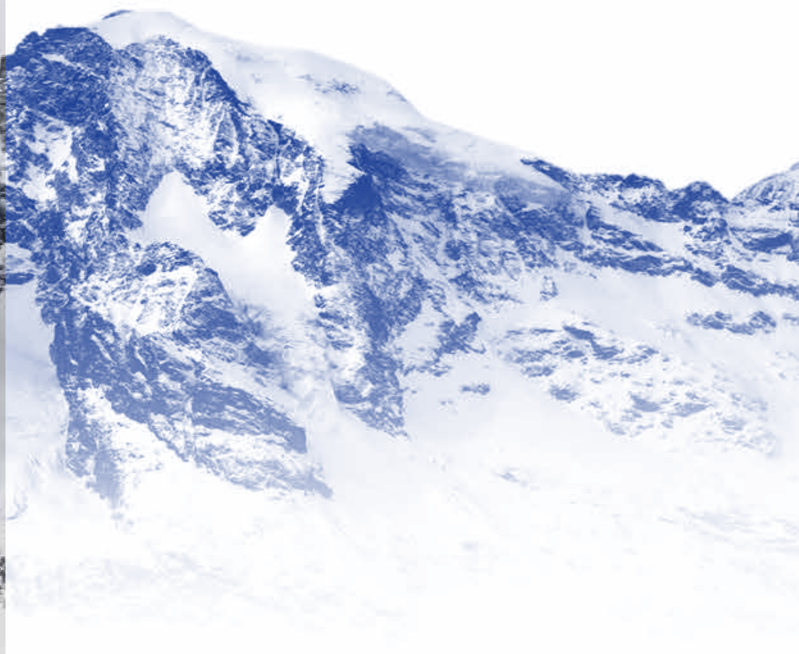
Annual Report 2012



ASA | SVV

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

The Swiss insurance industry can look back on a successful year. Step by step, the value it creates is rising to undreamed of heights. In this annual report, Swiss photographer Robert Bösch presents fascinating images of Switzerland's insurance landscape – captured with passion and authenticity. Taken from a variety of vantage points, his photos symbolically illustrate the Swiss insurance industry's year in 2012: the highs and lows, light and shade of the political work undertaken on behalf of the insurance industry, as well as the sector's own efforts to achieve clarity and transparency.

Key events for the Swiss private insurance industry

February 2012

03.02.12 | At its media conference the SIA looked back on the 2011 business year from the point of view of the Swiss insurance industry. This sector proved to be a stabilising factor for the economy in turbulent times for the financial markets.

16.02.12 | The Federal Council referred its draft of a new Federal Act on the Supervision of Social Health Insurance to parliament. The aim of the bill was to strengthen the supervision of health insurers and make the system more transparent.

24.02.12 | The Financial Market Supervisory Authority (FINMA) put forward a package of measures to improve customer protection and recommended the creation of a financial services act. The insurance industry did not think it was necessary to include the insurance sector in the act.

March 2012

14.03.12 | The National Council referred two initiatives to the Federal Council calling for compulsory earthquake insurance. This will close the present gap in the insurance of natural hazards.

June 2012

15.06.12 | Council of States and National Council passed the "Via sicura" package of measures to improve road safety.

17.06.12 | Swiss voters rejected the "Managed Care" proposal. This was a big setback for efforts to make healthcare savings.

July 2012

03.07.12 | The Federal Supreme Court rejected the two appeals brought by the SIA with reference to the buildings insurance monopolies of the cantons of Bern and Glarus. It thus recognised state-owned enterprises as competitors with equal rights. The subsidiary of the buildings insurance institution of the canton of Bern became active in the private sector.

September 2012

27.09.12 | The Federal Act on Disease Prevention was rejected by the Council of States. The upper house rejected the conciliation conference's request to adopt the decision of the National Council and release the debt brake.

28.09.12 | Council of States and National Council voted in favour of amending the Collective Investment Schemes Act. This meant that a "Swiss finish" could be prevented.

October 2012

10.10.12 | The Federal Council wanted to oppose the popular initiative "For a public health insurance scheme" and submit an indirect counter-proposal. This left the way free for the gradual introduction of a state-run single health insurer.

November 2012

14.11.12 | The Federal Council left the minimum interest rate for occupational pension schemes at 1.5 percent.

21.11.12 | Federal Councillor Alain Berset presented the guidelines on pension reform. The SIA was pleased that the problems of the first and second pillar were to be tackled in an integrated manner. However, it felt that the relevant parameters should reflect reality, and the balance between state, occupational and private pension provision should be maintained.

December 2012

04.12.12 | Switzerland and the USA initialled an agreement on the new US Foreign Account Tax Compliance Act. The Swiss insurance industry will not fall within the scope of the act, with the exception of a few aspects of single life insurance.

11.12.12 | With effect from 1 January 2013, FINMA decided to introduce temporary adjustments to the Swiss Solvency Test for the years 2013 to 2015. The most important adjustment concerns the yield curve for evaluating liabilities. The SIA would like to see the adjustments introduced on a permanent basis.

13.12.12 | The National Council referred the draft revision of the Federal Act on Insurance Contracts back to the Federal Council. The Council of States passed a similar resolution in 2013. The Federal Council was therefore commissioned to prepare a new draft version.

Chli Griessenhorn

“The insurers act as a stabilising force for the financial sector as a whole.”
Der Landbote, 12 January 2013

Political priorities

The SIA

Report of the Chairman and the CEO

From Realp to Hospental

“Insurance companies are notable for their high labour productivity: small numbers of staff generate large amounts of added value.”
Aargauer Zeitung, 12 January 2013

Swiss insurers contribute to growth and prosperity

Swiss insurers again posted good results and solid growth in 2012, even though it was another very challenging year. The difficult currency and interest rate environment continued unabated, the regulatory maze became even more labyrinthine and supervision was tightened. Nevertheless, the Swiss insurance industry now finds itself in an excellent position. The sector has a stabilising effect on the entire Swiss economy, thanks to its good results and steady growth even in turbulent times for the financial markets.

We have constantly increased our contribution to growth and prosperity in recent years. Today we account for around 4.4 percent of the value created by the entire Swiss economy. That makes insurance one of the eight largest branches of industry, accounting for some 40 percent of the value created by the Swiss financial services sector. Over and above this, Swiss insurers are important as employers, providing jobs to 124,000 people worldwide, more than 49,000 of whom work in Switzerland. Viewed in terms of productivity, i.e. the value created per employee, the insurance industry is one of the country's leading industries. Insurers are also significant investors both at home and abroad, with total investments currently standing at CHF 500 billion. Finally, they are key fiscal contributors, paying over CHF 1 billion in taxes every year.

Insurers are not simply a linchpin of the economy as a whole, but also of the Zurich financial centre in particular. Many Swiss and foreign insurers have head offices, subsidiaries or branches in that city. Zurich is therefore the most significant and well-capitalised insurance centre in the country and is the world's third most important location for insurers after London and New York. In recent years the insurers in Zurich have made a successful contribution to the stabilisation of the regional economy. They are set to record above-average growth in the next few years, thus remaining an important driving force for the region. This was the conclusion reached in a study published at the start of 2013 by the city and canton of Zurich.

Competitive economic, political and legal framework conditions are needed so that insurers can continue to ensure growth and prosperity. The SIA campaigned for these in 2012.

Swiss pensions system needs swift reform

There are problems ahead for the pensions system: life expectancy is rising, there are fewer young contributors and investment returns are very low. The Federal Council therefore wishes to undertake a comprehensive reform of the pensions system. In November 2012 it put forward the guidelines for this reform. The SIA welcomes the federal government's intention to safeguard the Swiss pensions system over the long term. It supports the proposed integrated consideration of the three pillars, provided that this does not lead to delays in implementing the urgent measures or to a shift in the balance towards the first pillar.

> “The Swiss insurance industry has a stabilising effect on the entire Swiss economy.”

The SIA is in favour of standardising the retirement age and adjusting the conversion rate. Insurers believe that the latter is the most important way of funding occupational pensions sustainably. The social partners need to consider and agree on accompanying measures so that the adjustment of the conversion rate has the smallest possible financial impact on pensioners.

Around 150,000 companies with over 950,000 employees participate in the life insurance companies' collective foundations for occupational pensions with full insurance. Group life insurance – particularly the full insurance model – only works if insurers are able to put enough aside in the good years to balance out the losses in the bad years. This is why the stipulations governing the distribution of surpluses (statutory minimum distribution ratio) should not be tightened.

Selective revision of the Federal Act on Insurance Contracts will suffice

The Federal Act on Insurance Contracts is of central importance to insurers. It governs the contractual relationship between customer and insurer, and sets out the rights and obligations of both parties to the contract. The Federal Council wishes to undertake a complete overhaul of the act, which dates back over a hundred years, with a view to increasing customer protection.

However, the revision of the act is controversial, so parliament wants to retain the bulk of it and make selective improvements only. In March 2013 it therefore referred the draft bill back to the Federal Council and commissioned the latter to prepare a new draft for a more streamlined revision of the act.

The SIA supports this plan, since the current act has proved its worth whereas the draft bill has marked shortcomings. It doubles the mandatory provisions, thus massively restricting the freedom of contract, ignores the previously implemented clauses on customer protection, creates incentives for insurance fraud and ultimately costs the premium payer dear.

Urs Berger, Chairman of the SIA

Insurance industry should not be overregulated

In the opinion of the Federal Council, customers need to be better protected not only through a revision of the Federal Act on Insurance Contracts, but also through the introduction of a new law. In March 2012 it therefore instructed the Federal Department of Finance to draft a law to improve customer protection in respect of the sale of financial products. The Department of Finance complied with this instruction and defined the main thrust of the act in February 2013.

> “The SIA remained in close contact with the European insurance federation.”

Insurance products are fundamentally different from investment products because when taking out an insurance product, customers are insuring their risks with the insurer, whereas in the case of investment products they bear the investment risk themselves. Apart from that, insurance products and their sale are already highly regulated – by the Federal Act on Insurance Contracts and in the Federal Insurance Supervision Act, for example. Furthermore, the rules laid down by the regulatory authority on the solvency of insurers provide effective customer protection. The SIA will continue to monitor the work on legislation carefully and put forward the concerns of insurers. This includes pointing out the differences between insurance and other financial products. The aim of providing such information is to ensure that the insurance industry is not overregulated as a result of the new legislation.

In the European Union (EU), too, there are moves to achieve better customer protection. The European insurance industry is thus currently confronting the development of new rules on insurance mediation and the distribution of investment products to small investors. The SIA is keeping a careful eye on the plans for increased regulation, since Switzerland often adopts European regulations. Last year the SIA therefore remained in close contact with the European insurance federation (Insurance Europe) and its member associations.

The expansion of cantonal buildings insurers must not distort the competition

Bad weather is becoming increasingly frequent and triggering larger and larger claims, which also affect the cantonal buildings insurers. This has prompted several of them to expand their activities and move into the private insurance market. Last year the SIA continued to state the view that fair competition without special privileges for one side or the other is possible, despite this expansion.

It was gratifying to note that in the canton of Bern the expansion had no negative impact on competition: the cantonal buildings insurance entity founded a subsidiary which is regulated by the Financial Market Supervisory Authority and has no access to information held by the monopoly. By contrast, in the canton of Glarus the buildings insurer expanded and exploited the advantages deriving from the monopoly. Despite this use of privilege, the Federal Supreme Court recognises the buildings insurer as a competitor with equal rights. The SIA regrets that the Federal Supreme Court has not set down any clear criteria in respect of the entry of the monopolists into the free market.

Competition ensures high quality medical care

Healthcare costs and health insurance premiums have been rising for years. About 115,000 Swiss citizens expressed their displeasure at this trend by signing the initiative for a single health insurer. This was presented in May 2012.

The SIA is an advocate for affordable healthcare and high quality medical treatment. This cannot be achieved by means of a state-run monopoly. The SIA therefore believes that the present system should be retained. Competition is the best way of regulating costs and gives the insured persons freedom of choice.

The Federal Council also rejects the initiative, but is submitting an indirect counter-proposal. The SIA thinks that the current social health insurance system should be thoroughly reviewed and optimised as necessary. However, this does not require a counter-proposal to the single health insurer initiative. Sensible reforms can also be enacted through legislation in the usual way.

Insurers help shape the new compulsory earthquake insurance

Switzerland has a globally unique system of insurance to protect against the financial consequences of natural hazards. Almost all risks are insured, except that there is no compulsory insurance protection against losses caused by earthquakes. This gap should not be underestimated: Switzerland is at medium risk of earthquakes, but an earthquake could lead to large claims because of the population density and high concentration of value.

This is why last spring parliament asked the Federal Council to introduce compulsory earthquake insurance. The SIA welcomes this project and last year took an active part in the work of the Federal Department of Finance on implementing earthquake insurance.

Adjustments to Swiss Solvency Test lighten the burden on insurers

In November 2012 the Financial Market Supervisory Authority decided to make temporary adjustments to the Swiss Solvency Test. The most important adjustment concerns the yield curve for evaluating liabilities. This has an impact on the calculation of risk-bearing capital. The new definition is of considerable help to life insurers. The SIA therefore welcomes the adjustments, but regrets that they apply only in the years 2013 to 2015.

Since 2011 the Swiss Solvency Test has measured the financial security of Swiss insurers on an economic basis and in terms of risk exposure. This means that Switzerland has a head start on the EU, as the implementation of the European rules on the solvency of insurers (Solvency II) has fallen well behind. Solvency II is therefore unlikely to be introduced before 1 January 2016 at the earliest.

Supervision Act requires urgent amendment

The SIA is keeping a very close eye on how this develops in the EU. It looks as though the capital requirements imposed by the EU through its regulatory framework (Solvency II) will be less rigorous than those already contained in the Swiss Solvency Test. This presents a problem in that it may distort competition, disadvantaging Swiss insurers and favouring insurance companies domiciled in the EU. The Swiss Solvency Test needs to be amended in order to prevent competitive disadvantages of this kind. Revision of the Federal Insurance Supervision Act and the Supervision Ordinance is therefore necessary.

> **“Switzerland has a unique system of insurance to protect against the financial consequences of natural hazards.”**

The amendment of the Supervision Act is also urgent because the equivalence of Swiss insurance supervision has to be recognised by the EU, the competitive distortions between state-run monopolies and private insurers need to be removed and compulsory earthquake insurance must be implemented. The SIA has therefore prepared proposals for a revision of the Federal Insurance Supervision Act, which it intends to submit to the Federal Department of Finance in 2013.

The Financial Market Supervisory Authority is simultaneously working on a revision of the Supervision Ordinance. It will consider the SIA’s proposals and include them where appropriate. The hearing on the draft ordinance is expected to open in autumn 2013. The SIA looks forward to participating in the process.

Simplified implementation of the Foreign Account Tax Compliance Act for Swiss insurers

The US Foreign Account Tax Compliance Act (FATCA) also requires Swiss insurance companies to take action. Last year the SIA therefore called for them to benefit from the simplified implementation of FATCA. With some success: in February 2013 Switzerland and the USA signed an agreement on the simplified implementation of FATCA.

The agreement has several advantages for Swiss insurers. It allows them to send the US tax authorities information about customers who are liable to income tax. Under the agreement certain types of arrangement – such as occupational pensions – and certain products – such as group life insurance in connection with occupational pensions and life insurance in connection with voluntary retirement pensions – are exempt from FATCA.

Improved communication with politicians, the public and members

Last year the SIA analysed numerous draft regulations and evaluated them from the standpoint of the Swiss private insurers. We prepared opinions and conducted discussions with political and government representatives so that the concerns of the insurers would be included in political opinion-making. In addition we increased our influence in the industry federations of Switzerland and Europe. We continued to build on the strategic foundations for these and other communication activities.

“The SIA strengthened its dialogue with all relevant target groups.”

It is important to us that the public should be aware of the significance of the Swiss insurance companies. We therefore supplied the media and interested parties with up-to-date, comprehensive information about the Swiss insurance industry. Our style of communication was also subjected to scrutiny to ensure that non-experts can understand the positions and arguments put forward by insurers. In order to achieve this, we took care to rephrase technical insurance terms in everyday language.

We set great store by keeping in contact with the SIA's members. For this reason we boosted communication with our members by means of new events and publications. We are convinced that joint activities and the exchange of specialist knowledge are an advantage to our members and enhance the Association's role as the voice of our industry.

Lucius Dürr, CEO of the SIA

We strengthened our dialogue with all relevant target groups. We held discussions with party leaders on six occasions and kept the National Council and Council of States informed by arranging two meetings and two workshops for members of parliament. In addition we issued almost 20 media releases and answered over 200 media enquiries. We released about a dozen publications and organised the same number of events. Around 500 articles and documents were published on our website. Finally, we mailed 46 newsletters and built up our presence on eight social media channels. All these communication activities assisted us to represent the concerns and interests of our members successfully.

Urs Berger,
Chairman of the SIA

Lucius Dürr,
CEO of the SIA

Political priorities

Great Aletsch Glacier

"If this country is to remain the right location for insurance companies, it needs policies which ensure they can find enough skilled employees."
Tages-Anzeiger, 12 January 2013

Pension system in need of swift reform

Major challenges lie ahead for occupational pensions in Switzerland (the so-called second pillar): life expectancy is increasing and investment income declining. Social changes, such as the trend towards part-time working and career breaks, are also having an impact. This is why the Federal Department of Home Affairs (EDI) prepared a report on the future of the second pillar and opened a hearing about it for interested parties in January 2012. The aim of the study was to identify, analyse and suggest possible ways of tackling the challenges facing occupational pensions. The intention was not to revolutionise the successful existing system, but rather to strengthen and consolidate it. The SIA took part in the hearing and put forward the concerns of the private insurers.

Federal Council to consider retirement pensions in an integrated manner

The report on the future of the second pillar was supposed to have been approved by the Federal Council and – together with the proposed timetable for revision – presented to parliament before the 2012 summer session. However, the cabinet reshuffle in January 2012 led to a change of plan. After his first 100 days in office, the new head of the Department of Home Affairs, Federal Councillor Alain Berset, stated that he did not want the old age and survivors' insurance scheme (AHV) and occupational pensions to be separate any longer, but to be treated as an overall package within the framework of a "reform of the pension system". The report on the future of the second pillar was intended to serve the Federal Council as just one of several bases for their proposals on the reform of the pension system.

In November 2012 the Federal Council published the main guidelines for a comprehensive reform of the first and second pillars in a paper entitled "Pensions 2020". The guidelines cover the reform of the retirement age, various occupational pension reforms, the long-term funding of the AHV and the introduction of a "debt ceiling" in the AHV. The Federal Council commissioned the Federal Department of Home Affairs to draw up the

An overview of the Federal Council's guidelines and the positions of the insurers

Topic: Reform of retirement age in the first and second pillar

The Federal Council wants:
- to harmonise the retirement age for men and women at 65 years ("reference age")
- to make retirement more flexible on correct actuarial principles
- to reduce the attractiveness of early retirement
- to create incentives to continue working after the age of 65

The SIA welcomes these guidelines. However, it believes that the retirement age needs to be raised to above 65. The European Union is also moving in the same direction.

Topic: Occupational pension reforms

The Federal Council wants:
- the statutory distribution ratio to be adjusted in line with rising life expectancy and the changed interest rate environment
- to consider measures by which changes of the conversion rate can be compensated and the level of benefits retained (also for the transitional generation)
- to consider measures for improved supervision, transparency and minimum profit share

The SIA welcomes the Federal Council's intention of adjusting the conversion rate. In the SIA's opinion, it is the role of the social partners to consider compensation measures. Such measures need to be defined and implemented as rapidly as possible. The SIA supports the moves towards increased transparency. However, it firmly rejects tightening up the statutory conversion rate.

Topic: Sustainable funding of the AHV

The Federal Council wants:
- to consider whether benefits and contributions need to be adjusted in line with economic and social changes
- to consider supplementary financing

The SIA criticised the Federal Council for not scrutinising the additional financial cost and for assuming that benefits can be maintained at the current levels, despite the foreseeable additional financial burdens.

Topic: Adding an intervention mechanism to the AHV

The Federal Council wants:
- to devise an intervention mechanism ("debt ceiling")
- to bring in the intervention mechanism at the same time as the harmonisation of the retirement age
- to consider whether the federal government's contribution to the AHV can be linked to value added tax revenues

The SIA agrees with the idea of a "debt ceiling". It believes that it is the responsibility of politicians to devise a mechanism that will command majority support.

key points of the reform on the basis of these guidelines and to present the results to the Federal Council by summer 2013. Based on these key points, the draft of the reform should then be drawn up and the consultation process launched at the end of 2013.

Urgent measures need to be implemented rapidly

In view of the existing relationships between the first and second pillars – such as the retirement age – the SIA supports the integrated consideration of pension provision envisaged by the Federal Council. However, this should not lead to any delays in implementing the urgent measures or to a shift in the balance within the tried-and-tested three-pillar system towards the AHV and thus the pay-as-you-go system. The SIA has analysed and evaluated the guidelines drafted by the Federal Council (see box).

Amongst other things, the Federal Council's guidelines propose that the distribution of profits between insured persons and shareholders should be reviewed. The distribution of profits is legally regulated through the statutory distribution ratio. The SIA firmly rejects any tightening up of this ratio. This is because the life insurers are legally obliged to retain sufficient risk capital. This capital is made available by the shareholders, who must be compensated for it at market rates by the life insurance companies. This is the only way the necessary capital can be obtained.

> “Minimum profit share should not be tightened up.”

The size of the investment return depends largely on solvency requirements and the statutory distribution ratio. Under the existing legal and regulatory requirements and market conditions, a maximum investment return of 5 to 7 percent has been achievable in recent years. The Swiss Solvency Test has made the rules on solvency capital considerably tougher, thus further diminishing investment returns. In these circumstances, tightening up the statutory distribution ratio is not a viable proposition.

Retrospective minimum interest rate have disadvantages

Last year the Federal Council again assessed the minimum interest rate for retirement assets in mandatory occupational pension plans. In November 2012 it decided to leave the interest rate for 2013 at 1.5 percent and justified its decision by saying that there is still considerable uncertainty on the financial markets and many pension institutions have inadequate coverage ratios. This decision was in line with the recommendation of the Federal Committee for Occupational Pensions.

The Federal Council currently sets the minimum interest rate for the following year in advance. This means that there is a gap of around 14 months between the time the interest rate is set and the time the interest is credited to the retirement assets. In the opinion of the Federal Council, setting the minimum interest rate retrospectively at the end of the year in question would have the advantage that the performance of the financial markets would be to a large extent evident at the time the interest rate was set, and could be taken into account. However, if the minimum interest rate were to be set retrospectively, a solution would need to be found for insured persons who leave their occupational pension scheme during the year. The Federal Council therefore asked the Federal Social Insurance Office to examine the issue of setting the minimum interest rate retrospectively and to draft proposals for its implementation.

> “A change would unsettle the insured persons and reduce transparency.”

The SIA is against setting the minimum interest rate retrospectively, because it would then lose its character as a guaranteed interest rate. Insured persons expect the interest on their retirement assets to be guaranteed in advance, as it would be for a savings account at a bank. A change would unsettle the insured persons, reduce transparency and weaken confidence in occupational pensions. Setting the minimum interest rate retrospectively would also cause considerable implementation problems and costs.

Disempowering the insured

About 115,000 people have signed the popular initiative "For a public health insurance scheme". The initiative calls for social health insurance to be delivered by a single national public-law body. It proposes that cantonal agencies should set and collect the premiums and pay out the benefits. There would be only one premium per canton, which would cover the entire costs. The initiative was launched by a lobbying association with broad support, led by the Social Democratic Party, in May 2012. It has two significant differences compared with the single health insurer initiative of 2007:

– With the Social Democratic Party behind it, the present initiative has considerably more political support.
– The initiative does not call for premiums to be means-tested, so it is less radical.

Competition is the best way to regulate costs

The SIA believes that the current social health insurance system should be retained. This system functions well and ensures that all insured persons receive high-quality basic medical care. In addition, it gives the insured freedom of choice. Furthermore, the SIA believes in the debt-free financing of healthcare and is convinced that competition is the best way of regulating costs while at the same time ensuring a constant improvement in services.

The SIA is therefore opposed to the initiative. It would lead to the direct nationalisation of healthcare and would have a disastrous impact both economically and socially. Accepting the initiative would be tantamount to disempowering the Swiss population. The people would no longer be able to decide which services they wished to receive. Implementing the initiative would also take years and lead to endless legal disputes, because in practice it would cause the expropriation of the health insurance companies. Finally, the initiative could even trigger the expansion or introduction of monopolies in other insurance areas.

Counter-proposal by the Federal Council is unnecessary

The Federal Council is rejecting the popular initiative, but wants to submit an indirect counter-proposal. The counter-proposal will contain three elements: setting up a reinsurance system for very high costs, making further improvements to risk balancing and ensuring strict separation between basic and supplementary insurance. The SIA regrets that the Federal Council wants to prepare a counter-proposal. On the one hand the Federal Council is conceding that the authors of the initiative are expressing justified concerns, but on the other the counter-proposal will lead to the introduction of a single health insurer in stages.

The insurers believe that it is right to consider and analyse the existing health insurance system in its entirety so that any need for reforms can be identified. However, sensible reforms can be enacted in the usual way without the need for a counter-proposal.

Broad-based support for the current system in the health insurance sector

The SIA will campaign against the popular initiative and the counter-proposal, in partnership with the Swiss business federation economiesuisse, the health insurance association Santésuisse, the Alliance of Swiss Health Insurers and the association of small and medium-sized health insurers. An initial objective is for the popular initiative to be put to the voters without a counter-proposal. The insurers are not alone in striving to achieve this. In the winter 2012 session, all the centre-right parties submitted motions asking the Federal Council to put the initiative to the vote in parliament and call a referendum quickly and without a counter-proposal. In the spring 2013 session, both the National Council and the Council of States approved these motions.

> "The SIA will campaign against the popular initiative and the counter-proposal."

Over the next few months the four umbrella organisations will focus on gauging the mood of the population, clearing up misunderstandings and demonstrating the advantages of the current healthcare system. It will be a challenge to use the often technical arguments in favour of retaining the system to rebut and disprove the sweeping and emotionally charged arguments in favour of introducing a single health insurer. Also, the umbrella organisations which are affected want to keep a close eye on the political agenda so that they can take everything which happens into account. Finally, they will prepare and conduct the referendum campaign.

Regulating the supervision of health insurers without new legislation

The Federal Council wants to strengthen the supervision of social health insurers. In February 2012 it referred its draft bill of the new Federal Health Insurance Supervision Act (KVAG) to parliament.

In August 2012 the Committee for Social Security and Health of the Council of States (SGK-S) voted in favour of the draft bill by 12 votes to 0. The committee continued its consultations on this matter until January 2013. The Council of States considered the draft bill in the 2013 spring session.

In June 2012, the SGK-S invited the SIA to attend a hearing. The SIA used this opportunity to set out the views of the private health insurers. In principle, the insurers welcome stronger supervision in order to increase transparency and modernise governance. However, the insurance companies do not believe that this requires a new law. Instead, the necessary provisions could be integrated into a partial revision of the Health Insurance Act (KVG).

In their view, a separate supervision act would result in over-regulation and significant interference in the economic freedom of the health insurance companies. The draft bill contains many terms which are undefined or only loosely defined. It would therefore be impossible to predict how the supervisory authority would act on many points. However, the authority's ability to intervene must be clearly defined, sensible, workable and proportionate.

The SIA will continue to campaign for adequate and appropriate supervision. Should its goals prove unattainable, it is important at least to prevent health insurers being forced to make subsequent changes to premiums. Such changes are alien to the system, have a destabilising effect and cause huge additional costs.

Health policy caught between differing interests

The Swiss Insurance Association can look back on Sunday, 17 June 2012 – the day of the referendum – with mixed feelings. The good news came from the voters of the canton of Zurich: they rejected the proposed endowment and support fund. This means that the Zurich hospitals can use the profits gained from treating patients with supplementary insurance to build up their own equity and make investments, instead of having to hand the money over to a fund to support hospitals that are in financial difficulties. The SIA took an active part in the referendum campaign. The "No" vote enabled the attack on supplementary insurance to be fought off at an early stage. Other cantons, such as the canton of Bern, are also attempting to find ways of gaining access to supplementary insurance funds and using it for hospital financing. The SIA is keeping a close eye on the situation and will take action as necessary.

The discouraging news was the decision of the Swiss voters on the "managed care" proposal, which was rejected by a large majority. Integrated health care provision would have been an appropriate, tried-and-tested method of improving medical care for patients while simultaneously reducing healthcare costs.

Moratorium on new medical practices prevents young doctors from working

The Federal Council wants to restrict the licensing of new medical practices for another three years. In autumn 2012 it began the consultation process on its draft bill. The SIA stated that it was firmly against placing a further restriction on new medical practices. Firstly, the moratorium on setting up new practices is effectively preventing young doctors from practising their profession. This could endanger the provision of basic medical care in the longer term. Secondly, decisive measures should be taken only if no other solutions are possible. In the 2013 spring session, the National Council approved the proposal to restrict the licensing of new medical practices.

Customer and insurer should have access to the same information

The Federal Act on the Genetic Testing of Human Beings (GUMG) is a comparatively new law. However, major changes have taken place since it came into force in 2007: advances in technology mean that cheap genetic testing has become available via the internet – using saliva samples, for example. This means that an increasing number of people are having genetic tests carried out in order to gain more information about their predisposition to certain diseases.

> “ Both parties should have access to the same information. This is important for calculating premiums correctly. ”

The private insurers have used the forthcoming review of the law as an opportunity to draw the attention of the Federal Office of Public Health (BAG) to this development and to point out its impact on insurability. The insurance companies believe that the act needs to be amended in a number of ways. Insured persons have the right not to know their genetic profile. The insurance companies respect this right and believe that the ban on testing should remain in force: insurers should not be allowed to insist on genetic testing before concluding an insurance contract.

On the other hand, the prohibition on investigations by the insurers needs to be reviewed. Under current law, insurance companies are allowed to ask for the results of previous genetic tests and include them in the risk assessment in certain cases only: for life insurance policies with a sum insured of over CHF 400,000 and incapacity insurance policies with an annual pension of over CHF 40,000. With any other life or incapacity insurance policy the applicant may have more information at their disposal than the insurer.

In future, such situations will become increasingly common as more and more people find out about their genome. The insurers therefore ask that both parties should have access to the same information when concluding a contract. This is important for calculating premiums correctly so that the other insured persons are not disadvantaged.

Money laundering act tightened up as a result of pressure from abroad

The Federal Council wants to do more to combat money laundering. In January 2012 it therefore resolved to amend the Swiss Anti-Money Laundering Act (GwG) and began the consultation process on a draft bill. The revised legislation is intended to strengthen the Money Laundering Reporting Office (MLRO) in particular. The MLRO receives notification of suspected cases from financial services providers, analyses them and passes the details on to the criminal prosecution authorities where necessary.

The draft bill would allow the Swiss reporting office to share financial information with partner authorities in other countries in the future. Up to now it has been able to send hardly any information abroad because of the current rules on banking secrecy. There is no doubt that the MLRO is an important means of combating money laundering and the financing of terrorism. However, plans to strengthen the MLRO and equip it with more powers have come about solely as the result of pressure from abroad. This was especially marked in July 2011, when the international group of 127 financial intelligence units threatened to exclude Switzerland and demanded that Swiss legislation be amended quickly.

In June 2012 the Federal Council submitted its draft bill to the Swiss parliament. The Council of States approved the bill by the end of the year. The National Council debated the proposed amendment in the 2013 spring session. Since the two chambers reached different decisions, the bill is being passed back to the Council of States.

Federal Supreme Court recognises monopolies as competitors with equal rights

In 2009 the canton of Bern passed a new Non-Life Insurance Act allowing the cantonal buildings insurance entity (GVB) to offer certain supplementary insurances outside the monopoly. GVB then founded a subsidiary and in July 2011 the Swiss Financial Market Supervisory Authority (FINMA) granted it a licence to transact business. SIA, in conjunction with other parties, lodged an appeal against this with the Federal Administrative Court. The latter rejected the legitimacy of the appellants at the end of 2011. The appellants challenged this decision at the Federal Supreme Court in 2012.

Verdict of the Federal Supreme Court contains guidance

In July 2012 the Federal Supreme Court dismissed the appeal for technical reasons. It found that the appellants are not entitled to challenge the licence to transact business granted by FINMA. The appellants would have had to demonstrate a concrete objection to the Federal Supreme Court. Their interest in the proper implementation of the applicable law was not sufficient.

> “The Federal Supreme Court clarified where the boundaries of the legislation lie.”

Nevertheless, the verdict contains some guidance. The Federal Supreme Court conceded that the interplay between Bernese legislation on buildings insurance and the Federal Insurance Supervision Act (VAG) might result in a theoretical possibility that the economic order laid down in the constitution could be compromised – to the detriment of the private insurers. However, it does not go any further because when considering a licence application FINMA simply has to investigate whether the applicant meets the regulatory requirements of the Federal Insurance Supervision Act. By contrast, it does not have to apply the Bernese Buildings Insurance Act when assessing the application. The Federal Supreme Court nevertheless considered that FINMA must administer the Federal Insurance Supervision Act in such a manner as to avoid distortions of competition.

The Federal Supreme Court thus clarified what is regulated by the Federal Insurance Supervision Act, where the boundaries of the legislation lie and how powers are divided between the Competition Commission and FINMA. The SIA's involvement therefore at least showed which courses of action are open. The SIA recognises the need for political action – such as amending the Federal Insurance Supervision Act.

Federal Supreme Court does not recognise distortion of competition

In July 2012 the Federal Supreme Court also rejected the SIA's appeal against the new Non-Life Insurance Act of the canton of Glarus. The act allows the buildings insurance entity of the canton of Glarus to insure other hazards to an almost unlimited extent, in addition to its monopoly business. Unlike in the canton of Bern, where a private-law subsidiary offers the insurance, the monopoly insurer of the canton of Glarus is permitted to offer private insurance directly. The SIA, in conjunction with other parties, lodged an appeal against this. They argued that the new powers of the cantonal buildings insurance entity exceed what is permissible under the constitution and by legislation, and that this is harmful to economic freedom.

The appellants were prepared for the possibility that their appeal could be rejected. Nevertheless, the SIA expected the Federal Supreme Court to recognise the distortion of competition inherent in the Non-Life Insurance Act of the canton of Glarus, and to specify clear rules for the entry of the monopolies into the free market. However, the Federal Supreme Court set only minimal boundaries. It regards the competition between the systems as a challenge which the private insurance companies can expect to face, and describes this system as established constitutional practice and an aspect of economic freedom.

Debate on legitimacy of the monopolies

Media and politicians responded negatively to the verdicts of the Federal Supreme Court, which also sparked strong criticism in some academic circles. A debate about the significance and legitimacy of the monopolies as competitors has been opened up, thus meeting a partial objective of the private insurers. The SIA regards itself as justified in keeping a careful eye on the future development of the monopolies.

Federal Council tasked with introducing national earthquake insurance

After the devastating earthquakes in Japan and New Zealand, a number of Swiss parliamentarians put the introduction of national earthquake insurance on the political agenda. The motion on “Compulsory earthquake insurance” proposed by Jean-René Fournier, a member of the Council of States, was approved by a majority vote both in the Council of States and in the National Council and was referred to the Federal Council in March 2012. The insurance companies welcome this decision. The motion calls for the Federal Council to bring in compulsory earthquake insurance throughout Switzerland with uniform premiums.

Last year the Federal Department of Finance (EFD) began work on implementing the motion. It set up working groups consisting of representatives from the federal administration, cantonal buildings insurers, private insurance companies and homeowners. Their task is to draft proposals for the product, the legal framework conditions and claims settlement. In so doing, they must consider the different interests of all those affected and take them into account as far as possible. The initial findings will be available in mid-2013.

Division of tasks in the area of natural hazards

An efficient cooperation between the public sector and the insurers is an important prerequisite for tackling natural hazards successfully. The Federal Office for the Environment (FOEN), the Financial Market Supervisory Authority (FINMA), the cantonal fire insurers and the private insurance companies, together with engineers and architects, therefore launched a joint project. The result is a package of nine measures in total. These include allowing the insurance companies to assist in determining the protection objectives in high-risk areas. They also call for the introduction of earthquake insurance and the creation of rules on taking natural hazards into account when building. The measures are currently being implemented.

Private insurers’ concerns taken into account in “Via sicura” package of measures

Each year about 300 people are killed and more than 4,000 seriously injured on Switzerland’s roads. The Federal Council wants to make our roads safer, so it has put together a scheme known as “Via sicura”. The principle aims of the measures are to implement the existing laws more effectively, combat the worst causes of accidents and improve prevention.

Parliament debated the scheme last year. The insurers were primarily critical of the introduction of a blanket liability to recourse to when the person who has caused an accident has behaved with gross negligence. They also criticised the unlimited obligation placed on insurers to supply information about traffic accidents. The SIA was able to convince the Council of States and the National Council that the objections of the insurance companies were justified. In June 2012 parliament approved the “Via sicura” scheme. The measures decided on are now being implemented in stages.

Although parliament retained the liability to recourse, it watered it down. The motor vehicle and motor vehicle liability insurers are now only expected to have recourse to the person who caused the accident if the latter was under the influence of alcohol, otherwise unfit to drive or driving much too fast. The scope of the recourse will depend on the degree of fault and the financial circumstances of the person who caused the accident. For new insurance contracts, this ruling must be applied from 1 January 2014, and for existing insurance contracts by 1 January 2015 at the latest.

The scheme still requires the insurers to supply information about traffic accidents. However, this obligation is limited to the existing data the insurers gather in the course of claims settlement. They do not need to collect additional data – a proceeding which would have entailed significant costs and hindered the smooth and efficient processing of claims.

Insurers call for appropriate rules on conducting research on human beings

Conducting research on human beings is of vital significance to medical progress. At the same time, human dignity must be protected. The Federal Act on Human Research (HFG), which was approved by parliament in autumn 2011, achieves a balance between these two interests. Last year the Federal Department of Home Affairs launched the public consultation on the ordinances. The SIA took part and put forward the concerns of the private liability insurers.

> “The Federal Act on Human Research should offer clear solutions.”

The European Union has not yet issued comprehensive regulations on human research. That is why the ordinance to the Swiss HFG should offer clear and simple solutions so that it can easily be amended. In the view of the private insurers, the distinction between clinic trials and other research projects appears unnecessarily complicated. It would therefore be wrong to issue a separate ordinance for each of these two kinds of human research. A single ordinance will suffice.

Anyone conducting a research project involving human beings is liable for any damage suffered by the test subjects. The Federal Council can specify exceptions to this liability. It exercised this opportunity and defined several exceptions in the ordinance. These meet the requirements of the private insurers. In addition, the Federal Council can grant the injured test subjects the right to make a direct claim against the insurer. The Federal Council also made use of this possibility. The ordinance states that an injured party can assert direct claims against the liability insurer, instead of against the insured as is usual. The Federal Council has not defined any exceptions to this provision. The SIA regrets this and calls for an appropriate limit on the right to direct claims.

Varying cantonal rules for compulsory insurance

The federal government and the cantons are passing an increasing number of laws and ordinances concerning compulsory insurance, particularly liability insurance. When they issue regulations which have an impact on the insurers, the latter should be involved. This is the only way to find solutions that are appropriate to the market and acceptable to all sides. Last year the SIA monitored the legislative work of various cantons and participated in a number of consultation processes.

The SIA welcomes compulsory insurance wherever this is appropriate. However, it believes that legislators are greatly in need of clarification on this issue, so it has drafted a strategy on the topic of compulsory insurance. This is intended to help the cantons and the insurance companies formulate their compulsory insurance objectives clearly. For example, it is necessary to define which interest groups, potential hazards and risk carriers warrant compulsory insurance. Legislators also need to know which losses are insurable and where the boundaries of insurability lie. This makes it possible to ensure that the cantons set consistent rules concerning the content and scope of insurance products and that insurers can present a consistent and affordable range of compulsory liability insurance products.

In autumn 2012 the Swiss Society for Liability and Insurance Law (SGHVR) published a draft of a national compulsory insurance act. It contains interesting ideas on how to make compulsory insurance legislation consistent. However, taken as a whole the draft goes too far.

Last year the SIA asked the European Centre of Tort and Insurance Law (ECTIL) to analyse the European compulsory insurance landscape. The aim of the study is to compare the applicable laws in the various member states of the European Union (EU) and to formulate advice on harmonisation. The results of the study should be available in 2014.

Insurers welcome temporary adjustments to the Swiss Solvency Test

Owing to the tense situation on the financial markets, in spring 2012 the Swiss Financial Market Supervisory Authority (FINMA) stated that it was looking into the possibility of temporarily adjusting the Swiss Solvency Test (SST). The SIA was pleased to hear this and drafted proposals for the temporary adjustments. It submitted these to FINMA in June 2012 in the form of a position paper. FINMA announced the temporary adjustments in autumn 2012.

Adjustments mean that the Supervision Ordinance will have to be amended

The most important adjustment concerns the yield curve for evaluating the liabilities arising from current insurance contracts. It was necessary to amend the Supervision Ordinance (AVO) in order to put this adjustment into effect. For this reason, on 20 September 2012 the Federal Department of Finance and FINMA launched public consultations on the partial revision of the Supervision Ordinance and on a new FINMA circular letter. Both consultations ended on 19 October 2012. The SIA submitted its comments on the revision of the AVO and on the new circular letter.

Simplified valuation of insurance liabilities

On 30 November 2012 the Federal Council resolved to make specific amendments to the AVO. About ten days later, FINMA published the new circular letter on adjusting the SST. The new rules came into force on 1 January 2013 and will affect the SST for the years 2013, 2014 and 2015 only. The new provisions are as follows:

- A risk-based yield curve can be used to value the liabilities, based on swap rates with a discount of ten basis points for counterparty risk. The risk-based yield curve has an impact on the calculation of the risk-bearing capital. This will be higher because of the “higher” yield curve.
- The risk-based yield curve may be used for “old business” only, namely business written before 1 January 2013.
- For all other elements of the SST – such as target capital, minimum amount, scenarios and core capital – the risk-free yield curve based on public bonds of the Swiss Confederation must be used.
- After the last liquid point, both yield curves converge towards the long-term interest rate. The latter is 2.9 percent for the Swiss franc and 3.9 percent for the euro and the US dollar.
- Companies with an SST quotient between 80 and 100 percent, which places them in the yellow zone, may nevertheless pay dividends and distribute surpluses to the insured.
- FINMA waives its authority to forbid companies with an SST quotient between 60 and 80 percent, which places them in the orange zone, to contract new and renewal business.
- The deadline for moving from the yellow zone to the green zone is being raised from one year to three years. The deadline for moving from the orange zone to the green zone therefore rises from three years to five years.

The SIA welcomes these adjustments. However, it regrets that this temporary solution applies only to the period from 2013 to 2015. It is also unhappy that FINMA rejected all the insurers’ proposals which went further than its own proposals.

Long delays on Solvency II

The introduction of the European Union’s solvency requirements – Solvency II – has been greatly delayed. This was originally supposed to come into force on 1 November 2012. However, important sections of the guidelines on the implementation of Solvency II are having to be adjusted to comply with the new Omnibus II guidelines. The new guidelines will not be approved until a study into the impact of counter-cyclical premiums and matching adjustments on the capital requirements of the insurers has been delivered. This is scheduled to happen in summer 2013. Omnibus II could then be approved in the second half of 2013, probably following difficult negotiations between the European Parliament, the EU Council and the EU Commission. The guidelines could then be enshrined in the national laws of the individual EU member states and the implementation provisions passed. In view of all these necessary steps, Solvency II cannot be introduced before 1 January 2016 at the earliest. Key exponents are talking of 1 January 2017 as a likely date, however.

Insurers propose amendment of supervision rules and regulations

It is of central importance to the Swiss insurers that the European Union (EU) should recognise the equivalence of Swiss insurance supervision. Scrutiny of the equivalence revealed deficiencies in Swiss disclosure rules in particular. This prompted the SIA to analyse the Federal Insurance Supervision Act (VAG) and the Supervision Ordinance (AVO) and suggest amendments.

“ The suggested improvements would make it easier for the EU to recognise the equivalence of Swiss supervision. ”

With the assistance of experts drawn from its membership, the SIA drew up a list of 40 suggested improvements. These would make it easier for the EU to recognise the equivalence of Swiss supervision. The proposed amendments would also enhance the Swiss Solvency Test (SST) and reduce the ways in which it differs from European solvency requirements. In June 2012 the SIA presented its proposals for reform to FINMA, the Swiss Financial Market Supervisory Authority. Although FINMA expressed its interest, it made hardly any comments on the proposals. Instead, it took the opportunity to state its own ideas regarding the revision of the supervision act. As a first step, it wants to overhaul the Supervision Ordinance selectively, so that temporary adjustments to the SST can be made. Those amendments were made at the end of 2012. As a second step, it wants to revise the Supervision Ordinance. This is scheduled to take place in 2013 and 2014. As a third step, it wants to revise the Federal Insurance Supervision Act. This revision will be tackled in 2015 at the earliest.

Financial Market Supervisory Authority issues rules on insurers’ liquidity requirements

The Swiss Financial Market Supervisory Authority (FINMA) can issue circular letters which give concrete form to financial market legislation. Last year it conducted several hearings on new circular letters.

“ Insurance companies have fundamentally different requirements compared with banks. ”

In August 2012 FINMA launched a hearing on the circular letter on the insurers’ liquidity reporting. Events and challenges in the banking business have markedly influenced the wording of this missive. However, insurance companies have fundamentally different requirements compared with banks. Because of the rules on tied assets and on maturity profiles of commitments, the insurers’ liquidity risk is comparatively small in their operating business. The SIA’s opinion called firstly for the circular letter to apply only to individual companies and not to insurance groups. Secondly, it asked for the tighter market conditions to be applied only when considering future expected liquidity positions, and not past liquidity positions.

In August, FINMA also launched a hearing on two new circular letters on auditing. These circular letters seek to introduce numerous innovations, such as dual supervision: in future, the insurers are to be supervised not only by FINMA but also by an auditing company. The SIA believes that there is no legal basis for this kind of supervision and that it therefore cannot be introduced by means of an ordinary circular letter. Nor does the SIA agree with expanding the scope of the audit: auditors are now expected to prepare a risk analysis for each insurer, covering corporate governance too. All these innovations entail additional costs which will ultimately have to be met by the insured persons.

FINMA published the final versions of the circular letters in December 2012 and implemented them on 1 January 2013. Unfortunately it took few of the insurance companies’ concerns into account.

The new financial services act should not cover insurance products

In March 2012 the Federal Council instructed the Federal Department of Finance to draft the legal framework for improving customer protection in respect of the sale of financial products. The new Financial Services Act (FIDLEG) is expected to focus on investment products. The SIA is therefore calling for insurance products to be excluded from the act. After all, insurance products are fundamentally different from investment products, because when taking out insurance, customers are insuring their risks with the insurer and paying a premium for this purpose. They thus transfer their risk to the insurer and the community of insured persons. With investment products, however, customers are investing their own assets, bearing the investment risk themselves.

Quite apart from this, the insurance industry is already strictly regulated through special laws – such as the Federal Act on Insurance Contracts (VVG). The Swiss Financial Market Supervisory authority (FINMA) has also issued numerous circular letters on these matters. The federal acts and circulars provide effective customer protection because they contain rules on product design, distribution and the solvency of the insurers.

In view of the immense variety of financial products and distribution channels, it would make no sense to introduce a single act covering the entire financial market. The best way of solving any problems is to improve the sector-specific regulation.

Supporters of the financial services act argue that it would give Swiss financial services providers better access to foreign markets. However, this does not apply to insurance companies because cross-border insurance business can be conducted only to a very limited extent. Cross-border insurance contracts are permissible only if the insurer is not subject to supervision or if the freedom to provide services has been enshrined in a treaty between Switzerland and the countries concerned. Liechtenstein is the only country with which such a treaty currently exists.

Implementation of financial market policy at last

In the wake of the global financial crisis, the Federal Council defined the strategic priorities for Switzerland's future financial market policy. The objective of these strategic priorities is to strengthen both the financial centre and customer protection. So far, however, only a few measures have been implemented, and these have been biased, with most of the focus on the safety and stability of the financial centre, whereas improving its competitiveness has been neglected.

> “The SIA's requests were covered in the financial market policy.”

In view of this development, in spring 2012 the SIA asked the Federal Council to review the existing financial market strategy and actually implement the measures defined in it. This call did not go unanswered: several meetings were held at which major players from the Swiss financial centre were able to discuss their concerns with the relevant authorities. The State Secretariat for International Financial Affairs then drafted a report on the federal government's financial market policy. In December 2012 the Federal Council adopted this overview of the financial market policy. According to the overview, the strategic orientation of the financial market policy is based on strengthening competitiveness, fighting financial crime and the depositing of untaxed assets in Switzerland, concluding international withholding tax treaties and establishing a standard legal basis for mutual administrative and judicial assistance.

The SIA's requests – for improved competitive conditions and an attractive tax framework – were covered in the overview, at least in principle. However, there is still a problem with regard to measures to implement the financial market policy: too many issues which are already quite clear are being looked at again. Important matters such as the abolition of stamp duty are therefore being delayed.

Simplified implementation of FATCA for Swiss insurers

In future the USA wants to record and tax all assets held in foreign accounts by persons subject to US taxation. This is why the Foreign Account Tax Compliance Act (FATCA) was passed in the USA in 2010. This act requires financial institutions throughout the world to identify accounts held by US taxpayers and give the US tax authority (IRS) information about these accounts. The USA published the "Final Regulations" at the beginning of this year. These govern the implementation of FATCA and are valid from 1 January 2014.

> "The SIA campaigned for Switzerland to conclude an agreement with the USA."

The USA wants as much information as possible about American taxpayers. They are therefore penalising financial institutions which do not comply with the provisions of FATCA. Non-participating financial institutions will have to pay a withholding tax of 30 percent imposed on income originating from the USA. In addition, restrictions will be placed on participating financial institutions in relation to opening accounts for, or entering into commitments with, non-participating financial institutions.

No registration without a treaty

The Swiss financial institutions, too, are obliged to register with the IRS if they want to count as participating financial institutions as of 1 January 2014. However, registration is not possible in the absence of a treaty between the USA and Switzerland. This is because financial institutions can only register if they submit reports to the IRS in future. Such reports cannot be submitted by Swiss financial institutions if no treaty is in place, because otherwise they would be liable to prosecution. Nor can the insurers close notifiable accounts, because endowment life insurance contracts cannot be cancelled unilaterally.

Last year the SIA campaigned for Switzerland to conclude an agreement with the USA in order to facilitate the implementation of FATCA by the Swiss financial institutions and in particular the insurance companies. With some success: in February 2013 Switzerland signed a treaty with the United States.

Treaty has a number of advantages

Quite apart from the fact that the implementation of the treaty is necessary before registration can take place, the treaty has a number of advantages compared with the "Final Regulations":

- The "Final Regulations" constitute internal US law and can be changed by the USA unilaterally. The provisions of the treaty cannot be changed unilaterally.
- On the basis of the treaty, reporting Swiss financial institutions are not in principle obliged to impose the US withholding tax of 30 percent on payments on non-cooperating customers and non-participating financial institutions, or to close customer accounts.
- The treaty ensures that certain types of scheme are exempt from FATCA. These include occupational pension institutions, vested benefits schemes, the National Substitute Pension Plan foundation, the security fund, Pillar 3a schemes, welfare funds and pension fund investment foundations. If it were made obligatory for occupational pension "accounts" to be retrospectively examined, identified and reported, this would be almost impossible to implement because it would cover millions of insured persons, and massive costs would be incurred which would ultimately have to be borne by the insured persons.
- The treaty ensures that certain products are exempt from FATCA. For example, group life insurance as part of occupational pension plans, vested benefits policies which include supplementary insurance for death and invalidity, and Pillar 3a accounts and life insurance policies.

Treaty must come into force on 1 January 2014

If the Swiss insurers are to register with the IRS and benefit from the simplified implementation, the treaty between the USA and Switzerland must come into force on 1 January 2014. The Federal Council has therefore decided to shorten the consultation process on the treaty. This means that the parliamentary chambers can still debate and approve the treaty and the Swiss legislation on its implementation this year. The treaty and the legislation will also be subject to an optional referendum.

Parliament seeks partial overhaul of the Federal Act on Insurance Contracts

The Federal Act on Insurance Contracts (VVG) is of central importance to the insurers. It governs the contractual relationship between the customer and the insurer, and sets out the rights and obligations of both parties to the contract. The Federal Council wishes to undertake a full revision of the act, which dates back over a hundred years, with a view to increasing customer protection.

Shortcomings of the draft bill

The Federal Council approved a draft bill in September 2011. A year later, in the winter 2012 session, the National Council debated the Federal Council's draft bill for the first time and rejected it. The National Council instructed the Federal Council to prepare a new bill for a partial overhaul of the act. In the spring 2013 session the Council of States agreed with the National Council's decision.

The SIA regards this decision as correct. Insurance contracts are complex, so customer protection is of particular importance. However, the draft bill does not achieve the Federal Council's objective of placing customer and insurer on an equal footing. Instead, it pays excessive attention to customer protection and neglects the negative repercussions of the new, stricter regulations. All in all there are several reasons why the draft bill should be referred back to the Federal Council.

The existing legislation has proved its worth

Today, the sale of insurance policies and insurance contracts is underpinned by numerous regulations which serve to protect the customer. They are enshrined in special insurance laws, such as the Federal Act on Insurance Contracts (VVG) and the Federal Insurance Supervision Act (VAG). Both acts were revised several years ago in order to take account of the main concerns of customers. These included the insurers' obligation to provide information and new provisions on the breach of a duty of disclosure.

The existing laws have proved their worth. This is evident from the fact that the ombudsman's office deals with around 3,500 enquiries a year. This is a tiny number compared with the 20 million insurance contracts currently in force. Furthermore, the private Office for Employment-Related and Sociopolitical Studies (BASS) has concluded that the majority of insurance intermediaries and insurance companies behave honestly and fairly. A comprehensive overhaul of the Federal Act on Insurance Contracts is therefore unnecessary.

The draft bill would lead to over-regulation

The draft bill doubles the number of mandatory provisions. Large risks are the only exception to this. The mandatory provisions apply to all other contracts: contracts with private customers as well as contracts with 99 percent of corporate customers. By contrast, in other civil legislation the protection of the weaker contracting party is usually limited to the protection of the private customer.

Doubling the mandatory provisions restricts the freedom of contract excessively. The draft bill seeks to extend the insurers' obligation to provide precontractual information, for example. This is unnecessary and could even lead to problems under antitrust law. The draft bill also grants insured persons the right to cancel their insurance agreement and to terminate a contract whenever an amendment is made to it.

Revising the legislation would be expensive for policyholders

The Federal Council estimates that revising the legislation will lead to costs of CHF 10 million. This estimate is unrealistic. The revisions affect not only product design and distribution, but also contract administration and claims settlement. The SIA puts the one-off costs at around CHF 450 million and the annual recurring costs at CHF 750 million. Since the insurers need to maintain their solvency, they cannot assume these costs for nothing. This would result in higher premiums for the insured persons.

The draft bill encourages insurance fraud

Insured persons form a community based on solidarity. In such communities there is a danger that individual customers will seek to enrich themselves at the expense of the others. Despite this, the draft bill does not contain a clause on fraud. This will create incentives for insurance fraud, make insurance coverage more expensive and penalise honest customers.

A culture of trust rather than rigid timekeeping

To promote health in the workplace, the law regulates the number of hours an employee may work and the requisite rest periods. It is primarily up to the employer, as well as the authorities, to monitor compliance with these rules. That is why the Federal Employment Act states that employers must record the hours worked by their employees and submit this information to the authorities. These timesheets must show when and for how long the employees worked each day.

In autumn 2012 the State Secretariat for Economic Affairs put forward an amendment to the ordinance to the Employment Act. The amendment proposes that in future employees with an annual income of more than CHF 175,000 and individuals entered in the Commercial Register should be exempted from the requirement to record their working hours. Other employees would still be subject to this requirement.

The SIA is firmly against the proposed change, because the amendment does not correspond with the prevailing conditions in the world of work and does not meet the needs of insurance companies or employees. Today, work performance is not primarily measured by time but rather by how efficiently and well a job is performed. At the same time, what employees want and are increasingly asking for is flexibility in terms of their hours and place of work, to help them reconcile the demands of career, family and leisure.

The proposed amendment would also worsen business conditions and jeopardise the free labour market – one of Switzerland's key competitive advantages.

The private insurers are calling for a modern work model based on mutual trust. The SIA has stated this preference in its comments on the amendment to the ordinance.

Insurers' concerns taken into account in the revision of the collective investment schemes act

Collective investment schemes consist of assets which investors invest jointly. Since the Federal Act on Collective Investment Schemes came into force in 2007, investor protection requirements have changed – not least because of the financial crisis. According to the Federal Council, the act no longer meets current requirements in full. In March 2012 it therefore proposed to revise the act and submitted a new draft bill to parliament. The aim is to fill the gaps in relation to the administration, custody and distribution of collective investment schemes, while strengthening the competitiveness of the asset managers and improving their access to the European market.

The revision affects the insurance companies in two respects: firstly as providers of unit-linked life insurance policies and professional liability insurance, and secondly as qualified investors. The SIA therefore informed the National Council and the Council of States of the insurance companies' concerns. The most important of these is that the Federal Council can authorise collective investment schemes for a single qualified investor and that it can establish exceptions to the general ban on the transfer and surrender of real estate assets to related legal entities.

In the summer session the Council of States debated the draft bill for the first time and came to the same conclusion as the insurance companies. The National Council confirmed the decision of the Council of States in the autumn session. It was thus possible to complete the revision within a year. The revised act came into force on 1 March 2013.

The revision of the act means that Switzerland has succeeded in aligning the legislation on collective investment schemes with the new international standards. This ensures that Swiss asset managers can access the market. The fast pace of the revision and the highly complex material concerned posed a considerable challenge to the SIA's experts.

New education ordinance for basic commercial apprenticeships

At the beginning of 2012 a new ordinance and a new syllabus for basic commercial apprenticeships recognised by the Swiss Federal Certificate of Competence came into force.

The ordinance encourages businesses to deliver training and gives them greater flexibility and freedom of choice. The syllabus strikes the right balance between practical instruction, vocational college and external training courses. It brings the vocational and academic performance goals up to date and ensures that the external training courses are more in tune with the needs of the companies providing the training, in terms of content, timetabling and structure.

The Association for Professional Insurance Education (VBV) was represented on all the steering committees and working groups of the Reform Commission and put forward the concerns of the insurance industry. It thereby lived up to its obligations as a professional organisation and helped ensure that high quality basic business apprenticeships are properly and professionally implemented both within and across companies in the private insurance industry.

In the insurance sector, external training courses are provided on a regional basis. The VBV supervises the implementation of the courses and ensures that they are of high quality. It has also integrated the courses into its blended learning concept, which provides electronic methods of study to enable students to prepare for and build on traditional lecture-based teaching.

The Association for Professional Insurance Education (VBV)

As the SIA's training partner, the VBV promotes and coordinates vocational training within the private insurance industry and for insurance-related careers at all levels.

More financial support for higher vocational training

Higher vocational training is of great importance to Switzerland as a place to do business. However, the public sector pays little attention to higher vocational training, despite its importance. Furthermore, state funding is very unequally distributed. Whereas academic education is largely financed by the state, non-academic vocational training is financed mainly by the participants or their employers. This creates inequalities between two equally valuable educational pathways.

At the beginning of this year, an amendment to the ordinance on vocational and professional education and training came into effect. It significantly improves the standing of federally accredited examinations in higher vocational training. In future, candidates will benefit from considerably more financial support from the public authorities. This will reduce the cost to individual trainees and make higher vocational training qualifications yet more attractive.

The insurance industry welcomes the strengthening of higher vocational training, and of federally accredited examinations in particular. The Association for Professional Insurance Education (VBV) is pleased to note that the new funding system also includes measures to improve the quality of federally accredited examinations and develop them further.

However, the VBV regrets that the Swiss Federal Certificate for insurance experts will benefit from the increased financial support only to a limited extent. This is because the new funding rules apply solely to federal qualifications gained in final examinations. The public authorities do not fund any of the modular examinations required for this certificate. Modern modular systems are therefore being disadvantaged compared with traditional systems based on final examinations. Nor are there plans to promote preparatory courses. The two educational pathways are therefore still unequal.

The Swiss Insurance Association undertook numerous activities in 2012 as part of its representation of interests.

Occupational pensions

Consultation process: The report on the future of the second pillar, 27 April 2012

Presentation: Individualism and solidarity: Daring to invent a new retirement pension system, 21 June 2012

Hearing: Parliamentary initiative "BVG purchases by self-employed persons after ceasing gainful employment", 24 August 2012

Opinion: Survey of the Swiss Employers' Association on the minimum interest rate for 2013, 27 August 2012

Information event for members of parliament: Occupational pensions, 17 September 2012

Media release: Absurd accusations from the trade union Travail.Suisse, 18 October 2012

Media release: Minimum interest rate 2013: Security, not populism, 13 November 2012

Media release: Federal Council confirms need for comprehensive reforms, 21 November 2012

Media release: Occupational pensions for dummies, 12 December 2012

Publication: Individual, career, pension, 12 December 2012

Health insurance

Media release: Single health insurer: No to nannying and idle promises, 23 May 2012

Meeting with members of parliament: Health Insurance Supervision Act, 29 May 2012

Media release: Managed care: In need of new ideas, 17 June 2012

Consultation process: Hospital Care Act of the canton of Bern, 18 June 2012

Hearing: Law on supervision of social health insurance, 18 June 2012

Media release: A step on the way to a single health insurer, 10 October 2012

Consultation process: Reintroduction of the restriction on new medical practices, 5 November 2012

Meeting with members of parliament: Single health insurer, 26 November 2012

Meeting with members of parliament: Health Insurance Supervision Act, 26 November 2012

Swiss Solvency Test

Opinion: Temporary adjustments to the Swiss Solvency Test, 14 June 2012

Hearing: Partial revision of the Supervision Ordinance (change to the provision on fair market valuation of insurance liabilities), 19 October 2012

Hearing: FINMA circular letter "Adjustments to the SST", 19 October 2012

Supervision Act

Opinion: Proposals for reform of the Federal Insurance Supervision Act/Supervision Ordinance, 11 April 2012

Information event for members of parliament: Revision of the Federal Insurance Supervision Act, 20 September 2012

Meeting with members of parliament: Current developments in supervision law, 26 November 2012

Financial Market Supervisory Authority

Media release: Swiss private insurers offer high degree of customer protection, 24 February 2012

Opinion: Requirements for the risk report, 4 April 2012

Opinion: Maximum interest rate for calculating statutory provisions in the life insurance sector, 26 July 2012

Hearing: FINMA circular letter "Auditing", 18 September 2012

Hearing: FINMA circular letter "Audit firms and lead auditors", 18 September 2012

Hearing: FINMA circular letter "Liquidity – insurers", 26 September 2012

Hearing: Partial revision of the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on the levying of supervisory fees and duties, 23 October 2013

Federal Act on Insurance Contracts

Presentation: Total revision of the Federal Act on Insurance Contracts: Assessment from the viewpoint of the private insurers, 3 February 2012

Information event for members of parliament: Total revision of the Federal Act on Insurance Contracts, 12 March 2012

Meeting with members of parliament: Total revision of the Federal Act on Insurance Contracts, 29 May 2012

Opinion: Waiving the special conflict-of-laws rules in the new Federal Act on Insurance Contracts, 24 September 2012

Meeting with members of parliament: Total revision of the Federal Act on Insurance Contracts, 26 November 2012

Taxes

Media release: FATCA: Efforts to reduce burden on insurers, 21 June 2012

Conference: Insurance Tax Conference, 24 August 2012

Hearing: Abolition of stamp duty, sub-committee of the National Council's Committee for Economic Affairs and Taxation, 17 October 2012

Media release: FATCA: Signing the tax treaty quickly, 12 November 2012

Insurance industry

Media release: Stability and solid growth for Swiss insurers, 3 February 2012

Publication: Facts and Figures 2012, 3 February 2012

Presentation: Stability and solid growth for the Swiss insurance industry, 3 February 2012

Meeting with members of parliament: Financial centre strategy, 29 May 2012

Conference: Latest regulatory developments in the EU and their effects on the Swiss insurance industry, 30 November 2012

Media release: Maintaining the long-term attractiveness of Switzerland as a business location, 30 November 2012

Publication: The economic significance of the Swiss private insurance industry, November 2012

Expertise: Study on the "Zurich Financial Centre 2012/13" by the Canton of Zurich Location Development Department and the City of Zurich Economic Development Department, autumn 2012

Publication: Positions adopted by the insurance industry

Prevention

Conference: Second private-sector prevention day, on "Health management as a competitive advantage", 19 January 2012

Publication: The competitive enterprise in the age of individualism, 19 January 2012

Media release: Headrest advice at petrol stations, 17 April 2012

Media release: Successful completion of "Weniger Wildunfälle!" (Minimising collisions with wildlife) project, 30 October 2012

Campaign: Genau geschaut, gut geschützt (Look carefully and stay safe)

Campaign: Kopfstützen schützen – Sicher unterwegs mit der richtigen Einstellung (Keep your head – adjust your headrest properly)

Campaign: Weniger Wildunfälle! (Minimising collisions with wildlife)

Insurance medicine

Conference: Federal Act on Accident Insurance (UVG) Conference, 4 to 5 June 2012

Conference: Medical conference, 27 September 2012

Publication: Medinfo 1/2012: Aspects of insurance medicine

Publication: Medinfo 2/2012: ELHUA/Genetics

Training

Advanced Diploma in Insurance (HFV Insurance Management School): Federal accreditation from the Federal Office for Professional Education and Technology, January 2012

Conference: Conference for training and HR managers in the insurance sector, on the topic of "Towards a new culture of work and performance", 9 May 2012

Swiss Certificate of Competence in Business: 507 certificates awarded in the private insurance sector, June 2012

Publication: Four textbooks on the core processes in the insurance industry

Insurance Intermediary, Association of Professional Insurance Education (VBV): 637 certificates awarded, March/June/October 2012

Insurance Assistant, Association of Professional Insurance Education (VBV): 59 certificates awarded, November 2012

Certificate of Advanced Studies: New course launched: "Regulation and risk management in the insurance industry", October 2012

Advanced Diploma in Insurance (HFV Insurance Management School): 55 certificates awarded, October 2012

Swiss Federal Certificate in Insurance: 182 certificates awarded, October 2012

Swiss Insurance Association

Publication: The SIA, January 2012

Media conference: Annual media conference, 3 February 2012

Leader Forum: 13 March 2012

Annual General Meeting: 21 June 2012

Media release: New members of the Managing Board of the Swiss Insurance Association, 21 June 2012

Publication: Annual Report 2011, 21 June 2012

Leader Forum: 24 October 2012

Publication: Policy – where we stand, 12 November 2012

Other activities

Hearing: Ordinance on Accident Insurance Statistics, 20 January 2012

Media release: Earthquake insurance for all of Switzerland, 14 March 2012

Conference: Civil liability insurance, 7 May 2012

Hearing: Insurance Bankruptcy Ordinance, 4 July 2012

Media release: Summer holiday season: Proper insurance for the holidays, 16 July 2012

Hearing: Ordinance on Accepted Accounting Standards, 25 September 2012

Hearing: Amendment of Collective Investment Schemes Ordinance (product regulation), 12 October 2012

Opinion: Amendment to Ordinance 1 on the Employment Act, 2 November 2012

Conference: Legal protection insurance, 28 November 2012

Consultation process: Parliamentary initiative "Greater consumer protection and fewer abuses during telephone sales", 19 December 2012

Opinion: Amendment of Collective Investment Schemes Ordinance, 30 December 2012

Other communication activities

Discussions with party leaders: March/June 2012

Media work: Over 200 media enquiries answered

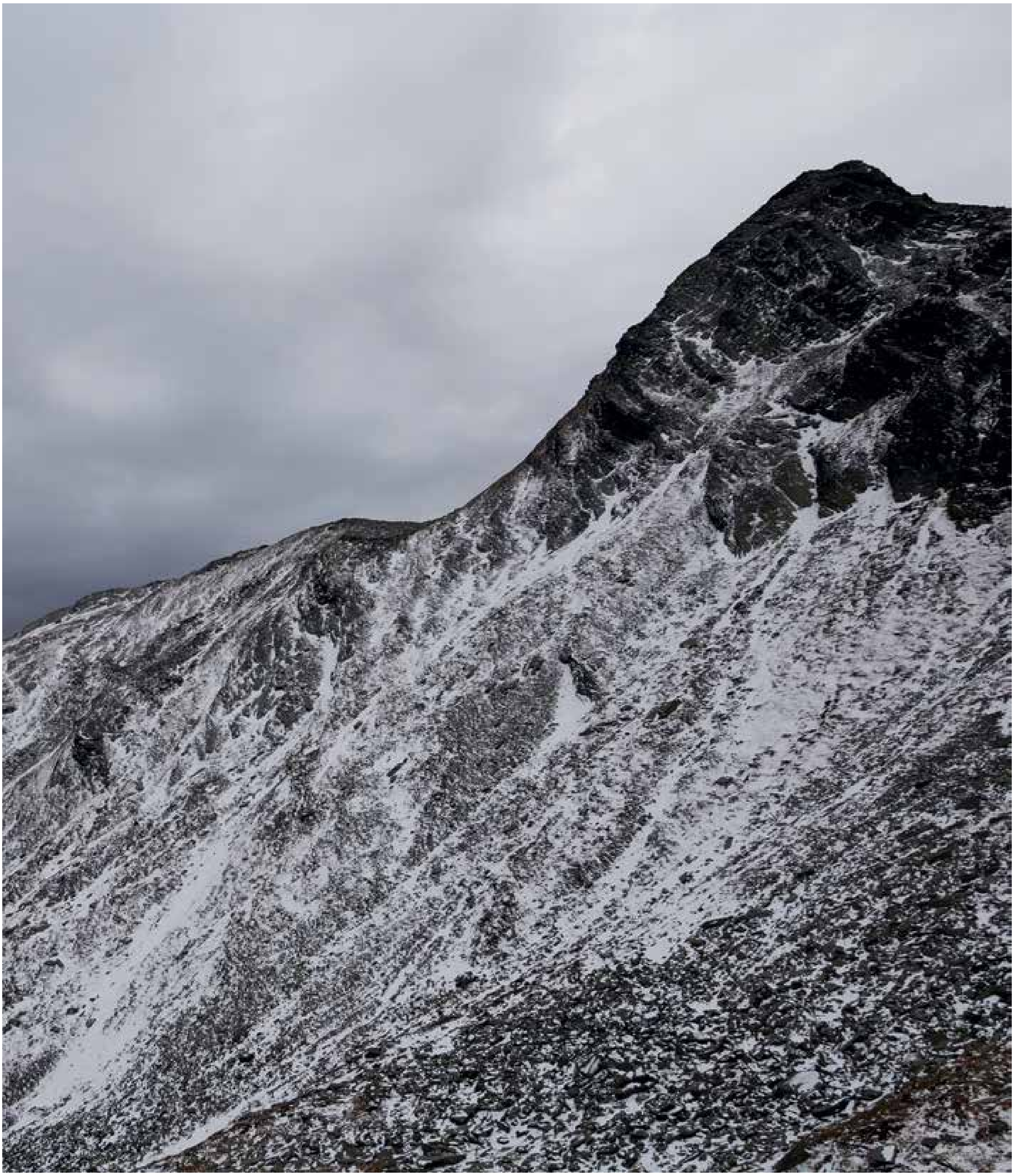
Newsletter: Mailing of 46 issues

Guidebook: Publications on 46 topics

Social media: Active on 8 social media platforms

Website: Publication of around 500 pages and documents

The SIA



Piz Lunghin region

"Switzerland is a land of insurance."
20 Minuten Online, 28 September 2012

The Swiss Insurance Association: committed, credible, liberal

The Swiss Insurance Association (SIA) is the umbrella organisation representing the 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 SIA is committed to promoting a business-friendly environment."

The SIA 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 realistic parameters and to simplify and standardise 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 72 members (as at 1 January 2013).

Life insurance companies

Allianz Suisse Lebensversicherungs-Gesellschaft AG
Bleicherweg 19
8002 Zurich
www.allianz-suisse.ch

Aspecta Assurance International Aktiengesellschaft
Zurich Branch
Bahnhofstrasse 52
8001 Zurich
www.aspecta.li

AXA Leben AG
General-Guisan-Strasse 40
8400 Winterthur
www.axa.ch

Basler Leben AG
Aeschengraben 21
4051 Basel
www.baloise.ch

CCAP Caisse Cantonale d'Assurance Populaire
Rue du Môle 3
2001 Neuchâtel
www.ccap.ch

Elips Life AG
Zurich Branch
Thurgauerstrasse 54
8050 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
4052 Basel
www.helvetia.ch

Império Assurances et Capitalisation SA
Lausanne Branch
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
1204 Geneva
www.rentesgenevoises.ch

Retraites Populaires
Rue Caroline 9
1003 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

SEV Versicherungen Genossenschaft
Arnold-Böcklin-Strasse 41
4051 Basel
www.sev-online.ch

Skandia Leben AG
Bellerivestrasse 30
8008 Zurich
www.skandia.ch

Swiss Life AG
General-Guisan-Quai 40
8002 Zurich
www.swisslife.ch

UBS Life AG
Birmensdorferstrasse 123
8003 Zurich
www.ubs.com

Vaudoise Vie, Compagnie d'Assurances SA
Place de Milan
1007 Lausanne
www.vaudoise.ch

Versicherung der Schweizer Ärzte Genossenschaft
Länggassstrasse 8
3012 Bern
www.versa.ch

Zenith Vie SA, Compagnie d'assurance sur la vie
Avenue du Tribunal-Fédéral 34
1005 Lausanne
www.zenithlife.ch

Zürich Lebensversicherungs-Gesellschaft AG
Austrasse 46
8045 Zurich
www.zurich.com

Non-life insurance companies

ACE European Group Limited
Zurich Branch
Bärengasse 32
8001 Zurich
www.aceeurope.ch

ACE Insurance (Switzerland) Limited
Bärengasse 32
8001 Zurich
www.aceeurope.ch

AIG Europe Limited
Zurich Branch
Gutenbergstrasse 1
8002 Zurich
www.aig.com

Allianz Suisse Versicherungs-Gesellschaft AG
Bleicherweg 19
8002 Zurich
www.allianz-suisse.ch

Appenzeller Versicherungen Genossenschaft
Eggerstandenstrasse 2a
9050 Appenzell
www.appvers.ch

Aspen Insurance UK Limited
Zurich Branch
Talstrasse 70
8001 Zurich
www.aspen-insurance.com

Assista Protection Juridique SA
Chemin de Blandonnet 4
1214 Vernier
www.assista.ch

AXA Versicherungen AG
General-Guisan-Strasse 40
8400 Winterthur
www.axa.ch

Basler Versicherung AG
Aeschengraben 21
4051 Basel
www.baloise.ch

CAP, Rechtsschutz-Versicherungsgesellschaft AG
Baslerstrasse 52
8004 Zurich
www.cap.ch

Cardif-Assurances Risques Divers
Zurich Branch
Bleicherweg 66
8002 Zurich
www.cardif.ch

Chubb Insurance Company of Europe SE
Zurich Branch
Zollikerstrasse 141
8008 Zurich
www.chubb.com

Coop Rechtsschutz AG
Entfelderstrasse 2
5001 Aarau
www.cooprecht.ch

CSS Versicherung AG
Tribschenstrasse 21
6005 Lucerne
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
Avenue de Béthusy 54
1012 Lausanne
www.epona.ch

Europäische Reiseversicherungs AG
Margarethenstrasse 38
4053 Basel
www.erv.ch

Fortuna Rechtsschutz-Versicherungs-Gesellschaft AG
Soodmattenstrasse 2
8134 Adliswil
www.generali.ch

Generali Assurances Générales SA
Avenue Perdtemps 23
1260 Nyon
www.generali.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
Zurich Branch
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
Geneva Branch
Cours de Rive 2
1204 Geneva
www.inter-partner.ch

Liberty Mutual Insurance Europe Limited
Zurich Branch
Lintheschergasse 23
8001 Zurich
www.libertyiu.com

Metzger-Versicherungen Genossenschaft
Irisstrasse 9
8032 Zurich
www.branchenversicherung.ch

Orion Rechtsschutz-Versicherung AG
Centralbahnstrasse 4
4051 Basel
www.orion.ch

Protekta Rechtsschutz-Versicherung AG
Monbijoustrasse 68
3001 Bern
www.protekta.ch

Sanitas Privatversicherungen AG
Jägergasse 3
8004 Zurich
www.sanitas.com

Schweizerische Hagel-Versicherungs-Gesellschaft, Genossenschaft
Seilergraben 61
8001 Zurich
www.hagel.ch

Schweizerische Mobiliar Versicherungsgesellschaft AG
Bundesgasse 35
3011 Bern
www.mobi.ch

Schweizerische National-Versicherungs-Gesellschaft AG
Steinengraben 41
4051 Basel
www.nationalesuisse.ch

smile.direct versicherungen
Hertistrasse 25
8304 Wallisellen
www.smile-direct.ch

Sympany Versicherungen AG
Peter-Merian-Weg 4
4052 Basel
www.sympany.ch

TSM Compagnie d'Assurances, Société coopérative
Rue Jaquet-Droz 41
2300 La Chaux-de-Fonds
www.tsm.net

Uniqa Assurances SA
Rue des Eaux-Vives 94
1207 Geneva
www.uniqa.ch

Vaudoise Générale, Compagnie d'Assurances SA
Place de Milan
1007 Lausanne
www.vaudoise.ch

XL Versicherungen Schweiz AG
Mythenquai 10
8002 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 Schweiz AG
Feldeggstrasse 4
8008 Zurich
www.catlin.com

New Reinsurance Company Ltd
Zollikerstrasse 226
8008 Zurich
www.newre.com

Partner Reinsurance Europe SE
Zurich Branch
Bellerivestrasse 36
8008 Zurich
www.partnerre.com

Schweizerische Rückversicherungs-Gesellschaft AG
Mythenquai 50/60
8002 Zurich
www.swissre.com

Scor Global Life SE
Zurich Branch
General-Guisan-Quai 26
8002 Zurich
www.scor.com

Scor Switzerland AG
General-Guisan-Quai 26
8002 Zurich
www.scor.com

Managing Board

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

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

Martin Albers
Chairman, *Swiss Re Holding Ltd*

Philippe Egger
CEO, *AXA Winterthur*

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

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

Markus Hongler
CEO, *Die Mobiliar*

Hans Künzle
CEO, *Nationale Suisse*

Alfred Leu
CEO, *Generali Switzerland Group*

Stefan Loacker
CEO, *Helvetia Group*

Joachim Masur
CEO, *Zurich Switzerland*

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

Georg Portmann
CEO, *CSS Versicherung*

Klaus-Peter Röhler
CEO, *Allianz Suisse*

as at 31.12.2012

Committees and commissions

Managing Board | Chairman Urs Berger, *Die Mobiliar*

Committees

Education	Finance and Regulation	Health/Accident	Life	Non-Life	Campaigning
Bernard Dietrich, *Bâloise*	Peter Giger, *Zurich*	Otto Bitterli, *Sanitas*	Ivo Furrer, *Swiss Life*	Andreas Krümmel, *AXA Winterthur*	Philipp Gmür, *Helvetia*

Commissions

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

as at 31.12.2012

Head Office

Management | Lucius Dürr[1]

Units

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

Units

Education Matthias Stettler*	**Services** Thomas Gosteli*	**General Secretariat** Tamara Garny*
Education and Training	SVV Solution AG – Clearing house eVN – Car Claims Info – Statistics – Portal for the mandatory exchange of co-insurance data – Buildings Surveying	Finance and Accounting
Education Partners		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 31.12.2012

The Swiss Insurance Association cultivates many national and international contacts.

Memberships

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

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

Swiss Council for Accident Prevention (bfu), www.bfu.ch. The SIA is represented on the Council 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
- 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
- Value added tax working group
- World Trade Organization working group

Federal Committee for General Services and Fundamental Questions

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.fvsfsrfss.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
- Health Committee
- Life Committee
- Motor Study 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.safetyinadventures.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.versicherungsombudsman.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

"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

Self-Regulatory Organisation of the SIA

SVV Solution AG, the SIA's services company

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Graphic design: Bureau18, Zurich; Obrist und Partner, Zurich
Layout and printing: gdz ag, Zurich
Translation: Synopsis Wirtschaftskommunikation Anne Rüsing, Liestal
Photos: Robert Bösch, Oberägeri (pages 1, 5, 9, 15, 24, 25, 37, 48);
Patrick Lüthy, Olten (pages 11, 13)
Distribution: Blinden- und Behindertenzentrum Bern
Submission deadline: 31 March 2013

PERFORMANCE
myclimate
neutral
Printed Matter
No. 01-12-665790 – www.myclimate.org
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ASA | SVV

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

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