



Annual Report 2013

ASA | SVV

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

The Swiss insurers assume risks, protect individuals from hardship and preserve businesses from ruin. Steadily and surely, they create value and safeguard long-term prosperity and growth, thus making a vital contribution to the Swiss economy. In this year's Annual Report, the Swiss photographer Robert Bösch shows people climbing mountains, hiking along trails and bridging chasms in Switzerland, the land of insurance. He captures tiny figures standing next to majestic peaks, poised courageously on ridges, or roped up as they tackle dangers together. They symbolise the Swiss insurance industry: dealing with ups and downs, bearing responsibility on behalf of our society and jointly achieving political goals.

Key events for the Swiss private insurance industry in 2013

January 2013

23.01.13 | The Federal Council adopted the “Health 2020” reform package. This new strategy should consolidate what has been achieved, sustainably eliminate weaknesses in the healthcare system and deal effectively with the challenges of the future. From the health insurers' standpoint, such lofty goals often limit freedom of choice, trigger price rises and, all in all, further restrict competition.

February 2013

08.02.13 | At the annual SIA media conference, the Swiss insurance industry took stock of the year 2012. Good results and further solid growth were noted once again.

18.02.13 | The steering committee of the “Financial Services Act” project published its report on the hearing into the planned legislation. The SIA opposes the planned inclusion of the insurance industry in the bill.

27.02.13 | The Federal Council launched the consultation process for its indirect counterproposal to the initiative “For a Single State Health Insurer”. Private insurers welcomed the fact that the Federal Council opposes a state monopoly, but think reforms should rather be made through the customary law-making process.

March 2013

20.03.2013 | The Council of States followed the National Council in referring the draft for a total revision of the Insurance Contracts Act back to the Federal Council for further amendments. Insurers welcomed the parliament's decision in favour of a partial revision of the bill.

20.03.13 | The National Council approved four motions calling for a rapid vote, without counter-proposals, on the initiative “For a Single State Health Insurer”. The Council of States had previously accepted a similar motion. Private insurers welcomed this as a clear signal that parliament opposes the gradual nationalisation of health insurance.

April 2013

10.04.13 | The Federal Council referred to parliament its message concerning the treaty with the United States on the “Foreign Account Tax Compliance Act” (FATCA). The SIA re-

commended a rapid deliberation on the treaty and the law in order to implement the relevant FATCA provisions by the end of 2013. Otherwise, the Swiss financial institutions in question would have had to face severe disadvantages as of 1 January 2014.

June 2013

21.06.13 | The Federal Council presented the key points of a comprehensive reform of the pension system. The private insurers welcomed the fact that the “Pension System 2020” reform package had been fleshed out and voiced support for its basic thrust, i. e. maintaining a clear division between the first and second pillars and stabilising each pillar individually. The SIA advocated rapid implementation of the urgent measures.

September 2013

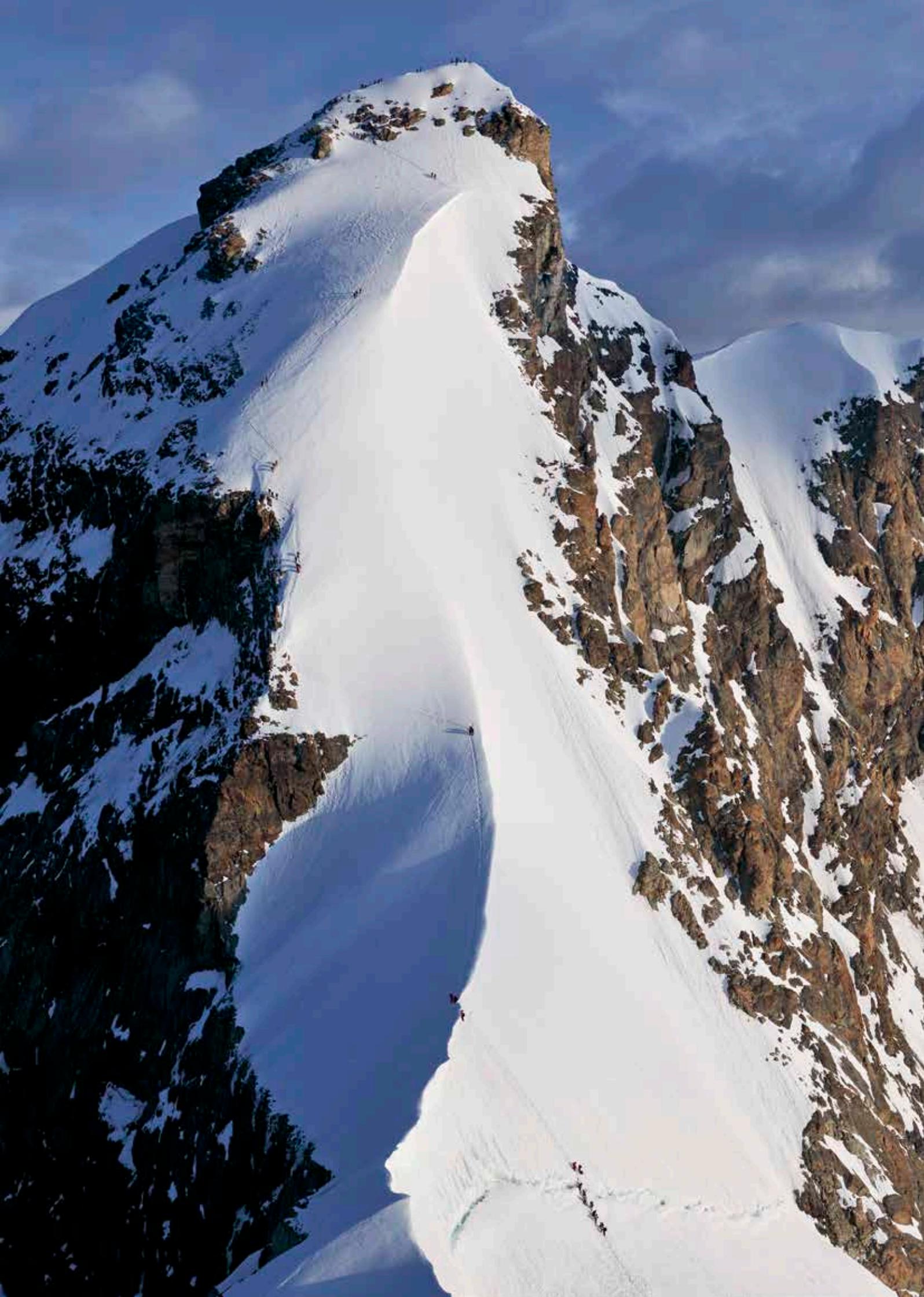
06.09.13 | The FINMA published its report on the activities of private life insurers in the field of occupational pensions. The report shows that life insurers have once again succeeded in lowering the administrative costs of occupational pensions. Available in German under the title “*Offenlegung der Betriebsrechnung 2012*”, the report contains a wealth of statistics and draws a comprehensive picture of how important private life insurers are to the second pillar.

October 2013

30.10.13 | The Federal Council raised the BVG minimum interest rate for 2014 to 1.75%. In the opinion of life insurers, that rate is too high – especially given that numerous pension funds are still underfunded. The SIA regrets that the Federal Council failed to come out clearly in favour of sustainably financing the second pillar. According to the formula proposed by the SIA, the rate should have been lowered to 1.25% for 2014.

November 2013

20.11.13 | The Federal Council launched the consultation process for the extensive “Pension System 2020” reform package adhering mostly to the key points stated in June 2013. However, the Federal Council no longer favours first seeking an external appraisal of the statutory minimum distribution rate for Swiss occupational pensions. The Swiss Insurance Association regrets the Federal Council's decision.



Nothing happens without insurance

The economic importance of the insurance industry is enormous. In the event of loss or damage, the insurance companies provide services that do not simply protect individuals from hardship or businesses from ruin, but also help create added value.

They pay large amounts of tax, build homes and issue mortgages. The insurance industry offers attractive jobs and innovative vocational training.

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Report of the Chairman and the CEO





Swiss insurance companies: a mainstay of our society and economy

The Swiss insurance companies progressed well again in 2013. Despite challenging framework conditions and persistently low interest rates, the Swiss insurance industry continued to grow, in both the life and the property and casualty segments. Its robustness and efficiency were evident from gratifying financial results, a favourable overall claims experience and improved cost efficiency. We can confidently state that the private insurers are a mainstay of the Swiss economy and have again contributed to Switzerland's prosperity.

Highest productivity in the financial sector

The insurance industry generates gross value added of CHF 20 billion. That is four percent of the entire Swiss economy. Insurance is one of the eight most important industries in our country. For productivity alone – i.e. value creation per employee – we actually rank first in the financial sector. The Swiss insurers shoulder their responsibilities as employers: about 50,000 people work in the insurance sector, while 2,000 trainees are benefiting from the wide range of training and development opportunities available.

Insurers invest capital in Switzerland and abroad and are major taxpayers. They assume risks, thus freeing up the potential of other companies and making them more willing to engage in new business ideas. Society as a whole benefits from this. These are the conclusions of a location analysis for the Swiss insurance industry that was conducted by the economic research company BAK Basel Economics AG on behalf of the SIA.

A stabilising influence

The study explains and demonstrates the stabilising effect that the insurance sector had on the Swiss economy during the most recent financial crisis. This followed a structural transformation at the start of the new millennium. The resulting efficiency improvements included significant growth in value creation as well as productivity gains that have been unequalled internationally. Growth in the insurance sector is partly owing to the formation of a globally significant reinsurance cluster in the greater Zurich area, where reinsurers have opened numerous new branches. This is attributable to the excellent location as well as historical reasons.

Private insurers face a huge range of important challenges. Adverse weather, for example, is becoming more frequent and more serious. Losses caused by natural hazards are increasing. This is why the insurers are investing in prevention. They are committed to combating the causes of climate change and supporting climate neutral behaviour.

Pension reforms urgently needed

Retirement pensions are another challenge. The life insurance companies make a crucial contribution to ensuring that people in Switzerland enjoy financial security in their old age. Half of all Swiss employers have opted for the unique guarantees offered by the full insurance model.

Demand from Swiss small and medium-sized enterprises (SMEs) for these solutions is growing all the time. As key service providers, we, the insurers, are keen to make a constructive contribution to the current debate on reforming the pension system. We take a long-term view and shoulder responsibility.

Life expectancy in Switzerland is steadily rising, while the birth rate, and with it the number of contributors, is falling. And interest rates are low. In June 2013, the Federal Council presented the key features of a comprehensive reform of the pension system. The Swiss private insurers fundamentally agree with the overall assessment put forward by the government. We see the “Pension System 2020” reform package as a forward-looking project that affects the entire country and has two main goals: to safeguard pensions and to fund the pension system over the long term. Long-term funding also allows the insurance industry to achieve a reasonable return on the capital invested in this business.

The three pillar model should be retained

The SIA is strongly of the opinion that there is no alternative to the three pillar model, owing to its intelligent risk diversification. The first and second pillars must remain strictly separate. This is why we decisively reject the “AHVplus” initiative of the Swiss Federation of Trade Unions. Furthermore, the SIA supports a uniform retirement age for men and women alike and a realistic adjustment of the conversion rate.



Urs Berger, Chairman of the SIA

In our opinion, the BVG minimum interest rate is too high. The Swiss Insurance Association is in favour of calculating the latter using a transparent formula, according to which the BVG minimum interest rate would be 1.25 percent for the year 2014. The reform of the pension system will only succeed if all the stakeholders participate actively and constructively in the debate, with employees, employers and pensioners, as well as insurance companies and pension funds, working together to find solutions. In November 2013 the Federal Council released the consultation draft for the “Pension System 2020” reform. After evaluating the submissions, the Federal Council aims to present the message on the reform to parliament by the end of 2014.

In December 2013, the Swiss Insurance Association published the findings of the opinion survey on the “Pension Monitor 2013”, which it had commissioned from the research company gfs.bern: Most voters think our pension system works well and expect to be able to realise their own personal plans after retirement.

However, it is also clear that the respondents have become more alive to the potential problems in the wake of the recent worldwide financial crisis. Many voters are paying more attention to economic issues. They are increasingly aware that there are limits to the affordability

of the system. Fundamental opposition to any change is dwindling. However, the general public is still not coming under much pressure, so the idea of reducing pension benefits as part of the reforms is not meeting with much understanding from the population.

Competition is the best way of keeping health costs from spiralling out of control

In September 2013 the Federal Council dropped the counter-proposal to the popular initiative “For a Single State Health Insurer”, which was launched in spring 2012. As private insurers we welcome the Federal Council's clear stance that a single state health insurer is not needed as part of the healthcare reforms. We, the insurers, also strive for an affordable healthcare system and remain committed to high-quality medical treatment for all. However, we believe that what is needed is less regulation and more competition between health insurers.

A liberal and competitive environment, which allows customers to choose their insurance solutions freely, creates optimum conditions for bringing the ballooning cost of healthcare under control in the long term. Introducing a single state health insurer would not lead to costs being contained. On the contrary: in the view of the Swiss Insurance Association, healthcare



Lucius Dürr, CEO of the SIA

costs would continue to spiral out of control. Providing health insurance must not turn into a mainly state-run activity.

Customer protection and responsibility

A brief look back: in March 2012 the Federal Council commissioned the Federal Department of Finance (FDF) to draft a bill on the basis of various reports from the Swiss regulator (FINMA). The aim was to create a consumer protection act covering the entire financial industry. This act (Fidleg) is intended to protect customers purchasing financial products. In February 2013, the FDF published a hearing report on Fidleg, indicating the main thrust of the government's intentions.

The SIA made its position clear in a statement, as well as at an FDF panel event in March 2013, and at a meeting with a federal delegation in May 2013. To sum up, the FDF is basically in favour of including the insurance industry in the new cross-sector financial services act. The SIA holds a different opinion, even though the proposed bill is “only” supposed to apply to investment-type products.

We believe that there is no need to include insurers in the bill. Firstly, there are fundamental differences between the type of transactions and products of the insurance industry and those of other

financial institutions. That is why there are separate supervision acts for insurance and banking, for example. Secondly, provisions giving customers full protection are already in place: in the federal acts relating to insurance, in the Insurance Supervision Ordinance and in the FINMA circulars. It would be disproportionate to further regulate sectors that are already subject to special rules and consumer protection standards, merely because of a protection gap in another sector of the financial industry.

We regard it as important that any new measures are practical, and that the costs of supervision and regulatory measures should be affordable. Because ultimately, it is the customer who will have to foot the bill for any additional costs. Instead of disempowering customers by law, the Swiss Insurance Association favours protecting responsible customers where necessary without curtailing their right to self-determination.

A level playing field for all

The SIA stands for liberal values. We believe in self-responsibility on the part of citizens and organisations and oppose the growing trend toward the “nanny state”. We should never forget that it is the political and legislative framework conditions that enable us to act effectively and that we must nurture them. A study by the

Swiss Trade Association and the auditing and consultancy company KPMG came to the conclusion that regulatory costs of some CHF 4 billion are incurred in the areas of employment law, social insurance and food hygiene alone. The cost of state regulation comes to around CHF 50 billion. This is 10 percent of Switzerland's gross domestic product.

As global competition intensifies, we cannot afford to have confusing and in some cases contradictory regulations. The SIA therefore advocates basing its conduct on the principle of subsidiarity. Entrepreneurial freedom is key. Sensible regulation should create a reliable legal framework and fair competitive conditions, but not hamper or shackle competent and responsible action. Regulatory measures should be introduced only after a thorough cost/benefit analysis. We should not aim for maximum security, but carefully estimate the side effects and consequences.

The SIA calls for a regulatory strategy which seeks to make Switzerland and the companies domiciled here more competitive internationally. Uncoordinated regulation imposed by official agencies has reached a level that is harming our economy. It results from individual projects and initiatives that reflect temporary sensitivities, rather than from concrete, overarching goals and principles. All stakeholder groups should be involved in working out a regulatory strategy and striving for a basic consensus. In order to remain competitive internationally, we need a level playing field for all. The goal of Swiss regulation vis-à-vis foreign regulation should consist in comparability and mutual recognition. A "Swiss finish" is not desirable.

Supervision law needs to be adapted to the international environment

The SIA also calls for a level playing field in the area of insurance supervision. We have worked hard to make the balance sheets of the insurance companies even stronger. Now, we need to consolidate what has been achieved. The Swiss Solvency Test (SST) is considerably tougher than EU rules. It should now be aligned with the international environment. The next revision of the Insurance Supervision Act (VAG) and the Insurance Supervision Ordinance (AVO) is an opportunity to close the gaps and achieve equivalence quickly. The areas of disclosure obligations and compliance will need adjusting. We are in favour of extending the disclosure obligations. This will lead to greater transparency and hence to equiva-

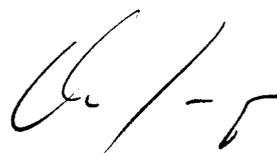
lence with Solvency II. The SIA has presented concrete proposals regarding the amendment of the disclosure rules.

Dialogue is important to us

In 2013, the SIA again took a stand on numerous political and economic topics and presented the views of its members. We published statements and conducted discussions with politicians and government departments in order to make sure our concerns were represented in the political opinion-forming process. We were active in the industry federations of Switzerland and Europe.

We regard it as important that the public should be aware of the vital role played by the Swiss insurance companies in our society and economy. And we are committed to strengthening public understanding, trust and goodwill towards our sector.

Last year we conducted talks with party leaders on four occasions, and informed members of parliament of our views at two meetings and two workshops for each chamber. Regular discussions with Federal Councillors and bilateral meetings with members of parliament also took place. We issued 21 media releases, replied to more than 220 media enquiries, and organised 1 annual media conference, 3 media conferences and 5 other events. The SIA issues about a dozen publications. We published 487 articles and documents on our website (www.svv.ch). Furthermore, we sent out 46 newsletters to over 9,200 subscribers and had a presence on 8 social media platforms.



Urs Berger
Chairman of the SIA



Lucius Dürr
CEO of the SIA

Political priorities



The “Pension System 2020” reform package

Life expectancy is steadily rising in Switzerland. The birth rate is falling continuously, while interest rates are low. This presents a major challenge for the mandatory old age and survivors' insurance scheme (AHV) and occupational pensions alike. In November 2012, the Federal Council therefore set down its guidelines for a comprehensive reform of the first and second pillars of the pension system, i.e. AHV and occupational pensions. It officially commissioned the Federal Department of Home Affairs (FDHA) to examine the financial, social and economic consequences of such a reform and to calculate relevant basic parameters by mid-2013. A draft version was then to be prepared and submitted for consultation by the end of March 2014.

Separate stabilisation of the two pillars a must

In June 2013 the Federal Council approved and published the basic parameters calculated in relation to the “Pension System 2020” reform package. The proposed measures are intended to ensure the financial security of the first and second pillars of the pension scheme, without reducing benefits.

The Swiss Insurance Association (SIA) welcomes the general thrust of the proposed reform. In particular, the SIA regards the clear distinction between the first and second pillars and the separate stabilisation of the two pillars as essential. The SIA is calling for urgent measures to be implemented sooner than the Federal Council intends.

“Major challenges: life expectancy is on the increase while birth rates are falling continuously and investment yields are low. The Federal Council needs to implement a comprehensive reform.”

A number of parliamentary decisions may also be interpreted as signals in favour of a faster and more rigorous approach. For example, in September 2013 the National Council approved the motions “Occupational pensions. Depoliticise the minimum interest rate” and “Occupational pensions. Depoliticise the minimum conversion rate”. Both the proposals put forward by the FDP-Liberal parliamentary group call for the Federal Law on the Occupational Retirement, Survivors' and Disabil-

ity Pension Plans (BVG) to be adapted. This is so that the minimum interest rate and minimum conversion rate will in future be automatically adjusted to the actual situation on the financial markets or the actual ability of pension institutions to pay benefits. These two parameters should no longer depend on political decisions.

Just one day later, the Council also approved the motion “Introduce AHV debt brake quickly”. This proposal, which had also been put forward by the FDP-Liberal parliamentary group, called on the Federal Council to present a bill to parliament which would introduce a debt brake for the AHV pension scheme. They wanted the debt brake to comply with the fiscal rules laid down in the 11th revision of the AHV system. Meanwhile, in December 2013 the Council of States extended the deadline for the parliamentary initiative presented by State Councillor Erika Forster “AHV. 65/65” by two years, as proposed by its Committee for Social Security and Health.

“The reform has two overarching goals: to safeguard pensions and fund the pension system over the long term.”

In November 2013 the Federal Council passed the announced preliminary draft of the “Pension System 2020” reform package and released it for consultation by the end of March 2014. After evaluating the submissions, the Federal Council wishes to present the message to parliament by the end of 2014.

Through its proposals for reform, the Federal Council intends to ensure that the first and second pillars are adequately funded over the long term. It wants the current level of old-age pension provisions to be maintained, and AHV and occupational pension benefits to respond to changing circumstances and requirements. Above all, the transition from working life to retirement should be more flexible.

Step-by-step reform

The SIA is in favour of dividing the planned “mammoth” reform into several stages. In its view, the first step should be limited to the main points. These include the reference age for claiming pensions, making the retire-

ment age threshold more flexible, using value added tax receipts within clearly defined parameters and setting an effective intervention mechanism for the AHV. Furthermore, the conversion rate for occupational pensions should be lowered to 6.0%.

Related issues include the introduction of an annuity conversion guarantee contribution, compensation measures and arrangements for the so-called transitional generation. The latter term refers to people who are set to reach the reference age for claiming pensions within 10 years of the reform being implemented.

The Swiss Insurance Association thinks that the other reforms, such as the modernisation of the AHV scheme, should be undertaken in separate steps. These include survivors' benefits paid by AHV, the equal treatment of self-employed workers and employees under the AHV scheme and the segregation of the AHV from the federal government's budget.

Life insurers play a key role in occupational pensions

The private insurers are taking a particularly close interest in the reform proposals relating to group life insurance. In Switzerland, life insurers play a central role in occupational pension planning. They offer tailor-made solutions to companies, and especially to small and medium-sized enterprises (SMEs).

SMEs, in particular, frequently rely on the guarantees provided by private insurers, since they are in general unable to bear the risks of occupational pension provision on their own. According to the pension fund statistics for 2012 published by the Federal Statistical Office in December 2013, approximately 150,000 SMEs with around a million insured persons make use of the opportunity to take out full insurance.

“The Swiss life insurers are a mainstay of the occupational pension system. Good framework conditions are needed for them to support the reform.”

Life insurers cover the risk of disability and death for another 585,000 people insured by semi-autonomous pension funds in Switzerland.

In the market, they compete with each other and with other financial institutions that provide pensions. Competition is working effectively, as is evident from the differing levels of investment income, risk premiums or surplus distribution.

Private life insurers ready to improve transparency

Private life insurers are ready to further improve their transparency. This makes it easier to compare offers and promotes competition. At the same time, insurance companies rely on good overall framework conditions. For this reason they reject both raising the minimum distribution rate, as such a measure would restrict the opportunity to even out fluctuations between the savings, risk and cost processes, and setting the BVG minimum interest rate retrospectively.

Extending the AHV scheme is not an option

In mid-December 2013, the Swiss Trade Union Federation (SGB) submitted the “AHVplus” popular initiative and positioned it as a counter-proposal to the “Pension System 2020” reform. Completely disregarding the black clouds on the AHV's financial horizon, the popular initiative calls for a 10% increase in all AHV pensions and a parallel general expansion of the first pillar. The Swiss Trade Union Federation claims that benefits for low and middle earners would improve and that these earners would make lower contributions in the first pillar rather than the second pillar. It neglects to mention that these “cuts” would partly be financed by simply passing the expense on to the next generation.

A massive attack on tax autonomy

Implementing the “AHVplus” initiative would cost the AHV about CHF 3.7 billion in addition each year. Under the current system the additional benefits represent salary contributions of 1.1 percentage points, and would be financed by a national inheritance tax. In this context, it should be recalled that the federal popular initiative “Tax inherited millions to fund our AHV”, which was submitted in mid-February 2013, called for inheritances and large donations to be taxed at the rate of 20%.

In addition, it was suggested that receipts from tobacco tax – which amounted to CHF 2.4 billion in 2012 – should be paid directly to the AHV instead of continuing the current practice and paying it to the federal treasury. At present, tobacco tax receipts are used to fund the federal government's share of the AHV/IV old-age and disability pensions. The Federal Council recommends that the initiative should be rejected, since it represents a massive attack on the tax autonomy and tax base of the cantons.

The Swiss Insurance Association decisively rejects the expansion of the current AHV scheme demanded in the “AHVplus” popular initiative.

For an appropriate supervision of social health insurance

The Federal Council wants to strengthen the supervision of social health insurance. In its 2013 spring session, the Council of States decided to consider the Federal Council's proposal for a federal law on the "Supervision of Social Health Insurance" (KVAG). At the same time, the Council of States linked the KVAG to another proposal. This calls for premium payers of eight cantons who overpaid for their basic insurance between 1996 and 2011 to be recompensed through a premium correction. In the winter session, the National Council decided to refer the KVAG back to the Federal Council.

In the run-up to this decision, the SIA made use of the opportunity to present its members' views regarding the KVAG at a hearing held by the relevant National Council committee. In principle, the insurers welcome stronger supervision in order to increase transparency and comply with stricter requirements in relation to governance. However, new legislation is not needed;

a partial revision of the Federal Health Insurance Act (KVG) is sufficient. Furthermore, the National Council wants to decouple the KVAG from a premium correction.

Public pressure is mounting. Any conciliation procedure therefore has to aim for a rapid discussion and approval of the premium correction for the years from 1996 to 2011. This will allow for an unhurried decision on whether to adopt or reject the KVAG, and for debating any necessary amendments to the Federal Council's proposal or their integration into the KVG.

During this process, the SIA will continue to press for moderate and appropriate supervision. It also supports a political solution to the issue of correcting premiums since 1996. The SIA accepts that the supervisory authority should in future be given the power to reduce excessive premiums. However, this should be part of the annual premium approval process instead of being a retrospective correction of premiums already authorised.

Separating basic and supplementary health insurance is unnecessary

In health insurance, risk balancing is one element of the regulated competition between health insurers. Two parliamentary initiatives call for risk balancing to be refined and introduced for an unlimited period of time.

Together with the industry associations Santésuisse (social health insurance), Curafutura (association of health insurance companies) and the Association of Small and Medium-Sized Health Insurers (RKV), the Swiss Insurance Association is advocating in favour of these proposals.

In the SIA's view, refining the risk balancing process will act as a corrective to the uniform per capita premium. This corrective is necessary and should help strengthen competition in terms of benefits among insurance companies and enable the insurers to further improve cost management without sacrificing quality. However, refining the risk balancing process must not lead to the costs being equalised.

Separating basic and supplementary insurance would mean that social health insurance could no longer be offered by the same legal entity as supplementary insurance. In parallel, so-called "Chinese walls" would be put in place to prevent an exchange of information between the two areas.

The Swiss Insurance Association opposes this separation proposal. Most clients appreciate a "one-stop shop" concept for their basic and supplementary insurance. A revision would lead to unnecessary duplication for insured persons and insurance companies alike. It would impose a huge additional financial burden on the latter. The revision is unnecessary and superfluous. The objectives set by the Federal Council can largely be implemented in the existing system. Moreover, the proposed ban on private insurers' offering social health insurance would greatly restrict entrepreneurial freedom and competition.

A single state health insurer would not lead to lower premiums

The popular initiative “For a Single State Health Insurer” was submitted on 23 May 2012. It calls for the Confederation to set up a national health insurance institution with cantonal or regional agencies. The Federal Council rejected the initiative, but submitted an indirect counter-proposal. This called for more refined risk balancing, the creation of a high-cost pool and the administrative separation of basic and supplementary insurance. In October, the Federal Council recommended rejecting the popular initiative on the basis of the consultation findings without making an indirect counter-proposal. The Federal Council did, however, state that improvements are needed, especially in the areas of risk selection and transparency.

The Council of States rejected the single health insurer initiative in its winter session. In the debate, it stressed the dangers of having a single state health insurer. Contrary to the promises of the initiators, a single

state health insurer will not lead to lower premiums. The initiative does not look at the benefit costs, on which 95% of premium payments are spent, but at the administrative costs of the insurance companies. However, these costs account for only 5% of each Swiss franc paid in premiums. It can therefore be assumed that the single state health insurer scheme would be less efficient and effective than today's solution.

Unlike the current health insurers, a single health insurer does not have to benchmark itself in a competitive environment. Even SUVA, the Swiss national accident insurance scheme which the authors of the initiative are constantly putting forward as a model, has to strive for efficiency and innovation in competition with the private insurance providers. State-run healthcare systems in other countries face major problems and massive debts. This is not the case for the Swiss system, which continues to work well.

Enabling accident victims to return to work quickly

The Swiss private insurers help accident victims reintegrate into the workplace as fast as possible by ensuring that all insurers collaborate effectively on case management. They also facilitate reintegration by including medical professionals in the discussions and cooperating with employers, the Federal Social Insurance Office (FSIO) and the cantonal disability insurance offices.

These measures increase the amount of time spent on such cases. The Swiss private accident insurers have therefore created special service items for the area covered by the Federal Act on Accident Insurance (UVG). These items enable all the doctors providing treatment to invoice consultation and case management fees separately, outside the TARMEDE structure for medical tariffs. The services include consultations with doctors, the insurer or the employer, reimbursement of any related travel expenses, and reviewing the files as part of the reintegration measures.

Private insurers can also use the service items as remuneration guidelines in relation to daily sickness indemnities, incapacity to work or liability cases.

The Swiss Insurance Association is committed to the employers' campaign and the FER pilot project, which was set up to facilitate “early recognition of health needs and reintegration into the workplace”. The association is also involved in evaluating the Con-Certo project, which works for greater reintegration after illnesses/accidents by promoting cooperation between employers, the disability insurance scheme and other personal insurers.

Since 2013 the Swiss Insurance Association has also been represented on the board of Compasso, the employer information portal on reintegration into the workplace. The Swiss Insurance Association believes it is important to closely coordinate the various projects and exploit the corresponding synergies.

When compulsory insurance policies make sense

The Swiss Insurance Association has noted a trend towards increasing regulation of compulsory insurance, mainly in the area of liability insurance. There are currently over 40 mandatory forms of Swiss liability insurance at federal level, in addition to 100 cantonal requirements. These rules have not been set in accordance with any obvious standardised system. Processing cantonal requirements, in particular, is becoming increasingly expensive. Insurance companies can only manage a finite number of products within their portfolios and too much variety may lead to mistakes.

During the consultation process on the total revision of the Federal Act on Insurance Contracts (VVG), the SIA therefore spoke out in favour of insurance policies being compulsory where this is sensible. However, insurance policies should not be mandatory on a cantonal basis, and this actually dilutes their importance.

Risks do not vanish at cantonal borders. If they require mandatory insurance, it makes sense to regulate them at federal level. Different cantonal compulsory insurances contribute to creating legal uncertainty among the population.

For instance, there is no reason why mandatory insurance for dog owners should vary from canton to canton – this is an unsuitable regional, rather than risk-based, system of regulating risks. A plethora of different solutions without any objective justification makes it more difficult to implement transparent, inexpensive insurance solutions. It may even distort competition.

Mandatory insurance does not avert a single loss, it has no prevention value. A compulsory insurance policy only has an impact after a loss has occurred. Making a specific type of insurance compulsory should therefore be based on real economic needs in the event of a loss, and not be driven by emotional considerations alone.

In 2013 the Swiss Insurance Association developed a strategic concept for the adoption of new mandatory insurances. It is based on three pillars: a vision, an assessment grid and the use of actuarial instruments according to risk exposure. The vision is as follows:

- The Swiss Insurance Association welcomes compulsory insurance wherever this is sensible
- Mandatory insurance should be regulated on the basis of consistent principles and by federal law only
- The Swiss Insurance Association participates actively in the legislative process

Deciding where mandatory insurance would make sense is often a matter of judgement. To ensure that judgement is exercised in a consistent manner, the SIA recommends weighting various criteria systematically before a particular mandatory insurance is assessed for sense.

The assessment grid for such weightings takes various criteria into account. These include, for example, how far exposure to the risk is a matter of choice, the number of people potentially affected, the knowledge gap between the parties to the contract, and the extent of the risk. Such a grid enables the legislator to rank the criteria that could justify the introduction of mandatory insurance. If the critical value specified by the legislator is reached, the risk will count as “suitable for compulsory insurance”.

It should, however, be noted that the criteria included on the compulsory insurance assessment grid are not applied on a regional or cantonal basis. If the threshold is reached, a potential risk or hazard should not be restricted to a particular place. Ultimately, this means that a solution is needed in terms of federal law.

“ Mandatory insurance does not avert a single loss, it has no prevention value. Compulsory insurance only has an impact after a loss has occurred. ”

Risks that reach the threshold may vary in size. Therefore the third element is a list of instruments to help design the compulsory insurance covers according to actuarial principles. Depending on the extent of the risk insured, it may be sufficient simply to make taking out insurance compulsory. For high risks, specifying the minimum amounts insured would be a reasonable approach. For specific serious or general risks, establishing a direct right of claim with certain justified plea exceptions would make sense.

This strategy enables the legislator to carry out undistorted risk assessments and gradings in terms of risk escalation for each individual risk. The Swiss Insurance Association has taken the matter in its hands and set up a standard assessment and grading tool with added value for the Swiss insurance industry and the legislator. At the same time, it creates more transparency and legal certainty for consumers.

Improving doctor-patient communication

The Swiss College of Surgeons (fmCh), the Swiss Medical Association (FMH) and the Swiss private insurers know that health complications arising from medical treatment quite frequently escalate into legal proceedings. One reason for this may be that the patient was led to develop unrealistic expectations before treatment. Another could be that the patient is frustrated by a lack of empathy on the part of the doctor, or an unsuccessful treatment. Legal disputes are not beneficial to the patients' welfare.

In the view of the SIA's Claims Committee (SLK), it is sensible to do more than simply provide tools for dealing with medical incidents after the fact. Suitable tools for a more comprehensive approach exist and now include the joint council of experts (*"Gemeinschaftliches Gutachter-Konsilium"*, GGK).

Communication between physicians and patients needs to be improved before treatment, for preventive

reasons, but also and especially when the treatment results are not as desired. Empathy and communication help to avoid conflicts.

The SIA intends to work with partners to produce an information sheet on the topic of optimising the procedure for handling medical incidents. The partners are the Patient Protection Foundation (SPO), the Association of Swiss Patient Representation Offices (DVSP), the Swiss Surgical Society (SGC-SSC) and the Swiss Medical Association (FMH). H+, the Swiss hospital federation, is also being invited to participate. The first meeting took place in late 2013. The associations expect to be able to publish the information sheet by mid-2014.

It intends to help doctors understand that proper communication and a respectful attitude to patients are crucial, both before treatment and after an incident, as they strengthen or restore the patient's trust in the doctor. This is extremely important in delicate situations.

Amended statute of limitations creates added value for all stakeholders

Two parliamentary initiatives submitted in 2006 and a motion from the Committee for Legal Affairs of the National Council (RK-N) in 2008 resulted in a draft bill from the Federal Council aiming to amend the statute of limitations. The main intention is to protect victims of delayed damage more effectively. In the Federal Council's view, extending the limitation period should achieve this objective.

At the same time, the Federal Council wishes to simplify the statute of limitations. In November 2013 the corresponding message on amending the Code of Obligations (OR) has been adopted. In the case of bodily injury, the new absolute limitation period should be thirty years and the relative statute of limitations for claims arising from the law of tort or unjustified enrichment should be three years.

The SIA supports the basic desire to standardise the statute of limitations. However, the current proposal must be qualified as unsatisfactory as it lacks a consistent, simplifying concept of the two deadlines, both ab-

solute and relative. Instead of tailor-made protection for victims of delayed damage, a general extension of the limitation period is proposed for all cases of bodily injury. The SIA therefore calls for the proposal to be accepted, on the condition that the focus is on actually standardising the statute of limitations in a systematic and transparent manner. It wants to see appropriate differentiation of the longer limitation period and proposes a hearing of the stakeholders concerned.

The National Council's Committee for Legal Affairs agreed and arranged a series of hearings in 2014. The detailed consultation process will continue. The SIA is committed to only changing a historically established and functioning system of limitation if the amendments correspond to the declared objectives. Any amendments must generate added value for all stakeholders concerned. There is no urgency about the statute of limitations. It is important that the draft bill does not create one-sided advantages for interested parties, but satisfies all the objectives stated above.

Compulsory earthquake insurance in jeopardy

After the tragic 2011 earthquakes in New Zealand and Japan, Jean-Réné Fournier, Councillor of States, launched a motion calling on the Federal Council to introduce compulsory buildings insurance against earthquake damage for all of Switzerland.

Following the basic work on legal implementation, product design and claims management the Federal Department of Finance prepared and informally submitted a consultation report. This procedure was concluded on schedule and all responses were thoroughly analysed. Over 70% of the respondents agree with the concept of compulsory earthquake insurance. It should be introduced by private insurers via the Insurance Supervision Ordinance (AVO). In the 19 cantons with cantonal buildings insurance, it should be implemented by amending the cantonal laws. The participants took a critical view of amending the federal constitution. They favour insuring buildings only, including clean-up op-

erations. Insurance for household goods and chattels should be voluntary.

The participants supported the idea that the state should part-finance the earthquake insurance scheme by contributing CHF 9.5 billion. Whether it is socio-politically acceptable for the government to give assistance to home owners only remains to be seen.

Three working groups (“Legal”, “Product” and “Claims Settlement”) have been commissioned to evaluate the consultation results and sketch out a solution. A possible concordat (mutual agreement between the cantons) is in jeopardy, because six cantons reject earthquake insurance. The working groups do not regard a solution at federal level as likely to succeed. They therefore decided to seek discussions with these six cantons. They will then submit their final proposals to the steering committee. The latter will decide which solution should be passed on to the Federal Council.

“Via sicura” – improving road safety

April 2013 saw the launch of the consultation procedure on the second “Via sicura” package – the action plan to improve road safety. It ran until July 2013 and contained measures that needed to be refined before they could be incorporated in an ordinance:

- Quality assurance of certificates of medical and psychological fitness to drive
- Updating minimum medical requirements for driving motor vehicles
- A ban on alcohol for particular groups of people and
- Compulsory use of vehicle lights during the day.

Examinations regarding fitness to drive should in future be conducted only by physicians and psychologists. The minimum medical requirements should be adapted to reflect scientific knowledge and technical standards. For example, hearing aids have become much more effective, and adjustable driving seats meant that minimum height requirements are no longer necessary.

The second package of measures for “Via sicura” also suggested introducing a ban on alcohol for certain

groups of people such as beginner drivers, new drivers, persons accompanying learners, and professional drivers. A blood alcohol level of 1.6 mg/ml or above already results in disqualification from driving for several months. This must always include a medical examination to assess whether the driver has an alcohol problem. From 1 January 2014, vehicle owners will have to pay any fines if the offender is not known. Finally, policyholders can ask their insurance company to provide a statement relating to their claims record when they want to change their motor vehicle liability insurance.

The private insurers in Switzerland had already put forward their concerns in the first “Via sicura” safety package and the SIA has supported the interests of the insurance industry in all respects. As these concerns had been satisfactorily addressed by the first package, there was therefore no reason for the SIA to intervene in any phase of the second stage.

Starting on 1 January 2014, the measures will be fully phased in by 1 January 2015.

Insurers critical of partial revision of the Export Risk Insurance Act

The Swiss Insurance Association was invited to make a statement on the partial revision of the Export Risk Insurance Act (SERVG) and its ordinance. The revision is supposed to optimise the SERVG and incorporate measures previously limited to the end of 2015 into standard law. This refers in particular to working capital insurance, bond guarantees and refinancing guarantees that were initially introduced for a limited period in 2009.

The Swiss Export Risk Insurance (SERV) also wants to be able to issue its insurance policies and guarantees in the form of an order. These have hitherto been issued through public-law contracts.

The most significant change is to the exceptions clause. This allows SERV to conclude policies even if the proportion of Swiss value added is less than 50 percent of the total value. Hitherto, SERV provided such insurance on a case-by-case basis. Following revision, a relatively comprehensive list of assessment criteria will be

used. The legislator justifies the partial revision by saying that it will stabilise the existing structures and make it easier for Swiss companies to compete internationally. The stated aim of the revision is to give effective support to the export efforts of Swiss companies and, in particular, promote SMEs.

The SIA is critical of these proposals and has expressed its views on the draft revision. Insurers are aware of the trend for the Swiss export industry to outsource parts of its production to countries with cheaper manufacturing costs, thus reducing the proportion of Swiss added value. A more flexible mechanism for dealing with the proportion of added value is therefore desirable and in line with the current trend. Nevertheless, the insurance industry is sceptical as this development, calls the principle of subsidiarity into question. It is to be hoped that the positive relationship with SERV will not be jeopardised.

Tailor-made training for fraud investigators

In the last few years, the number and importance of fraud investigation departments has increased sharply throughout the insurance industry. Quite often, these units are staffed by a diverse group of employees from various insurance backgrounds.

That is why at the start of 2013, the “Combating Insurance Fraud” (CIF) working group of the Swiss Insurance Association decided to offer its staff an in-house training programme. This will be based on real, practice-oriented cases and respond to the varying needs of the participants. The SIA members need training courses to be tailored to their areas and activities in order to make the most of them. The CIF working group will therefore review and update the SIA course content every year.

“Accounting” was the subject chosen for the pilot project in 2013. When investigating fraud, it is particularly useful to have a working knowledge of accounting. Matthias Kiener, Deputy Head of Forensic at KPMG, deployed expert knowledge and considerable teaching

skills as he led the participants through the day's programme. He gave a clear and intelligible explanation of how to read a balance sheet and income statement, and then answered questions. The course members also learned which documents they must request from policyholders or suppliers as regards the balance sheet. Numerous case studies directly related to insurance fraud made the course content vivid and comprehensible.

This year the professional development day was held on three occasions, attended by a total of 42 representatives from anti-fraud departments. The insurance companies met the costs of the course, while the Swiss Insurance Association organised the event.

Excellent feedback was received from the participants in the pilot project. The CIF working group has therefore decided to offer further training. Courses on “Open-source Intelligence” are being planned for 2014. Participants will look at effective methods of using various social media and World Wide Web sources for pertinent research.





eCall – a new digital emergency system to protect drivers and passengers

The European Commission is planning to introduce “eCall”, an automatic emergency call system for motor vehicles. The aim is to provide better protection for drivers. This digital emergency call technology should significantly reduce the time between an accident occurring and the arrival of the emergency services. In other words, it will save lives.

Automatic alerts

According to the European Council, member states must ensure that 112 is adopted as the standard European emergency number for “eCall” in their public telephone networks. Furthermore, emergency calls must be received and processed within a reasonable time. The system's method of operation is straightforward: The car's electronics are equipped with built-in sensors which register serious accidents. In the event of an accident, the system automatically sends an “eCall” to the relevant emergency service, together with details of the vehicle's location. It also establishes a voice connection with the vehicle's occupants. Switching to this system and providing all new vehicles with an “eCall” feature should save 2,500 lives throughout the European Union each year.

Switzerland to participate

Switzerland has also indicated its willingness to participate, and is preparing for the introduction of “eCall”. Since this is primarily a safety matter, the cantons are responsible for implementing the system in this country. The Swiss private insurers support this potentially life-saving project, even though they are not directly affected by the regulation proposal and the changes to the relevant directive.

It is not yet possible to assess what the launch of the “eCall” system will mean for the insurance industry as a whole. The strategic opportunities and viable fields of application for this system are as yet unclear. There can be no doubt that the introduction of “eCall” will have a significant impact on insurance claims and product development alike.

A built-in automatic emergency call system will network the on-board electronics, meaning that car owners will be able to make use of numerous additional services. From providing roadside assistance after a breakdown to retrieving a stolen car, “eCall” will bring many changes for the insurance industry. It is evident that the project also offers insurers a range of new opportunities.

Liberty of choice is key

Various issues need to be considered as “eCall” is introduced in the European Union and Switzerland. Its launch presents several challenges, and not just technical ones. For example, attention must be paid to how

“ There is no doubt about it: The introduction of “eCall” opens up a range of new opportunities for the insurance industry. ”

the numerous emergency services will be networked, and how “eCall” can be internationally coordinated. Specific legal aspects must also be taken into account. Within the European Union it has already been shown that it makes sense to involve all affected parties and join forces to tackle the implementation of “eCall”.

As insurers, we believe that the consumer should be able to choose freely who provides additional services following a collision. Who coordinates repairs after an accident and who provides the breakdown service? Is it the insurance company, a garage or the car manufacturer? The SIA considers it vital that the insured person's freedom of choice is legally protected. The industry federation Insurance Europe also supports this view.

Work on the introduction of the “eCall” system is currently in full swing, and the SIA is monitoring the legislative process in the European Union and the public opinion in Switzerland. It is clear that the launch of “eCall” throughout the European Union by 2015 is a very ambitious target, not least because there has long been opposition to an automatic emergency call system from France and the UK in particular. It would be more realistic to work towards implementation in 2018.

Effective customer protection – today's reality in the insurance sector

The Federal Department of Finance (FDF) is currently working on introducing the “Financial Services Act” (Fid-leg), a draft bill with far-reaching implications for the financial sector. The failure of the US investment bank Lehman Brothers during the financial crisis of 2008 was one of the triggers for this legislative project. The bank's resounding collapse caused major losses for numerous Swiss investors, prompting the Financial Market Supervisory Authority (FINMA) to carry out an investigation. FINMA produced various reports on the subject, which culminated in the Federal Council issuing the FDF with a legislative mandate in March 2012.

Consumer protection approach

According to the FDF, the aim is to create a consumer protection act covering the entire financial market on the basis of this legislative mandate. The act is intended to fully protect customers when purchasing financial products, and to do so in an internationally recognised manner. Relevant projects within the European Union, such as the revised directives on the financial market and on insurance intermediaries, as well as the new rules on key information documents for investment products, play a major part in this context.

“ The business activity of insurers differs fundamentally from that of other financial institutions. ”

In February 2013 the FDF published a hearing report as part of its work, and invited interested parties to participate in a “pre-consultation” process. The hearing report shows the possible approaches that the planned legislation may take.

No need for blanket legislation

In reaction to this draft the SIA has publicly stated its position as follows:

- The business activity of insurance companies, and their products, differ fundamentally from those offered by other financial institutions and financial services. This is one of the reasons why there are separate laws on insurance supervision and banking supervision, for example. In addition, there are

already numerous consumer protection provisions in the federal laws specific to insurance, as well as in the Insurance Supervision Ordinance (AVO) and sector-specific FINMA circulars. As special rules and regulations, these would in any case take precedence over a general law (priority of *lex specialis*). The SIA therefore takes the view that there is no need to summarily include the insurance sector – i.e. insurers and insurance intermediaries – in a new, cross-sector financial services act.

- A wide range of asset classes with various risk features such as equities, bonds, investment funds, derivatives, structured products, exchange traded funds and precious metals, means that legislative measures to protect customers need to be undertaken in a sector-specific manner. Thus, adequate attention will be paid to the various business activities and asset classes. It is also proportionate: protection gaps such as those revealed in the aftermath of the collapse of Lehman Brothers relate to bank-specific investments. It would be disproportionate to impose new regulations on sectors that are already subject to special rules and consumer protection standards just because a sector-specific protection gap has come to light.
- The new measures must not only be workable but also economically viable. The costs incurred by the financial institutions as a result of regulatory measures must also be taken into account, in addition to the actual cost of supervision, such as for state control of product information. Ultimately, the customer has to foot the bill for all these expenses. The SIA supports appropriate consumer protection and opposes disempowering the customer.

The timeframe

In March 2013, the Swiss Insurance Association also stated its position on these matters at a panel event held by the FDF in Bern. This event aroused great interest throughout the financial services industry. The Federal Council is expected to launch the consultation process on the draft bill in the second quarter of 2014. The SIA will review their position as soon as the consultation proposal is officially available in writing.

Towards a partial revision of the Insurance Contracts Act

In 2011, parliament referred the total revision of the Federal Act on Insurance Contracts (VVG) back to the Federal Council, having decided in favour of a selective partial revision of the act. The SIA regards this decision as the correct one, since the Federal Council's proposal

- does not adhere to the partial revision of 2006/2007
- encourages insurance fraud
- results in a vast amount of over-regulation
- leads to high follow-up costs in respect of regulation

The Federal Department of Finance (FDF), which is responsible for the proposal, must now draft a partial revision. Parliament's requirements are as follows:

1. The existing Insurance Contracts Act must be retained and only optimised where necessary. Provisions that have particularly proved their worth and those that were amended in the partial revision of 2006/2007 must remain unchanged.
2. Amendments to the existing VVG should be undertaken only where necessary, not least for cost rea-

sons. This could include the introduction of a right to cancel or extending the limitation period appropriately. Unnecessary encroachments on the freedom of contract must be avoided.

3. The scope of protection afforded by the VVG must be adequately demarcated.
4. Generally accepted terms that are not open to interpretation should be used (VVG as a supplementary decree to the OR; consistency of legislation).
5. Electronics-based methods of doing business must be taken into account.

The FDF will involve policyholders, insurance companies and their representative bodies in drafting the partial revision, as appropriate. A draft of the partially revised VVG, or the respective work carried out by the FDF, is not expected before the second half of 2014 at the earliest, owing to other legislative projects. Furthermore, the FDF wants to see how things go with the proposed "Financial Services Act" (Fidleg) project.

The ordinance against excessive executive pay acts as a strait-jacket

In March 2013, the people and cantons resoundingly approved the popular initiative "against fat-cat salaries" by voting 67.9% in favour. The initiative required the Federal Council to adopt an ordinance (VegüV) implementing the new constitutional provision by early March 2014. The Federal Council sent the draft ordinance for consultation in summer 2013.

The VegüV is important to the SIA: on the one hand, key members of our association are listed Swiss limited companies, and thus subject its provisions. On the other, some of our members are also affected by the ordinance in their capacity as pension institutions. Finally, the SIA does not want Switzerland's attractiveness as a place to do business to be put under massive strain by implementing the initiative.

The Swiss Insurance Association therefore gave careful consideration to the draft ordinance. The new

constitutional provision effectively acts as a strait-jacket affecting all Swiss limited companies listed on the stock exchange similarly. In its statement, the association therefore restricted itself to a small number of selected points in the draft, such as the duties of independent voting proxies. Moreover, the SIA participated in preparing the *economiesuisse* statement, which it supports.

On the basis of the hearing report – which came to some 1,000 pages and contained various hotly debated opinions – and the positions taken by the legal affairs committees of the National Council and the Council of States, in November 2013 the Federal Council passed the definitive ordinance against excessive pay in stock-exchange-listed companies. This has been in force since the beginning of 2014 and will remain applicable until the two chambers of parliament have enacted the new provision in law.

Insurers achieve optimum concessions on FATCA

The Foreign Account Tax Compliance Act (FATCA) requires financial institutions throughout the world to identify accounts held by US taxpayers and give the US tax authority (the Internal Revenue Service, or IRS) information about these accounts.

The FATCA agreement was initialled in December 2012. In January 2013, the United States published their "Final Regulations" for the implementation of the Act. The Federal Council ratified the agreement on 14 February 2013. The memorandum of understanding (MoU) followed in June 2013. One month later, in July 2013, the US Treasury Department and the IRS unilaterally announced a six-month postponement. The agreement had to be adapted to the new deadlines through an exchange of notes. The Swiss Federal Assembly approved the agreement in September 2013. The referendum deadline expired unused. The FATCA regulations

“ In the September 2013 agreement, Switzerland's pension schemes were granted general exemption from the Foreign Account Tax Compliance Act. ”

will be phased in from 1 July 2014 onwards. FATCA imposes a huge administrative and financial burden on the financial services industry throughout the world. Switzerland would not therefore submit itself to FATCA if the consequences were unacceptable.

General exemption for pension schemes

In the agreement, Switzerland's state and occupational pension schemes (Pillar 2 and Pillar 3a with vested benefits schemes, national substitute pension plan foundations, security funds, welfare funds and occupational pension investment foundations) were granted general exemption from the Foreign Account Tax Compliance Act. Submitting to the agreement is therefore in the direct interests of over 2,100 pension institutions in Switzerland with more than 4.7 million active and passive insured members. Otherwise, non-participating financial institutions would in principle be liable to pay 30% US withholding tax from 1 July 2014, if they also omit to register.

FATCA agreement facilitates declaring client relations

Financial institutions must register with the US Internal Revenue Service. They must be "FATCA-compliant" and able to declare any clients from the United States to the IRS. The agreement facilitates these declarations and prevents legal disputes.

Otherwise, relationships with non-cooperative US clients would have to be terminated. However, no insurance company can terminate its existing life insurance contracts for this reason. The agreement therefore takes account of the special situation of the Swiss private insurance companies.

Support for the agreement

The specific advantages negotiated for Switzerland will only be binding once the agreement comes into force. They are bound to prevent difficulties in qualifying client relations. The Swiss Insurance Association has expressed the view to the Federal Council, the Committees for Economic Affairs and Taxation (WAK) of the National Council and Council of States, and parliament that it supports bringing the agreement and Act into force. Thanks to the tireless and persistent efforts of the SIA's General Tax Committee, it has been possible to achieve optimum concessions and clarifications in the agreement, the Act itself, the memorandum of understanding (MoU) and related translations.

The SIA's efforts continue

The Swiss Insurance Association is working intensively on the interpretation and implementation of the Foreign Account Tax Compliance Act. Details and questions of interpretation are being discussed and clarified in collaboration with the Swiss State Secretariat for International Financial Matters (SIF) and various industry associations. The 2013 Insurance Tax Conference was devoted to the topic of FATCA.

In 2014 the Swiss Insurance Association will continue and intensify its efforts. The Swiss private insurers will certainly not stand alone in their close scrutiny of further developments.

Fundamental improvement of FINMA regulations

In October 2013, FINMA published its circular on “Market conduct rules” (*Rundschreiben “Marktverhaltensregeln”*), explaining the supervisory rules on market conduct in respect of securities trading. At the same time, its scope was extended to insurance companies. During the consultation process, the Swiss Insurance Association strongly opposed this extension, not least because there is no legal basis for it in the Federal Insurance Supervision Act (VAG) or the Insurance Supervision Ordinance (AVO).

The supervisory authority did not accept the SIA's argument. It justified extending the scope of the circular by referring to the revised 2012 Stock Exchange Act (BEHG) which takes precedence over legislation specific to insurance. FINMA says that it is possible to envisage circumstances in which insider knowledge could be abused even in an insurance company. One such example might be in connection with a major claim by an institutional policyholder, if one or both of the companies involved are listed on the stock exchange.

Nevertheless, the SIA was able to talk to FINMA and achieve a dilution of the strict and absolute regulation of organisational obligations for all regulated companies included in the consultation draft. The current circular no longer simply requires a general series of precautionary organisational measures, some of which are very burdensome, but allows the organisational requirements to be assessed according to the risks each company faces. Insurance companies themselves may define the organisational measures required for compliance with the circular, on the basis of their own annual risk assessment.

The SIA's firm intervention led to a fundamental improvement of the regulations originally proposed by FINMA. It remains a matter of concern that in the case of this circular, regulations that are primarily aimed at and oriented towards the banking sector are now also being imposed on the insurance sector, where the prevailing conditions in terms of relevance, risks and measures are quite different from those applicable to banks.

Working hours – a matter of trust

The recording of working hours is central to the SIA's political agenda. The amended Employment Act ordinance (ArGV 1) failed to convince the social partners in 2012. It proposed exemptions for employees with an annual income of over CHF 175,000. In December 2013, the State Secretariat for Economic Affairs (SECO) required the cantonal employment offices to comply with the implementation rules and defined three implementation categories:

- Board members continue to be exempt from having to record their working hours.
- Employees who can organise their duties and working hours with considerable discretion may agree to and use a simplified record.
- For most employees the obligation to record working hours still holds.

According to SECO, a complete refusal to record working hours does not comply with the applicable law. The SIA is campaigning for amendments to reflect current working practices in the service sector. For many insurers, working hours are a matter of trust. Most employees appreciate choosing their own working hours. Nevertheless, employee health is a priority for insurers. The new rules require burdensome recording and documentation systems. Many employees interpret the recording obligation as a sign of suspicion and surveillance. This damages the insurance industry's working culture, which is widely recognised as excellent.

Meanwhile, various parliamentary initiatives call for modern solutions. Hopefully, parliament will approve an Employment Act that promotes work satisfaction, efficiency and the ability to combine career and family.

Calls for greater political commitment among insurers

The economic and financial crisis in Europe and the United States has been raising fundamental questions about the sustainability of the current economic system. The alleged lack of social responsibility of many companies is increasingly being debated, with frequent reference to the idea of “justice”. Demanding justice seems to be the best recipe against excessive salaries and the unequal distribution of wealth, and to ensure that prosperity is shared more fairly.

A biased political agenda

Discussions about fairness in income distribution and general minimum salaries are dominating the economic policy agenda in Switzerland.

In 2013 this was expressed in the federal referenda “Against fat-cat salaries” and “1:12 – For fair pay”. Other decisions on redistribution and state intervention are currently pending. The following popular initiatives are due to take place in 2014:

- Single state health insurer
- Minimum wage initiative
- Inheritance tax reform
- Guaranteed basic income
- Abolition of lump-sum taxation
- AHVplus: for a strong state pension scheme

Following the popular initiative “Against mass immigration” the need for channeling immigration is expressed most clearly in the upcoming Ecopop-initiative called “Stop overpopulation – to safeguard natural resources”. In 2013, the SIA's Managing Board and its Campaigning Committee reviewed this topic and gave special attention to its political implications.

Security based on mutual support

The SIA concluded that trust in our liberal society needs to be strengthened. It is important to prove that a free society can strike a balance where necessary. Our industry must take an active part in this political debate, since it has always provided security based on mutual support and made a key contribution to a stable society and a strong, trustworthy economy. The SIA's Managing Board therefore calls on all its members to commit themselves and to promote the association's political stance in-house, in politics and in public.

Building trust and confidence

In the debates related to the recent referenda, the Swiss Insurance Association and various individual insurance companies stated their views clearly. The SIA's Managing Board wants this process to continue as it is the companies' right and duty to take up an explicit position on referendum issues.

The insurance sector and the entire Swiss industry must resume an active role in forming opinion on proposals relevant to the Swiss economy and to our place in the world. Delegating such an important task to industry federations or political parties will not suffice. Businesses should not content themselves with reacting to forthcoming initiatives on a short-term basis. Instead, they should take a long view and demonstrate the advantages of a liberal economic system, the current social partnership and the factors that make the Swiss free market economy so successful. The trust between business and society in general must be reinforced.

Making good use of a far-reaching network

The insurers can reach broad segments of the population, since they, together with their employees and customers, form a network that covers practically the entire country. It is in the interests of private insurers to retain and improve the favourable framework conditions for doing business that our country has been enjoying for a long time and still enjoys. Growth in the Swiss insurance industry is closely related to our country's GDP.

“Trust in our liberal society needs to be strengthened. It is important to prove that a free society can strike a balance.”

It is true that the political commitment of the insurance industry in the run-up to the referendum “Against mass immigration” did not bring about the desired result. However, feedback received by the SIA indicated that the general public did notice the association's political involvement. Other important referenda will take place in the near future. The Swiss Insurance Association will assume an active role and cultivate a dialogue with industry associations, cantons, the federal administration, politicians and the general public.

Credits and certificates for line-long learning

In April 2013, the SIA Training Committee commissioned a feasibility study on the introduction of a training certification system, in connection with the implementation of the association's life-long learning strategy.

This system is primarily aimed both at tied and independent insurance brokers. It offers them the opportunity to meet industry standards and gain a seal of quality that provides visible proof of their advisory competence. Insurance companies are already investing heavily in the professional development of their relationship managers. A widely recognised standard creates trust in the quality of the advice given.

A well-designed training certification system can create this credibility by providing a standardised, sector-wide system of credits for recognised training outcomes in the insurance industry. Each broker documents the credits gained by notifying a central register. They have to earn a particular number of credits within a certain period in order to become qualified.

From May to November 2013 the SIA project team developed the essential elements of the new training certification system. In this, it benefitted from assistance by an external specialist and also collaborated with a sounding board consisting of representatives from the major insurance companies and allied organisations. The feasibility study unequivocally recommended the introduction of this kind of system.

The training certification system of the Swiss Insurance Association would also meet any future legal requirements for regular compulsory professional development, at comparatively low cost. Life-long learning to obtain professional qualifications and match societal changes is a major social and political trend in Europe and Switzerland alike. In December 2013, the Managing Board of the Swiss Insurance Association decided to formally introduce the training certification system by 1 January 2015. It thus underlined its commitment to training and life-long learning.

Mobilising young talent – startsmart.tv

The Swiss Insurance Association (SIA), i.e. its Training Committee, has also launched a second major project as part of the rigorous implementation of its training strategy.

The SIA communications team and the Association for Professional Insurance Education (*Berufsbildungsverband der Versicherungswirtschaft*, VBV) have developed “startsmart.tv”. This online platform aims to help insurance companies attract talented future trainees. Every year, numerous school-leavers and career changers apply to insurance companies for apprenticeship positions. However, it is getting increasingly difficult to find applicants with the right profile and qualifications. The insurance industry needs to strike out in new directions in order to mobilise young talent.

A colourful, trilingual mixture of facts and figures combines with video portraits of interesting role models. It is intended to show how exciting the world of insurance is, and what a wide range of activities and development opportunities it offers. The main target groups for startsmart.tv are young people embarking

on their career who want to take up a basic commercial apprenticeship, or people looking for a career change who are interested in becoming an insurance assistant. In addition, startsmart.tv informs parents, guardians, teachers and careers advisers about basic commercial training in an insurance company, and the many career opportunities it offers. The platform has direct links to contact partners in the companies that recruit trainees and a feature for spontaneous applications.

With startsmart.tv, the Swiss Insurance Association offers the insurance companies a refreshing, up-to-date tool that can be used in all sorts of ways and for all kinds of communication. Apprentices enliven the platform with their own video contributions, thus ensuring, with the help of editors and moderators, that startsmart.tv has a lasting appeal for the target audience.

Users of all ages can access startsmart.tv either directly from the platform or via the insurers' websites or also via dedicated career advice information platforms, and at careers information centres. startsmart.tv went live in April 2014.

The Swiss Insurance Association undertook numerous activities in 2013 as a part of its representation of interests.

Occupational pensions

Consultation process: Amendment of the Federal Act on Vested Benefits and the Federal Act on Occupational Retirement, Survivors' and Disability Pension Schemes (BVG), 11 February 2013

Information event for members of parliament: Occupational pensions/"Pension System 2020" reform package, 5 March 2013

Media release: Key points of pension reform announced, 21 June 2013

Media release: Minimum interest rate 2014: Proposal of Federal Committee for Occupational Pensions is too high, 3 September 2013

Media release: Life insurers reduce administrative costs of occupational pensions, 6 September 2013

Media release: Occupational benefits: The guarantees provided by the life insurers are in demand, 28 October 2013

Media release: BVG minimum interest rate too high again, 30 October 2013

Media release: Pension reform: about-turn on minimum distribution rate, 20 November 2013

Information event for members of parliament: Occupational pensions/"Pension System 2020" reform, 20 November 2013

Meeting with members of parliament: Pension Monitor 2013, 26 November 2013

Media conference/media release: Pension Monitor 2013 – Reform debate brings problems into focus, 11 December 2013

Health insurance

Media release: Commitment to efficient health insurance system, 27 February 2013

Media release: Clear signal against gradual nationalisation of health insurance, 20 March 2013

Hearing: Health Insurance Supervision Act, 3 May 2013

Meeting with members of parliament: Health Insurance Supervision Act, 3 June 2013

Round table: Long-term regulation of outpatient care, 2 September 2013

National conference: Health 2020, 9 September 2013

Media release: Single state health insurer – clear stance of Federal Council, 20 September 2013

Meeting with members of parliament: Developments on the healthcare market, 26 November 2013

Swiss Solvency Test

Position statement: Introduction of Solvency II delayed. Impact on Swiss insurers, 5 February 2013

Supervision Act

Position statement: Final report FINMA circular on auditing, 17 May 2013

Financial market regulation

Consultation process: Revision of the Federal Ordinance on Collective Investment Schemes (CISO), 8 January 2013

Media release: Insurance products do not belong in the Financial Services Act, 18 February 2013

FDf panel: Financial Services Act, 7 March 2013

Hearing: Financial Services Act, 28 March 2013

Hearing: Revision of FINMA circular on "Market conduct rules", 10 May 2013

Information event: Financial Market Infrastructure Act, 13 May 2013

Meeting with members of parliament: Financial centre – regulatory trends from the insurance industry's perspective, 3 June 2013

Hearing: FINMA circular on "Distribution of collective investment schemes", 3 June 2013

Federal Act on Insurance Contracts

Media release: Opportunity for a balanced Insurance Contracts Act, 20 March 2013

Taxes

Media release: Private insurers welcome signing of FATCA agreement, 14 February 2013

Hearing: SFTA – Circular No. 37 “Taxation of employee participation plans”, 28 February 2013

Opinion: SFTA – Circular No. 37 “Taxation of employee participation plans”, 4 March 2013

Consultation process: FATCA Act, 15 March 2013

Conference: Insurance Tax Conference on FATCA, 4 April 2013

Media release: Legislation on FATCA agreement urgently required for Swiss financial centre, 10 April 2013

Opinion: Council of States’ Committee for Economic Affairs and Taxation, FATCA, 26 April 2014

Hearing: Council of States’ Committee for Economic Affairs and Taxation, FATCA, 30 April 2013

Meeting with members of parliament: FATCA, 3 June 2013

Opinion: Council of States, FATCA, 4 June 2013

Consultation process: Financial centre strategy – enhanced due diligence requirements to prevent acceptance of untaxed assets, amendment of the Money Laundering Act, 14 June 2013

Opinion: National Council’s Committee for Economic Affairs and Taxation, FATCA, 21 June 2014

Consultation process: Implementation of the revised recommendations of the Financial Action Task Force (FATF), 28 June 2013

Conference: DACH conference, 1/2 July 2013

Opinion: National Council’s Committee for Economic Affairs and Taxation, parliamentary initiative “The gradual abolition of stamp duty will create jobs”, 8 August/3 October 2013

Opinion: National Council, FATCA, 22 August 2013

Hearing: SFTA, paying agent principle for withholding tax, 24 September 2013

Consultation process: Revision of criminal law on taxation, 27 September 2013

Opinion: SFTA, paying agent principle for withholding tax, 4 October 2013

Opinion: SIF, BEPS action point 2 (interest deductions), 16 October 2013

Opinion: SIF, BEPS action point 7 (permanent establishment status), 7 November 2013

Opinion: SIF, BEPS action point 4 (hybrids), 7 November 2013

Opinion: National Council, “Stop tax penalties in Pillar 3b. Tax the income component instead of the capital contribution when withdrawing capital”, 18 November 2013

Opinion: SIF, BEPS action point 2 (interest deductions), 4 December 2013

Insurance industry

Media release: Insurance companies are a driver of the Zurich financial centre, 11 January 2013

Publication: Facts and Figures 2013, 8 February 2013

Media release: Switzerland’s insurance industry: in good shape and continuing to grow, 8 February 2013

Media conference: Location analysis for the Swiss insurance industry, 20 June 2013

Media release: The insurance industry – a growth leader in the Swiss economy, 20 June 2013

Publication: Private Insurance Law (available in German and French only), 4th edition, 1 October 2013

Publication: The Swiss Private Insurers – Strategy 2020 (available in German and French only), 16 December 2013

Publication: Positions adopted by the insurance industry (available in German and French only)

Prevention

Conference: 3rd private sector prevention day, on “Training: the other kind of prevention”, 17 January 2013

Newsletter: No. 1 – Private sector prevention day, 17 January 2013

Campaign/media release: Adjust headrests correctly – to improve road safety, 16 April 2013

Sponsorship: Swiss Council for Accident Prevention (bfu) focus event “Knights of the road”, 4 September 2013

Newsletter: No. 2 – Distractions while driving, 2 October 2013

Campaign: “Globally Harmonized Systems” – hazard markings for chemical products (organiser: Federal Office of Public Health)

Insurance medicine

Conference: 3rd forum on risk assessment in personal insurance, 6 June 2013

Publication: Medinfo 1/2013 (June): Oncology/coordinated integration management (available in German and French only)

Conference: SIA medical conference, 3 October 2013

Publication: Medinfo 2/2013 (December): Heart/Water/Handicap (available in German and French only)

Training

Insurance Intermediary, Association of Professional Insurance Education (VBV): 651 certificates awarded, March/October 2013

Opinion piece: Insurance with a capital “I”, *Swiss Insurance*, April 2013

Conference: Window of opportunity for an independent insurance industry as an attractive employer, 29 May 2013

Master of Advanced Studies (MAS): Launch of new course “MAS in Insurance Management”, Zurich University of Applied Sciences, May 2013

Swiss Certificate of Competence in Business (all profiles), private insurance sector: 472 certificates awarded, June 2013

Opinion piece: The sector is developing, *Swiss Insurance*, September 2013

Guest presentation: Best Practice Expert Training, shared experience conference of the State Secretariat for Education, Innovation and Research (SERI), 19 September 2013

Presentation: “Training opportunities in the insurance industry”, Swiss Service Centre for Vocational Training, Professional Studies and Careers Advice (SDBB), 24 October 2013

Swiss Federal Certificate in Insurance: 170 certificates awarded, October 2013

Advanced Diploma in Insurance (HFV Insurance Management School): 56 certificates awarded, October 2013

Insurance Assistant, Association of Professional Insurance Education (VBV): 59 certificates awarded, November 2013

Publications: Textbooks on the core processes in the insurance industry, in several languages, 2013

Swiss Insurance Association

Media conference: Annual media conference, 8 February 2013

Leader Forum: 5 April 2013

Annual General Meeting: 20 June 2013

Publication: Annual Report 2012, 20 June 2013

Leader Forum: 25 October 2013

Other activities

Consultation process: Revision of Consultation Act, 8 April 2013

Conference: Expert Committee on Liability, 13 May 2013

Tri-national (D, A, CH) meeting of liability insurers: Exchange of views on cross-border liability themes in Zurich, 3/4 June 2013

Media conference/media release: Private insurers in the front line for natural hazards, 26 June 2013

Consultation process: Implementation of the Minder (“fat cat”) initiative, 26 July 2013

Opinion: Enactment of a new Lawyers’ Act, 26 August 2013

Media release: 1:12 initiative jeopardises the success of Switzerland as a location for insurance, 4 September 2013

Consultation process: Cancellation of unjustified payment orders (revision of Debt Enforcement and Bankruptcy Act, SchKG), 20 September 2013

Meeting: Insurance Europe General Liability SG, Brussels, 1 October 2013

Conference: GenRe conference Cologne, “New technical and legal risks in the digital world”, 15 October 2013

Conference: Mass Torts Europe, Munich, 22 October 2013

Consumer Forum meeting: On “Consumer protection”, 4 November 2013

Media release: 1:12 initiative: Switzerland is committed to a liberal success model, 24 November 2013

Consultation process: Protocol III on extending the agreement on freedom of movement dated 21 June 1999 to include Croatia, 28 November 2013

Hearing: FDF on the Compulsory Insurance Act, 29 November 2013

Nanotechnology dialogue: Dialogue between industry and insurers, 5 December 2013

Nanotech and the law: Event at World Trade Institute Bern, 13 December 2013

Other communication activities

Discussions with party leaders: 5/6 March 2013

Discussions with trade union leaders: 6 May 2013

Discussions with party leaders: 18 September 2013

Party leader discussions with trade unions: Disclosure report, 11 November 2013

Media work: 227 media enquiries answered, 21 media releases

Newsletter: Mailing of 46 issues

Guidebook: Publication of 46 topics

Social media: Active on 8 social media platforms

Website: Publication of 487 pages plus documents

The SIA





The Swiss Insurance Association: committed, credible, liberal

The Swiss Insurance Association (SIA) is the umbrella organisation representing the country's private insurance industry. Around 70 small and large, national and international primary insurers and reinsurers are members of the SIA, employing more than 49,000 people in Switzerland. SIA member companies account for over 90% of private insurance premiums generated in the Swiss market.

Commitment to an economically viable framework

Swiss private insurers are of vital economic importance. They assume and cover companies' and private individuals' financial risks. The SIA is committed to ensuring an economically viable framework for these activities. It works to maintain and promote a liberal, socially responsible market and competition regime.

“ The Swiss Insurance Association is committed to promoting a business-friendly environment. ”

The association is mainly active in the following areas:

- social security (occupational pensions, life insurance, medical insurance, accident insurance)
- insurance law and supervision
- competition and regulation
- economic and fiscal policy
- climate and environment protection
- prevention
- education and training

The SIA promotes trust and confidence in the insurance industry by pursuing an active communications policy. It creates value for its members by transferring know-how, arranging joint events and exchanging industry-specific information. It also provides comprehensive, targeted training modules for beginners and advanced professionals and strives for loss prevention through a variety of measures.

National and international representation of industry interests

The SIA forms political opinion by actively proposing practical solutions based on jointly prepared positions that enjoy broad support. In doing so, it aims to help shape and set realistic parameters and to standardise

and simplify the laws and standards that make private insurance solutions possible.

The SIA is viewed as a fair and reliable partner by policymakers, authorities, associations, the media and the general public alike. It plays an active part in national and international political and private committees and organisations. The SIA sets great store by the regular exchange of views and information and, if expedient, the creation of alliances with all its partners.

“ The SIA represents the common interests of its members. ”

The SIA is a member of national and international associations and organisations. Representing the Swiss insurance industry and promoting the interests of its members, the SIA maintains an active dialogue with, among others, *economiesuisse*, the Swiss Employers' Association and the European insurance and reinsurance federation (Insurance Europe).

Balanced combination of voluntary bodies and head office

The SIA's activities are carried out via a balanced combination of voluntary bodies and a professional, full-time head office. Representatives of the member companies sit on its committees and permanent commissions, providing the benefit of their expertise and managerial and practical experience, and deciding on relevant issues. It is this active commitment that enables the association to work efficiently and professionally in furtherance of the entire insurance industry.

“ The SIA is a member of national and international associations and organisations. ”

The head office acts as a centre of excellence and hub to ensure the smooth functioning of the association. It maintains an early warning system for upcoming issues, launches activities and fosters contact and relations. The association's representation to external parties is performed jointly by the voluntary bodies and the head office. The SIA is financed by contributions from its member companies.

The Swiss Insurance Association has 73 members (as at 1 January 2014).

Life insurance companies

Allianz Suisse Lebensversicherungs-Gesellschaft AG

Postfach
8010 Zurich
www.allianz-suisse.ch

Aspecta Assurance International AG

Landstrasse 124/PF 101
9490 Vaduz
www.aspecta.li

AXA Leben AG

General-Guisan-Strasse 40
8401 Winterthur
www.axa.ch

Basler Leben AG

Aeschengraben 21
4002 Basel
www.baloise.ch

CCAP Caisse Cantonale d'Assurance Populaire

Rue du Môle 3
2001 Neuchâtel
www.ccap.ch

Elips Life AG

Thurgauerstrasse 54
8030 Zurich
www.elips-life.com

Generali Personenversicherungen AG

Soodmattenstrasse 10
8134 Adliswil
www.generali.ch

Groupe Mutuel Vie GMV SA

Rue des Cèdres 5
1920 Martigny
www.groupemutuel.ch

Helvetia Schweizerische Lebensversicherungsgesellschaft AG

St. Alban-Anlage 26
4002 Basel
www.helvetia.ch

Império Assurances et Capitalisation SA

Niederlassung Lausanne
Avenue du Léman 23
1005 Lausanne
www.imperio.ch

PAX Schweizerische Lebensversicherungs-Gesellschaft AG

Aeschenplatz 13
4002 Basel
www.pax.ch

Rentes genevoises – Assurance pour la vieillesse

Place du Molard 11
1211 Genève 3
www.rentesgenevoises.ch

Retraites Populaires

Rue Caroline 9
1001 Lausanne
www.retraitespopulaires.ch

Schweizerische Mobiliar Lebensversicherungs-Gesellschaft AG

Chemin de la Redoute 54
1260 Nyon
www.mobi.ch

Schweizerische National Leben AG

Wuhrmattstrasse 19
4103 Bottmingen
www.nationalesuisse.ch

Skandia Leben AG

Bellerivestrasse 30
8034 Zurich
www.skandia.ch

Swiss Life AG

General-Guisan-Quai 40
8022 Zurich
www.swisslife.ch

UBS Life AG

Birmensdorferstrasse 123
8098 Zurich
www.ubs.com

Vaudoise Vie, Compagnie d'Assurances SA

Place de Milan
1001 Lausanne
www.vaudoise.ch

Versicherung der Schweizer Ärzte Genossenschaft

Länggassstrasse 8
3000 Bern 9
www.versa.ch

Zenith Life SA, Compagnie d'assurance sur la vie

40, rue de la Coulouvrenière
1211 Genève 11
www.zenithlife.ch

Zürich Lebensversicherungs-Gesellschaft AG

Austrasse 46
8045 Zurich
www.zurich.com

Property and casualty insurance companies

ACE European Group Limited

Zweigniederlassung Zürich
Bärenegasse 32
8001 Zurich
www.aceeurope.ch

ACE Insurance (Switzerland) Limited

Bärenegasse 32
8001 Zurich
www.aceeurope.ch

AIIG Europe Limited

Zweigniederlassung Zürich
Gutenbergstrasse 1
8027 Zurich
www.aig.com

Allianz Suisse Versicherungs-Gesellschaft AG

Postfach
8010 Zurich
www.allianz-suisse.ch

Appenzeller Versicherungen Genossenschaft

Eggerstandenstrasse 2a
9050 Appenzell
www.appvers.ch

Aspen Insurance

Zweigniederlassung Zürich
Talstrasse 70
8001 Zurich
www.aspen-insurance.eu

Assista Protection Juridique SA

Chemin de Blandonnet 4
1214 Vernier
www.assista.ch

Assura SA

Avenue C.-F. Ramuz 70
1009 Pully
www.assura.ch

AXA Versicherungen AG

General-Guisan-Strasse 40
8401 Winterthur
www.axa.ch

Basler Versicherung AG

Aeschengraben 21
4002 Basel
www.baloise.ch

CAP, Rechtsschutz-Versicherungsgesellschaft AG

Baslerstrasse 52
8048 Zurich
www.cap.ch

Cardif-Assurances Risques Divers

Zweigniederlassung Zürich
Bleicherweg 66
8027 Zurich
www.cardif.ch

Chubb Insurance Company of Europe SE

Zweigniederlassung Zürich
Zollikerstrasse 141
8034 Zurich
www.chubb.com

Coop Rechtsschutz AG

Entfelderstrasse 2
5001 Aarau
www.cooprecht.ch

CSS Versicherung AG

Tribschenstrasse 21
6002 Luzern
www.css.ch

DAS Protection Juridique SA

Route de Pallatex 7a
1163 Etoy
www.das.ch

Emmentalische Mobiliar Versicherungs-Genossenschaft (emmental versicherung)

Emmentalstrasse 23
3510 Konolfingen
www.emmental-versicherung.ch

Epona société coopérative mutuelle d'assurance générale des animaux

Av. de Béthusy 54
1000 Lausanne 12
www.epona.ch

Europäische Reiseversicherungs AG

Margarethenstrasse 38
4003 Basel
www.erv.ch

Firstcaution SA

Avenue Edouard-Rod 4
1260 Nyon
www.firstcaution.ch

Fortuna Rechtsschutz-Versicherungs-Gesellschaft AG

Soodmattenstrasse 2
8134 Adliswil
www.general.ch

Generali Assurances Générales SA

Avenue Perdtemps 23
1260 Nyon 1
www.general.ch

Genworth Financial Inc

Bändliweg 20
8064 Zurich
www.genworth.com

Groupe Mutuel Assurances GMA SA

Rue des Cèdres 5
1920 Martigny
www.groupemutuel.ch

GVB Privatversicherungen AG

Papiermühlestrasse 130
3063 Ittingen
www.gvb.ch

HDI-Gerling Industrie Versicherung AG

Niederlassung Zürich
Dufourstrasse 46
8008 Zurich
www.hdi-gerling.ch

Helvetia Schweizerische Versicherungsgesellschaft AG

Dufourstrasse 40
9001 St. Gallen
www.helvetia.ch

Infrassure Ltd

Uetlibergstrasse 134A
8045 Zurich
www.infrassure.com

Inter Partner Assistance

Niederlassung Genf
2, Cours de Rive
1204 Genève
www.inter-partner.ch

Liberty Mutual Insurance Europe Limited

Zweigniederlassung Zürich
Lintheschergasse 23
8001 Zurich
www.libertyiu.com

Branchen Versicherung Schweiz

Sihlquai 255
8031 Zurich
www.branchenversicherung.ch

Orion Rechtsschutz-Versicherung AG

Centralbahnstrasse 11
4002 Basel
www.orion.ch

Protakta Rechtsschutz-Versicherung AG

Monbijoustrasse 68
3001 Bern
www.protakta.ch

Sanitas Privatversicherungen AG

Jägergasse 3
8021 Zurich
www.sanitas.com

Schweizerische Hagel-Versicherungs-Gesellschaft, Genossenschaft

Seilergraben 61
8021 Zurich
www.hagel.ch

Schweizerische Mobiliar Versicherungsgesellschaft AG

Bundesgasse 35
3001 Bern
www.mobi.ch

Schweizerische National-Versicherungs-Gesellschaft AG

Steingraben 41
4003 Basel
www.nationalesuisse.ch

smile.direct versicherungen

Hertistrasse 25
8304 Wallisellen
www.smile-direct.ch

Sypany Versicherungen AG

Peter-Merian-Weg 4
4002 Basel
www.sypany.ch

TSM Compagnie d'Assurances, Société coopérative

41, Rue Jaquet-Droz
2301 La Chaux-de-Fonds
www.tsm.net

Uniqa Assurances SA

Rue des Eaux-Vives 94
1211 Genève 6
www.uniqa.ch

Vaudoise Générale, Compagnie d'Assurances SA

Place de Milan
1001 Lausanne
www.vaudoise.ch

XL Insurance Switzerland Ltd

Limmatstrasse 250
8031 Zurich
www.xlinsurance.com

Zürich Versicherungs-Gesellschaft AG

Mythenquai 2
8002 Zurich
www.zurich.com

Reinsurance companies**Amlin AG**

Kirchenweg 5
8008 Zurich
www.amlinre.ch

Catlin Re Switzerland Ltd

Feldeggstrasse 4
8008 Zurich
www.catlin.com

New Reinsurance Company Ltd

Zollikerstrasse 226-228
8008 Zurich
www.newre.com

Partner Reinsurance Europe Limited

Niederlassung Zürich
Bellerivestrasse 36
8034 Zurich
www.partnerre.com

Schweizerische Rückversicherungs-Gesellschaft AG

Mythenquai 50/60
8022 Zurich
www.swissre.com

Scor Switzerland AG

General-Guisan-Quai 26
8022 Zurich
www.scor.com

TransRe Zurich Ltd

Nüschelerstrasse 32
8021 Zurich
www.transre.com

Managing Board



Urs Berger
SIA Chairman
Chairman of the Board
of Directors, *Die Mobiliar*



Hans Künzle
CEO, *Nationale Suisse*



Bruno Pfister
SIA Vice-Chairman
Group CEO, *Swiss Life*



Alfred Leu
CEO, *Generali*
(Switzerland) Holding



Martin Albers
Chairman, *Swiss Re*
Holding Ltd



Stefan Loacker
CEO, *Helvetia Group*



Philippe Egger
CEO, *AXA Winterthur*



Joachim Masur
CEO, *Zurich Switzerland*



Thomas J. Grichting
CEO Health Insurance Division
and General Secretary,
Groupe Mutuel



Michael Müller
CEO Switzerland and
Member of the Corporate
Executive Board, *Bâloise*



Philippe Hebeisen
Chairman of the
Management Board
and Group CEO,
Vaudoise Versicherungen



Georg Portmann
CEO, *CSS Versicherung*



Markus Hongler
CEO, *Die Mobiliar*



Klaus-Peter Röhler
CEO, *Allianz Suisse*

as at 31.12.2013

Committees and commissions

Managing Board | Chairman Urs Berger, *Die Mobiliar*

Committees

Education Bernard Dietrich, <i>Bâloise</i>	Finance and Regulation Peter Giger, <i>Zurich</i>	Health/Accident Otto Bitterli, <i>Sanitas</i>	Life Ivo Furrer, <i>Swiss Life</i>	Property and Casualty Andreas Krümmel, <i>AXA Winterthur</i>	Campaigning Philipp Gmür, <i>Helvetia</i>
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Commissions

	Investment Matters Martin Wenk, <i>Bâloise</i>	Healthcare Riccarda Schaller, <i>CSS Versicherung</i>	Political Issues Andreas Zingg, <i>Swiss Life</i>	Liability Insurance René Beck, <i>Bâloise</i>	
	Accounting Andreas Bolzern, <i>Helvetia</i>	Mandatory Accident Insurance, Principality of Liechtenstein Christoph Bühler, <i>Zurich Switzerland</i>	Actuarial Life Andri Gross, <i>Zurich Switzerland</i>	Motor Vehicles Marcel Siegrist, <i>AXA Winterthur</i>	
	Law and Compliance Andreas Burki, <i>Bâloise</i>	Law and Social Policy Hans-Rudolf Müller, <i>AXA Winterthur</i>	Prevention of Money Laundering Isabella De Righetti, <i>AXA Winterthur</i>	Legal Protection Insurance Alain Freiburghaus, <i>DAS</i>	
	Taxes Carl Emanuel Schillig, <i>Zurich</i>	Actuarial Health/Accident vacant	Self-Regulatory Organisation SRO Markus Hess, <i>Kellerhals Anwälte</i>	Property and Casualty Laszlo Sceda, <i>Die Mobiliar</i>	
				Claims Managers Massimo Pergolis, <i>AXA Winterthur</i>	
				Natural Perils Margrit Elbert, <i>Die Mobiliar</i>	
				Natural Perils Pool Andreas Krümmel, <i>AXA Winterthur</i>	

as at 31.12.2013

Head Office

Management | Lucius Dürr¹

Units

Finance and Regulation Marc Chuard*	Communications Michael Wiesner*	Personal Insurance Adrian Gröbli*	Property and Casualty Insurance Martin Wüthrich*
Solvency/ Risk Management Insurance Law/ Financial Market Supervision Economic Issues Accounting Taxes Investment Issues Employer Issues General Legal Issues	Media and Public Relations Public Affairs Issues Management Publications Online Communications Event Management	Retirement, Survivors' and Disability Insurance Life Insurance Accident Insurance Health Insurance Prevention Insurance Medicine Medical Tariffs Competition Law/Compliance Self-Regulatory Organisation Money Laundering	Claims Managers Credit and Guarantee Insurance Art Insurance Insurance Fraud Legal Expenses Insurance Liability Law/Liability Insurance Motor Insurance Property and Casualty Insurance Technical Insurance Transport Insurance Natural Perils Pool

Units

Education Matthias Stettler*	Services Thomas Gosteli*	General Secretariat Tamara Garny*
Education and Training Education Partners	SVV Solution AG – Clearing house eVN – Car Claims Info – Statistics – Portal for the mandatory exchange of co-insurance data – Buildings Surveying	Finance and Accounting Human Resources IT Reception and Logistics Secretariat

¹ Chairman of the Management Board

* Member of the Management Board

The names, positions, portraits and email addresses of all SIA employees can be found at www.svv.ch/en/about-us/head-office.

as at 31.12.2013

The Swiss Insurance Association cultivates many national and international contacts.

Memberships

Dachverband der Urheber- und Nachbarrechtsnutzer (DUN), umbrella association for the users of copyrights and neighbouring rights, www.dun.ch

economiesuisse, umbrella organisation representing the Swiss economy, www.economiesuisse.ch

European Centre of Tort and Insurance Law (ECTIL), www.ectil.org

European conference of the national institutes for professional insurance education (EIET), Europäische Konferenz der nationalen Berufsbildungsorganisationen der Versicherungswirtschaft, www.eiet.org

Global Federation of Insurance Associations (GFIA), www.gfiainsurance.org

Insurance Europe, European insurance and reinsurance federation, www.insuranceeurope.eu

International Union of Marine Insurance (IUMI), www.iumi.com

Winterthur Institute of Health Economics, institute for the promotion of business, technological and social competencies in health economics, www.wig.zhaw.ch

Safety in Adventures, foundation to improve the safety of commercially offered outdoor and adventure activities, www.safetyinadventures.ch

International Fiscal Association Switzerland, www.ifa-switzerland.ch

Swiss Employers' Association, umbrella federation of Swiss employers' associations, www.arbeitgeber.ch

Swiss Trade Association, www.sgv-usam.ch

Swiss Traffic Safety Council, umbrella organisation for road traffic safety, www.vsr.ch

Vorsorgeforum, association for information on occupational pensions in Switzerland for the media, policymakers and other interested parties, www.vorsorgeforum.ch

Representations

Academy of Swiss Insurance Medicine (asim), University of Basel, www.asim.unibas.ch. The SIA is represented on the Board of Trustees.

Swiss Council for Accident Prevention (bfu), www.bfu.ch. The SIA is represented on the Council Board.

Compasso, employer information portal on professional readaptation and reintegration, www.compasso.ch. The SIA is represented on the Executive Board.

economiesuisse, umbrella organisation representing the Swiss economy, www.economiesuisse.ch. The SIA is represented in the following bodies:

- Managing Board
- Directors' Committee
- Business tax working group
- Financial Market Regulation Working Group
- Commercial law working group
- Company law panel of experts
- Competition Committee
- Consumer policy panel of experts
- Document retention task force
- Economic affairs working group
- Energy and Environment Committee
- Finance and Taxation Committee
- Health working group
- Internet working group
- Public relations association working group
- Swiss-EU relations working group
- Legal Affairs Committee
- Value added tax working group
- World Trade Organization working group

Federal Committee for Occupational Pensions

Federal Commission for Accident Insurance Statistics, www.unfallstatistik.ch

Federal Committee for Consumer Affairs

Federal Committee for Economic Policy

Federal Coordination Commission for Occupational Safety, Information and Coordination Centre for Health and Safety in the Workplace, www.ekas.admin.ch

FMH Swiss Medical Association, professional association of the Swiss medical community and umbrella organisation of cantonal and specialist physicians' societies, www.fmh.ch. The SIA is represented on the scientific advisory board of the FMH panel of experts.

Fund for Traffic Safety, www.fvs.ch. The SIA is represented in the panel of experts and the administrative committee.

Institute of Insurance Economics of St Gallen University (IVW), www.ivw.unisg.ch. The SIA is a member of the IVW's funding entity.

Insurance Europe, European insurance and reinsurance federation, www.insuranceeurope.eu. The SIA is represented in the following bodies:

- Executive Committee
- Budget Committee
- Communications & Public Relations Committee
- General Liability Steering Group
- Health Committee
- Life Committee
- Motor Steering Group
- Single Market Committee
- Social Affairs & Education Committee

Medical Tariffs Commission UVG, commission for the settlement of all fundamental issues arising from medical law and medical tariffs for providers of mandatory accident insurance, www.zmt.ch

Organisation for Economic Cooperation and Development (OECD), www.oecd.org. The SIA is represented in the Insurance and Private Pensions Committee.

Safety in Adventures, foundation to improve the safety of commercially offered outdoor and adventure activities, www.safetynadventures.ch. The SIA is represented on the Council Board.

Swiss Society for Economic Research (SGK), supporting association of the Swiss Institute for Business Cycle Research of the Swiss Federal Institute of Technology Zurich, www.kof.ethz.ch/services/sgk. The SIA is a member of the SGK.

Swiss Society for Traumatology and Insurance Medicine, www.sgtv.org. The SIA is represented on the Managing Board.

Swiss National Bank, www.snb.ch. The SIA is represented in the panel of experts concerning the balance of payments.

Swiss Employers' Association, umbrella association of Swiss employers, www.arbeitgeber.ch. The SIA is represented on the following bodies:

- Managing Board
- Social policy working group
- Professional Training working group

Swiss Institute of Safety and Security, www.swissi.ch. The SIA is represented on the Managing Board.

Health Promotion Switzerland, www.gesundheitsfoerderung.ch. The SIA is represented on the Council Board.

Swiss Insurance Medicine (SIM), Swiss community of interests for insurance medicine, www.swiss-insurance-medicine.ch. The SIA is represented on the Managing Board.

Liability and Insurance Association (HAVE), www.have.ch. The SIA is represented on the Editorial Committee.

Cooperation partners

Association for Professional Insurance Education (VBV), www.vbv.ch, SIA education partner

Institute of Insurance Economics of St Gallen University (IVW), www.ivw.unisg.ch, SIA education partner

Intercantonal Reinsurance Association, www.irv.ch, cooperation in specific matters (fire protection, earthquakes)

International Association of Insurance Supervisors (IAIS), www.iaisweb.org. The SIA has observer status in the IAIS.

Swiss Association of Commercial Employees (KV Schweiz), www.kvschweiz.ch, SIA as employee representative for agreements on working conditions

Ombudsman of Private Insurance and of Suva, www.versicherungsomбудsman.ch, founded by the SIA

Health Insurance Ombudsman Centre, <https://secure.om-kv.ch>

Swiss Pension Fund Association (ASIP), www.asip.ch, contacts at various levels

Swiss Association of General Insurance Agents (SVVG), www.svvg-fsaga.ch, partner of the SIA

Association of Cantonal Fire Insurance Establishments, www.vkf.ch, cooperation in specific matters (fire protection, earthquakes)

Zurich University of Applied Sciences (ZHAW), Centre for Risk & Insurance, www.zri.zhaw.ch, SIA education partner

Other partners

Art Loss Register, database of lost and stolen art, antiques and collectables, www.artloss.com

“Insurance” Compensation Fund, services company in the area of public social insurance policies, www.ak81.ch

Natural Perils Pool, pooling of private insurance policies for better risk sharing in the event of damages due to natural perils, www.svv.ch/es-pool

“Insurance” Family Compensation Fund, services company in the area of public social insurance policies, www.ak81.ch

Fund to Safeguard Future Annuities

Buildings Insurance Community of Interests

Captions

Front and back

Jungfrau (4158 m) and Bernese Alps, Canton of Berne

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Jungfrau (4158 m), route via the south-east ridge, Canton of Berne

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Lenzspitze (4294 m), ascent via the east ridge, Saas Fee, Valais

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Jungfrau (4158 m), climbers on the Rotbrättgrat with Gletscherhorn in the background, Canton of Berne

Centrefold 24/25

Descent via Schwarzgletscher with Breithorn in the background, Monte Rosa massif, Valais

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Weisshorn (4505 m), north ridge, Valais

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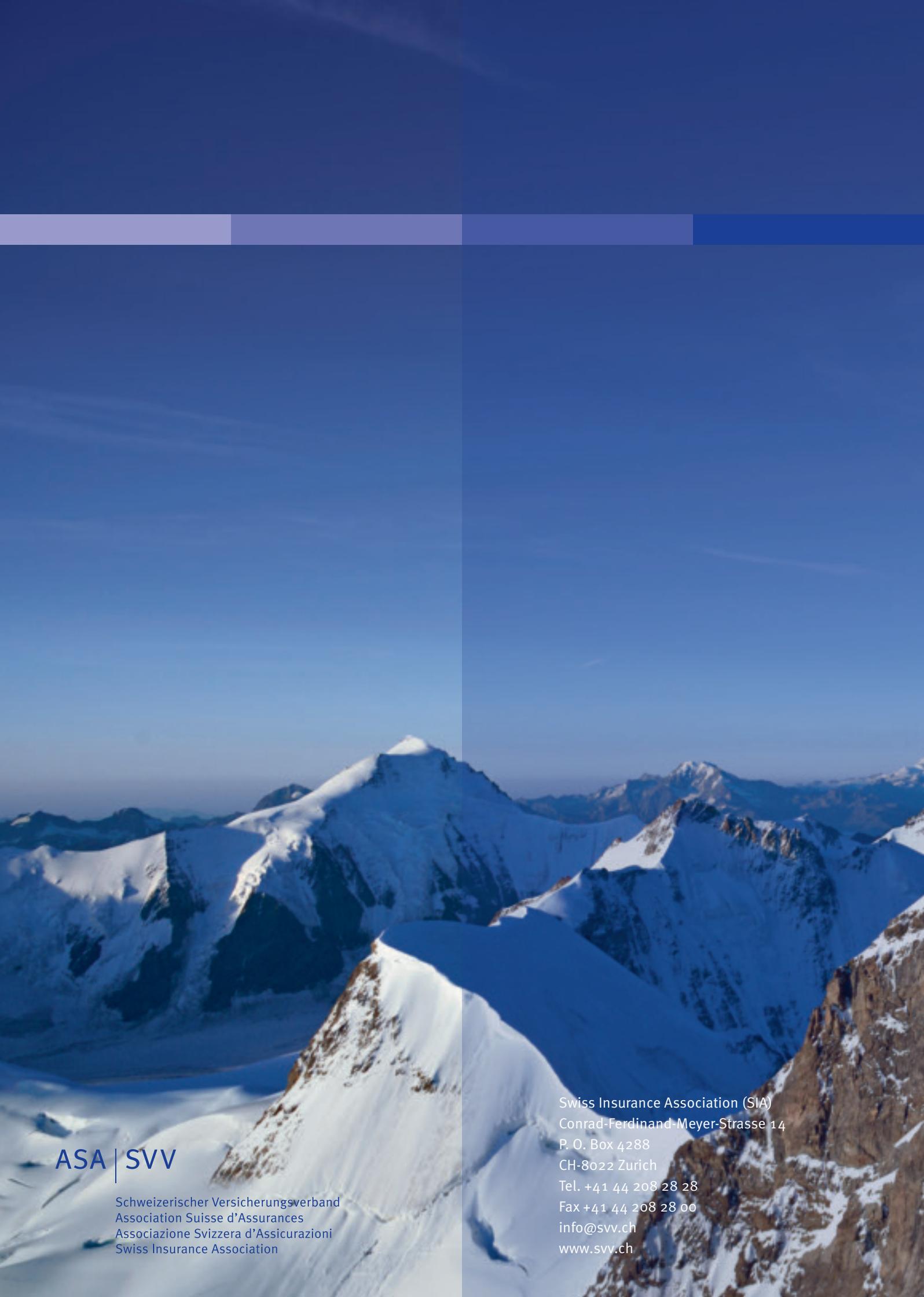
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