'889	8'246
Total in CHF millions	601'138	628'701	642'740

Endowment policies in force, individual

	2000	2001	2002
Mixed and similar insurance	158'848	163'192	164'184
Term life insurance	78'493	79'071	79'526
Total in CHF millions	237'341	242'264	243'710
of which restricted-access pension schemes (pillar 3a)	77'954	77'489	79'346
of which free-access pension schemes (pillar 3b)	159'388	164'772	164'364

Annuity policies in force, individual

	2000	2001	2002
Retirement annuities	677	688	675
Widow, widower and orphan pensions, terminable annuities	188	191	198
Current pensions, perpetual and terminable annuities	887	961	1'017
Total in CHF millions	1'752	1'841	1'890
of which restricted-access pension schemes (pillar 3a)	240	217	212
of which free-access pension schemes (pillar 3b)	1'512	1'624	1'678

Endowment policies in force, group

	2000	2001	2002
Mixed and similar insurance	84'324	86'318	90'755
Term life insurance	270'383	290'051	298'139
Total in CHF millions	354'707	376'369	388'894
of which for occupational pensions	348'178	369'402	382'642

Annuity policies in force, group

	2000	2001	2002
<i>Reversionary annuities</i>			
– Retirement annuities	516	479	403
– Survivorship annuities	5'731	6'207	6'577
<i>Current annuities</i>			
– Retirement annuities	846	937	989
– Survivorship annuities	245	265	277
Total in CHF millions	7'338	7'889	8'246
of which for occupational pensions	7'327	7'876	8'244

Source: FOPI

Policies

	2000	2001	2002
<i>Individual</i>			
– Individual endowment insurance	3'221'580	3'184'736	3'157'925
– Individual annuity insurance	191'333	197'298	201'596
Total Policies	3'412'913	3'382'034	3'359'521
<i>Group</i>			
– Number of policies	336'787	349'088	352'269
– Number of insureds	2'546'853	3'218'885	2'564'309

Premium reserves

	2000	2001	2002
Individual endowment insurance	67'071	68'386	68'228
Individual annuity insurance	18'028	19'267	20'100
Group insurance	110'960	115'398	121'385
Unit-linked life insurance	8'239	8'628	8'395
Total in CHF millions	204'732	211'936	218'108
of which foreign-currency policies	3'482	3'231	2'953

Source: FOPI

Premium revenue – Direct Swiss business

	2000	2001	2002
Accident insurance (excluding health insurers)	2'333	2'493	2'520
Medical insurance (excluding health insurers)	3'876	5'043	5'370
Liability and motor insurance	5'944	6'229	6'504
Fire and property insurance	3'091	3'182	3'283
Other	609	661	717
Total in CHF millions	15'853	17'608	18'394

Premium revenue – Accident insurance

	2000	2001	2002
Individual accident insurance	289	341	363
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	270	283	415
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	1'021	1'099	967
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	36	35	34
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	332	339	343
Motor passenger accident insurance	200	197	199
Other group accident insurance	185	199	199
Total in CHF millions	2'333	2'493	2'520

Premium revenue – Medical insurance

	2000	2001	2002
Voluntary individual medical insurance	1'894	2'760	2'889
Group medical insurance	1'982	2'283	2'481
Total in CHF millions	3'876	5'043	5'370

Premium revenue – Liability and motor insurance

	2000	2001	2002
Motor liability insurance	1'969	1'987	2'087
Other motor insurance types	2'116	2'227	2'336
Motor insurance, total	4'085	4'214	4'423
Ocean marine, aviation and transport insurance	390	413	466
Comprehensive general liability	1'469	1'602	1'614
Total in CHF millions	5'944	6'229	6'503

Premium revenue – Fire and property insurance

	2000	2001	2002
Fire insurance	922	912	1'047
Storm & tempest insurance	211	204	218
Other property insurance	1'958	2'066	2'018
Total in CHF millions	3'091	3'182	3'283

Premium revenue – Other insurance types

	2000	2001	2002
Legal protection insurance	228	237	250
Credit	87	117	100
Bond and fidelity	53	57	72
Road service	110	124	140
Miscellaneous financial losses	131	127	155
Total in CHF millions	609	662	717

Source: FOPI

Claims paid – Direct Swiss business

	2000	2001	2002
Accident insurance (excluding health insurers)	1'393	1'446	1'490
Medical insurance (excluding health insurers)	2'918	3'948	4'096
Liability and motor insurance	3'844	3'919	4'481
Fire and property insurance	1'966	1'754	1'869
Other	288	360	377
Total in CHF millions	10'409	11'427	12'313

Claims paid – Accident insurance

	2000	2001	2002
Individual accident insurance	175	204	218
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	202	205	308
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	657	691	595
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	31	33	32
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	188	186	195
Motor passenger accident insurance	47	47	42
Other group accident insurance	93	80	100
Total in CHF millions	1'393	1'446	1'490

Claims paid – Medical insurance

	2000	2001	2002
Voluntary individual medical insurance	1'316	2'039	2'011
Group medical insurance	1'602	1'909	2'085
Total in CHF millions	2'918	3'948	4'096

Claims paid – Liability and motor insurance

	2000	2001	2002
Motor liability insurance	1'526	1'654	1'674
Other motor insurance types	1'354	1'234	1'366
Motor insurance, total	2'880	2'888	3'040
Ocean marine, aviation and transport insurance	238	219	216
Comprehensive general liability	726	811	1225
Total in CHF millions	3'844	3'918	4'481

Source: FOPI

Claims paid – Fire and property insurance

	2000	2001	2002
Fire insurance	651	577	734
Storm & tempest insurance	270	212	107
Other property insurance	1'046	965	1'028
Total in CHF millions	1'967	1'754	1'869

Claims paid – Other insurance types

	2000	2001	2002
Legal protection insurance	111	135	144
Credit	26	35	58
Bond and fidelity	12	43	23
Road service	73	88	106
Miscellaneous financial losses	66	59	46
Total in CHF millions	288	360	377

Source: FOPI

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

	2000	2001	2002
Accident	492	764	865
Medical	121	137	92
Motor	2'066	2'507	2'467
Ocean marine, aviation and transport	1'109	1'221	2'489
Fire, storm & tempest, and property-casualty	5'966	7'455	9'064
Comprehensive general liability	2'320	3'045	4'788
Credit, bond and fidelity	1'230	597	1'076
Other sectors	213	1'643	1'173
Total in CHF millions*	17'536	22'888	30'093

Earned premiums – Life business

	2000	2001	2002
Individual			
– Endowment	2'292	8'862	5'174
– Annuity	15	20	91
Group	1'908	2'157	3'996
Unit-linked life insurance	17	45	33
Total in CHF millions*	4'358	11'458	9'489

Earned premiums – Total

	2000	2001	2002
Total	21'894	34'346	39'582
Retroceded portion	2'873	2'467	3'449
Total net in CHF millions*	19'021	31'879	36'133

Claims paid, gross – Non-life

	2000	2001	2002
Accident	74	-153	76
Medical	68	-171	334
Motor	1'868	1'396	1'013
Ocean marine, aviation and transport	702	909	856
Fire, storm & tempest, and property-casualty	5'204	4'940	4'325
Comprehensive general liability	1'765	2'439	1'878
Credit, bond and fidelity	326	472	407
Other sectors	219	728	472
Total Property*	12'459	13'896	13'588

Source: FOPI

* 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

	2000	2001	2002
Individual			
– Endowment	1'204	1'148	2'519
– Annuity	15	19	90
Group	881	1'546	1'931
Unit-linked life insurance	5	19	26
Total life*	2'192	2'900	4'649


























Claims paid, gross – Total

	2000	2001	2002
Total	14'650	16'796	18'237
Retroceded portion	2'398	2'105	2'334
Total net in CHF millions*	12'252	14'690	15'903

Source: FOPI

* 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 2002

	Per capita premiums in USD	of which life insurance in USD	
Switzerland	4922	3100	
United Kingdom	3879	2679	
Japan	3499	2784	
USA	3462	1663	
Ireland	2703	1712	
Netherlands	2472	1296	
Denmark	2448	1575	
Finland	2272	1765	
France	2064	1349	
Belgium	2003	1324	
Norway	1939	1101	
Sweden	1793	1232	
Australia	1706	1010	
Germany	1628	737	
Hong Kong	1583	1238	
Canada	1563	657	
Austria	1452	649	
Italy	1435	905	
South Korea	1160	822	
Spain	1091	588	
Singapore	1031	730	
Israel	981	459	
New Zealand	926	211	
Russia	67	23	
China	29	20	

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 Dependents'/Disability Insurance pensions (AHV/IV)	2004
--	------

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%
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Orphan's pension (one parent dead), children's pension	40%
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Orphan's pension (both parents dead)	60%
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Permanent disability pension	100%
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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.

	2004
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)		2004
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:
 - 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 % 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 3a for individuals residing outside of Switzerland are taxed at source.

Deductions

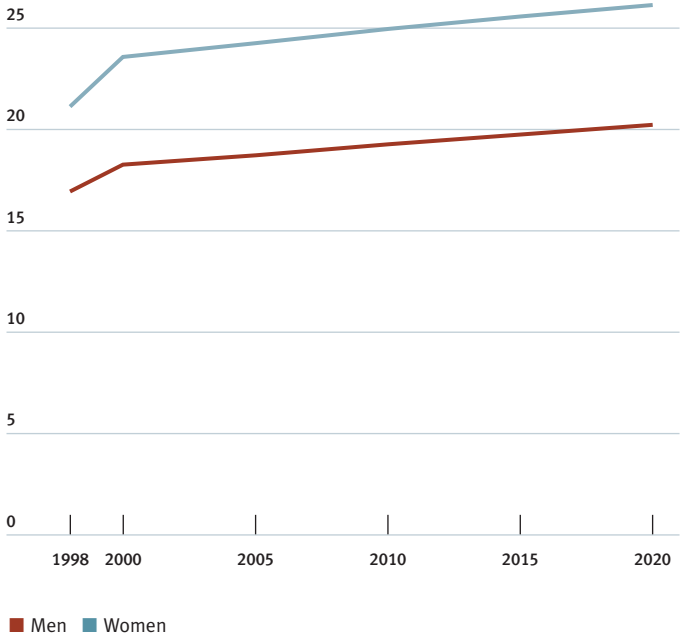
Occupational coverage

- 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.

Life expectancy

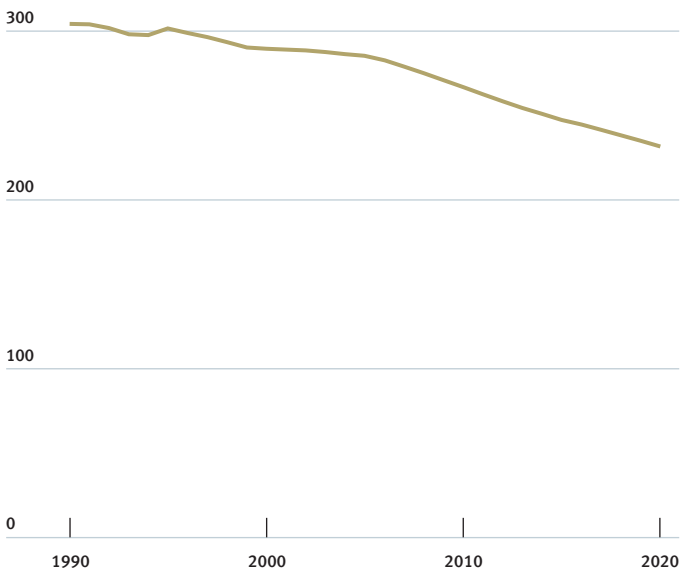
of 65-year-old men and women in Switzerland (in years)



Source: FOPI

Number of employed persons aged 20–64

in full-time equivalents per 100 persons aged 65 and over in Switzerland

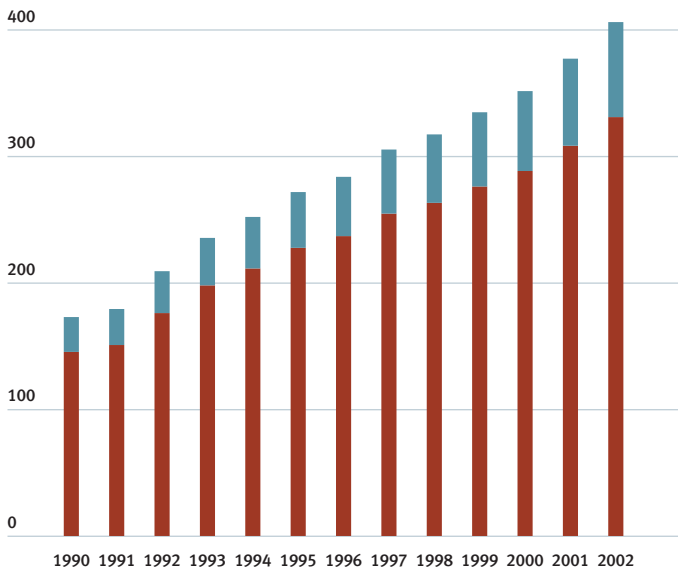


Source: SFSO

Total disability pensions 1990–2002

In CHF millions

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

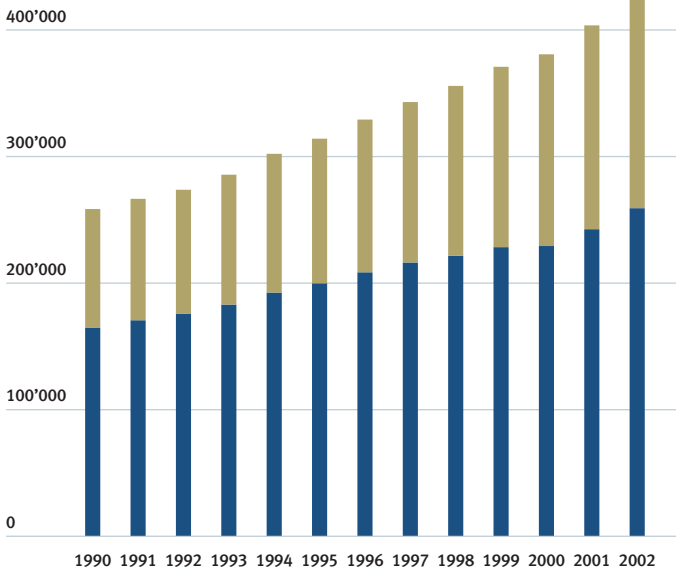


■ Disability pensions ■ Supplementary pensions

Source: SFSO, IV statistics

Number of persons with disability pension 1990–2002

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



■ Disability pensions ■ Supplementary pensions

Source: SFSO, IV statistics

2.9%

07760

187300

2.8%

17400

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