Annual Report 2010

ASA | SVV

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

Key events for the Swiss private insurance industry

January 2010

20.1.2010 | At its annual media conference, the SIA looked back on 2009 and previewed topics of interest for the year ahead. The legal framework conditions for occupational pensions would remain a central theme. The insurance industry was also set to consider draft legislation such as the revision of the Federal Act on Insurance Contracts and the revision of the Federal Act on Accident Insurance.

March 2010

7.3.2010 | Swiss voters massively reject a cut in the minimum conversion rate for occupational benefits to 6.4 %. They failed to be convinced by fact-based arguments of the necessity for moderate adjustment, so the problem of funding occupational pensions (BVG pensions) remains unsolved.

17.3.2010 | The Council of States rejects Rolf Schweiger's motion to “phase out stamp duty and create employment”. A disappointing decision: abolishing stamp duty would have boosted the Swiss economy, attracting further investment and added value and creating employment.

September 2010

22.9.2010 | The National Council refers the revision of the Federal Law on Accident Insurance back to the Federal Council. As the Federal Council had presented Parliament with a generally balanced and good proposal, the National Council has gained nothing in referring the matter back and has just wasted time.

October 2010

1.10.2010 | For 2011, the Federal Council leaves the minimum interest rate for occupational benefits at 2.0 %. The SIA considers this too high a rate. The persistently low yields on fixed income securities and the volatility of the financial markets argue strongly for an immediate cut in the rate to 1.5 %.

December 2010

6.12.2010 | Having originally approved it, the National Council rejects the Dog Safety Law, ending a five-year debate on unified regulations for Switzerland. Approval would have greatly facilitated dog-owners' liability insurance.

15.12.2010 | The Council of States rejects regulations obliging insurers to offer an integrated managed care network. Insurers should have freedom of choice in offering managed care. Moreover, the Council of States approves a differentiated approach to cost sharing.

16.12.2010 | The National Council approves the first part of the sixth revision of the disability insurance scheme, which means that the restructuring measures can be continued. The Council does not hold with further additional costs concerning assistance subsidies, nor is it in favour of introducing a quota for disabled persons.

17.12.2010 | In its final vote, Parliament passes the Law on High-Risk Activities and Mountain Guides. The draft provides for individual risk and nationwide terms and conditions for insurance, improving insurability and reducing costs.

22.12.2010 | The Federal Council appoints Anne Héritier Lachat, a lawyer from French-speaking Switzerland, as the new Chair of the Swiss Financial Market Supervisory Authority (FINMA). The SIA presumes that Ms Héritier Lachat is aware of the specifics of the insurance sector, that she has good international contacts and an excellent reputation both within and outside Switzerland, and that she is a credible communicator who favours an open dialogue with the entire financial services sector.

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Switzerland must remain an attractive location

2010 was a demanding year for the Swiss insurance industry, with tough market conditions and an extremely difficult exchange and interest rate environment. But for all that, private insurers held their own. Mercifully, there were no major loss events like natural disasters, and the claims burden was generally below the average of the past few years. Insurers as a whole continued making great efforts to strengthen their capital base and improve their core operating business from the perspective of profitability.

Insurers are a mainstay of the financial centre

Thus Swiss private insurers are well on their way. As a result of their enormous economic significance and sustainable economic model, they were also an important and dependable mainstay of the Swiss financial industry in the past year. They account for around 38 % of total value created by financial intermediaries in Switzerland and employ some 50,000 people in this country. And they are significant investors at home and abroad: their total capital is currently in excess of CHF 570 billion.

At the same time Swiss insurers also indirectly make a substantial contribution to a healthy economy by assuming the risks of hundreds of thousands of businesses and thereby enabling them to be economically active in the first place. Thus, for example, the full insurance model of life insurers is indispensable in occupational pension schemes for over 150,000 small and medium-sized enterprises with around 1.5 million insured, because these are themselves unable or unwilling to bear the risks associated with such schemes. The full insurance model is therefore crucial for our economy.

Ever harsher occupational pension conditions

But this has not stopped certain policymakers from steadfastly attempting to edge life insurers out of occupational benefits altogether. With endless new proposals for substantial interventions by the state, they are trying to make the full insurance model as unattractive as possible for providers, of which, it must be said, there are ever fewer. An example of this is the legal quote: following a parliamentary initiative, it has once again found itself in the sights of the supporters of state regulation. It is obviously not enough for them that the state already makes exceptionally high demands on occupational pension schemes. In their opinion, it should additionally ensure with ever harsher conditions that it becomes extremely unattractive or even impossible for providers to be active in this area. They want to pave the way for uniform state solutions or – in extremis – for the total abolition of the second pillar in favour of the pay-as-you-go old age and survivors' insurance (AHV).

“ The efficient three-pillar concept of Swiss retirement benefits must be maintained. ”

Given demographic changes over the past few decades, such demands are dangerous. The efficient three-pillar concept of Swiss retirement benefits must be maintained. The balanced interplay of social insurance in the first pillar and market-based solutions in the second and third pillars has stood the test of time. And other countries are adopting precisely this model.

State monopoly insurers ‘poaching’ in the free insurance market

But Switzerland is hardly a role model in insurance monopolies – in the past few months even less than before. This is because past trends have been very hostile from the standpoint of a liberal market organisation and economic order. The trend has been for monopoly insurers to expand their business areas and ‘poach’ in the free insurance market. Thus the state buildings insurers of the cantons of Bern and Glarus have obtained extensive authorisations to expand their insurance business. While the SIA does not shy away from new competitors, they must be measured by the same standards as other private insurers, meaning same conditions, same demands and same supervision. And above all, no cross-subsidisation by monopoly institutions.

A similar situation exists with accident insurance, where a monopolist is also manifesting expansionary desires. Suva would like to extend its area of responsibility, engage in additional ancillary activities and offer supplementary insurances. And in health insurance there is already a new parliamentary intervention to introduce a monopoly scheme. The SIA will continue to oppose every infringement of competitive neutrality in all areas of the insurance industry.

Erich Walser, Chairman of the SIA

Keystone

Excessive capital requirements harming the financial centre

Expansion of monopolies, politically motivated minimum requirements and a growing number of regulations and directives are making the insurance business increasingly complex and expensive. Moreover, capital adequacy requirements have become much stricter. At the beginning of 2011, the mandatory Swiss solvency test (SST) was introduced – at least two years ahead of solvency-based supervision in the member states of the European Union. This means that Swiss insurers are now by and large subject to stricter conditions than their European competitors. If Switzerland is not to be disadvantaged as a business location over the longer term, the development of the European Solvency II project must be closely monitored.

The SIA and its members endorse and support risk-based supervision. But an initial rough comparison with the provisional arrangements under the European Solvency II Directive shows that the capital requirements under SST are currently much stricter for life insurers than under Solvency II.

> “The SIA and its members endorse and support risk-based supervision.”

Excessive capital requirements benefit neither the insured nor the Swiss financial industry. For this reason the SIA is also in intensive dialogue with the Swiss Financial Market Supervisory Authority (FINMA). Senior management at FINMA has repeatedly affirmed that it will actively lobby for Swiss insurance supervision to be recognised as equivalent to the European supervisory regime under Solvency II. The definitive details of Solvency II are as yet unknown, which is why a conclusive comparison with SST is not possible. But the SIA and its members expect SST and Solvency II to become equivalent in the medium to long term. Such equivalence is important – particularly for internationally active insurers. This is because competition has intensified between locations. Insurers must hold their own in a dynamic international competitive environment.

Deregulation requires competitive framework

In the long run, sustained growth of the private insurance industry in Switzerland is impossible without enhanced access to the European insurance market, which provides great opportunities for growth. Switzerland is already an attractive location for international insurance companies. Enhanced market access would further increase this attractiveness and shift value creation from abroad to Switzerland.

But the supervisory and regulatory framework in Switzerland must be as competitive as in the rest of Europe, this being the basis for mutual recognition of supervisory and regulatory systems. This demand for equivalence is pivotal: only in this way can it be guaranteed that Swiss insurers are not at a disadvantage to the foreign competition in a deregulated market. And only in this way will Switzerland remain an attractive location for domestic and foreign insurance companies alike.

Erich Walser, Chairman of the SIA

Swiss private insurers exploring fresh pastures

In 2010 the SIA focused its representation of industry interests on six core topics: revision of the Federal Act on Insurance Contracts, the legal quote in occupational pensions, revision of the Federal Act on Accident Insurance, monopolies in the insurance sector, the Swiss solvency test and the abolition of stamp duty. By focusing on these topics, the SIA managed to combine its strengths and achieve considerable successes.

'Swiss Finish' jeopardises competitiveness

The turn of the year ushered in a significant innovation for the insurance industry when the Swiss solvency test (SST) came into force on 1 January 2011. This test requires private insurers to measure all quantifiable risks by economic criteria and back them with sufficient regulatory capital. Although the Swiss insurance industry is fundamentally in favour of this form of risk-based supervision, excessive capital requirements must be prevented: they harm not only the Swiss insurance industry but also insured persons, Switzerland as a financial centre and the Swiss economy.

The Swiss Financial Market Supervisory Authority (FINMA) is legally mandated to strengthen the competitiveness of the financial centre. For this reason the effects of the SST on the international competitiveness of Swiss insurers must not be left out of consideration. In fact, a 'Swiss Finish' is emerging in comparison with European solvency provisions: the capital requirements for Swiss insurers are much higher than those in the European Economic Area (EEA). This inevitably leads to unfair competition between Swiss insurers and companies based in the EEA. Such market distortions are unacceptable and must be corrected.

> “The SIA advocated practical solutions in five materially important areas.”

Despite intensive contacts last year with FINMA, there are considerable differences of opinion regarding the actual form of the SST. The SIA advocated practical solutions in five materially important areas and enjoyed its first success concerning the yield curve for discounting liabilities. This year, too, the SIA will continue pushing for an intelligently formulated SST.

Supervisory equivalence is vital

At the beginning of this year, FINMA reaffirmed that it was championing recognition of the equivalence of Swiss insurance supervision with the European supervisory regime. The SIA welcomes this stance. On the one hand, recognition of the Swiss supervisory and regulatory system is a fundamental condition for Swiss cooperation in the relevant European supervisory forums such as the European Insurance and Occupational Pensions Authority (EIOPA). On the other, supervisory equivalence is an important prerequisite for improving the insurers' access to the European market.

> “Supervisory equivalence is an important prerequisite for improving the insurers' access to the European market.”

Such deregulation is necessary if the Swiss private insurance industry is to enjoy sustained growth over the long term. In addition to mutual recognition of supervisory systems, it requires further bilateral agreements with the European Union (EU), which is why the SIA is urging Switzerland to sign a financial services agreement with the EU. The SIA is prepared to assist actively in the negotiations for such an agreement.

Abolition of stamp duty creates competitive framework

To take advantage of deregulation, Swiss insurers must be able to rely on a competitive regulatory framework. It is therefore necessary to abolish stamp duty on life insurance premiums. This is because stamp duty makes Switzerland less attractive as a financial centre and weakens its competitive position compared to its most important rivals.

The SIA successfully campaigned for the abolition of stamp duty at parliamentary level. It supported four motions, one of which was referred to the Federal Council, The latter is clearly willing to grant relaxation in stamp duty, but unfortunately not where life insurance is concerned – even though the harmful effects of such stamp duty far and away exceed the annual stamp duty receipts of around CHF 40 million. Despite the Federal Council›s opposition, abolition of stamp duty remains a major priority for the SIA in the current year.

Lucius Dürr, CEO of the SIA

Towards a liberal and modern Federal Act on Insurance Contracts

Total revision of the Federal Act on Insurance Contracts (FAIC) is of central significance for the insurance industry. At the beginning of the year, the Federal Council took a big step towards adopting a liberal and modern FAIC: it made decisions in principle on six areas of the revision and instructed the Federal Finance Department to draft a corresponding draft bill, including the corresponding Message. The basic policy decisions go three-quarters of the way to addressing the SIA's concerns. This success may be put down to the persuasive arguments that the SIA put forward in the consultation process.

The SIA advocates the inclusion of certain fundamental conditions in the FAIC revision. The revised FAIC should in particular not unnecessarily limit the constitutional freedom of contract and should focus on the regulation of insurance-specific issues. While justified consumer protection concerns need to be addressed, excessive regulation must be avoided in the interests of customers, insurance companies and the overall economy. Particular attention needs to be paid to insurance fraud, and it is vital to take account of the economic effects of the revised FAIC.

Unrealistic parameters hamper provision of occupational pensions

On 7 March 2010, voters massively rejected an adjustment of the conversion rate in occupational pensions. In the run-up to the vote, the SIA and its many partners actively campaigned for the necessary adjustment. The voters' rejection means that the funding problem of future retirement pensions remains unresolved. Thus, and in the interests of sustainable retirement pensions, policymakers will have to find new solutions if the Second Pillar is to be properly funded.

> **“The voters' rejection means that the funding problem of future BVG retirement pensions remains unresolved.”**

The fact that the minimum interest rate has been too high for years is also hampering the proper functioning of the occupational pension system. Last year, too, the Federal Council decided on a political compromise, instead of adjusting the minimum interest rate to the realities of the financial markets and to the returns achievable with long-term, low-risk investments. If the minimum interest rate is too high, pension institutions are forced to invest savings at high risk, which is irresponsible. The SIA will continue to campaign for the minimum interest rate to be set according to a transparent formula in accordance with market conditions.

It is not only the excessively high conversion rate and the politically defined minimum interest rate that are jeopardising the continuation of Swiss life insurers' full insurance model: in autumn 2010 the National Council's Committee for Welfare and Health launched an initiative to tighten the legal quote. The SIA is opposed to this parliamentary initiative: 156,000 businesses trust life insurers in occupational pensions and should also be able to do so in future.

Parliament rejects draft revision of Federal Act on Accident Insurance

Regrettably, last year saw no material progress in the revision of the Federal Act on Accident Insurance: the National Council and the Council of States referred the first draft revision to the Federal Council and in doing so wrecked the countless advantages both for insured firms and for insured persons. This meant that the SIA's concerns regarding the technical aspects of accident insurance failed to be addressed and that various legal uncertainties therefore remained. But referral of the draft bill to the Federal Council also has its positive side, as it prevented the Swiss Accident Insurance Fund (Suva) from extending its area of responsibility at the expense of private accident insurers and being able to offer additional activities and supplementary insurance policies.

The Federal Council's new draft revision must now be restricted to the basics: eliminating existing legal uncertainties, creating the framework for individual companies' premium tariffs and clearly delimiting Suva's area of responsibility from that of private accident insurers. The new draft bill should drop the controversial benefit cuts so that these most pressing problems can be quickly solved. The unconstitutional proposal of authorising Suva to provide supplementary accident insurance policies should also be dropped.

New Federal Supreme Court judgment on whiplash syndrome

Whiplash syndrome is no longer the basis of a general entitlement to a disability pension, according to a decision of the Federal Supreme Court handed down and made public in autumn 2010. With the decision, the court equates mild whiplash syndrome with other predominantly mental pain disorders. The SIA welcomes the fact that greater emphasis is now placed on the medical findings and on forming a proper judicial evaluation of them. When assessing medical reports, the courts will in future also have to carefully examine the non-disability aspects contained in them such as psychosocial and sociocultural factors.

“ The SIA welcomes the fact that greater emphasis is now placed on the medical findings. ”

Private insurers and renowned legal experts had heavily criticised the landmark 1991 decision of the Federal Insurance Court time and again and referred to the serious consequences of the ‘whiplash syndrome culture’ for the insurance system, premium payers and the economy as a whole. These long-term efforts to provide information and raise awareness are likely to have made a major contribution to the change in judicial practice.

No expansion of state insurance monopolies

Last year saw the state-run buildings insurance monopolies being expanded at the expense of private insurers. In the cantons of Bern and Glarus, the cantonal buildings insurers were granted extensive authority to expand their insurance activities based on corresponding statutory revisions. Both monopoly institutions are now permitted to carry out ancillary activities and offer supplementary insurance policies. In the canton of Glarus, these supplementary insurance policies may cover the entire private insurance range and may even be offered beyond the canton's borders.

“ The SIA will campaign for retaining competition between insurers and freedom of choice for those insured. ”

The SIA is extremely critical of these expansions and has vehemently campaigned for a level playing field. This campaign paid off in the canton of Bern, where the cantonal buildings insurance provider was obliged by lawmakers to form an independent company for ancillary activities and supplementary insurance that is subject to the stricter rules of the Insurance Supervision Act and is overseen by FINMA. The law also prohibits any cross-subsidies. In the canton of Glarus, on the other hand, the Non-Life Insurance Act contravenes the principle of economic freedom, which is why the SIA has filed a complaint with the Federal Supreme Court.

The health insurance sector is being threatened with a new monopoly: the single health insurer. The SIA categorically rejects this proposal. It weakens competition, removes freedom of choice from those insured and does not solve the cost problems of the healthcare system. The SIA will campaign for retaining competition between insurers and freedom of choice for those insured, since these are the only approaches that result in lower administrative costs, effective cost control and the development of innovative, value-for-money insurance models.

Lack of support for national earthquake insurance

Questions of risk are the very essence of insurance. For this reason the SIA has worked with the cantonal buildings insurance providers to develop nationwide, comprehensive earthquake insurance. Even though earthquakes are rare, they represent the natural hazard with the greatest destructive potential in Switzerland because of the density of population and high concentration of material assets. Here in particular serious gaps in coverage can be found, because most buildings in

Switzerland are not insured against earthquake damage. Only appropriate insurance coverage would guarantee that the necessary financial resources for reconstruction are rapidly made available after an earthquake.

The SIA therefore regrets that no political consensus could be reached on the introduction of nationwide earthquake insurance. Without clear political signals on the intensification of earthquake provision, the SIA is abandoning the plan even though national earthquake insurance is as necessary as ever. However, after the devastating earthquake in Japan, nationwide earthquake insurance may yet return to the political agenda.

Countless regulatory plans at European level too

The European insurance industry is confronted with countless regulatory initiatives for improved consumer protection. For example, the European Commission is currently subjecting the distribution of investment products to small investors to a comprehensive legal review. The European private insurance industry is directly affected by this legislative 'packaged retail investment products' initiative, because it also covers life insurance policies. Insurance companies' distribution practices are also the subject of the revision of the European Insurance Mediation Directive. Further planned regulation relates to the establishment of standardised statutory insurance guarantee schemes.

“The SIA works closely together with the European Insurance and Reinsurance Federation and the insurance associations of the EU member states.”

The SIA is carefully monitoring these regulatory developments in the EU. They represent a further step towards overregulation and cause unnecessary costs, which is in the interests neither of the insured persons nor of the insurers. Because Switzerland mostly adopts such regulations by way of autonomous implementation, they are also of significance for the insurance industry here. They are at least relevant when examining the EU-compatibility of Swiss legislation or when concluding an agreement between Switzerland and the EU. The SIA therefore works closely together with the European Insurance and Reinsurance Federation (CEA) and the insurance associations of the EU member states. Despite this cooperation, last year saw little success in combatting unnecessary and costly regulation. Thus, further efforts will also be needed this year.

Association reorganised since January 2011

Last year the SIA adopted a strategic reorientation and adapted its organisation accordingly. The reorientation resulted in concentration of clearly defined strategic priorities and differentiation of the association's services into basic collective services and needs-based services. Since the beginning of the year, the association has focused on the areas of policy, education and services.

“The reorientation resulted in concentration of clearly defined strategic priorities and differentiation of the association's services.”

Political representation of interests and publicity work at national and international level are the cornerstone of the association's basic collective services. Basic services are funded via members' contributions and are focused on strategic priorities in the areas of personal insurance, non-life insurance, supervision and regulation. Also included among the basic services are the subareas of education, prevention and the medical service. In addition to these basic services, the SIA renders needs-based individual services for its members which are invoiced at cost.

The strategic reorientation meant that the association had to be reorganised at the beginning of 2011. Voluntary work still plays an important role, though the number of permanent extraofficial bodies has been substantially reduced. Six committees and 14 commissions continue to formulate the association's positions in its core strategic areas. At the SIA offices, the differentiation between basic collective services and needs-based services is reflected in the newly created services department. The new education department reflects the significance of education within the association. A detailed overview of this reorganisation can be found on page 34 of this annual report.

Lucius Dürr, CEO of the SIA

Politische Schwerpunkte Political priorities Priorités politiques

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Priorités politiques

Delay in revision of Federal Act on Accident Insurance

Private accident insurers are the biggest providers of mandatory accident insurance. The SIA is therefore paying particular attention to the revision of the Federal Act on Accident Insurance (FAAI) and campaigning for the interests of the insured persons and insurers. It supports the Federal Council's fundamental aim of adjusting the FAAI to the requirements of modern social security. Since the Act came into force on 1 January 1984, considerable legal uncertainties have arisen on account of altered underlying conditions. The SIA believes that these legal uncertainties must be eliminated by the FAAI revision.

> “The SIA is paying particular attention to the revision of the FAAI and campaigning for the interests of the insured persons and insurers.”

National Council and Council of States refer draft revision to Federal Council

During the 2010 autumn session, the National Council referred the first draft revision concerning benefits, funding and the organisation of accident insurance back to the Federal Council with an instruction to examine the scope of the revision once again and to restrict the draft revision to what was absolutely necessary. The SIA regrets this referral decision, because it resulted in the wrecking of countless advantages both for insured firms and for insured persons.

> “The SIA believes that these legal uncertainties must be eliminated by the FAIC revision.”

Given the National Council's referral decision, however, the SIA recommended that the competent Committee for Welfare and Health of the Council of States (CSSH-CS) refer the draft revision to the Federal Council as well. At the same time, the SIA formulated clear requirements that the new draft should

- dispense with the controversial benefit cuts
- include the framework for individual companies' premium tariffs
- clearly delimit the area of responsibility of the Swiss Accident Insurance Fund (Suva) from that of private accident insurers
- refrain from giving the public authorities the right of choice, which is unenforceable in practice, and
- drop the unconstitutional proposal to authorise Suva to provide supplementary accident insurance.

In January 2011 the CSSH-CS recommended by nine votes to three with one abstention that the Council of States refer the draft bill to the Federal Council and instructed it to devise a new draft revision restricted to the basics. Further, the CSSH-CS argued unanimously that debate on the second draft bill regarding the organisation of Suva and its ancillary activities should be deferred. During the 2011 spring session, the Council of States approved the National Council's referral decision in accordance with the recommendations of the CSSH-CS.

> “The SIA is firmly opposed to Suva being authorised to provide supplementary accident insurance.”

Suva's areas of responsibility need clarification

In the interests of legal certainty, the SIA is campaigning for Suva's area of responsibility to be delimited from that of private accident insurers. This delimitation is a key concern not only for the SIA but also for insured firms and their industry associations. This is supported by the many submissions from industry associations to the Federal Council demanding that the affected firms no longer be subject to Suva's area of responsibility. The SIA therefore takes the view that those firms and operations that were in past years subordinate to Suva contrary to the will of the legislator should again be assigned to private accident insurers.

The SIA is also firmly opposed to Suva being authorised to provide supplementary accident insurance. Such authorisation would be unconstitutional and is therefore improper. In its Message on the FAAI revision of 30 May 2008, the Federal Council also refrained from authorising Suva to provide supplementary accident insurance.

Voters desire solvent occupational pension scheme

The unexpectedly resounding ‘No’ from the Swiss electorate on 7 March 2010 on an adjustment in the minimum conversion rate for occupational pensions to 6.4 % leaves an enduring mark on occupational pensions. From the SIA’s standpoint, the result of the referendum corresponds to a desire for solvent occupational pension schemes. This is particularly reflected in the fact that the main points of criticism concerning the bill were the relinquishment of accompanying measures and a cut in the minimum conversion rate for occupational pensions on top of the ongoing reduction to 6.8 %.

> “From the SIA’s standpoint, the result of the referendum reflects a desire for solvent occupational pension schemes.”

The SIA now eagerly awaits the ‘Report on determining the conversion rate in subsequent years’, to be produced by the Federal Council first in 2011 and then every 10 years. Given the loss of confidence in occupational pensions, this year’s report is being drafted in thematically broader terms and expanded into a report on the future of the Second Pillar.

Federal Council decides on too high a minimum interest rate for 2011

In the third quarter of 2010, the Federal Council once again reviewed the minimum interest rate for occupational pensions in light of the volatile financial markets and decided to leave it at 2 % for 2011. This decision is based on the results of the consultation with social partners and the formula favoured in September 2009 by the Federal Committee for Occupational Pensions (BVG Committee), which takes as its basis 70 % of the seven-year average for seven-year Confederation bonds and provides for an increase or decrease depending on the performance of equities and real estate. In the view of the SIA, the minimum interest rate in occupational pensions should have been reduced to 1.5 % because of the persistently low yields on fixed income securities and the volatility of the financial markets.

Federal Council submits structural reforms to consultation process

On 11 December 2009 Parliament adopted the first stage of the structural reforms with measures to facilitate the integration of older workers into the employment market. The second and third stages of the structural reforms followed on 19 March 2010. While the first stage came into force on 1 January 2011, the Federal Council submitted, on 24 November 2011, the draft ordinances on implementing the second and third stages to a consultation process lasting until the end of February 2011.

The second stage of the structural reforms ushers in tighter governance and transparency provisions; the corresponding adjustments to the Ordinance on Occupational Retirement, Survivors’ and Disability Pension Schemes (BVV 2) are due to come into force on 1 July 2011. In the third stage, supervision will be organised by canton or region and independently of administration. A supra-regional supervisory commission (Oberaufsichtskommission) is also being introduced and investment foundations will be regulated.

> “The SIA had always argued for fully funded public-law pension institutions.”

The corresponding adjustments in the Ordinance on the Supervision and Registration of Occupational Pension Schemes (BVV 1) and the Ordinance on Investment Foundations are due to come into force on 1 January 2012. The supra-regional supervisory commission will also begin its work at this time. Shortly after the consultation process opened, it emerged that the extensive ordinance provisions would encounter widespread criticism.

Public-law pension institutions need cover ratio of 80 %

In the final votes of the 2010 winter session, the parliamentary chambers adopted an amendment of the Federal Act on Occupational Retirement, Survivors’ and Disability Pension Schemes (BVG) concerning the funding of pension institutions of public-law corporations.

The National Council approved the amendment by 141 votes to 49 with 6 abstentions, and the Council of States approved it by 30 votes to 5 with 8 abstentions.

The cornerstone of this amendment requires public-law pension institutions to achieve a cover ratio of 80 % within 40 years. The SIA had always argued for fully funded public-law pension institutions, one of the reasons being the alarming extent of underfunding in a number of public-law pension institutions. Such underfunding regularly leads to considerable difficulties when spinning off or privatising governmental or semi-governmental concerns.

Revision of divorce law entails massive workload

The provisions on pension equalisation in the event of divorce came into force on 1 January 2000. Based on experience gained in the meantime, the Federal Department of Justice and Police (FDJP) has devised proposals to improve pension equalisation. The consultative bill provides that pension plan assets that have accrued during the marriage can be divided equally even if the spouse with pension equalisation liability is already receiving a pension at the time of the divorce. The preliminary draft further clarifies and relaxes the requirements for deviations from the basis of equal division of pension plan assets accrued during the marriage, puts forward proposals to improve protection of the eligible spouse and proposes various clarifications and improvements as regards practicability.

“ In the SIA’s opinion, this planned revision is a clear case of overregulation that heavily interferes with the duties of pension institutions and still leaves many matters unresolved. ”

The proposed solutions submitted by the FDJP require amendments in no fewer than six sources of law: the Civil Code, the Code of Obligations, the BVG, the Federal Act on Vesting in Pension Schemes, the Civil Procedure Ordinance and the Federal Act on International Private Law. In the SIA’s opinion, this planned revision is a clear case of overregulation that heavily interferes with the duties of pension institutions and still leaves many matters unresolved. The proposed solutions are administratively demanding and their implementation is therefore time-consuming for pension institutions. Despite this, or maybe because of it, results would probably be unsatisfactory in many cases. The SIA set out many proposed improvements in its consultative response.

According to a media release from the FDJP of 20 October 2010, the Federal Council took note of the results of the consultation and therefore instructed the FDJP to prepare a Message on the corresponding revision of the Civil Code.

Tightening of legal quote jeopardises full insurance model

At the request of its BVG subcommittee, the National Council’s Committee for Welfare and Health decided on 13 October 2010 to launch the legal quote parliamentary initiative. This initiative requires that insurers’ administrative costs are agreed ex ante in the insurance contract and that subsequent deficits may not be allocated at the expense of participation in the profits. The initiative also provides for the systematic application of the earnings-based method along with an overhaul and, if necessary, adjustment of the amount of the legal quote.

The SIA is against this parliamentary initiative, since it leads to a tightening of the legal quote and jeopardises the continuation of the full insurance model. It also results in unequal treatment of the various forms on offer (autonomous and partially autonomous collective foundations and collective foundations with full insurance) and thus in an improper distortion of competition.

Numerous health insurer concerns successfully represented

In 2010 the SIA addressed a large number of the issues preoccupying health insurers. Opposition to the motion calling for measures to prevent the 'erosion of solidarity in health insurance by so-called low-cost insurers' proposed by State Councillor Bruno Frick (Canton of Schwyz, CVP) paid off: during the 2010 spring session, the National Council – unlike the Council of States – rejected the motion by 98 votes to 84 with 2 abstentions. The motion has thus been dropped, as the approval of both chambers would have been necessary for referral to the Federal Council.

Managed care enshrined in the law

The past few years have seen the emergence of a number of specific models in the area of health insurance that can be summed up under the term 'managed care'. The Health Insurance Act is currently being revised in order to promote these models and improve the corresponding framework. During the 2010 summer session, the National Council discussed the bill for the first time and approved it by 101 votes to 43. During the 2010 winter session, the Council of States followed its committee's request, thus diverging from the National Council's decision.

> “Managed care remains a high-priority topic for the SIA.”

The most important difference between the National Council and the Council of States concerns the obligation of health insurers to provide managed care models. During the 2010 winter session, the Council of States struck this mandatory provision requirement out of the bill by 24 votes to 8. The SIA welcomes this decision. Another difference concerns cost sharing: according to the Council of States, this should come to CHF 500 for insured persons in a managed care model and CHF 1,000 for all other insured persons. The Council of States set the deductible at 5 % for insured persons in a managed care model and at 15 % for all other insured persons.

The two chambers will have to eliminate their differences in 2011. Managed care therefore remains a high-priority topic for the SIA.

Federal Council tightens investment provisions

In summer 2010 the Federal Council decided to tighten supervision of social health insurance. It sought to adjust the provisions on social health insurance investments as an initial measure. These investments are regulated in article 80 of the Health Insurance Ordinance.

> “In some cases the SIA favours the complete abandonment of investment limits.”

The SIA submitted a comprehensive opinion on the adjustment of the investment provisions to the Federal Office for Public Health. The SIA fundamentally welcomes the adjustment of the corresponding article 80, but in a number of cases it is in favour of higher investment limits than those in the bill. Thus, for example, the SIA argues for an equity quota of 25 % instead of the proposed 10 %. In some cases the SIA favours the complete abandonment of investment limits.

On 3 December 2010 the Federal Council finally decided to tighten the investment provisions and the duly amended ordinance came into force on 1 January 2011. The revised ordinance takes account of only some of the SIA's concerns.

New supervision act for health insurance

As part of its efforts to strengthen the supervision of health insurers, the Federal Council submitted, on 2 February 2011, a new federal act to a consultation process. On the one hand, the standalone Health Insurance Supervision Act (HISA) places stricter corporate governance and transparency requirements on health insurers. On the other, it grants the supervisory authorities improved possibilities for intervention and sanctions. Supervision is to be self-financed and organised as a separate body independent of the authorities, along the lines of the Swiss Financial Market Supervisory Authority (FINMA).

The consultation process on the new HISA lasts until 10 May 2011. The SIA will tackle this complex topic for health insurers and produce an opinion.

Failure of renewed attempt to revise old age and survivors' insurance scheme (AHV)

After the first bill for the 11th revision of the old age and survivors' insurance scheme (AHV) was rejected in a referendum in 2004, the bill was divided into two parts. The first part of the 11th AHV revision comprised various measures concerning not only benefits but also improvements related to implementation. The second part provided for the introduction of a pre-retirement benefit based on the supplementary benefits scheme.

Raising the retirement age to 65 for women was a central element of the 11th AHV revision's measures in terms of benefits, taking account of the requirement for equal treatment, societal changes and the higher life expectancy of women. This measure would have released about CHF 800 million a year from the AHV budget. Both the National Council and the Council of States discussed whether part of these newly available funds should be used for cushioning the social effects of the early withdrawal of pensions for men and women for a limited period. Given the AHV's foreseeable funding problems with massive deficits in contributions expected from 2013, the SIA was in favour of the aforesaid CHF 800 million fully benefiting the AHV budget.

“Raising the retirement age was a central element of the revision's measures.”

In the final votes of the 2010 autumn session, the bill was approved by the Council of States by 31 votes to 9 but rejected by the National Council by 118 votes to 72. Thus the 11th AHV revision failed once again. The reason for the rejection in the National Council was that the proposed measure to cushion the social effects of the early withdrawal of pensions was seen by some as going too far and by others as not going far enough. The latter faction had already announced a referendum for the eventuality that the bill would have been accepted.

Sustained restructuring of disability insurance

While the fifth revision of the disability insurance scheme successfully reduced the number of new disability pensions and stabilised the annual deficit, the sixth revision aims to restructure the scheme by cutting costs. The first package of measures comprises:

- Revision of existing annuities with a view to reintegration
- Decoupling of the federal government's contributions from ongoing expenditure
- Price reductions for medical aids
- Introduction of an assistance contribution

This first package of measures is aimed at enabling 16,800 recipients of disability pensions to return to gainful employment by 2018 and thus to reduce the number of full disability pensions paid by 12,500. Other, longer-term measures will be combined in a second package.

The SIA supports efforts to lay the foundations for a sustained restructuring of disability insurance through the sixth revision of the disability insurance scheme. As regards the first package of measures, the SIA advocates

- continuing occupational benefits insurance after reduction or cancellation of the disability pension
- inclusion of health insurance providers as reporting centres for early recognition
- review of annuities based on painful conditions that cannot be explained by organic factors
- proper coordination with accident insurance when adjusting such annuities

Reducing disability pensions should not trigger any increases in accident insurance annuities or any other compensation claims with respect to disability insurance. On the other hand, the SIA is against the introduction of a quota for people with disabilities in the workplace.

The sixth revision of disability insurance was approved by the Council of States on 15 June 2010 by 24 votes to 3 and by the National Council on 16 December 2010 by 115 votes to 63. Differences between the two houses were eliminated during the 2011 spring session.

Stronger regulation of insurance wrappers

On 27 April 2010 the Swiss Financial Market Supervisory Authority (FINMA) published a newsletter on the 'Handling of insurance wrappers in accordance with the Swiss Anti-Money Laundering Act'. The main topic of this newsletter is the identification of the beneficial owner of an insurance policy. Its content gave rise to questions on the part of the banks and insurers affected by it. In order to clarify matters, the SIA worked jointly with the Swiss Bankers Association to devise proposals to improve the rules.

The SIA criticised both the use of the imprecise term 'insurance wrapper' and the planned retroactivity, which would have led to a costly overhaul in insurance portfolios. Retroactivity would also have ignored the fact that the required transmission of personal details of the policyholder conflicted with existing insurance secrecy in both the Principality of Liechtenstein and Luxembourg. The disclosure of insurance data as required by FINMA would therefore have led to a clash of domestic and foreign statutory requirements. This is because it is not possible for the insurer to disclose the personal details of the policyholder to third parties without the policyholder's explicit consent.

“ The SIA criticised the retroactivity. ”

Following discussions between FINMA and representatives of the banking and insurance sectors, FINMA published, on 30 December 2010, a second newsletter on the 'Handling of life insurances with separately managed accounts/portfolios' (so-called insurance wrappers). This replaces the earlier version and takes account of the insurance industry's main objection by dispensing with any retroactivity.

Major Federal Supreme Court decisions on whiplash syndrome

In 2008 the Federal Supreme Court tightened the adequacy criteria in respect of whiplash injuries (Federal Supreme Court decision 134 V 109). On 30 August 2010 both social-law chambers of the Federal Supreme Court made a further correction to these criteria: the unverifiable, chronic consequences of whiplash injuries were equated from a legal standpoint with other unclear syndrome-type clinical pictures without a demonstrable organic basis (Federal Supreme Court decision 136 V 279).

The new Federal Supreme Court decision raises the question of whether this change in practice within social insurance should also apply to liability insurance. The SIA takes the view that the medical bases for assessing remaining capability are the same in liability law as in social security law. The fact that the claimant has been injured is not sufficient to treat him differently from the insured person for that reason alone: anyone capable of work from a medical standpoint can continue working irrespective of whether there is a liable party at the beginning of the chain of causality.

On 8 February 2011, the First Civil Law Chamber of the Swiss Federal Supreme Court issued a further landmark judgement (4A_540/2010). This judgement examined the degree of proof offered by expert opinions that consider accident analysis and biomechanics when assessing whiplash injuries. According to the Federal Supreme Court, taking account of an expert opinion that considers accident analysis and biomechanics does not violate federal law. On the contrary: an expert opinion of this kind contributes evidence that is of value within the overall assessment. The explanatory statement accompanying the Federal Supreme Court judgement referred to the fact that a vehicle of the same type was used in the accident analysis. This underlines the importance of good, comprehensive crash databases for low-speed collisions. The SIA has supported the development of such a database for several years now. In 2010, a further 24 controlled crashes were conducted and documented in the database.

Federal law to improve coordination of health-promoting measures

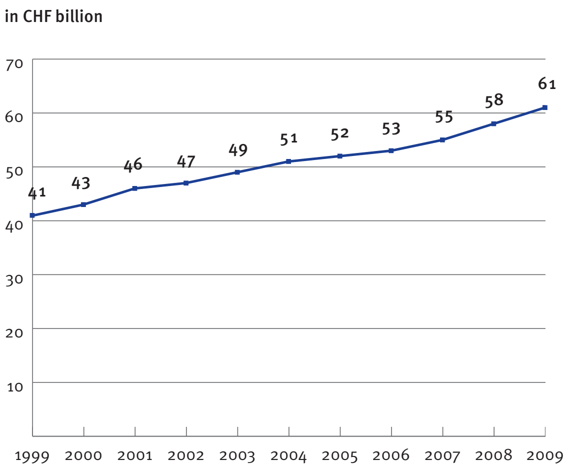
On 30 September 2009 the Federal Council adopted the draft Federal Act on Prevention and the Promotion of Health for the attention of Parliament. This Act aims to improve measures in respect of prevention, promotion of health and early detection. In 2010 the Act was debated in the National Council's Committee for Welfare and Health. At the committee's invitation, the SIA set out its position in March 2010.

The SIA shares the Federal Council's view that measures are urgently needed in healthcare given the enormous rise in costs. Prevention and the promotion of health address the causes behind illnesses and can contribute to a reduction in expenditure in respect of curative medicine. The SIA therefore welcomes the federal government's efforts to raise the level of health awareness in the population. The SIA also backs national objectives and a strategy over the next few years to better coordinate measures by the federal government, the cantons and non-governmental organisations aimed at improved prevention and the promotion of health.

> "The SIA backs national objectives."

However, the SIA sees a core problem in the bill in the planned creation of a Swiss institute for disease prevention and health promotion. The SIA is against the centralisation of measures aimed at disease prevention and the promotion of health at the federal level. In particular, the SIA holds that the promotion of health at the workplace should primarily be sponsored by business enterprises. The promotion of health at the workplace is based on mutual appreciation within a company. In their view, it is in the companies' own best interest and should arise from their sense of responsibility for their employees' health.

Healthcare costs



Breakdown of healthcare costs 2009

	in CHF billion	in percent
Total	**61.0**	**100.0**
Inpatient treatment	27.8	45.5
Outpatient treatment	19.2	31.6
Sales of healthcare items (medicines and equipment)	7.4	12.2
Administration	3.0	4.9
Other services	2.0	3.3
Prevention	1.5	2.5

Healthcare costs have risen by nearly 50 percent in less than 10 years. In 2009, these costs amounted to over CHF 60 billion. Expenditure on prevention and health promotion amounts to 2.5 percent of total healthcare costs.

Source: SFSO

Via sicura aims to oblige insurers to pursue time-consuming recourse

With the Via sicura measures, the Federal Council aims to increase road traffic safety and cut the number of casualties. For this purpose, it is proposing both preventive and repressive measures.

The SIA fundamentally welcomes the federal government's efforts to improve safety on Swiss roads. For years the SIA has itself worked for the prevention of accidents, for example with its 2010 'Slow down. Take it easy.' campaign, encouraging young car and motorcycle drivers to reduce speed.

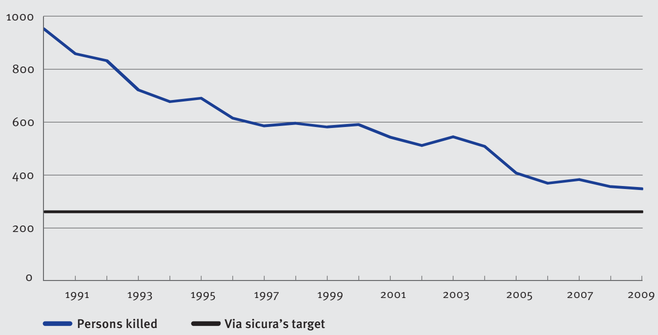
The SIA regards some of the Via sicura measures as reasonable, but feels that others are unsuited to achieving the desired objectives. Thus Via sicura stipulates, for example, that liability insurers have to have recourse to the person responsible for the accident in the event of breaches of traffic regulations perpetrated with gross negligence. The objection to this liability to recourse is that all grossly negligent infringements are thereby punished without exception and that they fail to take into account the fact that the majority of road users behave responsibly. Via sicura is also granting the Federal Council the opportunity to oblige motor insurers to supply road traffic accident data. This would result in considerable administrative expenditure and block any smooth and efficient processing of claims, a burden that would inevitably lead to higher premiums.

> "The SIA regards some of the Via sicura measures as reasonable."

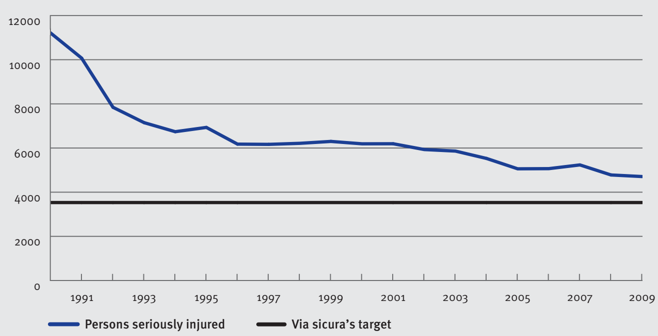
Parliamentary consultations about Via sicura began in early 2011. In February 2011 the Committee for Transportation and Telecommunications of the Council of States concluded a first reading of the draft bill. The draft bill is subject to a second reading in the second quarter of 2011 so that it can presumably be dealt with in the Council of States during the 2011 summer session.

Number of persons involved in accidents on Swiss roads

Persons killed



Persons seriously injured



349 persons were killed and 4,708 seriously injured on Swiss roads in 2009. Via sicura should reduce the number of persons killed or seriously injured by around a quarter.

Source: SFSO

Expansion of state monopolies into buildings insurance looms large

Private insurers insure buildings in seven cantons and in the Principality of Liechtenstein. In the other 19 cantons, this insurance is provided by cantonal monopoly institutions. In the cantons of Nidwalden and Vaud, the cantonal monopoly also insures chattels (i. e. household contents, other moveable objects and business inventory). This dual system between the private sector and monopoly companies has existed for many years and is enshrined in the services agreement between Switzerland and the European Economic Community.

Considerable expansion of business areas

The claims burden of insurers is climbing in line with economic growth and the increasing damages due to natural hazards, particularly flooding, inundations and hailstorms. As a result, the monopoly institutions are looking for ways to expand their portfolios by reducing their mandatory insurance cover and optimising their business with supplementary private insurances or strengthening preventive measures with respect to homeowners. Revisions of the Buildings Insurance Act in the canton of Bern and the Property Insurance Act in the canton of Glarus are cases in point. Citing financial necessity, lawmakers have accordingly granted the monopoly institutions extensive authorisations to expand their insurance activities.

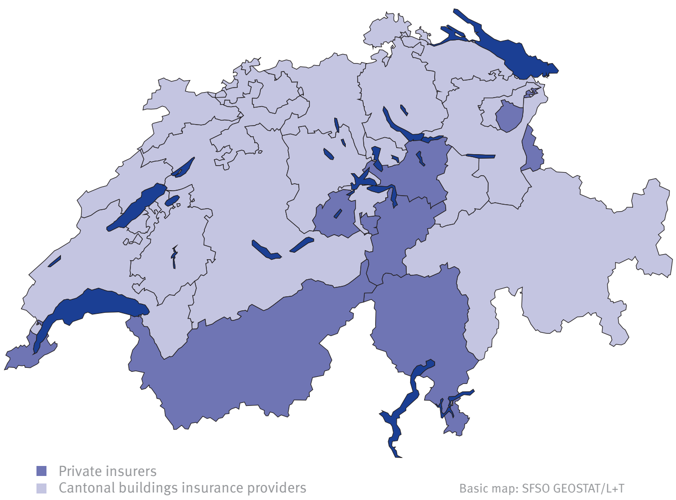
> “The state must ensure that the rules of competition law are observed.”

The new law, which came into force on 1 January 2011, will enable the cantonal buildings insurance of Bern (GVB) to offer certain ancillary activities, such as advisory loss prevention services and property valuations, and related supplementary insurance policies in the non-mandatory area, such as water damage insurance for buildings. GVB will found independent companies to enter the market for ancillary activities and supplementary insurance coverage. The legislative revision in the canton of Glarus goes much further than that in the canton of Bern. On 2 May 2010 the Glarus electoral assembly (Landsgemeinde) approved the total revision of the Property Insurance Act and in doing so granted the cantonal buildings insurance provider considerable room for expansion of its business areas.

Level playing field a must

The SIA is not in favour of barring new competitors from the insurance market. However, there can be no question of a level playing field, if monopoly institutions expand into the free insurance market, profiting from their privileged access to data gathered in their established monopoly business. If the state enters into competition with private insurers, the same rules have to apply to everyone. The state must ensure that the rules of competition law are observed and that data from monopoly business is not abused. The monopoly institutions’ ancillary activities must be carried out by an independent private-law company subject to the stricter rules of the Insurance Supervision Act and overseen by FINMA. Anything else would risk a breach of the principle of economic freedom enshrined in the federal constitution.

Monopolies in buildings insurance



> Private insurers insure buildings in seven cantons and in the Principality of Liechtenstein.

Nationwide solidary earthquake insurance still a must

Earthquakes may only occur rarely, but they are the natural hazard with the greatest destructive potential. Expected losses are not restricted to known seismic areas like the Basel area or Valais. Seismic danger is not the only risk factor – soil conditions, value clusters and building design also need to be taken into account.

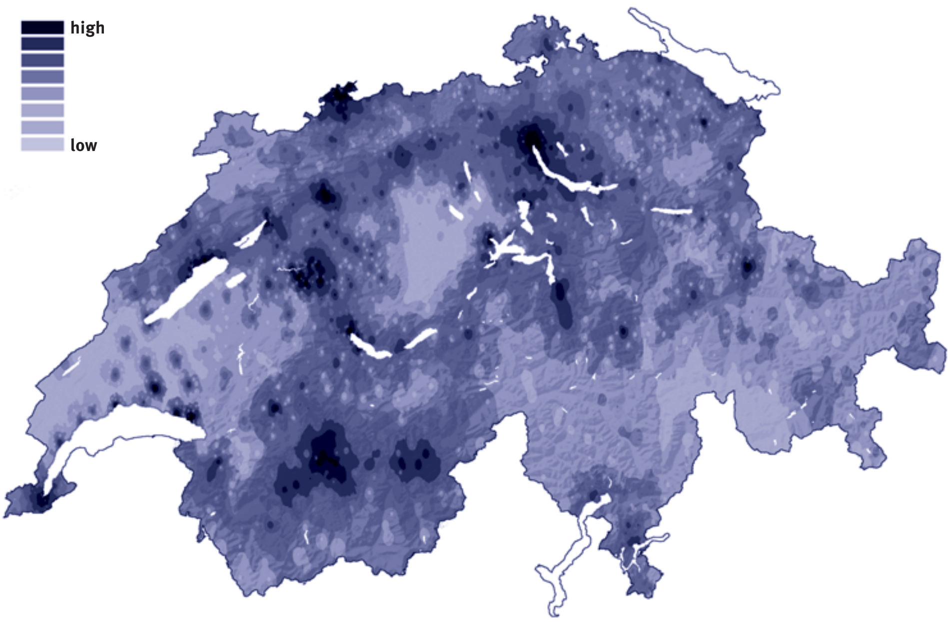
> “ Most buildings in Switzerland are not insured against earthquake damage. ”

The insurance industry has examined the feasibility of earthquake insurance on behalf of the Federal Council. Private insurers and cantonal buildings insurers had been working together since 2001 on a solution for nationwide solidary earthquake insurance coverage, which would have been integrated into the existing natural hazards insurance. The solution essentially provided for a nationwide standardised premium and a deductible. Such coverage would have been much cheaper than the current voluntary individual earthquake insurance.

But no consensus could be found for standardised earthquake insurance coverage. The lack of support on the part of the Property Owners’ Association and of the policymakers has made the introduction of nationwide solidary earthquake insurance coverage a distant prospect. But such coverage is urgently needed: because most buildings in Switzerland are not insured against earthquake damage, there are serious gaps in coverage.

Only appropriate insurance coverage can guarantee that the necessary financial resources for reconstruction are rapidly made available after an earthquake. While it is perfectly reasonable to use taxpayers’ money to rebuild infrastructure, the financing of losses suffered by individuals and companies is tantamount to an abuse of public funds. Why should taxpayers provide financial assistance to an entrepreneur for rebuilding his business? And why should tenants finance a homeowner to reconstruct a property for which they will carry on paying rent? The only coherent solution is to create a standardised earthquake insurance, which the SIA steadfastly welcomes and supports.

Financial risk of earthquakes



The financial risk of earthquakes is particularly high in urban areas and Valais owing to seismic danger and value clusters.

Source: Partner Re, Swiss Seismological service (SED)

Greater direct responsibility instead of mandatory liability insurance

The framework law on commercially offered high-risk activities and mountain guides was passed during the 2010 winter session. This law governs the commercial provision of guided mountain tours and other high-risk activities. The SIA's concerns were taken into account in the new law. The SIA particularly supported the establishment of standardised training and duties of care, because they increase the insurability of high-risk sports. But the SIA was against mandatory liability insurance as a precondition for authorisation. In this case, the insurance industry would have had to assume the role of a licensing authority.

> "The SIA supported this new law even though it also contains new strict liability provisions."

The Federal Act on Dams was adopted during the 2010 autumn session. The SIA supported this new law even though it also contains new strict liability provisions. The SIA prevailed with the stipulation that liability risk coverage is not exclusively tied to mandatory insurance cover, but that other alternate types of indemnification are incorporated into the law. A possible deadlock as a result of missing insurance was thus avoided.

National Dog Safety Law rejected by Parliament

Parliamentary consultations on the national Dog Safety Law continued in 2010, with differences between the two chambers needing to be eliminated. The Council of States wanted the new law to harmonise the cantonal provisions for protecting people against dangerous dogs, while the National Council wanted to limit the Dog Safety Law to the basic principles and to reserve extensive areas of responsibility for the cantons. The Dog Safety Law finally failed during the 2010 winter session, with the National Council rejecting the conciliation conference's request.

The parliamentary chambers had also debated whether dog owners should be obliged to take out separate, mandatory liability insurance. The SIA sees no need for such a solution. Personal liability insurance covers many of a private individual's risks, including those of an animal owner. Additional insurance would not improve insurance coverage but would instead only make it more expensive. The SIA will try and work with the cantons for private civil liability insurance to be recognised as an adequate solution.

Bicycle licence sticker abolished

On 19 December 2008 State Councillor Philipp Stähelin (Canton of Thurgau, CVP) submitted a parliamentary initiative to abolish the Velovignette (bicycle licence sticker). The SIA supported the abolition provided personal liability insurance in its current form sufficed as insurance cover and no new products had to be developed due to new legal requirements. Personal liability insurance already subsidiarily covers losses that exceed the insured sum of the Velovignette. The amendment of the Road Traffic Act was passed on 1 October 2010 in the final vote of both chambers, thus conforming to the SIA's wishes.

Liability rule for research involving humans

A new federal act has been drafted to define the ethical and legal principles on which medical research involving humans is based. This law was first debated in the National Council in the 2011 spring session.

> "The current liability law provides a sufficient basis to afford protection against any compensation claims."

The SIA believes that the promulgation of protective standards does not necessarily lead to the promulgation of new liability standards. The current liability law provides a sufficient basis to afford protection against any compensation claims from test subjects. While it is true that a far-reaching liability rule with stringent causal liability provisions protects the individual, it may nonetheless restrict the insurability of risks. The SIA opposes the direct right to claims on the part of injured persons: it considers that such a right favours voluntary test subjects over patients in terms of liability law. Liability insurance adequately covers liability claims even without a direct right to a claim.

Impact assessment of regulations not exhaustive

In 2010 the revision of the Federal Act on Insurance Contracts (FAIC) was still at the pre-parliamentary stage. The Federal Finance Department (FFD) conducted the consultation process two years ago, with the SIA having submitted its opinion on 30 July 2009. The results of the consultation process prompted the Federal Council to undertake in-depth clarifications in two areas.

On the one hand, the FFD together with the State Secretariat for Economic Affairs commissioned a specialist company to conduct a regulatory impact assessment on certain revision points, the final report on which was published on 14 October 2010. On the other hand, the FFD together with the Swiss Financial Market Supervisory Authority (FINMA) subjected the regulation of intermediaries to an in-depth examination, the final report on which is not available to the public.

Massive increase of mandatory law provisions

The final report on the regulatory impact assessment was prepared by the Office for Employment-Related and Sociopolitical Studies and runs to just under 400 pages, dealing with 12 articles and groups of articles in the draft bill. The SIA submitted its critical opinion on the final report to the competent administrative authorities in November 2010. In line with the report's scope, the SIA's statement is restricted to a handful of selected points, particularly criticising the approach taken by the regulatory impact assessment.

> “The proportion of mandatory law is therefore to be expanded from 57 % today to a new figure of 90 %.”

The starting point for the revision of any law must be whether and to what extent a need for regulation exists at all. The current FAIC comprises 104 articles on contract law, while the draft bill contains 126 articles, of which 114 are mandatory to some extent or other. The proportion of mandatory law is therefore to be expanded from 57% today to a new figure of 90%. There is no discernible reason for such an expansion in the mandatory law, which would result in a massive encroachment into the constitutionally protected freedom of contract.

The final report on the regulatory impact assessment establishes that the majority of insurance transactions are already processed without any problems under the current FAIC and to the satisfaction of all contractual parties involved. The conduct of the vast majority of insurance intermediaries and insurance companies is honest and fair.

> “The conduct of the vast majority of insurance intermediaries and insurance companies is honest and fair.”

There is therefore no reason for structuring the new FAIC to take account of possible abuses. Thus, there is no reason either for the expansion of the mandatory law or for the penal sanctions proposed in the report, which do not fundamentally belong in contract legislation. Abuses should be punished using the regulatory resources already available.

Impact assessment of regulations fails to convince

In the regulatory impact assessment, economic welfare was used as an argument to justify encroachments into the freedom of contract. This criterion is unconvincing, as it is not the task of private law to guarantee or increase economic welfare. Yet this is precisely the basis for the regulatory impact assessment submitted. In the SIA's opinion, the regulatory impact assessment should have focused on identifying and quantifying the costs of regulation for the companies and private individuals concerned.

Identifying and quantifying the costs of regulation would have been particularly important for those points of the regulatory impact assessment that were already treated in the partial revision of the FAIC. Key consumer protection concerns have already been addressed in the partial revision that came into force in 2006/2007. The partial revision was associated with high adjustment costs for insurance companies and proved to be very costly for the federal government and the taxpayer. Nor does the regulatory impact assessment provide any compelling reasons for subjecting the revised points to yet another revision.

Federal Council's message expected for 2011
Although the SIA criticises the basis for the regulatory impact assessment, it shares some of its conclusions. For example, the final report observes that in corporate business there is only a consumer protection requirement for the very smallest enterprises. In the SIA's opinion, encroachments into the freedom of contract are thus only needed – if they are needed at all – in the case of private customers and the very smallest enterprises. The SIA also welcomes the following conclusions of the regulatory impact assessment:

- that a final regulation on duties to supply information be given priority,
- that the introduction of an absolute forfeiture period and the link to a specific responsibility in the event of breach of a duty of disclosure are not to be recommended for implementation,
- that the system for time limitation will not be changed with regard to the beginning of the countdown period.

The SIA eagerly awaits the Federal Council's Message to Parliament, expected in the second half of 2011. The Federal Council is free to take its own decisions regarding its Message. However, its opinions and decisions will probably be influenced by the results of the consultation process, the regulatory impact assessment, FINMA's opinion on issues concerning intermediaries and the results of the cross-ministry consultations in the other federal departments.

Progress of the total revision of the FAIC to date

11 February 2003: The Federal Department of Justice and Police (FDJP) instructs a commission of experts to prepare a draft bill for the revised FAIC.

1 July 2003: The Federal Office of Private Insurance (FOPI) is transferred from the FDJP into the Federal Department of Finance (FDF), so that the FDF is now responsible for revising the FAIC.

21 September 2006: The draft bill is submitted to the commission of experts. The FDF instructs the FOPI to draw up a consultation bill on the basis of the experts' draft.

22 January 2009: The Federal Council initiates the consultation process for the draft revision of the FAIC.

31 July 2009: The consultation process ends. The FDF has received 99 opinions.

13 January 2010: The Federal Council publishes the consultation report on the revision of the FAIC. It instructs the FDF to undertake a regulatory impact assessment and to examine the rules on insurance intermediation.

14 October 2010: The final report on the regulatory impact assessment is published.

2 February 2011: The Federal Council instructs the FDF to draft a Message on the revision of the FAIC. It takes a number of preliminary decisions for the revision of the law on the basis of possible regulatory impacts.

Swiss solvency test operative as of early 2011

After a five-year transitional period, the Swiss solvency test (SST) finally came into force on 1 January 2011. The Swiss insurance industry is fully in favour of risk-based supervision, but there are still some differences of opinion in materially important matters between the Swiss Financial Market Supervisory Authority (FINMA) and the private insurance industry.

“ The SIA will continue its dialogue with FINMA. ”

For example, the SST yield curve for discounting liabilities is currently based on Confederation bonds. Because the market data points for these bonds (with maturities of 10–15 years) exhibit very low (and decreasing) liquidity, the SIA would prefer a yield curve based on swap rates. Another example is the valuation of the risk of real estate: in the SIA’s opinion, FINMA should accept an interest rate sensitivity of real estate. This is because real estate has a duration of zero years in the SST’s current standard model. The scenarios also give rise to differences of opinion between the SIA and FINMA.

The Quantitative Impact Study (QIS 5) for the Solvency II directive was conducted in the European Union at the end of 2010. The first rough estimates as at 31 December 2009 show that, for life insurers, solvency ratios – the ratio of available capital to required capital – are much higher in QIS 5 than under the SST. Thus, at the time of QIS 5, the SST was much stricter than the Solvency II directive as regards capital requirements for life insurers. Excessive capital requirements harm policyholders, the Swiss economy and Switzerland as a financial centre. Passing on higher capital costs to the insured persons may in particular drive premiums up. Naturally, the SIA will continue its dialogue with FINMA and involve other political representatives in the discussions if necessary.

Examination of equivalence of Swiss supervision has begun

The European Solvency II Directive of 25 November 2009 offers the possibility of recognising the insurance supervision of third countries as equivalent. Switzerland aspires to this equivalence because of its particular importance for group supervision of Swiss insurance companies and for Swiss reinsurers.

“ The SIA issued a number of opinions. ”

In connection with the recognition process, the SIA issued a number of opinions during 2010 for the attention of the European insurance supervisory authority (CEIOPS – on 1 January 2011 its name changed to EIOPA). A letter from the European Commission of 29 October 2010 to CEIOPS marked the actual beginning of the process to examine the equivalence of supervision in three third countries: Switzerland, Bermuda and Japan. In November 2010 CEIOPS initiated a call for evidence in which interested parties were invited to comment on the equivalence process. The SIA submitted a short general comment at the end of 2010. The main part of the examination of equivalence concerns the Swiss Financial Market Supervisory Authority (FINMA), which completed an extensive questionnaire in January 2011. EIOPA will also conduct an examination in Switzerland this year – presumably in the form of interviews and possibly by consulting the SIA or representatives of insurance companies. The SIA is confident that the Swiss supervisory authority will obtain recognition of equivalence by the European Union. The European Union’s final decision regarding recognition of Switzerland’s equivalence is not expected before mid-2012.

Revision of company law as indirect counterproposal to the 'anti-fat cat' initiative

Last year saw continued lively discussions on the revision of company law and accounting legislation. The revision represents an indirect counterproposal to the popular 'anti-fat cat' initiative. It is intended to address the initiative's structural errors and prevent a negative impact on the Swiss economy. This is because the initiative calls for over 20 new prohibitions and regulations to be imposed on all listed Swiss companies.

In May 2010 the Committee for Legal Affairs of the Council of States decided on a new indirect counterproposal to the popular 'anti-fat cat' initiative, which it adopted on 25 October 2010. The counterproposal is more balanced, more flexible and easier to implement than the initiative. Nonetheless, heavy overregulation threatens to make Switzerland a less attractive place to do business.

Thus the counterproposal provides for the general meeting's binding responsibility for determining senior management's compensation. A glance abroad shows a trend to consultative votes. Compared with abroad, the regulation concerning remuneration exceeding CHF 3 million as proposed by the Committee for Legal Affairs of the Council of States would also be a world first. Both this bonus model and the alternatively proposed broadening of the counterproposal are too great a constriction on entrepreneurial freedom.

The SIA advocates flexible company legislation. Companies should be able to determine themselves whether their general meeting should be allowed to vote consultatively or pass binding resolutions on senior management's compensation and whether remuneration exceeding CHF 3 million should be permitted without a qualified decision of the general meeting.

The Council of States began its consultations on both proposed revisions during the 2010 winter session. Revision of company law and accounting legislation will probably continue to preoccupy the insurance industry in 2011.

Abolition of stamp duty on life insurance policies

In 2010 the SIA campaigned on two fronts for the abolition of stamp duty on life insurance policies. On the one hand, it worked hard to keep this topic on the agenda of the Forum Finanzplatz, the joint working group bringing together representatives of the federal administration and the relevant industry associations. On the other, the SIA supported parliamentary initiatives to abolish stamp duties.

> "The SIA regards the abolition of stamp duty as a priority."

As early as December 2009, parliamentarians from the CVP, FDP and SVP parties filed a number of motions to abolish all types of stamp duties. Even though the motion from State Councillor Rolf Schweiger (Canton of Zug, FDP) aimed for a gradual abolition, his initiative was rejected in the Council of States during the 2010 spring session. The National Council's Committees for Economic Affairs and Taxation narrowly supported the FDP group's parliamentary initiative in November 2010, keeping up parliamentary pressure to abolish stamp duties. In December 2009 the Federal Council concluded the 'Strategic approaches for Switzerland's financial market policy'. This states that the Swiss tax authorities should investigate the possibilities of phasing out stamp duties, subject to counterfinancing. This report has yet to be adopted and published by the Federal Council.The SIA regards the abolition of stamp duty on life insurance premiums as a priority. The parliamentary route seems to be the most promising for addressing this concern.

Federal Council decides on strategic approaches for financial market policy

The financial sector is an important mainstay for the Swiss economy. In December 2009 the Federal Council overhauled its strategy for Switzerland as a financial centre, defining four strategic approaches for financial market policy. The strategy was devised with the support of a working group consisting of both official and industry representatives and also including the SIA. The four strategic approaches are:

- Strengthening the international competitiveness of the financial sector
- Safeguarding and improving market access
- Improving the financial sector's resilience to crises and the handling of systemically important financial institutions
- Ensuring the financial centre's integrity

Open dialogue thanks to the Forum Finanzplatz

Continuation of the dialogue between the federal authorities and the financial sector is part of the new strategy for the financial centre. Last year the Forum Finanzplatz-panel met four times for this purpose. This forum is run by State Secretary Michael Ambühl, who has been in charge of the new State Secretariat for International Financial Affairs (SIF) since 1 March 2010. This secretariat is based in the Federal Department of Finance and is responsible for international financial market policy and financial market regulation in Switzerland. In addition to the SIF, the Swiss Financial Market Supervisory Authority (FINMA), the Swiss National Bank, the Swiss Bankers Association, the Swiss Funds Association, SIX Group and the SIA are represented in the Forum Finanzplatz.

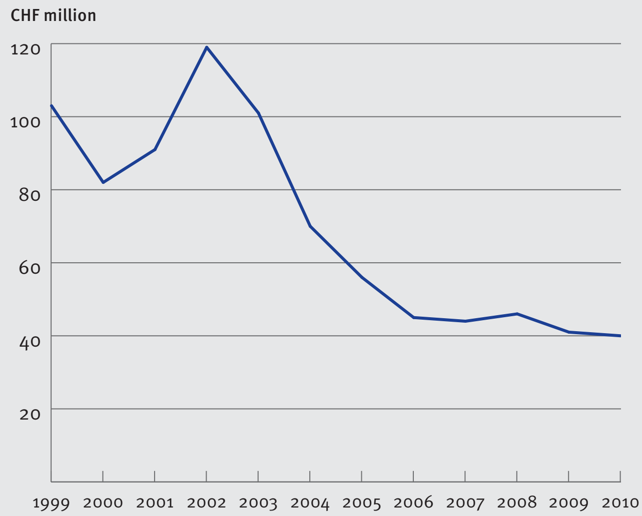
The SIA values the Forum Finanzplatz as an institutionalised platform for discussion and the exchange of information. It considers direct and open dialogue both with the authorities and with sector representatives to be very important. The Forum Finanzplatz was informed at first hand of the bilateral meetings held with various states on the latest developments in the most important areas of concern, including the mutual assistance agreement between Switzerland and the United States, the too-big-to-fail problem and the challenges presented by taxation in the international arena. In this connection, the Foreign Account Tax Compliance Act (Fatca) was discussed in detail.

Abolition of stamp duty under review

The difficulties encountered by the Swiss financial sector in accessing the European market were also debated exhaustively in the Forum Finanzplatz. The sector was able to give a detailed explanation of its needs and its viewpoint. The SIA stressed the importance of recognising the equivalence of Swiss insurance supervision and its the desirability of easier market access.

One of the measures proposed by the new financial market strategy is that the Federal Tax Administration should examine the possibility of phasing out all types of stamp duty. The relevant report is still awaited. In the context of the too-big-to-fail measures and corporation tax reform III, it is proposed merely to abolish stamp duty on new debt and equity issues. The abolition of stamp duty on insurance premiums is not planned at present.

Stamp duty on single premiums



Revenues from stamp duty on life insurance (single premiums) stood at just under CHF 40 million in 2010.

Source: FTA

Impact of Foreign Account Tax Compliance Act on Swiss insurers is uncertain

On 18 March 2010 the United States de facto introduced, by means of the Foreign Account Tax Compliance Act (Fatca), a new withholding tax of 30 % on income originating in the United States. Fatca introduces the notion of foreign financial intermediaries (FFI), whereby FFIs must conclude an agreement with the US tax authorities in order to be exempted from this additional withholding tax. If this agreement is in place, the FFI is regarded as compliant. The agreement must be concluded in addition to any existing qualified intermediary agreement, because the Fatca rules apply alongside the qualified intermediary provisions.

The definition of an FFI is broadly phrased and extends to, among others, banks, brokers, trusts, funds, insurance companies and investment vehicles. The FFI agreement applies to all of an FFI's accounts. Although the precise form of the agreement has yet to be defined, it is foreseeable what arrangements an FFI must make: it is obliged to identify and disclose all accounts held directly or indirectly by any natural or legal US person. Companies, foundations and trusts in which a US person has a financial interest of more than 10 % are also regarded as owners of a US account.

An SIA analysis shows that Swiss insurance companies are affected more or less heavily by Fatca. They must therefore consider whether they wish to be exempted from Fatca, to disinvest in the United States, to disengage from all US accounts or to conclude an FFI agreement with all the attendant obligations. To arrive at this decision, insurance companies need to know which areas of the insurance industry are affected and whether the new rule applies retroactively to old business or only to new business. These questions cannot be answered conclusively at this point in time.

> "It is the SIA's aim to use political influence to minimise the effects of Fatca on Swiss insurance companies."

The SIA takes the view that it is possible to influence the actual form of Fatca. It is therefore the SIA's aim to use political influence to minimise the effects of Fatca on Swiss insurance companies, in terms both of its scope and of its temporal effect. The SIA also highlights that FFIs have different business models and therefore cannot be treated identically. Particular attention should be paid to differences between banks and insurance companies.

In the past year the SIA has sought political support from the Federal Council, the State Secretariat for International Financial Matters, the European Insurance and Reinsurance Federation and representatives of neighbouring states. Several states and insurance associations outside Europe have also intervened intensively in the United States.

Federal Act on Deposit Protection debated in Parliament

At the end of 2009 the SIA took part in the consultation process on the Federal Act on Deposit Protection, focusing on the bill's consequences for insurance. It was forced to conclude that the bill had failed to take the insurance-specific features of bankruptcy proceedings into consideration. Following the SIA's contribution to the consultation process, the Federal Finance Administration revised the bill in a number of areas ahead of the parliamentary debates. The draft bill was discussed by the Council of States during the 2010 winter session and will be debated by the National Council in 2011.

The Swiss Insurance Association undertook numerous activities in 2010 as part of its representation of interests.

Occupational pensions

Media conference: Adjustment of the conversion rate in occupational pensions, 7 January 2010

Media release: Yet another installment of the 'pension thefts' tale, 13 January 2010

Presentation: YES to adjustment of the BVG minimum conversion rate to 6.4 %, 20 January 2010

Presentation: Secure pensions thanks to lower conversion rate, 20 January 2010

Opinion piece: Don't endanger pension funds, specialist journal Schweizer Versicherung, February 2010

Referendum campaign: Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), Adjustment of the minimum conversion rate, 7 March 2010

Media release: Insurers disappointed by the 'no' vote to BVG conversion rate, 7 March 2010

Consultation process: divorce law (pension equalisation following divorce), 31 March 2010

Opinion: Consultation of social partners concerning BVG minimum interest rate, 25 August 2010

Media release: Exaggerated 2011 BVG minimum interest rate, 1 October 2010

Disability insurance

Consultation process: Sixth disability insurance revision (second package of measures), 8 October 2010

Accident insurance

Publication: Guidelines on reintegration following accidents, 24 February 2010

Conference: Accident insurance, 31 May to 1 June 2010

Media conference: Revision of the Federal Act on Accident Insurance, 16 September 2010

Media release: Revision of the Federal Act on Accident Insurance: A waste of time, 22 September 2010

Opinion piece: A question of judgement, specialist journal Schweizer Versicherung, November 2010

Health insurance

Consultation process: Investment provisions for health insurers, 28 October 2010

Meeting for members of parliament: Revision of the Federal Act on Health Insurance: Managed care, 29 November 2010

Via sicura

Meeting for members of parliament: Via sicura, 29 November 2010

Buildings insurance

Opinion piece: How to deal with monopolists, specialist journal Schweizer Versicherung, August 2010

Earthquake insurance

Media release: IG Erdbeben dissolved, 17 December 2010

Liability law

Media release: Dog Safety Law: standardised provisions in all cantons, 21 September 2010

Federal Act on Insurance Contracts

Opinion: Regulatory impact assessment on the total revision of the Federal Act on Insurance Contracts, 1 November 2010

Meeting for members of parliament: Regulatory impact assessment on the Federal Act on Insurance Contracts, 29. November 2010

Swiss solvency test

Conference: Equivalence of the Swiss solvency test and Solvency II, 1 September 2010

Negotiations: Yield curve for discounting liabilities in the Swiss solvency test, December 2010

Negotiations: Swiss solvency test: unresolved questions of methodology and transitional solutions, 9 December 2010

Equivalence

Consultation process: CEIOPS Consultation Paper 78 (Technical criteria of equivalence), 5 February 2010

Consultation process: CEIOPS Consultation Paper 81 (Examination of equivalence), 12 August 2010

Conference: Equivalence of the Swiss solvency test and Solvency II, 1 September 2010

Consultation process: Call for evidence for examination of the equivalence of Swiss supervision, 29 December 2010

Insurance industry

Publication: Swiss private insurers – strategy 2015, 1 January 2010

Media release: Insurance industry successfully holds its own, 20 January 2010

Publication: Facts and Figures 2010, 20 January 2010

Presentation: Insurance industry successfully holds its own, 20 January 2010

Presentation: A stable financial centre thanks to a strong insurance industry, 20 January 2010

Media conference: What role do private insurers play for the national economy and above all for French-speaking Switzerland?, 2 February 2010

Opinion piece: Safeguarding the growth of the financial centre, specialist journal Schweizer Versicherung, May 2010

Consultation process: Opinion on the Fatca implementation provisions, 24 November 2010

Meeting for members of parliament: Topical insurance industry issues, 29 November 2010

Meeting for members of parliament: Fiscal challenges for the insurance industry, 29 November 2010

Prevention

Media conference: 'Franky Slow Down' prevention campaign at the Geneva motorshow, 3 March 2010

Trade fair appearance: 'Slow down. Take it easy' at the Geneva motorshow, 4 to 14 March 2010

Media conference: More motorists are adjusting their headrests correctly, 8 April 2010

Media conference: 'Slow down. Take it easy' prevention campaign targeting motorcyclists, 13 April 2010

Exhibition: SIA at Geoprotecta 2010, 11 to 13 November 2010

Insurance medicine

Publication: Medinfo 2010/1: Neurology, June 2010

Conference: Physicians' symposium, 30 September 2010

Publication: Medinfo 2010/2: Metabolic syndrome, December 2010

Education

Association for Professional Insurance Education (VBV): 524 Insurance Intermediary certificates awarded, March/June/October 2010

Swiss Federal Certificate in Insurance: 239 certificates awarded, April 2010

Conference: symposium for training and human resources managers in the insurance industry, The future of vocational training, 20 May 2010

Media conference: Private insurers gearing executive training to military leadership training, 20 May 2010

Media release: Private insurers gearing human resources development to military leadership training, 20 May 2010

Association for Professional Insurance Education (VBV) Insurance Assistant: launch of vocational training, September 2010

Advanced Diploma in Insurance (HFV): 63 diplomas awarded, October 2010

Swiss Insurance Association

Media conference: Annual media conference, 20 January 2010

Media release: Strategic reorientation of the Swiss Insurance Association, 29 January 2010

Annual General Meeting: 23 June 2010

Media release: The Swiss Insurance Association is well prepared for future challenges, 23 June 2010

Publication: Annual Report 2009/10, 23 June 2010

Media release: Relaunch of the Swiss Insurance Association's website, 1 November 2010

Media release: New Chairman of the Swiss Insurance Association, 20 December 2010

Other activities

Opinion: Discussion paper 'Regulation of production and distribution of financial products to private customers – position, shortcomings and options for action', 1 May 2010

Hearing: FINMA circular letter 'Technical provisions in reinsurance', 14 September 2010

Consultation process: Partial revision of the Code of Obligations (default interest), 1 November 2010

Conference: Symposium for claims specialists, 12 November 2010

Consultation process: Opinion on Exposure Draft Insurance Contracts of the International Accounting Standards Board, 29 November 2010

Other communication activities

Media work: over 150 media enquiries answered

Newsletter: 46 issues sent out

Guidebook: 46 subjects publicised

Website: relaunch, 1 November 2010

Schweizerischer Versicherungsverband Association Suisse d'Assurances

Swiss Insurance Association Schweizerischer Versicherungsverband

Association Suisse d'Assurances Swiss Insurance Association

Schweizerischer Versicherungsverband Association Suisse d'Assurances

Swiss Insurance Association Schweizerischer Versicherungsverband

Association Suisse d'Assurances Swiss Insurance Association

Schweizerischer Versicherungsverband Association Suisse d'Assurances

Swiss Insurance Association

The Swiss Insurance Association: committed, credible, liberal

The Swiss Insurance Association SIA is the umbrella organisation representing Switzerland's private insurance industry. Around 75 small and large, national and international primary insurers and reinsurers are members of the SIA. SIA member companies account for over 90 % of life and non-life insurance premium volume in Switzerland.

Our members are committed to the association's guiding principles:

- To support free market entry and competition
- To provide quality, reliability, transparency and fair play in insurance
- To ensure security through professional underwriting and risk management
- To observe the Swiss Code of Best Practice and the SIX Group's disclosure requirements
- To promote progressive employer practices

We pursue the following aims in the name of our members:

- We work to maintain and promote a liberal and socially compatible market and competitive system.
- We are committed to an economically viable framework, particularly as regards occupational and private pension provision, insurance supervision and regulation, the marketing and sales of insurance products and accounting standards.
- We promote trust and confidence in the insurance industry by pursuing an active, integrated communications policy.
- We create value for our members by transferring knowhow and information as well as joint activities and communications.
- We provide comprehensive, targeted training modules for beginners and advanced professionals.
- We strive to prevent damages and losses through a variety of measures.

The Swiss Insurance Association has 73 members (as at 1 January 2011).

Life insurance companies

Allianz Suisse Lebensversicherungs-Gesellschaft AG
Bleicherweg 19
8022 Zürich
www.allianz-suisse.ch

Aspecta Assurance International Aktiengesellschaft
Zurich Branch
Landstrasse 124
FL-9490 Vaduz
www.aspecta.li

AXA Leben AG
General Guisan-Strasse 40
8401 Winterthur
www.axa.ch

Basler Leben AG
Aeschengraben 21
4002 Basel
www.baloise.ch

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

Elips Life AG
Tödistrasse 23
8002 Zürich
www.elips-life.com

Generali Personenversicherungen AG
Soodmattenstrasse 10
8134 Adliswil
www.generali.ch

Groupe Mutuel Vie GMV SA
Rue du Nord 5
1920 Martigny
www.groupemutuel.ch

Helvetia Schweizerische Lebensversicherungsgesellschaft AG
St. Alban-Anlage 26
4002 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

Phenix, compagnie d'assurances sur la vie SA
Avenue de la Gare 4
1001 Lausanne
www.phenix-assurances.ch

Rentes genevoises – Assurance pour la vieillesse
Place du Molard 11
1211 Geneva 3
www.rentesgenevoises.ch

Retraites Populaires
Rue Caroline 9
1001 Lausanne
www.retraitespopulaires.ch

Schweizerische Mobiliar Lebensversicherungs-Gesellschaft AG
Chemin de la Redoute 54
1260 Nyon
www.mobi.ch

Schweizerische National Leben AG
Wuhrmattstrasse 19
4103 Bottmingen
www.nationalesuisse.ch

Skandia Leben AG
Bellerivestrasse 30
8034 Zürich
www.skandia.ch

Swiss Life AG
General-Guisan-Quai 40
8022 Zürich
www.swisslife.ch

UBS Life AG
Birmensdorferstrasse 123
8098 Zürich
www.ubs.com

Vaudoise Vie, Compagnie d'Assurances SA
Place de Milan
1001 Lausanne
www.vaudoise.ch

Versicherung der Schweizer Ärzte Genossenschaft
Länggassstrasse 8
3000 Bern 9
www.versa.ch

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

Zürich Lebensversicherungs-Gesellschaft AG
Thurgauerstrasse 80
8085 Zürich
www.zurich.com

Non-life insurance companies

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

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

Alba Allgemeine Versicherungs-Gesellschaft AG
St. Alban-Anlage 56
4020 Basel
www.alba.ch

Allianz Suisse Versicherungs-Gesellschaft AG
Bleicherweg 19
8022 Zürich
www.allianz-suisse.ch

Animalia SA
Freiburgstrasse 370
3018 Bern
www.animaliasa.ch

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

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

AXA Versicherungen AG
General Guisan-Strasse 40
8401 Winterthur
www.axa.ch

Basler Versicherung AG
Aeschengraben 21
4002 Basel
www.baloise.ch

CAP, Rechtsschutz-Versicherungsgesellschaft AG
Baslerstrasse 52
8048 Zürich
www.cap.ch

Cardif-Assurances Risques Divers
Zurich Branch
Bleicherweg 66
8027 Zürich
www.cardif.ch

Chartis Europe SA
Zurich Branch
Gutenbergstrasse 1
8027 Zürich
www.chartisinsurance.ch

Chubb Insurance Company of Europe SE
Zurich Branch
Zollikerstrasse 141
8034 Zürich
www.chubb.com

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

CSS Versicherung AG
Tribschenstrasse 21
6002 Luzern
www.css.ch

DAS Protection Juridique SA
Av. de Provence 82
1000 Lausanne 16 Malley
www.das.ch

Emmentalische Mobiliar Versicherungs-Genossenschaft (emmental versicherung)
Emmentalstrasse 23
3510 Konolfingen
www.emmental-versicherung.ch

Epona société coopérative mutuelle d'assurance générale des animaux
Av. de Béthusy 54
1000 Lausanne 12
www.epona.ch

Europäische Reiseversicherungs AG
Steinengraben 28
4003 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 1
www.generali.ch

Genworth Financial inc
Bändliweg 20
8064 Zürich
www.genworth.com

Groupe Mutuel Assurances GMA SA
Rue du Nord 5
1920 Martigny
www.groupemutuel.ch

HDI-Gerling Industrie Versicherung AG
Zurich Branch
Dufourstrasse 46
8008 Zürich
www.hdi-gerling.ch

Helsana Unfall AG
Postfach
8081 Zürich
www.helsana.ch

Helsana Zusatzversicherungen AG
Postfach
8081 Zürich
www.helsana.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
2, Cours de Rive
1204 Geneva
www.inter-partner.ch

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

Orion Rechtsschutz-Versicherung AG
Centralbahnstrasse 11
4002 Basel
www.orion.ch

Phenix, compagnie d'assurances SA
Avenue de la Gare 4
1001 Lausanne
www.phenix-assurances.ch

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

Sanitas Privatversicherungen AG
Jägergasse 3
8021 Zurich
www.sanitas.com

Schweizerische Hagel-Versicherungs-Gesellschaft, Genossenschaft
Seilergraben 61
8021 Zurich
www.hagel.ch

Schweizerische Mobiliar Versicherungsgesellschaft AG
Bundesgasse 35
3001 Bern
www.mobi.ch

Schweizerische National-Versicherungs-Gesellschaft AG
Steinengraben 41
4003 Basel
www.nationalesuisse.ch

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

Sympany Versicherungen AG
Peter-Merian-Weg 4
4002 Basel
www.sympany.ch

TSM Compagnie d'Assurances, Société coopérative
41, Rue Jaquet-Droz
2301 La Chaux-de-Fonds
www.tsm.net

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

Vaudoise Générale, Compagnie d'Assurances SA
Place de Milan
1001 Lausanne
www.vaudoise.ch

XL Versicherungen Schweiz AG
Mythenquai 10
8022 Zurich
www.xlinsurance.com

Zürich Versicherungs-Gesellschaft AG
Thurgauerstrasse 80
8085 Zurich
www.zurich.com

Reinsurance companies

Glacier Reinsurance AG
Churerstrasse 78
8808 Pfäffikon
www.glacierre.com

New Reinsurance Company Ltd
Zollikerstrasse 226–228
8008 Zurich
www.newre.com

Partner Reinsurance Europe Limited
Zurich Branch
Bellerivestrasse 36
8034 Zurich
www.partnerre.com

Schweizerische Rückversicherungs-Gesellschaft AG
Mythenquai 50/60
8022 Zurich
www.swissre.com

Scor Global Life Rückversicherung Schweiz AG
General-Guisan-Quai 26
8022 Zürich
www.scor.com

Scor Switzerland AG
General-Guisan-Quai 26
8022 Zürich
www.scor.com

Managing Board

Erich Walser
SIA Chairman
Chairman of the Board of Directors,
Helvetia Group

Urs Berger
SIA Vice-Chairman
CEO, *Die Mobiliar*

Martin Albers
Member of the Executive Board,
Head of Client Markets Europe,
Swiss Re

Thomas Buberl
CEO, *Zurich Switzerland*

Philippe Egger
CEO, *AXA Winterthur*

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

Manfred Knof
Chairman of the Executive Board,
Allianz Suisse

Hans Künzle
CEO, *Nationale Suisse*

Alfred Leu
Delegate to the Board of Directors and CEO,
Generali (Switzerland) Holding

Stefan Loacker
CEO, *Helvetia Group*

Daniel Schmutz
Chairman of the Executive Board,
Helsana

Olav Noack
Member of the Corporate Executive Board
and Head of the Switzerland Division,
Bâloise Group

Bruno Pfister
Group CEO,
Swiss Life

Georg Portmann
CEO, *CSS Versicherung*

Pierre-Marcel Revaz
Chairman of the Board,
Groupe Mutuel

as at 1 January 2011

Committees and Commissions

Managing Board | Chairman Erich Walser, *Helvetia Group*

Committees

Education Bernard Dietrich, *Bâloise*	**Finance and Regulation** Pierre Wauthier, *Zurich*	**Health/Accident** Otto Bitterli, *Sanitas*	**Life** Ivo Furrer, *Swiss Life*	**Non-Life** Bruno Kuhn, *Die Mobiliar*	**Campaigning** Philipp Gmür, *Helvetia*

Commissions

	Accounting Daniel Thalmann, *Swiss Life* **Law** Andreas Burki, *Bâloise* **Taxes** Carl Emanuel Schillig, *Zurich*	**Healthcare** Beat Schläfli, *Sanitas* **Mandatory Accident Insurance, Principality of Liechtenstein** Esther Stutz, *Zurich Switzerland* **Law and Social Policy** Hans-Rudolf Müller, *AXA Winterthur* **Actuarial Health/Accident** vacant	**Political Issues** Andreas Zingg, *Swiss Life* **Actuarial Life** Andri Gross, *Zurich Switzerland* **Prevention of Money Laundering** Frank Kilchenmann, *Helvetia* **Self-Regulatory Organisation SRO** Ivo Furrer, *Swiss Life*	**Liability** René Beck, *Bâloise* **Motor** Marcel Siegrist, *AXA Winterthur* **Legal Protection** Alain Freiburghaus, *DAS* **Non-Life** Laszlo Scheda, *Die Mobiliar* **Claims Managers** Massimo Pergolis, *AXA Winterthur* **Natural Perils Pool** Bruno Kuhn, *Die Mobiliar* **Natural Perils** Margrit Elbert, *Die Mobiliar*	

as at 1 January 2011

Head Office

Management | Lucius Dürr[1]

Units

Finance and Regulation Marc Chuard*	**Communications** Michael Wiesner*	**Personal Insurance** Adrian Gröbli*	**Non-Life Insurance** Martin Wüthrich*	**Education** Matthias Stettler*	**Services** Thomas Gosteli*	**General Secretariat** Tamara Garny*
Solvency/ Risk Management	Media and Public Relations	Retirement, Survivors' and Disability Insurance	Legal Expenses Insurance	Education and Training	SVV Solution AG – Clearing house eVN – Car Claims Info – Statistics	Finance and Accounting
Insurance Law/ Financial Market Supervision	Issues Management	Life Insurance	Liability Law/ Liability Insurance	Education Partners	Buildings Surveying	Human Resources
Economic Issues	Publications	Accident Insurance	Credit and Guarantee Insurance			IT
Accounting	Online Communications	Health Insurance	Motor Insurance			Reception and Logistics
Taxes	Event Management	Prevention	Non-Life Insurance			Secretariat
Investment Issues		Insurance Medicine	Technical Insurance			
Employer Issues		Medical Tariffs	Transport Insurance			
General Legal Issues			Claims Managers			
Public Affairs			Insurance Fraud			
		Competition Law/ Compliance	Natural Perils Pool			
		Self-Regulatory Organisation				
		Money Laundering				

as at 1 January 2011

[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.

The Swiss Insurance Association cultivates many national and international contacts.

Memberships

Comité Européen des Assurances (CEA), European Insurance and Reinsurance Federation, www.cea.eu

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

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

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.

Comité Européen des Assurances (CEA), European Insurance and Reinsurance Federation, www.cea.eu. The SIA is represented on the following committees:
- Executive Committee
- Single Market Committee
- Public Relations Committee

Economiesuisse, umbrella organisation representing the Swiss economy, www.economiesuisse.ch. The SIA is represented on the following bodies:
- Managing Board
- Directors' Committee
- Health working group
- Internet working group
- Economic affairs working group
- Value added tax working group
- Business tax working group
- Public relations association working group
- Commercial law working group
- Company law panel of experts
- Consumer policy panel of experts
- Finance and Taxation Committee
- Energy and Environment Committee
- Competition Committee
- Task Force Document Retention

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 fraternity 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, panel of experts, www.expertenrat.ch. The SIA is represented on the panel of experts.

Institute for the Insurance Industry of St Gallen University (IVW), www.ivw.unisg.ch. The SIA is a member of the IVW's development company.

Medical Tariffs Commission UVG, commission for 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), Insurance and Private Pensions Committee, www.oecd.org. The SIA is represented on the Committee.

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/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 Employers' Association, umbrella federation of Swiss employers' associations, www.arbeitgeber.ch. The SIA is represented on the following bodies:
- Managing Board
- Social policy working group

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

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 for the Insurance Industry 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.

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

Health Insurance Ombudsman Centre, 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, a partner of the SIA

Health Promotion Switzerland, www.gesundheitsfoerderung.ch, cooperation in prevention projects

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

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