

Facts and Figures 2008

The private insurance
industry

ASA | SVV

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

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The Swiss Insurance Association publishes a series of other publications on a wide variety of issues of relevance to the insurance sector.

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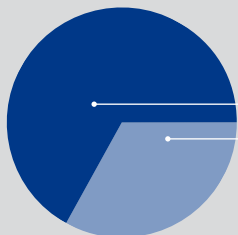
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Premium volume of the Swiss private insurance industry in 2006

in billions of Swiss francs



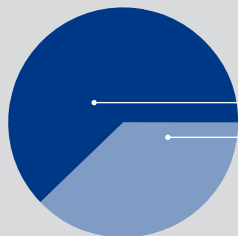
Abroad | 109.8

Switzerland | 52.0

Total | **161.8**

Employee statistics Swiss private insurance companies

1 January 2007



Abroad | 78 000

Switzerland | 47 184

Total | **125 184**

Dear readers

This «Facts and Figures» brochure presents you in brief and at a glance with the most important data from the private insurance industry. You can find more information, updated in the course of the year, at www.svv.ch/Figures. A comprehensive range of up-to-date information of relevance to the industry in English, German and French is also available on the SIA website, where you will also find a large number of other publications on a wide variety of issues relating to insurance.

The Swiss Insurance Association (SIA) is the umbrella organisation representing the private insurance industry. The SIA's 80 members comprise small and large, national and international primary insurers and reinsurers.

We are committed to preserving and promoting a liberal and socially-responsible competitive market economy, and strive to maintain conditions that are favourable to business. We are a reliable and professional partner for the authorities, the government and the general public.

The Swiss Insurance Association

Employee statistics

at 1 January	2004	2005	2006*	2007
Total employed	134 291	134 960	135 606	125 184
In Switzerland	43 514	42 186	45 606	47 184
Abroad	90 777	92 774	90 000	78 000
Breakdown of those employed in Switzerland				
Women	17 259	16 590	19 207	19 814
Men	26 255	25 596	26 399	27 370
Full-time employees	36 122	35 056	37 094	38 069
Part-time employees	7 392	7 130	8 512	9 115
Administration	35 479	35 114	37 634	39 251
Sales force	8 035	7 072	7 972	7 933
Female trainees	1 181	1 015	1 054	983
Male trainees	839	796	815	812
Total trainees	2 020	1 811	1 869	1 795

* In 2006, the database was extended to include health insurance companies for the first time. The health insurance figures also comprise those employees dealing with compulsory insurance business.

Premium volume worldwide in 2006

Total in CHF billion	Switzerland	Foreign	Total
Life	28.1	27.9*	56.0
Non-life	21.3	44.4*	65.7
Total direct insurance	49.4	72.3*	121.7
Reinsurance	2.6	37.5	40.1
Overall total	52.0	109.8	161.8
Breakdown in percent	32.1 %	67.9 %	100 %

* Swiss Insurance Association estimate

Source: Federal Office of Private Insurance

2006 premium volumes for the 12 largest Swiss private insurers worldwide

Total in CHF billion	* in USD billion
Zurich	55.2*
Swiss Re	29.5
Swiss Life	22.1
AXA Winterthur	10.0
Bâloise	6.7
Helvetia	5.2
Allianz Suisse	3.7
Mobiliar	2.7
Converium	2.0*
Generali	2.0
Vaudoise	1.9
Nationale Suisse	1.7

Source: 2006 Annual Reports

8 | Life and P&C insurance business in Switzerland, total

Premium revenue

	2004	2005	2006	Change % 2005/2006
Life	30 234	29 773	28 072	-5.71
Medical	6 202	6 218	6 323	1.69
Motor	4 977	5 179	5 305	2.43
Fire / natural hazards, other property damage	3 450	3 484	3 530	1.32
Accident	2 591	2 707	2 762	2.03
General third party liability	1 873	1 903	1 989	4.52
Credit and surety, financial loss and road service	560	556	575	3.41
Ocean marine, aviation, transport insurance	493	447	458	2.46
Legal protection	280	297	321	8.08
Total in CHF million	50 662	50 564	49 335	-2.43

Benefits

Gross payments for insurance claims	2004	2005	2006	Change % 2005/2006
Life	13 750	13 057	13 190	1.02
Medical	4 473	4 390	4 339	-1.16
Motor	3 381	3 307	3 170	-4.14
Fire / natural hazards, other property damage	1 621	2 182	2 040	-6.50
Accident	1 604	1 636	1 620	-1.0
General third party liability	794	825	970	17.6
Credit and surety, financial loss and road service	184	213	228	7.04
Ocean marine, aviation, transport insurance	452	215	214	-0.47
Legal protection	160	166	175	5.42
Total in CHF million	26 420	25 991	25 946	0.17

Sources: Federal Office of Private Insurance

Premiums

	2005	2006
Total in CHF million	29 773	28 072

Premium revenue, gross	2005	of which single- premium	2006	of which single- premium
Endowment insurance	5 537	982	5 205	705
Annuity insurance	1 253	1 095	1 159	978
Occupational pensions	19 666	13 243	19 424	10 061
Unit-linked life insurance	3 317	2 079	2 284	967
Total individual and group in CHF million	29 773	17 399	28 072	12 711

Benefits

Gross claims paid	2004	2005	2006
Total in CHF million	36 429	30 297	32 286
Insurance benefits	13 750	13 057	13 190
Surrendered policies, lump-sum	22 679	17 234	19 096
Total	36 429	30 291	32 286
With-profits bonuses	871	916	1 051
Total including with-profits bonuses in CHF million	37 300	31 207	33 337
Individual insurance			
Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	7 815	7 700	7 815
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	1 581	1 613	1 933
Group insurance			
Guaranteed endowment and death benefits, annuity benefits and benefits from unit-linked life insurance	5 934	5 357	5 375
Benefits disbursed as the result of surrendered policies, transfer of vested benefits, or policy cancellation	21 099	15 621	17 163
Total in CHF million	36 429	30 291	32 286

Sources: Federal Office of Private Insurance

Total payments

	2004	2005	2006
Individual			
– Endowment	7 543	7 014	6 912
– Annuity	1 494	1 504	1 626
Group	27 003	20 982	22 538
Unit-linked life insurance	389	797	1 211
Total in CHF million	36 429	30 297	32 286

Credited with-profits bonuses

excluding unit-linked insurance	2004	2005	2006
Individual	529	462	530
Group	342	454	521
Total in CHF million	871	916	1 051

Policies in force

	2004	2005	2006
Individual endowment insurance	242 506	241 285	238 414
Individual annuity insurance	1 963	2 003	2 014
Group endowment insurance	408 364	461 295	491 761
Group annuity insurance	8 300	8 581	8 669
Total in CHF million	661 133	713 164	740 858

Endowment policies in force, individual

	2004	2005	2006
Mixed and similar insurance	165 357	165 840	164 681
Term life insurance	77 149	75 445	73 733
Total in CHF million	242 506	241 285*	238 414*
of which restricted-access pension schemes (pillar 3 a)	86 908	92 276	101 568
of which free-access pension schemes (pillar 3 b)	155 598	149 005	136 841

Endowment policies in force, individual

	2004	2005	2006
Retirement annuities	670	661	645
Widow, widower and orphan pensions, terminable annuities	197	201	197
Current pensions, perpetual and terminable annuities	1 096	1 141	1 172
Total in CHF million	1 963	2 003	2 014
of which restricted-access pension schemes (pillar 3 a)	199	220	218
of which free-access pension schemes (pillar 3 b)	1 764	1 783	1 796

* rounding difference

Sources: Federal Office of Private Insurance

Endowment policies in force, group

	2004	2005	2006
Mixed and similar insurance	83 871	81 979	79 303
Term life insurance	324 493	379 316	412 458
Total in CHF million	408 364	461 295	491 761
of which for occupational pensions	403 974	456 916	487 496

Annuity policies in force, group

	2004	2005	2006
Deferred annuities			
– Retirement annuities	390	401	396
– Survivorship annuities	6 483	6 690	6 778
Current annuities			
– Retirement annuities	1 135	1 190	1 194
– Survivorship annuities	292	300	301
Total in CHF million	8 300	8 581	8 669
of which for occupational pensions	8 222	8 580	8 668

Policies

	2004	2005	2006
Individual			
– Individual endowment insurance	3 083 993	3 100 777	3 026 660
– Individual annuity insurance	203 899	200 460	199 093
Total policies	3 287 892	3 301 237	3 225 753
Group			
– Number of policies	159 425	170 718	160 778
– Number of insureds	2 143 695	2 640 942	2 661 346

Premium reserves

	2004	2005	2006
Individual endowment insurance	65 149	64 718	62 907
Individual annuity insurance	21 427	22 286	22 527
Group insurance	118 768	120 103	118 066
Unit-linked life insurance	11 320	15 086	16 822
Total in CHF million	216 664	222 193	220 322
of which foreign-currency policies	2 983	4 445	4 834

Sources: Federal Office of Private Insurance

16 | Property and casualty insurance business in Switzerland

Premium revenue

Total premiums

	2004	2005	2006
Accident insurance (excluding health insurers)	2 591	2 707	2 762
Medical insurance (excluding health insurers)	6 202	6 218	6 323
Liability and motor insurance	7 343	7 529	7 752
Fire and property insurance	3 450	3 484	3 530
Other	841	853	896
Total in CHF million	20 427	20 791	21 263

Accident insurance

	2004	2005	2006
Individual accident insurance	384	388	366
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	299	317	324
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	1 131	1 224	1 262
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	33	36	34
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	339	334	354
Motor passenger accident insurance	196	192	189
Other group accident insurance	209	216	232
Total in CHF million	2 591	2 707	2 762

Medical insurance

	2004	2005	2006
Voluntary individual medical insurance	3 373	3 349	3 482
Group medical insurance	2 829	2 869	2 841
Total in CHF million	6 202	6 218	6 323

Liability and motor insurance

	2004	2005	2006
Motor liability insurance	2 420	2 534	2 604
Other motor insurance types	2 557	2 645	2 701
Motor insurance, total	4 977	5 179	5 305
Ocean marine, aviation and transport insurance	493	447	458
General third party liability	1 873	1 903	1 989
Total in CHF million	7 343	7 529	7 752

Fire and property insurance

	2004	2005	2006
Fire insurance	1 151	1 153	1 135
Natural hazard insurance	226	231	241
Other property insurance	2 073	2 100	2 154
Total in CHF million	3 450	3 484	3 530

Sources: Federal Office of Private Insurance

18 | Property and casualty insurance business in Switzerland

Premium revenue			
Other insurance types			
	2004	2005	2006
Legal protection insurance	280	297	321
Credit	72	81	103
Credit and surety	105	101	110
Road service	148	150	157
Miscellaneous financial losses	236	224	205
Total in CHF million	841	853	896

Claims paid

Total payments

	2004	2005	2006
Accident insurance (excluding health insurers)	1 604	1 636	1 620
Medical insurance (excluding health insurers)	4 473	4 390	4 339
Liability and motor insurance	4 628	4 347	4 354
Fire and property insurance	1 621	2 182	2 041
Other	344	378	404
Total in CHF million	12 670	12 933	12 758

Accident insurance

	2004	2005	2006
Individual accident insurance	218	212	189
Compulsory occupational accident insurance pursuant to the Accident Insurance Act (UVG)	223	255	251
Compulsory non-occupational accident insurance pursuant to the Accident Insurance Act (UVG)	778	812	826
Voluntary accident insurance pursuant to the Accident Insurance Act (UVG)	38	30	28
Supplemental accident insurance pursuant to the Accident Insurance Act (UVG)	201	187	187
Motor passenger accident insurance	36	32	28
Other group accident insurance	110	108	111
Total in CHF million	1 604	1 636	1 620

Sources: Federal Office of Private Insurance

20 | Property and casualty insurance business in Switzerland

Claims paid

Medical insurance

	2004	2005	2006
Voluntary individual medical insurance	2 293	2 298	2 342
Group medical insurance	2 140	2 092	1 997
Total in CHF million	4 473	4 390	4 339

Liability and motor insurance

	2004	2005	2006
Motor liability insurance	1 872	1 825	1 800
Other motor insurance types	1 509	1 482	1 370
Motor insurance, total	3 381	3 307	3 170
Ocean marine, aviation and transport insurance	453	215	214
General third party liability insurance	794	825	970
Total in CHF million	4 628	4 347	4 354

Fire and property insurance

	2004	2005	2006
Fire insurance	504	714	726
Natural hazard insurance	62	408	311
Other property insurance	1 055	1 060	1 004
Total in CHF million	1 621	2 182	2 041

Other insurance types

	2004	2005	2006
Legal protection	160	166	175
Credit	38	10	27
Credit and surety	15	18	3
Road service	82	95	100
Miscellaneous financial losses	49	89	99
Total in CHF million	344	378	404

Note: These figures do not include reserves established for claims reported but not yet settled, claims which have been incurred but not yet reported, and the associated administration expenses.

Earned premiums**Non-life business**

	2004	2005	2006
Accident	1 060	1 144	1 493
Medical	129	185	201
Motor	3 348	3 350	3 098
Ocean marine, aviation and transport	2 026	2 298	2 540
Fire, natural hazard and property & casualty	10 155	10 797	10 596
General third party liability	5 827	4 513	4 860
Credit and surety	1 388	1 265	1 672
Other lines	757	554	1 085
Total in CHF million*	24 837	24 399	25 541

Life business

	2004	2005	2006
Individual – Endowment	9 291	12 284	9 178
– Annuity	9	9	0.2
Group	653	672	526
Unit-linked life insurance	26	26	13
Total in CHF million*	10 057	13 021	9 742

Total

	2004	2005	2006
Total in CHF million*	34 894	37 419	35 283
Retroceded portion	3 889	12 300	5 480
Total net in CHF million*	31 005	25 119	29 802

Claims paid, gross**Non-life**

	2004	2005	2006
Accident	351	-45	568
Medical	89	132	154
Motor	743	1 595	1 714
Ocean marine, aviation and transport	851	1 128	1 194
Fire, natural hazard and property & casualty	4 044	6 012	7 196
General third party liability	2 549	2 742	2 431
Credit and surety	608	421	487
Other lines	762	621	847
Total in CHF million*	10 785	13 177	15 095

* The total also includes figures from institutions which were unable to provide a breakdown of their incoming reinsurance business by line.

Life business

	2004	2005	2006
Individual	4 087	4 405	3 219
– Endowment			
– Annuity	2	1	0.2
Group	749	495	330
Unit-linked life insurance	16	22	13
Total life*	4 908	4 969	3 656

Total

	2004	2005	2006
Total	15 694	18 146	18 752
Retroceded portion	2 863	1 246	3 239
Total net in CHF million	12 830	16 900	15 513

* The total also includes figures from institutions which were unable to provide a breakdown of their incoming reinsurance business by line.

Total

	2004	2005	2006
Life	291 710	293 505	299 429
Non-life	116 334	128 162	138 534
Reinsurance	102 571	124 000	133 439
Total in CHF million	510 615	545 667	571 402

Income

	2004	2005	2006
Total in CHF million	18 800	19 213	22 720

Breakdown 2006

	Life	Non-life	Re	Total
Fixed-interest securities	148.6	50.4	37.1	236.1
Investments, equity holdings	14.5	39.4	28.0	81.9
Land and buildings and mortgages	51.3	10.1	2.6	64.0
Shares and investment fund units	28.5	9.9	14.2	52.6
Deposits with ceding companies	0.4	5.5	32.1	38.0
Fixed-term deposits, other investments	10.3	3.0	4.9	18.2
Policy loans	5.0	5.2	10.8	21.0
Borrower's note loans	18.5	10.1	–	28.6
Other	22.3	4.9	3.8	31.0
Total in CHF billion	299.4	138.5	133.4	571.4

Sources: Federal Office of Private Insurance

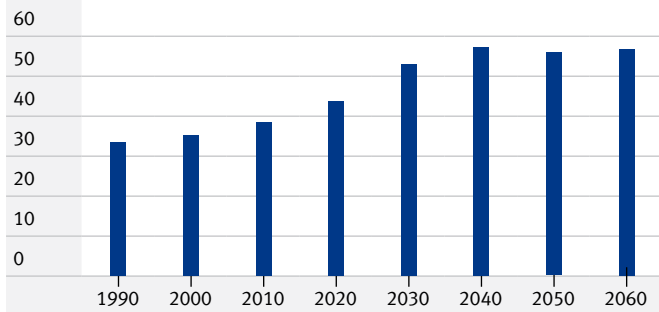
1st pillar

Basic amounts applicable for Old-Age and Surviving Dependants' / Disability Insurance pensions (AHV / IV)		2008
Full single old-age pension		
Minimum amount	per year	13 260
	per month	1 105
Maximum amount	per year	26 520
	per month	2 210
Full married couple old-age pension (current pensions)		
Minimum amount	per year	19 890
	per month	1 658
Maximum amount	per year	39 780
	per month	3 315
Pensions as a % of the single old-age pension		
Widow's / widower's pension		80%
Orphan's pension (one parent dead), children's pension		40%
Orphan's pension (both parents dead)		60%
Permanent disability pension		100%
Long-term care benefits		40%

These benefits are subject to the prerequisites laid down by the Federal Law Pertaining to the Old-Age and Surviving Dependants' Pension Scheme (AHV) and Disability Insurance Scheme (IV).

Working population trend

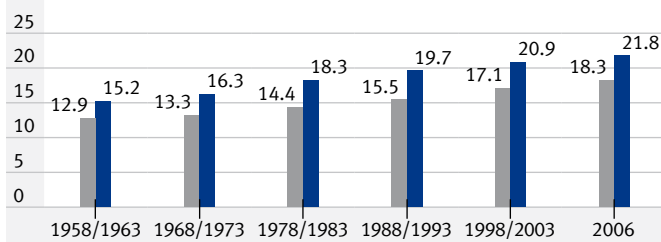
AHV: Funded by pay-as-you-go system



■ Number of pensioners for every 100 employed persons

Source: Federal Statistical Office, "Trend" scenario

Life expectancy at age 65 in years



■ Men ■ Women

Source: Federal Statistical Office

2nd pillar

The minimum annual wage and limit amounts for occupational pensions serve to establish the minimum salary limit for compulsory cover, the upper and lower insured salary limits and the minimum coordinated salary.

	2008
Annual salaries exceeding the following amount are subject to compulsory insurance cover	19 890
Coordination deduction = $\frac{7}{8}$ of the maximum single old-age pension	23 205
Upper salary limit subject to compulsory insurance = Triple the maximum single old-age pension	79 560
Maximum salary subject to compulsory insurance = Coordinated salary	56 355
Minimum amount If the coordinated salary is less than $\frac{1}{8}$ of the maximum single old-age pension, it must be rounded up to this minimum amount.	3 315

History of the minimum interest rate

Period	Rate
1 Jan. 1985 – 31 Dec. 2002	4.0%
1 Jan. 2003 – 31 Dec. 2003	3.25%
1 Jan. 2004 – 31 Dec. 2004	2.25%
1 Jan. 2005 – 31 Dec. 2007	2.5%
since 1 January 2008	2.75%

Conversion rates up to 2014

Year of retirement	Woman (standard AHV retirement age 64)	Men (standard AHV retirement age 65)
2008	7.10	7.05
2009	7.00	7.05
2010	6.95	7.00
2011	6.90	6.95
2012	6.85	6.90
2013	6.80	6.85
2014		6.80

Pillar 3a

		2008
Deductible contributions to restricted-access pension schemes (self-employed and employed)		
Persons with 2nd pillar cover up to 8% of the upper BVG salary limit	max.	6 365
Persons without 2nd pillar cover up to 20% of employment income, maximum of 40% of upper BVG salary limit	max.	31 824

Employment income of employed persons: gross earnings after deduction of AHV/IV/EO and ALV contributions; employment income of self-employed persons: amount remaining subsequent to payment of all liabilities and any tax adjustments.

Tax treatment

General remarks

Income-tax relief

- Occupational pensions: contributions fully deductible.
- Restricted-access pensions: contributions fully deductible, but subject to a ceiling.
- Free-access pensions: limited deductibility of contributions.

Taxation of benefits

- Benefits from occupational and restricted-access pension schemes:
 - Both annuities and lump-sum benefits are fully subject to income tax. Lump-sum payments are taxed separately from other income at a reduced rate. Benefits in the event of survival, death and disability are all subject to the same tax.
- Benefits from free-access pension schemes:
 - No income tax payable on surrenderable endowment policies with regular premium payment. Cantonal inheritance and gift taxes may, however, be payable.

- Income from single-premium surrenderable endowment policies is subject to income tax if the endowment benefit is not for retirement provision purposes. A policy serves for retirement provision purposes if it was taken out prior to the insured's 66th birthday, the insured was over 60 when the benefit was disbursed, and the insurance policy had a term of a minimum of 5 years. Death benefits are not subject to income tax. Cantonal inheritance and gift taxes may, however, be payable.
- Benefits from non-surrenderable endowment life insurance policies are fully subject to income tax and are taxed separately from other income at a reduced rate.
- 40% of income from periodic annuity payments from life annuity insurance is subject to income tax.
- All income from regular annuity payments from term life insurance is subject to income tax.

Wealth tax

- No taxation of expected entitlements from occupational and restricted-access pension plans before the benefits are due.
- Wealth tax payable on the surrender value of private endowment and deferred life annuities..

Stamp duty

- 2.5% on surrenderable single-premium endowment and annuity insurance policies.
- Periodic premium payments and contributions to occupational and restricted-access pensions are not subject to stamp tax.

Withholding tax on insurance benefits

- Disbursed cash benefits in excess of CHF 5 000 and annuities in excess of CHF 500 are subject to withholding tax. The Swiss Federal Tax Administration is generally notified of this withholding tax obligation. In the event of an objection being lodged by the policyholder or beneficiary claimant, a tax deduction of 8% is applied to lump-sum benefits and 15% to annuities.

Withholding tax applicable to pension benefits

- Lump-sum benefits from pillars 2 and 3a paid out to individuals residing outside of Switzerland are generally subject to withholding tax.
- Annuities from occupational and restricted-access pensions paid to persons resident outside of Switzerland are likewise subject to withholding tax in their country of domicile.
- The beneficiary may be entitled to a refund under the terms of a double taxation agreement with the country concerned.

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