Annual Report 2011

ASA | SVV

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

Key events for the Swiss private insurance industry

January 2011

28.01.11 | At its annual media conference, the Swiss insurance industry looked back on a good year, despite challenging market conditions.

February 2011

02.02.11 | The Federal Council commissioned the Federal Finance Administration to prepare its message on the complete revision of the Federal Act on Insurance Contracts (FAIC), including the draft bill.

March 2011

01.03.11 | In its judgment on the directive on the equal treatment of men and women in the access to and supply of goods and services, the European Court of Justice ruled that it would no longer accept any differences in premiums for men and women in the EU member states.

01.03.11 | The Council of States referred the Federal Law on Accident Insurance back to the Federal Council. The Federal Council was asked to reconsider the draft revision and limit it to the most essential clauses.

18.03.11 | In the final vote, parliament approved the first package of measures of the sixth revision of the disability insurance scheme. The package comprises restructuring of the disability insurance scheme and the reintegration into working life of persons receiving disability pensions.

April 2011

12.04.11 | In its capacity as first chamber, the National Council approved the Federal Act on Prevention and Promotion of Health by 97 votes to 71, thus creating a legal basis for disease prevention and promotion of health at federal level.

June 2011

10.06.11 | The Federal Council approved the new implementing ordinances for the structural reform of occupational pension plans. The reform strengthens the role of the supervisory authority, enhances transparency and introduces stricter requirements for providers of Pillar-2 benefits.

23.06.11 | At its Annual General Meeting in Zurich, the SIA elected Urs Berger as its new Chairman.

September 2011

07.09.11 | The Federal Council approved the draft of the new FAIC. The SIA regrets that the Federal Council wants to further expand the pre-contractual information requirements imposed on insurance companies and also to introduce a fourteen-day cooling-off period and the right to claim from the insurer directly.

27.09.11 | The Council of States approved the motion on “Compulsory earthquake insurance” proposed by Jean-René Fournier. This motion will require the Federal Council to introduce compulsory earthquake insurance for the whole of Switzerland.

29.09.11 | The Council of States rejected the parliamentary initiative “legal quote” by 25 votes to 11. The decision is gratifying as a higher minimum profit share would have threatened the very existence of the full insurance model.

30.09.11 | Parliament approved the Federal Act on Human Research in its final vote. The SIA regrets this decision, since the proposal gives the Federal Council the power to extend the limitation periods and also grants the right to make direct claims.

30.09.11 | Parliament resolves to promote managed care through an amendment to the Health Insurance Act. Managed care describes the system under which doctors create networks in order to coordinate the supply of medical services.

November 2011

02.11.11 | The Federal Council lowered the minimum interest rate for occupational pension schemes to 1.5 percent for 2012. This was a step in the right direction. Unfortunately, the Federal Council decided not to send a clear signal regarding the financial security of occupational pensions by setting the minimum interest rate at 1 percent.

December 2011

07.12.11 | The Competition Commission clarified the conditions under which the buildings insurer of the canton of Berne would be able to offer insurance to the private sector in future.

Political priorities

The SIA

Insurers – a reliable pillar of the Swiss economy

2011 was another challenging year for the Swiss insurance industry in terms of both the interest rate environment and the Swiss franc exchange rate. Nevertheless, Swiss private insurers put in a good to very good performance and can look back with pride on a successful year. Once again, the insurers exerted a stabilising influence on the economy as a whole in times of turbulent financial markets.

Nothing works without insurance

Swiss insurers account for around five percent of the value created by the entire Swiss economy, making insurance one of the country's seven largest industries. If we take international business into account, the insurance industry even ranks as the country's fifth largest industry. It is worth stressing that insurers account for around one-third of the value created by the Swiss financial services industry.

Over and above this, Swiss insurers are important as employers: they provide jobs to 122 000 people worldwide, more than 48 000 of whom work in Switzerland. Viewed in terms of productivity, i.e. the value created per employee, the insurance industry shares top position among the country's key industries. Insurers are also significant investors both at home and abroad, with total capital currently in excess of CHF 490 billion. Finally, they are important taxpayers, contributing over CHF 1 billion year for year.

The insurance industry was a positive stabilising influence on the real economy during the financial crisis. The SIA is committed to ensuring a viable economic framework and a liberal competitive environment for the industry so that insurers can continue to live up to this role in future. In 2011, that involved the SIA lending support to a revision of the Federal Act on Insurance Contracts that meets modern-day needs, ensuring sustainable financing of occupational pension schemes, and designing a viable Swiss solvency test.

Avoiding excessive capital requirements

The Swiss solvency test (SST) came into force on 1 January 2011. Thanks mainly to an introductory phase that stretched over several years and to the fact that the insurance industry played an active role in developing the SST, the final launch went off without a hitch. The insurers reviewed their risk capital base in good time and made the necessary adjustments in order to meet the new solvency regulations.

Although the SST is now binding, there are still a number of important points to be clarified. Last year, the SIA in particular pressed for the setting of an appropriate yield curve for discounting liabilities. Cooperating closely with the Swiss Financial Market Supervisory Authority (FINMA), the SIA succeeded in achieving a number of improvements in the yield curve.

The SST is likely to entail much stricter capital requirements than Solvency II, the future solvency regime of the European Union (EU). That is problematical in that it will distort competition and prevent a level playing field between Swiss insurers and insurance companies domiciled in the EU. This is an unacceptable situation, which needs to be corrected. With this aim in mind, the SIA last year began formulating proposals to adapt the Swiss Supervision Ordinance.

> “Swiss insurers account for around five percent of the value created by the entire Swiss economy.”

It is the duty of FINMA to strengthen the competitiveness of Swiss insurers at home and abroad. The SIA expects it to show a comparatively light hand when regulating competition, allowing the Swiss insurance industry to continue along the successful path it has followed to date. To this end, the SIA will work on enhancing its constructive dialogue with the supervisory authority.

Sustainable financing of occupational pensions needed

Increasing life expectancy, the continuing weak state of the financial markets and ongoing changes in society are all conspiring to create huge challenges for occupational pension schemes. Against this backdrop, it is becoming more and more imperative to further develop and refine Pillar-2 coverage. The SIA is keen to make a constructive contribution in this area and last year formulated corresponding proposals.

In the SIA's opinion, the key measure is to lower the minimum conversion rate. In order to maintain Pillar-2 benefits at current levels despite these changes, the

SIA has proposed measures on the financing side, the goal of which is to achieve a higher retirement capital during the savings process so as to keep pension benefits at today's levels.

Urs Berger, Chairman of the SIA

No tightening of regulations for the distribution of surpluses

When it comes to management of their occupational pension schemes, some 150 000 small and medium-sized enterprises (SMEs) place their trust in Swiss life insurers. The full insurance model offered by life insurers covers all the financial risks associated with occupational pensions, and offers SMEs and their employees unique guarantees.

Although the full insurance model meets the needs of thousands of companies and thus constitutes a key pillar of the economy, it came under threat from several parliamentary initiatives in 2011. One of these proposed a tightening of the stipulations governing the distribution of surpluses (the so-called "legal quote"), which would have made the formation and preservation of risk capital impossible, thus jeopardising the full insurance model. The SIA succeeded in pointing out the negative effects of the proposed change, and the Council of States rejected a tightening of the "legal quote" in September 2011.

Serious shortcomings revealed in new Federal Act on Insurance Contracts

The revision of the Federal Act on Insurance Contracts (FAIC) is of key significance to the insurance industry. In September 2011, the Federal Council approved the draft of the new FAIC and the corresponding Message to parliament.

The SIA carried out a careful examination of the draft bill and uncovered serious shortcomings in it. First of all, the new FAIC encroaches to a massive extent on the principle of freedom of contract: it contains twice as many mandatory provisions as its predecessor, thus overregulating the industry. For example, the new FAIC greatly extends the insurers' obligation to provide precontractual information and grants insured persons the right to revoke their agreement to take out insurance and to terminate a contract any time an amendment is made to it. Secondly, the new FAIC creates the wrong kind of incentives by failing to impose any sanctions for insurance fraud. Such sanctions, however, are absolutely essential to protect insured persons themselves and prevent people from committing fraud in the first place. Thirdly, the regulations contained in the revision involve high implementation costs for the industry, costs that the insured persons would ultimately have to pay without gaining any real advantage in return. Finally, the new FAIC is incompatible with today's electronic-based methods of doing business – despite the fact the one of the declared goals of the revision was to bring the 100-year-old law into line with the demands of our modern world.

The SIA will continue to play a very active role in work on the revision, unequivocally throwing its weight behind eliminating the defects of the draft bill.

Federal Council to formulate a streamlined draft revision of the Federal Act on Accident Insurance

Like the National Council before it, in March 2011 the Council of States referred the Federal Act on Accident Insurance to the Federal Council, instructing it to review the draft revision again and restrict it to only what is really necessary. The SIA lent its support to the referral as otherwise the bill would have continued to be shunted between the two chambers.

The SIA favours a streamlined draft revision in order to expedite the necessary revision of the law. The focus should be on technically necessary articles that help to avoid gaps in legislation as well as on a clear delimitation of the activities of the Swiss Accident Insurance Fund (Suva). We cannot tolerate a situation in which monopolistic structures are used to gain an unfair advantage over free competition.

New supervisory law for health insurers

The SIA advocates more liberal laws in the area of health insurance, too, and participated in 2011 in the consultation process for the new Health Insurance Supervision Act (HISA). The purpose of the act is to strengthen supervision of social health insurers and help enhance transparency.

With an eye to implementation of the HISA, the SIA opposed the creation of a separate supervision act, instead seeing a revision of existing legislation as the best means of achieving the same goal. The SIA also rejected the establishment of a new separate supervisory authority as that would only lead to higher costs. After all, it is the SIA's view that the supervisory authority cannot be financed through fees paid by the health insurers and thus ultimately by their customers.

“ Swiss insurers provide jobs to 122 000 people worldwide. ”

At the beginning of the year, the Federal Council approved the draft of the new HISA. Gratifyingly, several demands made by the SIA were taken into account, namely that the supervisory function should not be transferred to a separate organisation, that supervision should not be financed via the insured persons' premiums, that measures to be taken in the event of a systemic collapse should be eliminated, and that no limitation should be placed on the possible forms of legal entity.

Even though the SIA's main demands were met, there is still scope for improving the draft, which is why the SIA will continue to represent the interests of health insurers in the current year.

Keeping a watch on the expansion of cantonal monopolies

The trend by which state monopoly insurers are expanding the scope of their activities and “poaching” business in the private insurance field continued unabated in 2011. While private insurers in principle welcome the market activity generated by new competitors, they are unreservedly of the opinion that there must be a level playing field for all market participants.

Following a revision of the law, the cantonal buildings insurance entity in the canton of Bern was to be permitted to carry out certain ancillary activities and offer supplementary insurance cover. After the SIA intervened, the cantonal buildings insurance entity set up a private-law subsidiary that will be subject to the Insurance Supervision Act and will be overseen by FINMA. However, this subsidiary will benefit from access to the customer data of its parent and thus enjoy a substantial competitive edge. The SIA lodged an official complaint against this.

The thrust of the complaint was to clarify to what extent the state can grant privileges to its own private-law companies through corresponding legislation or organisational procedures. In December 2011, the Federal Administrative Court of Switzerland dismissed the complaint. The SIA was disappointed at the court's decision since it is ultimately a question of preserving the principle of economic freedom enshrined in the constitution. After careful consideration, the SIA has decided to take the matter to the Federal Supreme Court.

The SIA scored a partial success, however, as the Competition Commission clarified the conditions under which the subsidiary of the cantonal buildings insurance entity will in future be able to offer insurance to the private sector. In the course of this clarification, the cantonal buildings insurance entity has already made a large number of concessions aimed at creating an environment for its future business operations that is comparable with that in which private insurance companies operate.

Earthquake insurance back on the political agenda

After the devastating earthquake that hit in Japan in the spring of 2011, several parliamentarians launched initiatives to introduce mandatory earthquake insurance in Switzerland. The SIA welcomes these initiatives.

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 assets. Serious gaps in coverage exist here because most buildings in Switzerland are not insured against earthquake damage. Only appropriate insurance coverage can guarantee that the necessary financial resources for reconstruction are rapidly made available to individuals and companies after an earthquake.

International developments affect Swiss insurers

Numerous regulatory projects are underway at international level, too, and Swiss private insurers are monitoring them with a certain amount of scepticism. After all, new regulations in foreign jurisdictions have an impact on the international operations of Swiss insurers. For this reason, the SIA last year collaborated closely with the European insurance and reinsurance federation (Insurance Europe) and its member associations in an effort to raise their awareness of the concerns of Swiss private insurers.

Proceeding from the principle of equal treatment of men and women, the European Court of Justice ruled on 1 March 2011 to ban gender-specific insurance premiums in the EU member states as from 21 December 2012. The SIA rejects a ban of this kind as it runs counter to the principle of risk-adequate premiums.

The SIA compiled a report to clarify what consequences this ruling will have for Swiss insurers. The report came to the conclusion that the judgment will have repercussions for the international business activities of the Swiss insurance industry in the EU, but not for insurance operations within Switzerland.

For around a year and a half now, the Swiss insurance industry has been under the scrutiny of US regulatory authorities. By means of the Foreign Account Tax Compliance Act, foreign financial institutions – which include Swiss life insurers and pension funds – are to be forced to lay bare the activities of their US customers.

Although many of the details of the new law have yet to be finalised, it appears bound to conflict with local Swiss law. The new law could render it *de facto* impossible for Swiss insurers to provide mandatory occupational pensions for US taxpayers. In order to prevent this, the SIA last year played a central role in formulating the Insurance Europe's submission to the US tax authorities.

SIA's new strategic focus proves its worth

Last year, the SIA focused its representation of industry interests on clearly defined strategic areas, thus chalking up important successes. The idea of focusing the association's work on certain topics dates from a strategic reorientation of the SIA carried out in 2010.

Since then, the SIA has consistently directed its energies towards the political representation of interests and towards publicity work at national and international level. The SIA is oriented towards the political decision-making process and forms political opinion by proposing practical solutions. It promotes understanding for the positions of the insurance industry by pursuing an active communications policy.

In order to successfully represent the concerns of the insurance industry vis-à-vis politicians and the general public alike, the SIA manages issues in a comprehensive manner, defines strategic priorities, formulates positions with a broad base, launches targeted communication activities, and maintains contacts and relationships.

Lucius Dürr, CEO of the SIA

The new orientation and focus on association tasks is mirrored in the SIA's organisation, with the Campaigning Committee taking up work on 1 January 2011. The committee is charged with putting the political representation of interests into practice in relation to the SIA's core topics.

For almost ten years now, Swiss insurers have enjoyed success and, in 2011, they once again amply demonstrated the stabilising influence they exert on the financial services industry in Switzerland. No one disputes their importance as a key pillar of the economy. Through its work, the SIA is endeavouring to ensure that the insurance industry can continue making this positive contribution in future.

Urs Berger
SIA Chairman

Lucius Dürr
CEO of the SIA

Politische Schwerpunkte Political priorities Priorités politiques

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Sustainable financing needed for occupational pensions

In autumn 2010, the National Council's Committee for Social Security and Health (CSSH) decided to launch a parliamentary initiative to tighten the minimum quota for occupational pensions, the so-called "legal quote". The initiative demanded that

- the insurer's administrative costs should be agreed in advance in the insurance contract,
- subsequent deficits should not be offset against participation in surpluses,
- the earnings-based method should be systematically used to calculate the "legal quote",
- and the amount of the "legal quote" should be reviewed and amended where necessary.

In order to implement these changes, the initiative would have required the support of either the CSSH of the Council of States or of both chambers. However, on 1 February 2011, the CSSH of the Council of States rejected the initiative by a majority of six votes to three. Nor did the parliamentary initiative receive the support of both chambers: although the National Council gave its tacit approval on 11 April 2011, the Council of States rejected the initiative on 29 September 2011 by a clear majority of 25 votes to eleven.

> "Any tightening of the "legal quote" would have threatened the existence of the full insurance model."

The SIA opposed any tightening of the "legal quote" as it would have threatened the formation and preservation of solvency capital and thus the very existence of the full insurance model. What is more, the parliamentary initiative would have led to unequal treatment of the various forms of coverage offered, thus resulting in an unacceptable distortion of competition. For these reasons, the SIA deemed the initiative to be inadmissible under competition law.

Several parliamentary initiatives on group life insurance discussed

In addition to the initiative on tightening the "legal quote", parliament last year also discussed the initiative "Returns of BVG assets. Making things clear" and the motion "Group occupational pension provision. Mutualisation". The aim of both proposals was to prevent private life insurers having access to the savings component of occupational pensions even though the overwhelming majority of SMEs consider collective foundations with full insurance to be the best solution to their occupational pension needs and there is no alternative to the full insurance model that could provide these companies with the guarantees they require.

> "Most SMEs consider collective foundations with full insurance to be the best solution."

The parliamentary initiative "Returns on BVG assets. Making things clear" demanded that the pension schemes themselves should directly own all pension assets. The social-democratic initiative did not stand a chance in parliament: on 23 and 24 June 2011, the National Council's CSSH voted 11:10 against supporting the initiative, with two members abstaining. The National Council followed the recommendation of its committee, rejecting the initiative on 13 September 2011 by a majority of 110 votes to 53.

The motion "Group occupational pension provision. Mutualisation" requested the Federal Council to formulate corresponding legal provisions

- to transform the life insurers' collective foundations into legally independent entities and to make sure the provisions required to safeguard the nominal value are funded primarily using their own earnings reserves;
- to ensure that the life insurers receive adequate, legally prescribed compensation (in the shape of the maximum return on equity) when they use their own provisions to guarantee the nominal value and that they can no longer access the earnings on pension assets;
- to determine management fees in advance and to disclose the payments to shareholders, managers and boards of directors.

On 7 March 2011, the National Council rejected the first two points by majorities of 112 to 56 and 104 to 63 respectively, while it approved the third point by a majority of 93 votes to 76. On 27 September 2011, the Council of States rejected the motion by 21 votes to eight. Thanks to this overall negative decision, the motion was not referred to the Federal Council.

Federal Council sets excessively high minimum interest rate

The Federal Council once again reviewed the minimum interest for occupational pensions to take effect on 1 January 2012. In line with the recommendation made by the Federal Committee for Occupational Pensions (BVG Committee) on 1 September 2011, the Federal Council resolved on 2 November 2011 to set a minimum interest rate of 1.5 % to apply from 1 January 2012.

The SIA had advocated an interest rate of 1 %, citing the fact that all the formulae evaluated by the Federal Social Insurance Office at the end of July 2011 had resulted in rates that were 0.71 to 1.15 percentage points lower than the previous year's rate. The year before, a minimum interest rate of 2 % had been set for 2011 on the basis of the same formulae.

The SIA also argued conclusively that the minimum interest rate had been systematically set too high in previous years. Between 2006 and 2011, the cumulative BVG minimum interest rate was around 14.6 %, while the cumulative performance of the pension schemes during the same period was only around 7.1 %.

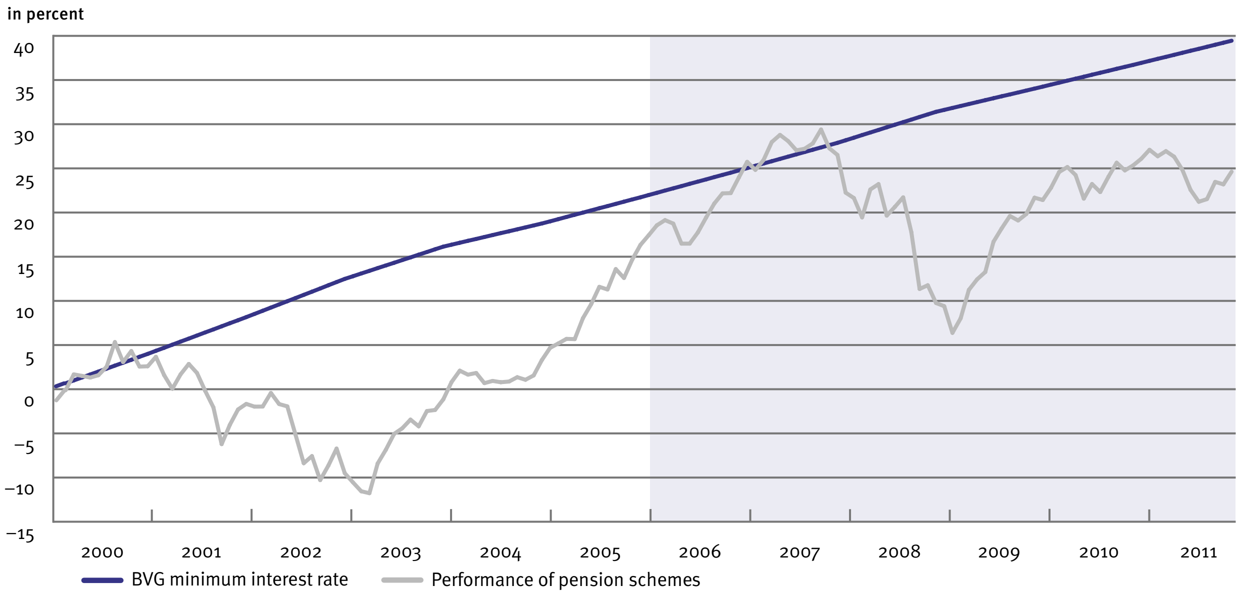
Political discussions again centre around minimum conversion rate

The Federal Council is obliged by law to produce a "Report on determining the conversion rate in subsequent years". This report was to be submitted for the first time in 2011, and then every ten years. In view of the outcome of the referendum of 7 March 2010 concerning adjustment of the minimum conversion rate for occupational pensions, the Federal Council decided to expand the content of the report, making it into a "Report on the future of the second pillar".

Ahead of publication of this report in January 2012, the topic of the conversion rate began to receive a lot more attention again, with special consideration being given to the necessity of accompanying measures and their potential nature. In the opinion of the SIA, accompanying measures are needed in order to keep retirement benefits at today's levels. It is up to the social partners to decide on the shape of such measures and how they should be implemented – for instance whether in successive steps or within fixed transition periods.

In addition, a higher retirement age coupled with more flexibility for employees as regards the date of retirement might make a substantial contribution towards the proper financing of occupational pensions.

Performance of pension schemes and BVG minimum interest rate



Between 2006 and 2011, the pension schemes delivered a cumulative performance of around 7.1%. At around 14.6%, the cumulative BVG minimum interest rate over the same period was more than twice that figure.

Source: Credit Suisse Swiss Pension Scheme Index

Restructuring disability insurance requires cost-cutting

In line with the wishes of parliament, the sustained restructuring of disability insurance (IV) is to be secured through reductions in expenditure. After both chambers of parliament approved the first package of measures of the sixth disability insurance revision on 18 March 2011, the Federal Council enacted the package with effect from 1 January 2012. The package comprises the following measures:

– tools to enhance the reintegration of the disabled
– introduction of an assistance contribution
– public tenders in respect of aids

With the help of the reintegration tools, the ability to work of around 16 800 recipients of disability pensions with appropriate potential is to be enhanced within the next six years, thus enabling them to rejoin the workforce.

On 13 May 2011, the Federal Council passed its Message on the second package of measures for the sixth disability insurance revision. This second package includes the following measures:

– increased reintegration
– more personnel (in connection with the pension revisions and enhanced reintegration)
– reduction in debt to the fund of the old age and survivors' insurance scheme (AHV) and securing the liquidity of the disability insurance fund
– combating fraud

The second package of measures is currently being debated by parliament and is due to come into force in 2015.

Together with the additional income generated through supplemental disability insurance financing and the reductions in expenditure brought about by the fourth and fifth disability insurance revisions, the measures included in the first package are designed to reduce the expected deficit between 2019 and 2025 by around CHF 750 million per year. The second package of measures should enable the disability insurance scheme to balance its books in the long run and fully repay its debts to the AHV.

Federal government prepares new bill for revision of the Federal Act on Accident Insurance

Like the National Council before it, on 1 March 2011 the Council of States referred to the Federal Council the first bill to revise the Federal Act on Accident Insurance, covering the provision of accident insurance and the associated benefits. Together with the referral, the Council of States instructed the Federal Council to review once again the scope of the revision and to restrict the draft revision to what was absolutely necessary. In addition, the Council of States approved the National Council's decision to suspend consultation of the second bill concerning the organisation and ancillary activities of Suva until such time as the first bill had been dealt with.

Following the referral, the Federal Office for Public Health requested the social partners and insurers to outline their wishes in respect of the new draft revision. In particular, the office was interested in knowing which topics the parties considered essential for the revised draft bill. It also asked the social partners and insurers to submit specific proposals for the wording. The SIA complied with this request and submitted its view of the matter.

“The new draft revision should eliminate legal uncertainties.”

In the SIA's opinion, the new draft revision should take the changed parameters into account and eliminate the legal uncertainties that have arisen since the law came into force in 1984. What is more, the SIA advocates that companies that have been in the domain of Suva in past years return to the private accident insurance sector because the assignment to Suva was contrary to the original intention of the legislators. Finally, the SIA is also firmly opposed to Suva being authorised to provide supplementary accident insurance as it considers this unconstitutional.

More oversight for social health insurance

In the field of health insurance, the SIA focused its attention last year on technical issues and matters of organisational freedom, publishing a number of opinions and contributions to consultation processes.

Risk-based provisions in social health insurance
In 2011, the Federal Office for Public Health carried out a consultation process for the partial revision of the Health Insurance Ordinance. The purpose of the revision is to amend the regulations concerning provisions in social health insurance. Instead of setting the minimum level of provisions as a percentage of premium income, the level of provisions in future will have to be high enough to cover the individual insurer's risks.

Although in its opinion the SIA favoured the introduction of risk-based provisions in social health insurance, it also pointed out that such a move needed to be carefully coordinated with the introduction of the new accounting standard Swiss GAAP FER 41. For this reason, the SIA warned against introducing amendments to the ordinance on 1 July 2011 as planned, instead recommending to postpone the effective date until 1 January 2012 at the earliest.

> “The SIA favoured the introduction of risk-based provisions.”

The SIA also believes that the ordinance should be designed in such a way that the requirements of the Swiss Financial Market Supervisory Authority and the Federal Office for Public Health in respect of companies that handle both basic insurance in accordance with the Health Insurance Act and supplementary insurance in accordance with the Federal Act on Insurance Contracts in one and the same legal entity are no different from those for companies that handle these types of insurance in separate legal entities.

New supervisory law enhances transparency
In early February 2011, the Federal Council initiated the consultation process for a new federal Health Insurance Supervision Act. The Council aims to strengthen oversight of social health insurers, enhance transparency and encourage a more modern style of governance.

In its opinion on the new law, the SIA in principle welcomed stricter supervision of social health insurance, but saw no need for the introduction of a new law. Instead, it considered an update of the existing Health Insurance Act to be sufficient. Although the SIA voiced its support for more political independence on the part of the supervisory authorities, it rejected the establishment of a new independent body, considering such a move to be out of all proportion. In addition, the SIA opposed financing of the supervisory body through policyholders' premiums. Finally, it rejected the new provisions in respect of premiums and administrative costs.

> “The SIA rejected the establishment of a new independent supervisory authority.”

At the beginning of this year, the Federal Council referred both the draft bill of the new Health Insurance Supervision Act and its accompanying Message to parliament. Even though the Federal Council resolved the main points of criticism from the consultation process in the draft bill, there is still scope for improvement.

No retroactive amendment of paid premiums
Since introduction of the Health Insurance Act in 1996, the premiums charged for compulsory medical care insurance in the individual cantons have diverged from the actual costs, with the resulting deficits or surpluses being deducted from or allocated to the health insurers' provisions, as the case may be. Now, the Federal Council intends to retroactively even out the divergences of previous years by means of a temporary revision of the Health Insurance Act. The SIA participated in the consultation process and rejected the revision for three reasons. Firstly, the law does not provide for cantonal reserves. Secondly, the revision constitutes an unacceptable act of interference with premiums that have already been approved. Thirdly, the revision will lead to unequal treatment of the insured persons: some of the insured persons would be penalised with premium loadings although they never profited from lower premiums, while others will profit from premium discounts without ever having had to pay higher premiums.

Federal Disease Prevention Act remains contentious

Following a controversial debate, the National Council passed the new Federal Act on Disease Prevention and Promotion of Health on 12 April 2011. A majority of the National Council deputies were convinced that disease prevention and the promotion of health merited anchoring in federal law so that the scarce resources available could be channelled more effectively in future. The National Council made far-reaching improvements to the draft bill submitted by the Federal Council. The SIA's main concern – removal of the disease prevention institute – was taken into account.

Despite the National Council's approval, the new act remains controversial. Whereas its opponents see the act as an excessive form of state intervention, its supporters stress that it is merely an organisational law that brings order to the as yet uncoordinated field of disease prevention. As a result of this controversy, the Committee for Welfare and Health of the Council of States supported the act by a narrow majority of 7 to 6 votes. The committee advocated both a national health strategy and a clear delegation of responsibilities, particularly so as to be able to prevent chronic diseases. The Council of States departed from the recommendation of its own commission in deciding on 8 December 2011 not to approve the act, which has now reached the phase in which the different versions have to be reconciled.

In the SIA's opinion, a system of disease prevention that targets medium-term health goals can make an important contribution to a properly functioning health system. The objective of the Federal Act on Disease Prevention and Promotion of Health – namely to raise the population's awareness of health issues and to steer and coordinate disease-prevention, health-promotion and screening measures – is not in dispute. It is questionable, however, whether this objective can be achieved by means of non-binding references to the preventive measures contained in existing laws – for example, the prevention of work-related accidents under the Federal Act on Accident Insurance or health protection measures under the Employment Act.

Anchoring complementary medicine in the medical training curriculum

On 29 June 2011, the Federal Council began the consultation process for the proposed revision of the Medical Professions Act, the goal of which is to anchor both primary healthcare and complementary medicine more firmly in the medical training curriculum.

In its statement on the revision, the SIA advocated granting primary healthcare an important place in both the university medical curriculum and further training measures for doctors. But medical students and doctors doing further training need to be prepared for other areas of medical specialisation too. As far as pharmaceuticals and complementary medicine are concerned, the SIA believes that medical professionals need to acquire an adequate basic knowledge of the medical methods and types of therapy available, and of how to deploy them in an economical, expedient and effective manner.

Also on 29 June 2011, the Federal Council began the consultation process for the partial revision of the Transplant Act. As it stands, the partial revision will oblige the insurers of organ recipients to cover the donor's lost earnings and to bear the donor's costs even after the recipient's death.

The SIA has published a statement proposing a limitation on the reimbursement of lost earnings in line with social insurance schemes. What is more, it believes the Confederation should bear the donor's costs after the recipient's death because the solution proposed in the revision contradicts the membership principle enshrined in the Health Insurance Act.

The draft bill provides for a lump-sum payment by the insurer to cover the cost of medical aftercare for the donor. The SIA rejects any such payment, and also opposes any participation by insurers in the costs of a register that tracks the donor's state of health after the intervention. Registers of this kind are in the interests of the clinics and their quality assurance programmes.

Expansion of state buildings insurance entities puts private insurers at a disadvantage

The expansion of cantonal buildings insurance entities into the private insurance sector was again on the SIA's agenda in 2011. While the SIA is not opposed to new competitors entering the market, it insists on fair competition and a level playing field for all market participants.

> "The SIA insists on fair competition and a level playing field for all market participants."

In its revision of the Non-Life Insurance Act in 2009, the canton of Bern allowed the cantonal buildings insurance entity (GVB) to offer certain supplementary insurances, such as water damage insurance for buildings. For this purpose, GVB set up a private-law subsidiary that will be subject to the Insurance Supervision Act and overseen by the Swiss Financial Market Supervisory Authority (FINMA).

Competition Commission dictates conditions for buildings insurers

Taking note of these developments, the Competition Commission launched a preliminary investigation to determine whether GVB's new activities via its private-law subsidiary meet the same supervisory-law, competition-law and insurance-law requirements that all other market players have to comply with. The Competition Commission published its final report in December 2011.

> "The cantonal buildings insurance entity made a large number of concessions."

The final report clarified the conditions under which the subsidiary of GVB will be able to offer insurance coverage in the private sector going forward. The Competition Commission demands that the GVB subsidiary should not use its special status to undermine the rules of free market competition and that the customers should not be disadvantaged by a distortion of free competition and attendant restrictions of their ability to compare products.

In the course of the Competition Commission's investigation, GVB's subsidiary made a large number of concessions aimed at creating an environment for its future business operations that is comparable with that in which private insurance companies operate. This goes to show how necessary the Competition Commission's investigation was.

Federal Administrative Court rejects complaint

GVB wants to grant its subsidiary special privileges: it is to be allowed not only to sell supplementary insurance, but also take on other activities from GVB. The subsidiary will thus be able to access its parent's customer base and offer insurance modules that are inextricably linked to the cover provided by the monopolistic parent entity and cannot be offered in the same form by private insurers. It will thus have a substantial competitive edge over private insurers.

> "The SIA decided to submit its complaint to the Federal Supreme Court of Switzerland."

Despite this privileged status, FINMA granted the subsidiary a licence to transact business. In response, the SIA lodged a complaint with the Federal Administrative Court of Switzerland, asking it to rule whether private insurers are entitled to contest the FINMA approval. The court was asked to clarify to what extent the state can grant privileges to its own private-law companies through corresponding legislation or organisational procedures.

In December 2011, the Federal Administrative Court rejected the SIA's complaint on formal grounds, delivering no decision on its content. Although the court pointed out that the collaboration between GVB and its subsidiary via a service agreement could potentially grant the latter a substantial competitive advantage, it neglected in its decision to examine the content of the agreement, focusing instead on purely technical aspects in its argumentation.

The SIA decided to submit its complaint to the Federal Supreme Court of Switzerland. For regulatory reasons, it is important to achieve a ruling on the substance of the SIA's complaint to ensure that monopoly insurance conforms with legal requirements.

Parliament backs comprehensive earthquake insurance for Switzerland

After the severe earthquake in Japan, several parliamentarians submitted initiatives to introduce comprehensive earthquake insurance in Switzerland.

After the "Compulsory earthquake insurance" motion proposed by Councillor of States Jean-René Fournier was approved by the Council of States in its autumn session 2011, the motion was rejected at the start of this year by the National Council's Committee for the Environment, Regional Planning and Energy (UREK). The parliamentary initiative of National Councillor Susanne Leutenegger-Oberholzer for compulsory earthquake insurance with uniform national premiums also stood no chance in the National Council's UREK.

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

Ignoring the recommendation of its preparatory committee, the National Council voted in favour of both parliamentary initiatives in its spring session of 2012. The motion introduced by Councillor of States Fournier was thus referred to the Federal Council, and the parliamentary initiative of National Councillor Leutenegger-Oberholzer was referred to the Council of States.

The SIA welcomes this decision of the National Council as it will now be possible to close the existing gap in the insurance of natural perils. The motion presented by Councillor of States Fournier calls for the Federal Council to implement compulsory insurance of buildings against earthquake damage within the framework of natural perils insurance. The premiums for this cover are to be uniform across the whole of Switzerland.

> "It will now be possible to close the existing gap in the insurance of natural perils."

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 assets. Nevertheless, most buildings in Switzerland are not insured against earthquake damage. After an earthquake, it is important that those who have suffered damage quickly receive the funds they need to rebuild. That can be achieved only by means of appropriate insurance cover from private insurers and the cantonal buildings insurance entities.

Federal Councillor Widmer-Schlumpf (pictured here at the 2011 Annual General Meeting of the SIA) was requested by parliament to prepare a proposal for a nationwide earthquake insurance scheme.

> "The SIA is fully prepared to participate in developing the new earthquake insurance."

Dealing with earthquake damage entails not only drawing up a collaborative action plan in advance, but also sharing the burden between private persons, companies and the state. With its decision in favour of compulsory earthquake insurance, the National Council recognised that earthquake losses sustained by private individuals and companies cannot simply be passed on in full to the state. Rather, the latter must concentrate its personnel and financial means on the tasks of crisis intervention and the restoration of infrastructure, while insurers can focus on investigating and settling claims.

The SIA is fully prepared to participate in developing the new earthquake insurance and to make its expertise available to design transparent, customer-oriented, and cost-effective insurance cover.

Insurers' proposals included in Via sicura package of measures

In order to enhance road safety and reduce the number of accidents, the Federal Council has tailored a package of measures known as Via sicura. While the SIA supports the basic thrust of the package, it feels that some of the measures are unsuited to achieving the desired objectives.

In particular, it feels action is needed in respect of two measures proposed by the Federal Council. Under the first of these, it will be mandatory for liability insurers to seek recourse against the person who caused the accident in all cases where the rules of the road have been violated in a grossly negligent manner. The SIA opposes this undifferentiated form of recourse as it would also include those road users who drive responsibly. The Federal Council's intention in introducing mandatory recourse was to make irresponsible drivers – e.g. speed merchants and drink-drivers – pay for their offences. That is why the SIA proposes restricting mandatory recourse: it should apply only in cases where the accident was caused by speeding or the driver's unfitness to drive, e.g. through drunkenness.

The second problem is that, under Via sicura, the Federal Council will oblige insurance companies to capture and pass on road traffic accident data. The insurers are prepared to make their data available as they support the goal of preventing future accidents. However, they feel this ought to be limited to the normal data they gather in the course of claims settlement, and that they should not be obliged to collect additional data.

Parliamentary consultations on Via sicura began during the 2011 summer session. Although the Council of States was not persuaded by the SIA's arguments, the National Council accepted the SIA's proposed amendments in the winter session of parliament.

The differences between the two chambers were resolved at the start of this year, with the Council of States accepting the decision of the National Council in both points – mandatory recourse and the provision of data. Owing to other differences of opinion, parliament will need to discuss the package again before enactment.

Longer limitation periods under liability law

The Federal Council plans to extend the limitation periods under liability law, to harmonise all statutes of limitations and to remove legal uncertainties as regards limitation periods. On 31 August 2011, it therefore began the consultation process for a corresponding revision of the Code of Obligations.

The Federal Council's draft bill adopts the concept of double limitation periods, according to which all claims must be brought within a short relative limitation period of three years, but will additionally be subject to an absolute limitation period of ten years.

The relative limitation period begins when the claimant notices the damage and knows who caused it. By contrast, the absolute limitation period commences the moment the damage is caused. In cases where people are made ill, injured or killed, the Federal Council has proposed a maximum limitation period of 30 years. By extending the limitation periods, the Federal Council wants to afford victims greater protection against latent and long-term injuries.

The SIA supports this revision as simplification of the limitation laws will reduce claims settlement costs. What is more, the existing relative limitation periods in the non-contractual field are in fact quite short when compared with those in other countries. A three-year relative limitation period satisfies both current needs and legal practice.

When setting the absolute limitation periods, special attention must be paid to the criterion of legal certainty. That is why the SIA rejects the 30-year limitation period for bodily injury. In most cases, an absolute limitation period of 10 years affords victims adequate protection. It is not asking too much to expect claimants to lodge their claims quickly.

Shortcomings of the new Federal Act on Insurance Contracts

The Federal Act on Insurance Contracts (FAIC), which sets down the rights and obligations of both insurance companies and their customers, was first enacted in 1908 and is due for a total revision. One of the central goals of the revision is to enhance consumer protection in the insurance industry. The total revision of the Federal Act on Insurance Contracts goes hand in hand with a partial revision of the Insurance Supervision Act. On 7 September 2011, the Federal Council brought the roughly nine-year-long pre-parliamentary stage to an end by passing the draft bill and corresponding Message. In January 2012, the relevant committee of the primary council – the National Council's Committee for Economic Affairs and Taxation – commenced its preliminary deliberation of the draft bill.

> “The draft law doubles the number of mandatory provisions: while the current FAIC has 59 mandatory articles, the draft law sets forth 117.”

As the total revision of the FAIC and the associated partial revision of the Insurance Supervision Act are of key significance to the insurance industry, the SIA last year not only showed great interest in the revision process, but also played an active part in it. While the SIA in principle favours the total revision, its careful analysis of the draft bill has revealed a number of fundamental shortcomings. The SIA will throw its weight behind eliminating these shortcomings during the parliamentary debate.

Questionable interference with freedom of contract

Being a supplementary implementing decree to the Code of Obligations, the FAIC falls within the domain of private law. One of the pillars of private law is freedom of contract, which is protected as a fundamental right and may be encroached upon in exceptional cases only. In its current form, the draft law represents a massive encroachment on freedom of contract. It doubles the number of mandatory provisions: while the current FAIC has 59 mandatory articles, the draft law sets forth 117. Of these 117 articles, 57 are explicitly listed as being mandatory in the annex to the draft law, while the binding nature of the other 60 articles is apparent from the Federal Council's Message.

This doubling of the number of mandatory provisions constitutes overregulation, as can be seen from the following proposed revisions:

- The insurer's obligation to provide information in the precontractual phase has been greatly expanded, which is both unnecessary and could lead to problems under antitrust law.
- The draft bill proposes a general right of cancellation following conclusion of the insurance contract and every time an amendment is made to it. No other industry has such a broad right of cancellation.
- The draft bill contains quite a number of questionable provisions, which will make insurance contracts more expensive. These include, for example, an obligation on the part of the insurer to cover all costs incurred to prevent or mitigate losses and to assess their extent.
- The draft even proposes nationalisation of the Ombudsman Centre. The Centre was set up by the insurance industry in 1972 on its own initiative and has worked perfectly well since then. It is fully financed by the industry and provides free consultation to insurance customers.

The SIA criticises these proposals as excessive and, during the parliamentary debate, will direct its efforts towards doing away with them.

Amendments from the partial revision ignored in the draft bill

In 2006, a partial revision of the FAIC came into force, implementing issues of importance to consumers. These included, for example, the insurer's duty to provide information and a revision of the system for sanctioning breaches of the insured persons' duty of disclosure.

> “A partial revision of the FAIC implemented issues of importance to consumers.”

These changes, which were the result of a six-year revision process, have proven their worth in practice. It is thus incomprehensible why these points have not been integrated unchanged in the new draft bill. Instead, they are to be amended yet again. It is not merely a question of the high costs to insurers of implementing the changes necessitated by the partial revision. Insurers and their customers alike ought to be able to rely on the fact that legal provisions will not be changed constantly.

The draft bill encourages insurance fraud

Insured persons form a community based on solidarity. The danger that individuals will try to enrich themselves at the expense of the community as a whole is inherent in such systems. The possible methods involved range from abusive practices when concluding an insurance contract and the lodgement of bogus claims through to fabricating or deliberately causing insured losses. This problem has become so prevalent in recent years that insurance companies have deemed it necessary to set up special anti-fraud departments. A study carried out for the German insurance market even came to the result that one in ten insurance claims notified is actually fraudulent.

“The new FAIC needs to counter abusive and fraudulent insurance claims with appropriate sanctions.”

The new FAIC needs to counter abusive and fraudulent insurance claims with appropriate sanctions. Anything less than this will create incentives for insurance fraud, make insurance coverage more expensive and ultimately be to the detriment of honest insurance customers.

That is why, in its contribution to the consultation process, the SIA demanded a separate article specifically targeting insurance fraud. Regrettably, no such article is to be found in the Federal Council’s draft bill. This needs to be rectified in the interests of the community of insured persons.

Estimate of follow-up costs of regulation far too optimistic

The Federal Council estimates the follow-up costs of the new regulations to be just CHF 10 million for the industry as a whole. In the SIA’s view, this is utterly unrealistic. After all, the revisions proposed by the Federal Council affect not only product design and distribution, but also claims handling, contract administration and contract termination processes. The proposed revisions will thus have numerous consequences for both the operational processes and underwriting practice of insurers, and will lead to correspondingly higher costs. The SIA puts the one-off implementation costs at around CHF 450 million and the annual recurring costs at around CHF 750 million. The following proposed revisions, for instance, will generate one-off implementation as well as annually recurring costs:

- regulations concerning product design, and the obligation on the part of the insurer to cover all costs incurred to prevent or mitigate losses and assess their extent;
- additional services to be provided by the insurer on conclusion of the insurance contract, e.g. an extended duty to provide precontractual information or the obligation to prepare consultation records;
- the insured persons’ right to cancel the policy after conclusion and when any amendments are made to it;
- the new regulations concerning breaches of the duty of disclosure, which would be practically without effect in the event that insurance customers breached their obligations under the insurance policy.

Given the duty to remain solvent imposed upon them by insurance supervisory law, the insurers would be forced to pass on these additional costs to their customers in the form of higher premiums.

The draft bill is not viable for e-commerce

The over 100-year-old FAIC needs to be adapted to the modern business world – in which insurance policies are concluded online and smartphone apps used to report claims – and made viable for e-commerce. The Federal Council’s draft bill does not meet these requirements. It retains the term “in writing” used in the current FAIC, thus signalling that nothing has changed. In contrast, the draft bill proposed by the commission of experts in 2006 generally replaced “in writing” with “in text form”, thus bringing insurance contract law into line with modern electronic means of communication.

“The SIA will do everything in its power to ensure a more practice-oriented revision is ultimately passed.”

It is now up to parliament to take these evident shortcomings into account in its debate of the draft bill. The SIA will do everything in its power to ensure the shortcomings are rectified and a more practice-oriented revision is ultimately passed.

The Swiss solvency test yield curve needs improvement

The Swiss solvency test (SST) has been binding since 1 January 2011. Since that date, insurance companies have had to comply with the capital requirements of the SST. Although the Swiss insurance industry supports the SST, there are still a few differences of opinion in matters of material importance between the Swiss Financial Market Supervisory Authority (FINMA) and the private insurance industry. That is why the SIA kept up its dialogue with FINMA throughout the whole of last year.

> “There are a few differences of opinion between the supervisory authority and the private insurance industry.”

One of the points of dispute between FINMA and the private insurers concerns the yield curve used to discount liabilities and thus calculate the value of future insurance benefits. At the end of 2010, a joint working group comprising representatives of FINMA and the SIA developed proposals for determining the yield curve. FINMA approved these proposals and set the yield curve for 2011 and for the Swiss franc accordingly. A feature of the yield curve is that the yields on Swiss government bonds are taken as the basis for short terms. As from a term of 15 years – the so-called last liquid point – the interest rates converge towards a long-term interest rate of 2.9%. It takes a very long time – more than about 90 years – to get anywhere close to this long-term interest rate.

> “Differing capital requirements will distort competition.”

In the late spring of 2011, the joint FINMA-SIA working group convened again in order to set the yield curve for 2012 and beyond. The SIA proposed remaining with the 2011 yield curve – with just two adjustments. In the first of these, the SIA wanted the selected two-part approach – the use of government bonds on the one hand and convergence towards a long-term interest rate on the other – to apply not only to Swiss francs, but also to all other currencies, albeit with different last liquid points and different long-term interest rates in each case. In the second, the SIA favoured removing the provision according to which all Swiss government bonds with a remaining term of more than 15 years are to be evaluated using the extrapolated yield curve. Although FINMA took both of the SIA's demands into consideration, it amended the provisions for the new yield curve in such a way that non-hedgeable interest rate risks have to be taken into account as from the last liquid point when calculating the minimum amount and thus the target capital. The SIA rejects this provision for both methodological and practical reasons.

Supervision Ordinance needs amendment

Even though the yield curve for 2012 has already been made known, no long-term solution to the problem is in sight. It is not just the design of the yield curve that serves to increase the capital requirements under the SST – other critical points tend to produce the same effect. It is already evident that the capital requirements of the EU's new solvency regime (Solvency II) will be less strict than those of the SST. That is problematical in that differing capital requirements will distort competition and prevent a level playing field between Swiss insurers and insurance companies domiciled in the EU. For this reason, the SIA last year began formulating specific proposals to amend the Swiss Supervision Ordinance. The proposed amendments will affect the yield curve, the treatment of risk scenarios, and the assessment of real estate risks.

> “The SIA began formulating specific proposals to amend the Swiss Supervision Ordinance.”

In September 2011, the SIA submitted its proposed amendments of the Supervision Ordinance to Federal Councillor Eveline Widmer-Schlumpf, head of the Swiss Federal Finance Department. Gauging from her response, Ms Widmer-Schlumpf considers any amendment to the Supervision Ordinance at the present time to be premature. In the months ahead, she said, it will in any case be necessary to reform the Swiss Insurance Supervision Act, in particular to ensure that Swiss oversight does not diverge from European practice. In this context, the aspects criticised by the SIA will come up for discussion again.

Recognition of Swiss insurance supervision making progress

The EU's Solvency II Directive of 25 November 2009 offers the possibility of recognising the insurance supervision of third countries as equivalent. Switzerland is striving to achieve this recognition, which is referred to as "equivalence". Equivalence is of particular importance for the group supervision of Swiss insurance companies and for Swiss reinsurers.

The European Insurance and Occupational Pensions Authority (EIOPA) is responsible for assessing the equivalence of Swiss insurance supervision on behalf of the European Commission, and it liaises in Switzerland with the Swiss Financial Market Supervisory Authority (FINMA).

> "FINMA continually kept the SIA abreast of developments with detailed information."

The formal examination commenced in early 2011 when FINMA completed a detailed questionnaire. An on-site examination followed, with two teams from EIOPA visiting FINMA from 11 to 19 May 2011. In the course of around 20 interviews, each lasting several hours, the teams took a close and thorough look at FINMA's supervisory process, its corporate governance as well as the Swiss solvency test. FINMA's processes and the statements it made were verified and assessed with the aid of sample cases. Throughout the entire process, Monica Mächler, vice-chair of the board of directors of FINMA, continually kept the SIA abreast of developments with detailed information. In the course of the equivalence assessment, EIOPA also visited a small Swiss insurance company in order to carry out interviews.

Swiss supervision gets good marks

Following its assessment, EIOPA prepared a report, a first draft of which was published on 17 August 2011. On the whole, the Swiss system of supervision got very good marks. It came as no surprise that EIOPA expressed a number of reservations concerning disclosure obligations, as these are currently not as comprehensive in Switzerland as in the EU. EIOPA also expressed concerns regarding some aspects of governance, saying that all insurers ought to have a compliance function and an internal auditing department in place. EIOPA asked any and all interested parties to submit their comments on the draft report. The SIA took advantage of this opportunity and sent EIOPA a brief, general commentary on 21 September 2011.

> "The Swiss system of supervision got very good marks."

On 24 October 2011 EIOPA published its definitive report assessing the equivalence of Swiss insurance supervision as well as a consultation report. The consultation report shows that, in addition to the SIA, four other organisations submitted opinions on the draft assessment report: FINMA, the Association of British Insurers, the European Insurance CFO Forum and the European Captive Insurance and Reinsurance Owners' Association. None of these statements contained any negative remarks concerning the equivalence of Swiss insurance supervision. The definitive assessment report for Switzerland deviated only in very minor ways from the draft report.

Swiss supervisory authority should gain recognition of equivalence in 2013

The European Parliament is currently debating the new Omnibus II Directive, which amends the Solvency II Directive of 25 November 2009. The amendments also include the articles concerning equivalence. Since EIOPA's assessment was based on the Solvency II Directive, the organisation intends to carry out another, briefer assessment of the equivalence of Swiss supervision once the Omnibus II Directive has been passed.

> "The SIA remains confident that the Swiss insurance supervisory authority will obtain recognition of equivalence."

The SIA remains confident that the Swiss insurance supervisory authority will obtain recognition of equivalence from the European Union. However, the original date for a definitive decision – mid-2012 – no longer looks realistic. Instead, a decision is expected in 2013.

Parliamentary initiatives demand abolition of stamp duty on insurance premiums

The SIA remained committed to the abolition of stamp duty on insurance premiums in 2011. Stamp duty on premiums makes insurance more expensive and places it at a disadvantage compared with other financial products, which are not subject to tax.

> "Stamp duty on premiums makes insurance more expensive."

The abolition of stamp duty on life insurance premiums is one of the items at the top of the SIA's agenda. While abolition of the duty would lead to an annual shortfall of CHF 30 million in tax income, the SIA rejects any compensatory measures designed to make up for this shortfall. Instead, it advocates the introduction of the situs principle for stamp duty on non-life insurance premiums. On the basis of this principle, the country in which the insured risk is located is responsible for taxing the relevant insurance cover. Application of this principle would generate additional tax income for the Confederation by repatriating insurance business to Switzerland that currently is no longer written here.

Federal Council opposes abolition of insurance tax

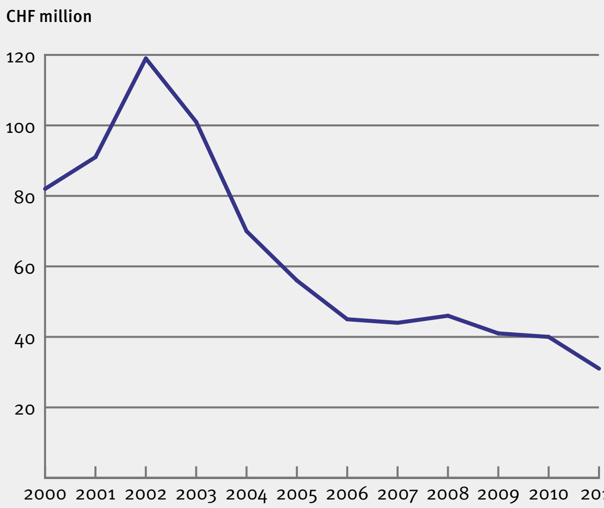
In summer 2011, the Federal Tax Administration published a report commissioned by the Federal Council on the gradual abolition of stamp duty. This report comes to the conclusion that stamp duty on insurance premiums is a justifiable substitute for the exemption of insurance premiums and benefits from value-added tax. In the event that stamp duty is nevertheless abolished, the report recommended the adoption of compensatory measures. Since the report did not always properly reflect the facts when it came to stamp duty on insurance premiums, the SIA produced an opinion on it, as a result of which the Federal Tax Administration promised to amend and improve its report.

In December 2011, the Federal Council acknowledged the report. After already deciding to abolish stamp duty on new debt, the Federal Council now intends to do away with stamp duty on equity issues as part of the third corporate tax reform. However, it wants to retain the other types of stamp duty, i.e. federal sales tax and stamp duty on insurance premiums, and proposes merely to consider a transition to the situs principle for pecuniary loss insurance.

Parliamentary initiatives demand abolition of stamp duty

In the course of 2011, two new parliamentary initiatives calling for the abolition of stamp duty were submitted: the motion "Abolition of stamp duty on non-life and pecuniary loss insurances" and the motion "Abolition of stamp duty on surrenderable life insurances". That brought the total number of pending parliamentary initiatives to five. In respect of the parliamentary initiative "The gradual abolition of stamp duty will create jobs", the National Council's Committee for Economic Affairs and Taxation prepared a preliminary draft for a corresponding revision of the Federal Act on Stamp Duty and passed that draft on 10 January 2012. The preliminary draft limits itself to the abolition of stamp duty on new debt and equity issues, the first point covered by the parliamentary initiative. Abolition of stamp duty on insurance premiums and of federal sales tax – points two and three of the initiative – were referred to a subcommittee, which is tasked with preparing an additional draft.

Stamp duty on single-premium products



In 2011, stamp duty receipts on single-premium life insurance policies amounted to CHF 31 million.

Source: Federal Tax Administration

Distribution of financial products put to the test

For several years now, financial products for private customers have been the subject of political debates and initiatives both in Switzerland and abroad. In Switzerland, the Financial Market Supervisory Authority (FINMA) examined the distribution of financial products and published a corresponding discussion paper. At the heart of this paper was the question of whether a new financial services act is needed in order to protect customers.

The SIA submitted its opinion of the discussion paper on 9 May 2011. In its view, there is no need for a financial services act that includes insurance products because these products and their distribution are already regulated – in the Federal Act on Insurance Contracts and the Insurance Supervision Act – and both acts are currently being revised and expanded.

In view of the immense variety of financial products on the market, it would not be expedient to introduce a single financial services law covering the entire financial market. The problems that FINMA sees in the areas of investment consultancy and asset management would best be solved through sector-specific improvements in regulation. As a rule, enhancing consumer protection generates additional costs. That is why the SIA criticises the fact that, in its discussion paper, FINMA fails to mention the attendant costs of new or supplementary regulations. This point must be given more scope in the further course of the debate. Finally, it is the SIA's view that legal developments at European level must be taken into account. It is imperative that the competitiveness of the Swiss finance sector is not jeopardised through regulation that goes further than other countries'.

> **“There is no need for a financial services act that includes insurance products.”**

In February 2012, FINMA published a proposal for a package of measures. The centrepiece of this package is the introduction of a financial services law that prescribes uniform rules of behaviour and beefed-up product documentation. The Federal Council subsequently commissioned the Federal Department of Finance to prepare a corresponding draft law.

Swiss insurance companies are not a systemic risk

The global financial crisis raised questions concerning the systemic relevance of large financial services providers. Can companies of this kind go bankrupt without causing enormous damage to the economy as a whole? Or are they simply too big to fail? What rules and regulations are required in order to limit the risks to the economy posed by large financial institutions?

The Federal Council appointed a panel of experts in order to answer these questions. On the basis of the panel's report, the Federal Department of Finance prepared a draft amendment to the Banking Act and referred it to the consultation process. The SIA produced an opinion on both the panel of experts' report and the draft bill. In the summer and autumn sessions of parliament in 2011, both the National Council and the Council of States passed the amendment to the Banking Act. According to the experts' report, Swiss insurers – unlike Swiss banks – currently lack the size and market share to pose a systemic risk. This means that, despite the great significance of the insurance industry for the economy as a whole, an insurance company subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA) would not necessarily enjoy protection in the event of bankruptcy.

The SIA concurred with the experts on this point, as did the Federal Council. The SIA also agreed with the statement made in the experts' report that the system of supervision as it stands – and enhanced by the insurer's business model, which is geared to long-term sustainability – has proved adequate and does not require any fundamental changes.

However, the SIA was unable to share the opinion expressed by the experts that the resilience of the insurance industry could be further increased by improving the management of liquidity risks and placing this area under regular supervision. In the SIA's opinion, the existing system of risk management works extremely well and therefore does not need adjustment.

European Court of Justice bans gender-specific premiums

Gender-specific insurance premiums will be banned within the European Union (EU) with effect from 21 December 2012. This decision, which was made by the European Court of Justice (ECJ) on 1 March 2011, overturned the current exemption of insurance companies from the EU's Equal Treatment Directive.

In late 2011, the European Commission published guidelines fleshing out the court ruling. According to these guidelines, the decision will apply only to new business written on or after 21 December 2012. Nevertheless, the decision will lead to higher administration expenses for insurers.

The SIA commissioned Christa Tobler, Professor of European Law at the Europa Institute of the Universities of Basel and Leiden (Netherlands), to examine whether and, if so, to what extent Switzerland and Liechtenstein would be affected by the ECJ's decision. Tobler came to the conclusion that the decision had no direct legal consequences for either Switzerland or Liechtenstein. The latter country is so important because Swiss private insurers transact property and accident insurance business in Liechtenstein.

Tobler pointed out that the bilateral relationship between Switzerland and the EU contains no ban on gender discrimination and that, in particular, the European Equal Treatment Directive does not form part of the bilateral treaty. Although based on European law, the Swiss Gender Equality Act does not cover services.

By contrast, the European Equal Treatment Directive does form part of the treaty between the EU and the European Economic Area (EEA), to which Liechtenstein belongs. Nevertheless, the court's decision will not automatically lead to amendment of the Equal Treatment Directive in EEA law. Any amendment would have to be agreed by the EEA Joint Committee or initiated by the Court of Justice of the European Free Trade Association (EFTA).

Finally, Tobler came to the conclusion that it will still be possible to levy gender-specific premiums on EU citizens living in Switzerland.

Foreign Account Tax Compliance Act threatens the Swiss insurance industry

By means of the Foreign Account Tax Compliance Act (FATCA), the United States has, to all intents and purposes, introduced a new 30% withholding tax on income originating in the United States.

In order to gain exemption from the new withholding tax, the foreign financial institutions have to sign an agreement with the US tax authorities. By signing the agreement, foreign financial institutions are obliged to provide the US tax authorities with annual updates on those of their accounts that belong to persons subject to US taxation or foreign companies in which a person subject to US taxation holds a direct or indirect stake of more than 10 percent.

Against this backdrop, the SIA assumes that FATCA will to some extent have a strong effect on Swiss insurance companies. If FATCA were to apply to occupational pensions, the repercussions would be very serious. Over the past year the SIA has thus lobbied the Federal Council, the State Secretariat for International Financial Matters, Insurance Europe, and the European Commission to exert influence on the US authorities with the aim of exempting insurance companies from FATCA.

“FATCA will to some extent have a strong effect on Swiss insurers.”

In spite of the enormous efforts made, it was still unclear at the end of 2011 exactly how FATCA will be implemented. Early this year, the US indicated that countries willing to exchange data would face a milder version of FATCA.

The Swiss Insurance Association undertook numerous activities in 2011 as part of its representation of interests.

Occupational pensions

Opinion piece: Squaring the circle, specialist journal *Schweizer Versicherung*, February 2011

Hearing: Co-management of collective foundations of life insurers, BVG Sub-committee of the National Council's Committee for Social Security and Health, 8 February 2011

Consultation process: Amendment of the ordinances implementing structural reform, 21 February 2011

Opinion: Survey of the Swiss Employers' Association on the minimum conversion rate for occupational pensions, 8 July 2011

Publication: Thoughts on the further development of occupational pensions – concept for benefits and financing, August 2011

Opinion: Consultation of social partners concerning minimum interest rate for occupational pensions, 26 August 2011

Media release: The minimum interest rate for 2012 is too high, 2 November 2011

Meeting with members of parliament: Occupational pensions, 5 December 2011

Health insurance

Consultation process: Risk-based provisions in social health insurance, 13 April 2011

Consultation process: Federal Law on Supervision of Social Health Insurance, 9 May 2011

Meeting with members of parliament: Supervision of health insurers and the proposed 'single health insurer', 30 May 2011

Consultation process: Counterproposal of the Federal Council to the popular 'Ja zur Hausarztmedizin' initiative in favour of general practitioners, 6 July 2011

Meeting with members of parliament: Health insurance, 5 December 2011

Consultation process: Federal Law on Electronic Patient Files, 20 December 2011

Buildings insurance monopolies

Presentation: No expansion of state insurance monopolies, 28 January 2011

Media release: Competition Commission dictates conditions for buildings insurers, 8 December 2011

Via Sicura

Meeting with members of parliament: Via sicura, 30 May 2011

Federal Act on Insurance Contracts

Presentation: For a liberal, up-to-date Federal Act on Insurance Contracts, 28 January 2011

Technical paper: No unnecessary restrictions on freedom of contract, specialist journal *IVW Management-Information*, March 2011

Meeting with members of parliament: Federal Act on Insurance Contracts (FAIC), 30 May 2011

Technical paper: Increasing transparency in respect of brokers' compensation – the SIA's standpoint, specialist journal *HAVE*, June 2011

Media release: Insurance contracts have to be complied with too, 7 September 2011

Meeting with members of parliament: Total revision of the Federal Act on Insurance Contracts, 5 December 2011

Swiss solvency test

Presentation: Full implementation of the Swiss solvency test on 1 January 2011, 28 January 2011

Negotiations: Yield curves for the Swiss solvency test 2012, Swiss Financial Market Supervisory Authority (FINMA), 28 June 2011

Negotiations: Proposals for adapting the Supervision Ordinance, Swiss Financial Market Supervisory Authority (FINMA), 19 September 2011

Media release: EU legislation under observation, 1 December 2011

Conference: Latest regulatory developments in the EU and their effects on the Swiss insurance industry, 1 December 2011

Meeting with members of parliament: Insurance supervision, 5 December 2011

Equivalence

Opinion: Draft report of the EIOPA to assess the equivalence of Swiss insurance supervision, 21 September 2011

Media release: EU legislation under observation, 1 December 2011

Conference: Latest regulatory developments in the EU and their effects on the Swiss insurance industry, 1 December 2011

Stamp duty

Opinion: Federal Tax Administration report on 'Gradual abolition of stamp duty', 14 September 2011

Distribution of financial products

Opinion: Discussion paper 'Regulation of the production and distribution of financial products to retail clients – current status, shortcomings and proposed measures', Swiss Financial Market Supervisory Authority (FINMA), 9 May 2011

Unisex premiums

Expert opinion: Consequences for Switzerland of the *Test-Achats* judgment of the European Court of Justice, 15 July 2011

Media release: EU legislation under observation, 1 December 2011

Conference: Latest regulatory developments in the EU and their effects on the Swiss insurance industry, 1 December 2011

Insurance industry

Media release: Swiss insurers well on their way, 28 January 2011

Publication: Facts and Figures 2011, 28 January 2011

Presentation: The Swiss private insurance industry is well on its way, 28 January 2011

Meeting with members of parliament: Latest developments in the insurance industry, 30 May 2011

Presentation: Challenges and opportunities for the Swiss private insurance industry, 18 August 2011

Opinion piece: Maintaining the top position while building up strength, specialist journal *Schweizer Versicherung*, September 2011

Conference: Latest regulatory developments in the EU and their effects on the Swiss insurance industry, 1 December 2011

Prevention

Conference: First private sector health promotion conference, 27 January 2011

Media release: It's all a question of the right position – properly adjusted headrests reduce risk, 5 May 2011

Campaign: Use your head – use a headrest

Campaign: Slow down – take it easy

Campaign: Minimising collisions with wildlife

Insurance medicine

Publication: *Medinfo* 2011/1, The locomotor system, June 2011

Conference: Medical conference, 17 November 2011

Publication: *Medinfo* 2011/2, Aspects of health screening, December 2011

Education

Insurance Intermediary Association of Professional Insurance Education (VBV): 639 Insurance Intermediary certificates awarded, March/June/October 2011

Opinion piece: Gaining new skills, specialist journal *Schweizer Versicherung*, May 2011

Conference: Conference for training and personnel officers in the insurance industry, The challenge of demographic change – a change of paradigm in HR strategy, 25 May 2011

Negotiations: Education Ordinance for basic commercial apprenticeships, September 2011

Advanced Diploma in Insurance (HFV Insurance Management School): 93 diplomas awarded, October 2011

Swiss Federal Certificate in Insurance: 186 certificates awarded, October 2011

Association of Professional Insurance Education (VBV) Insurance Assistant: 34 certificates awarded, November 2011

Opinion piece: Attracting qualified staff, specialist journal *Schweizer Versicherung*, December 2011

Swiss Insurance Association

Media conference: Annual media conference, 28 January 2011

Annual General Meeting: 23 June 2011

Media release: Urs Berger is the new Chairman of the Swiss Insurance Association, 23 June 2011

Publication: Annual Report 2010, 23 June 2011

Presentation: The fascination of insurance, 23 June 2011

Other activities

Consultation process: Partial revision of the Code of Obligations (sanctions for abusive or unjustified termination), 14 January 2011

Consultation process: Partial revision of the tax laws of the Canton of Aargau, 26 January 2011

Hearing: Amendment of Swiss Stock Exchange Act (abolition of controlling-interest premium), 25 February 2011

Opinion: Survey of the Swiss Employers' Association on participation in the equal pay dialogue, 30 March 2011

Opinion: Survey of the Federal Office for Migration on the free movement of persons between Switzerland and EU/EFTA, 31 March 2011

Opinion: Circular letter 'Technical provisions in reinsurance' of the Swiss Financial Market Supervisory Authority (FINMA), 14 April 2011

Hearing: Imputed rental value taxation, the National Council's Committee for Economic Affairs and Taxation, 19 April 2011

Preliminary discussion: Circular letter 'Liquidity reporting' of the Swiss Financial Market Supervisory Authority (FINMA), 18 May 2011

Opinion: Survey of the Federal Office for Migration on quotas for workers from third countries, 7 June 2011

Consultation process: Amendment of the Federal Law on Collective Capital Investments, 7 October 2011

Preliminary discussion: Position paper 'Auditing' of the Swiss Financial Market Supervisory Authority (FINMA), 11 October 2011

Preliminary discussion: Proposal of the Swiss Financial Market Supervisory Authority (FINMA) for assessing tied assets, 21 October 2011

Opinion: Survey of the Federal Department of Defence, Civil Protection and Sport on training and service in the Swiss armed forces, 10 November 2011

Interview: Research project of the Federal Social Insurance Office on 'Retirement in the context of demographic developments', 10 November 2011

Meeting with members of parliament: Non-life insurance, 5 December 2011

Media release: Bicycle registration sticker to be abolished in 2012, 19 December 2011

Opinion: Exposure Draft on Investment Entities prepared by the International Accounting Standards Board, 19 December 2011

Other communication activities

Media work: Answers to over 200 media enquiries

Newsletter: Mailing of 46 issues

Guidebook: Publication of 46 topics

Social media: Presence established on six social media platforms, April 2011

Website: Publication of over 500 pages and documents

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 the private insurance industry. Around 70 small and large, national and international primary insurers and reinsurers are members of the SIA, employing more than 48 000 people in Switzerland. SIA member companies account for over 90 % of private insurance premiums generated in the Swiss market.

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

> "The SIA is committed to promoting a business-friendly environment."

The SIA is mainly active in the following areas:
- social security (occupational pensions, life insurance, medical insurance, accident insurance)
- insurance law and supervision
- competition and regulation
- economic and fiscal policy
- climate and environment protection
- prevention
- education and training

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

National and international representation of industry interests
The SIA forms political opinion by actively proposing practical solutions based on jointly prepared positions that enjoy broad support. In doing so, it aims to help shape realistic parameters and to simplify and standardise the laws and standards that make private insurance solutions possible.

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

> "The SIA represents the common interests of its members."

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

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

> "The SIA is a member of national and international associations and organisations."

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

The Swiss Insurance Association has 71 members (as at 1 January 2012).

Life insurance companies

Allianz Suisse Lebensversicherungs-Gesellschaft AG
Bleicherweg 19
8022 Zurich
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 Zurich
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

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

SEV Versicherungen Genossenschaft
Arnold Böcklin-Strasse 41
4011 Basel
www.sev-online.ch

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

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

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

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

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

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

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

Non-life insurance companies

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

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

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

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

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

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 Zurich
www.cap.ch

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

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

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

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

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

DAS Protection Juridique SA
Route de Pallatex 7a
1163 Etoy
www.das.ch

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

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

Europäische Reiseversicherungs AG
Margarethenstrasse 38
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 Zurich
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 Zurich
www.hdi-gerling.ch

Helvetia Schweizerische Versicherungsgesellschaft AG
Dufourstrasse 40
9001 St. Gallen
www.helvetia.ch

Infrassure Ltd
Uetlibergstrasse 134A
8045 Zurich
www.infrassure.com

Inter Partner Assistance
Geneva Branch
2, Cours de Rive
1204 Geneva
www.inter-partner.ch

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

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

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

Amlin AG
Kirchenweg 5
8008 Zurich
www.amlinre.ch

Catlin Re Schweiz AG
Feldeggstrasse 4
8008 Zurich
www.catlin.com

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

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

Managing Board

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

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

Martin Albers
Chairman, *Swiss Re Holding Ltd*

Thomas Buberl
CEO, *Zurich Switzerland*

Philippe Egger
CEO, *AXA Winterthur*

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

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

Markus Hongler
CEO, *Die Mobiliar*

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*

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

Georg Portmann
CEO, *CSS Versicherung*

as at 31.12.2011

Committees and commissions

Managing Board | Chairman Urs Berger, *Die Mobiliar*

Committees

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

Commissions

Education	Finance and Regulation	Health/Accident	Life	Non-Life	Campaigning
	Accounting Daniel Thalmann, *Swiss Life* **Law and Compliance** 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** Margrit Elbert, *Die Mobiliar* **Natural Perils Pool** Bruno Kuhn, *Die Mobiliar*	

as at 31.12.2011

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	Claims Managers	Education and Training	SVV Solution AG – Clearing house eVN – Car Claims Info – Statistics – Portal for the mandatory exchange of co-insurance data	Finance and Accounting
Insurance Law/ Financial Market Supervision	Public Affairs	Life Insurance	Credit and Guarantee Insurance	Education Partners	Buildings Surveying	Human Resources
Economic Issues	Issues Management	Accident Insurance	Insurance Fraud			IT
Accounting	Publications	Health Insurance	Legal Expenses Insurance			Reception and Logistics
Taxes	Online Communications	Prevention	Liability Law/ Liability Insurance			Secretariat
Investment Issues	Event Management	Insurance Medicine	Motor Insurance			
Employer Issues		Medical Tariffs	Non-Life Insurance			
General Legal Issues			Technical Insurance			
			Transport Insurance			
		Competition Law/ Compliance	Natural Perils Pool			
		Self-Regulatory Organisation				
		Money Laundering				

as at 31.12.2011

[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

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

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

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

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

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

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

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

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

Swiss Trade Association, www.sgv-usam.ch

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

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

Representations

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

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

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

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

Federal Committee for General Services and Fundamental Questions

Federal Committee for Occupational Pensions

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

Federal Committee for Consumer Affairs

Federal Committee for Economic Policy

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

FMH Swiss Medical Association, professional association of the Swiss medical 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, the SIA is represented in the panel of experts and the administrative committee, www.fvsfsrfss.ch and www.expertenrat.ch.

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

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

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

Medical Tariffs Commission UVG, commission for 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 in the Committee.

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

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

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

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

Swiss Employers' Association, umbrella association of Swiss employers, www.arbeitgeber.ch. The SIA is represented on the following bodies:
– Managing Board
– Social policy working group
– Professional Training working group

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

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

Swiss Insurance Medicine (SIM), Swiss community of interests for insurance medicine, www.swiss-insurance-medicine.ch. The SIA is represented on the Managing Board (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 of Insurance Economics of St Gallen University (IVW), www.ivw.unisg.ch, SIA education partner

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

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

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

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

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

Other partners

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

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

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

Fund to Safeguard Future Annuities

Buildings Insurance Community of Interests

Self-Regulatory Organisation of the SIA

SVV Solution AG, the SIA's services company

Imprint

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ASA | SVV

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

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