

ASA | SVV

Annual report 2017



Nothing happens without insurance.

The insurance industry has an enormous significance for the economy as a whole. Insurance providers cover property and casualty damages, they provide health and accident insurance as well as old-age insurance and even survivors' benefits, acting both as direct insurers and reinsurers. This means that they protect individuals from social hardships and prevent companies from going under – all the while contributing to generating value for the economy and for society as a whole. In private insurance, gross value added amounts to nearly CHF 21 billion. Insurers are among the largest and most significant investors in Switzerland – they build homes, they grant mortgage loans and act as supporters for many a start-up.

Insurance companies and their 46,000 employees in Switzerland are also major taxpayers. Moreover, the private insurers offer attractive positions and enable their employees to follow innovative, goal-oriented courses and trainings.

Report of the Chairman and the CEO

4

Priorities 2017

A fresh attempt to reform the pension system	8
Towards a more market-based health insurance system	10
"ausschalten-auftanken.ch" – a successful prevention campaign	11
Genetic testing of human beings	12
Integrating people with disabilities into the world of work	13
Cicero with strong growth	15
Attracting young professionals online	15
Pluvial floods – a new information platform	16
Cyber security – a challenge for the insurance industry	16
Autonomous cars of the future	17
An unbureaucratic solution for the protection of asbestos victims	18
Automatizing recourse procedures	19
Facts and figures	20
Risk-based capital requirements	22
Sustainability – an increasingly important aspect	23
Compliance with competition rules	23
Multinational enterprises to deliver country-by-country reports	24
Tax Proposal 17 – A relaunch by the Federal Council	25
Revision of the Federal Act on Insurance Contracts	26
Stronger data protection	28
Wage equality	29
The Financial Services Act – not applicable to the insurance industry	29
Strong and goal-oriented advocacy	30

The Swiss Insurance Association

Profile	33
One umbrella organisation for 77 companies	34
Committees and commissions	36
Head office	37
National and international contacts	38

Active change management

Demographic change is a major challenge for the Swiss old-age insurance and pension system. Life expectancy is on the increase; this has a significant impact on the characteristics and structure of our society. On average, people tend to get older, forcing pension funds and life insurers to pay out pensions for longer periods of time. While the number of pensioners is rising, the number of contributors shrinks steadily, thereby inverting the demographic pyramid and leading to a redistribution of the pension burden. Speedy reforms are needed in order to secure a sustainable future for the pension system. In September 2017 both the Swiss people and the Swiss parliament voted against the "Pension System 2020" reform, a generally unsatisfactory initiative as far as the SIA was concerned. However, as this reform would have reduced the redistribution of means from the working population to the pensioners – which is basically alien to the system – the SIA refrained from issuing any explicitly negative statements about the reform efforts. Nonetheless, it would be inappropriate to just sweep the negative voting result under the carpet. On the contrary: A reform that focuses strictly on old-age insurance while safeguarding the current level of benefits and maintaining the weighting of the two pillars is urgently called for.

Technological change is set to have an even more radical impact on our society. With digitalisation, traditional business areas and professions change and may even become obsolete, while new businesses and roles emerge. Change has become a constant in the lives of our customers, with the SIA and its members partially driving this trend. We are in the middle of a digital revolution. Big data, cyber risks and InsurTech are challenges we must meet, especially in insurance, all over the world. Consequently, there was keen interest in the "Insurance Europe Conference 2017". The SIA hosted this June 2017 event, welcoming some 400 representatives of the global insurance industry to Zurich

and thereby providing tangible evidence of Switzerland's importance as a major international insurance centre. The participants made it clear that the industry intends to turn digitalisation into an opportunity and to take an active part in shaping this change. Disruptive models breed innovation and new ideas, something the insurance industry has to use to its advantage, in order to further strengthen its position in the financial services industry.

In 2017 the private insurers in Switzerland once again assumed their responsibilities in the context of the Swiss economy. Insurance is a major player in the Swiss financial industry. The insurers' contribution to the overall economy amounts to some CHF 30 billion in added value. This is as much as has been contributed by the banks. In 2017, the insurance industry's solid performance once again proved how productive its members can be in a continuously challenging market environment. Its competitive position and its future growth opportunities should be intact, barring any further superfluous or restrictive regulation. Once again, life insurance has been marked by a demanding environment with year-on-year premium income trending below the 2016 results. However, the 3.8 percent decrease was less pronounced in 2017 than in the year before. Both individual life insurance and group life insurance have been affected by this trend. On the one hand, small and medium enterprises (SMEs) continued to look for full-insurance products to meet their occupational pension obligations. On the other, massive capital requirements and low interest rates, combined with the high conversion rate for occupational pensions, meant that life insurers were unable to fully meet this demand.



New leadership: Thomas Helbling and Rolf Dörig

Growth continued in property and casualty insurance. For the last 20 years, private insurers have ranked among the fastest growing industries in our country. Premiums in this field rose by 1.7 percent with the 2017 claims experience slightly higher than in previous years. The storm in Zofingen and hailstorms in Ticino and the region of Thun are the main reasons for the increase. Despite premiums being under continuous pressure for years, a rise in the issuance of motor vehicle licenses increased premium volume by 0.3 percent. In fire, natural disaster and property damage insurance, premium volume rose by 0.5 percent. Premium volume in supplementary accident and health insurance grew by 3.1 percent.

Change has also been a constant at the SIA itself. In the beginning of the year under review, Thomas Helbling succeeded Lucius Dürri as the association's CEO. At the SIA's annual general meeting, the delegates then elected their new chairman, Rolf Dörig. He has been Chairman of the Board of Directors of Swiss Life since 2009. Rolf Dörig succeeds Urs Berger who had been heading the association for six years. Before that, Urs Berger contributed to setting the course of the SIA for 15 years as a member of its Board. Six years ago, Urs Berger's presidency did not get off

to the best of starts. Various insurance companies were then toying with the idea of leaving the association – they have maintained their membership to this day. Urs Berger has achieved a near impossible feat: He strengthened our association with its highly diverse members by constantly finding common ground for all concerned. Under the aegis of the new chairman, the industry will continue to move forward. After intensifying its activity in Italian-speaking Switzerland for several years, the SIA has founded a proper Ticino section in 2017. The "SIA section Ticino" will be able to focus even more on regional particularities; moreover Board has set up a new structure for both the SIA head office and its extra-official bodies. The association is therefore well equipped to face the future and to efficiently represent the interests and concerns of the private insurers and their customers.

Rolf Dörig
Chairman

Thomas Helbling
CEO

Priorities 2017



A fresh attempt to reform the pension system

The parliamentary winter session 2016 and the first week of spring session 2017 saw the consensus negotiations on the “Pension system 2020” reform. The National Council and the Council of States both agreed on setting the official retirement age at 65 for both men and women, on a more flexible approach to retirement (between ages 62 and 70) and on the lowering of the conversion rate for occupational pensions from 6.8 percent to 6.0 percent. Consensus on the compensation for the lower conversion rate and on the VAT increase was more difficult to reach: The Council of States linked this compensation to an increase in state pensions (AHV/AVS) by CHF 70/month. In addition, it decided to raise VAT by 1.0 percentage points. On the other hand, the National Council favoured a full compensation of the lower conversion rate by way of the Second Pillar, combined with a VAT increase of 0.6 percentage points.

During the spring session, a second round of consensus negotiations was followed by a meeting of the conciliation committee. The latter’s motion was agreed upon, and both chambers consensually decided on 16 March 2017 to raise newly-granted AHV/AVS pensions by CHF 70/month and to increase the VAT rate by 0.6 percentage points. During the final vote on 17 March 2017, the Council of States voted in favour of the “Pension System 2020” reform by 27 votes to 13 with no abstentions, while the National Council had a closer vote with 100 votes to 94 and 4 abstentions.

Results of the vote

According to the SIA, the above measures – with the exception of the rise in newly-granted old-age state pensions – mark an adequate path toward a medium-term stabilisation of the pension system while maintaining the current level of benefits and avoids a redistribution from contributors towards pensioners, the latter basically alien to the system. The “Pension system 2020” provisions on surpluses and risk premiums in group life insurance, however, constituted a deterioration of the framework for SME group life insurance – without having any positive impact on the reform’s main goal. Despite the SIA’s reservations, the association refrained from any actively negative statements in advance

of the referendum. On 24 September 2017 both the Swiss people and the Swiss parliament voted against the “Pension System 2020” reform,

Round table talks

Federal Councillor Alain Berset then invited the leaders of the central employer organisations, the trade unions, the political parties, the providers of occupational pensions and other organisations to a “round table talk.” The SIA welcomed the fact that the Federal Council rapidly returned to the issue, as the negative referendum on the “Pension system 2020” reform has not provided any of the urgently needed solutions. It expressed the hope that the goals of the reform – medium-term stabilisation of the pension system and maintenance of the current level of benefits – would still be part of the new package and that the First and Second Pillar would be reformed separately while maintaining their existing weightings. If the reform were to be split into two separate packages, work should be carried out in parallel so as not to lose sight of the overall goal. Moreover, all parties concerned should concentrate their efforts on the essential parts of the package.

The SIA continues to advocate a two-phased approach. In the first phase, the state pension system (AHV/AVS) and the occupational pension system should be stabilised financially for the first half of the next decade, i. e. 2020 onwards. For the First Pillar, this corresponds to the introduction of a retirement age of 65 for both men and women, social compensation for the fact that women will have to work a year longer, and a moderate VAT increase. The Second Pillar should see a conversion rate of 6 percent, corresponding compensation measures and the introduction of a contribution toward guaranteeing the pension conversion rate. In the second phase, i.e. from the mid-2020s onwards, the pension system should be refashioned according to sustainability criteria. Realistic parameters will have to be set and de-politicised.

Old-age insurance reform 2021

On 20 December 2017, the Federal Council announced its decision on the general direction of the new pension reform efforts, and on 2 March 2018 it decided and published the main parameters. The general direction of the reform covers its overall objectives, i.e. stable funding for the pension system in the medium term and maintenance of the current level of benefits. It sets the procedure by providing separate reform efforts for the AHV/AVS and the occupational pension system. Each package will have its own timetable with priority being given to the AHV/AVS reform. Moreover, the content of the AHV/AVS reform and the timetable have been set by this decision. The draft reform should be ready for consultation by summer 2018, and the corresponding message by the end of 2018 for the reform to come into force by 2021. The parameters set the details of the reform: Official retirement age 65/65, compensation for the extension of the working life of female employees, a more flexible approach to both earlier and later retirement between age 62 and 70, incentives to continue working past the official retirement age and a VAT increase of 1.7 percentage points. As to the occupational pension reform, the Federal Council noted that the social partners had declared their willingness to discuss measures to adapt the Second Pillar to the current demographic and economic changes.

The SIA continues to stand behind the overall objectives of the reform, i.e. the “medium-term stabilisation of the pension system” and the “maintenance of the current level of benefits.” Reaching the latter goal means that the pension system may neither be reduced nor enlarged. The SIA believes that action is particularly necessary in the mandatory part of the occupational pension system. It therefore objects to giving the AHV/AVS reform priority, arguing that the reform timetable for the AHV/AVS to enter into force (2021) should be non-negotiable and that the occupational pension system’s reforms be parallel. In order to enable both reforms to enter into force in 2021, the SIA asks the Federal Council to set clear requirements for the timetable and the content of the above-mentioned discussions among the social partners. The occupational pension providers should take part in these discussions; the SIA declares itself willing to actively work on a solution.

Finally, the SIA is in favour of continuing and substantiating the work on a sustainable pension system in parallel to the reform – i.e. the medium-term financial stabilisation of both AHV/AVS and the occupational pension system. To achieve sustainability, the official retirement age has to be adapted to the life expectancy; moreover, the conversion rate and the minimum interest rate must be de-politicised.

Guarantees for SMEs

In occupational pensions, the life insurance providers among the SIA members are essential partners for the Swiss SMEs. More than 180,000 SMES with over one million employees rely on the full-insurance model and its comprehensive guarantees. Another 70,000 SMEs with some 700,000 employees make use of the risk insurance model. Many SMEs depend on the guarantees provided by the insurers as they are not able to bear the occupational-pension risk on their own.

Towards a more market-based health insurance system

In health insurance, the SIA is committed to promoting a liberal, socially responsible market with a competitive structure and a strong focus on private supplementary insurance. In social health insurance, it works with *santé-suisse* and *curafutura*. Both associations specialise in health insurance questions. In the year under review, the SIA mainly addressed the following topics:

Retaining the existing scope

At the federal level, no major reforms were set on the political agenda for 2017. Instead, various undertakings took place that might have an impact on health insurers. In this context, the SIA advocated in favour of maintaining tried and tested premium regions and the existing discounts on deductibles. It also recommended the approval of a parliamentary initiative on the management of licences at the cantonal level and on strengthening contractual autonomy. This would be a first step towards loosening the contractual obligation between medical doctors and health insurers. However, this initiative should on no account be interpreted out of context. Moreover, the SIA and other associations argued in favour of a standardised financing system for outpatient and inpatient services with an avoidance of spiralling costs.

Once more, the public and the political debate focused on commission payments to intermediaries. Here, the SIA supports the request that disproportionate commission expenses in basic health insurance are to be avoided. The Federal Council should not be invested with further powers of regulation. Instead, the Health Insurance Supervision Act (KVAG/LAMal) should be amended to make the industry agreement therein compulsory for all insurance providers. Insurance intermediation is one of various sales models intended to acquire new customers. Potential policyholders

gain the advantage of choosing between products of various providers. High-quality advice and distribution services that justify the intermediary's compensation are of paramount importance in this context. As to the type and volume of the compensation, the revised version of the KVAG/LAMal will make disclosure compulsory for third-party insurance intermediaries. The SIA welcomes the disclosure of compensation as trust is based on transparency.

Cantonal projects

Various cantons have launched projects that might have negative consequences for supplementary health insurance. An example is a potential levy on supplementary health insurance benefits in the canton of Zurich and the cantonal initiatives to implement a mandatory dental care insurance in French-speaking Switzerland and in Ticino.

2017 was yet another year for regular exchanges between the SIA and the industry's regulatory authorities. Meetings with FINMA focused on the revision of the VAG/LSA, the handling of old-age provisions and tariff issues in supplementary health insurance.

Additionally, the SIA members active in health insurance worked on cost developments in healthcare and on measures to keep costs in check. These issues will be recurrent themes on the agenda of the SIA and the health insurers among its members.

“ausschalten-auftanken.ch” – a successful prevention campaign

The revised Accident Insurance Act (UVG/LAA) and the corresponding Ordinance (UVV/OLAA) came into force on 1 January 2017. The new regulations represent a compromise between the social partners that is the outcome of a lengthy process. The insurance industry lent its support to the negotiations. In their revised version, the regulations address several former gaps in insurance coverage: For instance, the exact dates for when coverage begins and ends have now been clarified. The regulations also address the issue of excess accident benefits by stipulating that life annuities from accident insurance are to be reduced once the recipient reaches the customary retirement age. During the revision process, the SIA's committee for legal and socio-political issues (RSK) has been participating in working groups that revised both regulations. It was able to make itself heard on several important issues. In May 2017, the SIA issued its German-language “Wegleitung zur obligatorischen Unfallversicherung” (Mandatory Accident Insurance – A Practical Guide) in a new, revised edition.

Electronic exchange of information

The RSK met four times during the year under review. It mainly discussed the impact of the revised Federal Act on Data Protection (DSG/LPD), the new regulations pertaining to large loss events (art. 78 UVG/LAA) and a EU project for the electronic exchange of social security information (EESSI). From 2019 onward, all communication between national institutions on cross-border social security files will gradually take place through EESSI. The SIA has issued a UVG/LAA circular describing the impact of EESSI. In 2018, the Federal Social Insurance Office (BSV/OFAS), the Federal Office for Public Health (BAG/OFSP), Suva and the SIA will hold a joint information session on this topic. Furthermore, the SIA and the BAG/OFSP have drafted a new generic accident insurance contract in accordance with art. 59 UVG/LAA. In the context of short-term disability insurance, the RSK has analysed the corresponding provisions of various collective employment agreements. With Compasso, it has started to draft guidelines to improve the cooperation between the official invalidity insurance offices (IV) and the providers of short-term disability insurance.

Prevention of non-occupational accidents

The SIA's working group on prevention met three times to discuss various issues in connection with non-occupational accidents and their prevention in accordance with art. 88 UVG/LAA. In 2017 the SIA focused on refining its existing campaign “ausschalten-auftanken.ch” (“power down – recharge your batteries”) and on its cooperation with Road-Cross Schweiz to prevent traffic accidents. On 16 September 2017, the SIA launched the second stage of its “ausschalten-auftanken.ch” campaign under the header “no more boundaries between downtime and work time”. For years, leisure injuries have been on the increase, and work is becoming increasingly stressful. Combining these two trends, the SIA has redesigned its prevention campaign “ausschalten-auftanken.ch” in 2017. Its message: Taking your office with you at all times is dangerous: It leads to loss of concentration and an increased risk of accidents. The campaign intends to raise awareness of the dangers connected to merging work and leisure. Short and entertaining films present scenes from daily life where inattentiveness causes danger and/or accidents. The campaign was presented in the October 2017 issue of the SIA prevention newsletter, together with an in-depth commentary. The “Swissfilm Association” which is supported by the Federal Department of Home Affairs (EDI/DFI) awarded the campaign a prize in the category “commissioned publicity, industry and corporate films”.

Genetic testing of human beings

On 5 July 2017, the Federal Council published its draft revision of the Federal Act on the Genetic Testing of Human Beings (GUMG/LAGH) and the corresponding message. The SIA had stated its concerns during the formal consultation procedure, however, these have not been taken into account by the Federal Council. The SIA had pronounced itself in favour of abolishing or at least reducing the investigation limits in private insurance (life insurance policies with an insured amount of up to CHF 400,000 and voluntary disability insurance with an annual pension of up to CHF 40,000). The Federal Council's message lists the following reasons for not abolishing or reducing those limits: "Namely, regarding the prohibition of investigations in private insurance, the consultation results have shown that the existing limits constitute an expedient compromise between the insurers' interest in having data available and the policyholders' need for protection."

Subsequently, the SIA addressed the topic in depth in preparation for the hearing at the advisory committee of the national council (WBK-N/CSEC-N). The association explicitly underlined that it encourages and supports the legislator's efforts to protect the privacy of the individuals concerned within the framework of the GUMG/LAGH. Abusive genetic investigations and the improper use of genetic data must be prevented. Quality assurance with regard to such investigations and the interpretation of their results is a must. Moreover, the SIA considers the "right not to know" a primordial right. It also is of the opinion that insurers should not be allowed to unilaterally demand genetic investigations as this creates an imbalance of power.

Again and again, the SIA has pleaded for information symmetry. Basically, the duty to disclose information has been a legal requirement ever since the Federal Act on Insurance Contracts (VVG/LCA) came into force in 1908. The SIA has shown that any information asymmetry between applicants and insurers leads to anti-selection: Persons who represent a higher risk tend to apply more often for insurance. Insurers can only counter by increasing their premiums – for all applicants, regardless of the risks they represent. If they refrain from doing so, it is only a matter of time until the insured benefits will have to cease, as they will no longer be covered by premium income.

On 2 February 2018, a large majority of the advisory committee (WBK-N/CSEC-N) voted in favour of the SIA's proposal to abolish the above limits.

When this result became public it attracted considerable media attention. Subsequently, the national council on 12 February 2018 rejected abolishing the investigation limits by a large majority.

Integrating people with disabilities into the world of work

In 2017, three conferences were held on integrating people with disabilities into the labour market. A delegation of the SIA working group "Personal injuries and reintegration" (AG Pe Re) participated in all three. These conferences have been instituted by parliamentary mandate and were hosted by the Federal Department of Home Affairs (EDI/DFI). Their aim was to coordinate, extend and take further measures to integrate people with disabilities into the labour market and bring all the parties involved in such measures on board.

Ahead of the third conference, the SIA wrote a statement to the Federal Social Insurance Office (BSV/OFAS). In this statement, the association unambiguously expressed its support for industry-wide solutions to reintegrate employees afflicted by illnesses or accidents. Moreover, the SIA supports voluntary cooperation and coordination models for employers and the insurance industry. It clearly prefers independent, responsible integration measures to inflexible regulation. This is one of the reasons for the SIA's active participation in and sponsorship of Compasso. The latter association develops strategies and processes to support employers in their coordination efforts with the system partners in the fields of early recognition and (re)integration.

De-stigmatising mental health issues

The Swiss Insurance Association welcomes and supports sensitizing psychiatry specialists for treatments geared towards employment. Therefore, the SIA has co-financed the corresponding research paper no. 11/17 on "Patients with work problems – a survey among psychiatrists in Switzerland" (available in German, French and Italian). In addition, the association continues to train case managers to work with people with mental health issues. The SIA supports efforts to provide training and qualification options for persons with health issues that correspond to the individual physical and mental resources of such persons.

The Swiss Insurance Association fully supports every effort to de-stigmatise mental health issues. Peer advisors can contribute to de-stigmatise such issues, but efforts should be made to integrate these questions into the education and training of HR specialists and (future) managers. Managers have a key function in early recognition. They need information and tools to sharpen their perception and recognise employee health issues as early as possible.

At the end of the third conference, the participants issued a joint declaration expressing their intent to work in a competent and responsible manner toward the development and implementation of measures and projects identified during the conference. The AG Pe Re will assess its contribution capacities in the course of 2018.

Cicero with strong growth

The public should perceive Cicero as an established quality label for advisory expertise. In 2017, the second Cicero campaign intended to motivate customers to ask specifically for Cicero-qualified advisors. Once more, the Cicero publicity spot was shown on national TV for four weeks, starting on 19 June 2017. It also played on highly popular online platforms such as 20min.ch, lematin.ch, bernerzeitung.ch and YouTube. For the first time in the history of Cicero, Facebook was also used as a channel. Banners on Comparis and Bonus were used to complement Cicero's online presence.

The campaign generated a total of 14.6 million ad impressions. The video was clicked on some 1.4 million times with half the viewers staying until the end. Within the defined target group, phase II of the campaign managed to reach

67.4 percent and 8.2 contacts. The recognition value rose further. Cicero also recorded strong growth in all its target groups. The register now counts some 8,500 members at over 350 employers throughout Switzerland and 3,000 courses and educational activities offered by 115 suppliers. In 2017, 4,000 members successfully started their second certification cycle.

By implementing the Cicero register, the VBV-AFA – mandated by the insurance industry – managed to create a successful instrument to implement and monitor the statutory lifelong learning requirements for insurance intermediaries. Cicero represents the industry's commitment to actively protecting policyholders in Switzerland by standardising the advisory skills across all insurance advisors.

Attracting young professionals online

At the beginning of the year under review, a first element of the overall concept "Insurance – an interesting field for young professionals" was implemented as an extension of startsmart.tv. The platform now lists all open apprenticeship positions within the industry – thus adding value for interested young people. Moreover, the platform now links to the well-known apprenticeship portals Gateway and Yousty. On both portals, the SIA is represented under a distinct profile with attractive content and a link to startsmart.tv. On Yousty, users can also access the SIA's social media channels and marketing material, designed to make a lasting impact. In addition, both portals offer insurance companies a cost-free basic representation with an upgrade option to premium presence.

At the end of the year, linking up with Yousty had had a distinct effect. First of all, the number of applications by future trainees has clearly risen. Secondly, data mining shows that traffic increased significantly. On Gateway, the SIA presence has a similar effect. A survey at the insurance companies shows that many applications and candidate inquiries are routed through those two portals. Apprenticeship coordinators all expressed their great satisfaction with the SIA's approach. startsmart.tv also profited from the link-up. Traffic increased as did the time spent on this platform.

Pluvial floods – a new information platform

The term “surface runoffs” refers to rainfall that flows freely across the ground into a receiving stream (e.g. a creek or a river). Such pluvial floods are also called surface or ground water. When analysing building losses in connection with storm events, a major part of the damage turns out to be caused by surface runoffs instead of water bodies. According to the Vereinigung kantonaler Feuerversicherungen (VKF, Association of cantonal fire insurers) some 50 percent of water hazards can be traced to pluvial flood phenomena. Such damages occur mainly in connection with heavy (e.g. thunderstorms) or long-lasting rainfall events. Rainwater concentrates in depth contours on slopes and penetrates through openings (such as driveways or basement

windows) into buildings, often causing massive damage to both chattels and building envelopes.

Working with the Federal Office for the Environment (BAFU/OFEV) and the Intercantonal Union of Reinsurers (IRV/AECA) the SIA has launched a project to signal such dangers all over Switzerland. In future, there will be a simple-to-use, transparent assessment tool, the results of which will be available free of charge to all inhabitants. Work with our cooperation partner Geo7 proceeded very well. The project team will communicate about the project and its results on 3 July 2018 in Berne. The SIA will gladly provide any further information.

Cyber security – a challenge for the insurance industry

A working group composed of primary insurers and reinsurers has been developing responses to the new challenges represented by cyber risks. In an increasingly digital and interconnected economy which also tends to have little diversity in its hard- and software, a cyber event can affect various enterprises at once and cause great harm to the economy as a whole. A lack of data on such risks and events prevents the insurance industry from offering adequate coverage at risk-based prices. A general obligation to report cyber events might be helpful in developing such products, especially if it were not limited to infringements of data protection rules and regulations, but rather extended to other cyber events. However, we know from experience that reports should be made on a voluntary instead of a government-imposed basis as this tends to improve the quality of

the data transmitted to the reporting office. An uneven distribution of knowledge between the policyholder and the insurance provider may lead to the policyholder making excessive use of its insurance contract (“moral hazard”). Negative selection is another potential consequence of information asymmetry. Both factors severely compromise the insurability of certain risks. Minimum standards for cyber security might prevent potential information asymmetry in this field. Such standards should be principle-based and their implementation should not overtax companies.

In its White Book, the working group lists eleven measures. Included are expectations of the Federal administration and proposals for industry initiatives.

Autonomous cars of the future

The car of the future will be completely autonomous, i.e. self-driving. In this driverless version, humans will be passengers only. Technical progress means that robotic cars are fast becoming a reality. For the insurance industry, these developments bring new legal and actuarial issues, namely in liability insurance: If damage has been caused by the vehicle itself instead of a human driver, who will be held liable for such damages? Or, to put it bluntly: Will there still be a need for insurance if technology obviates the risk of damage?

No need to redefine vehicle insurance

The Swiss Insurance Association has been working on these fundamental questions for quite some time. Its stance is clear: Fully driverless vehicles do nothing to change society’s attitude toward cars and driving. Cars and comparable vehicles are a useful, albeit potentially dangerous, reality. The insurers agree that the advent of new technologies does not entail a redefinition of the concept of vehicle insurance. Just as before, victims of car accidents must be compensated (victim protection), irrespective of fault, as there will always be accidents. In fact, street traffic is set to be “mixed” for a long time yet. Fully autonomous, semi-autonomous and “traditional” vehicles will continue to dominate traffic in the foreseeable future.

Strict objective liability

The Federal Law on Road Transport (SVG/LCR) operates on the concept of strict objective liability, regardless of the vehicle owner’s fault. For the insurance industry, the advent of semi- or fully autonomous vehicles doesn’t change this concept. In all motor vehicles, whether “autonomous” or not, damages are caused by their operation. The fault of the operator (or, in the case of driverless vehicles, of the passenger) is not decisive today and will not be decisive tomorrow. It therefore should be noted that all such vehicles must mandatorily be covered by an adequate third-party insurance for motor vehicles (mandatory insurance).

In this question, the SIA has taken a clear position, following the Europe-wide approach and in close cooperation with Insurance Europe.

An unbureaucratic solution for the protection of asbestos victims

The myth about the Gordian knot perfectly illustrates the relationship between expectation and hope – expectations of longer limitation periods and hopes of rapid support for asbestos victims, that is. The SIA is working hard to find a plausible solution and to ensure that no sword will be needed to undo this knot.

By revising liability law, the Federal Council wished to give better protection to victims whose injuries do not become evident for a very long period. It therefore proposed extending the limitation period for personal injuries to 30 years. This is in order to assist victims of asbestos and of unnoticed defects in buildings through the statute of limitation. According to the Swiss Insurance Association, such a long limitation period does not protect victims adequately. Unfortunately, asbestos victims tend to die shortly after the disease manifests. Compensation under the provisions of liability legislation is therefore problematic. Help will always be too late. Long limitation periods are not necessarily a guarantee for compensation, as it will only be awarded if there is manifest liability. The more time passes, the harder it is to prove liability. At the end, all parties concerned will have incurred unnecessary expenses.

Minimal bureaucracy thanks to round table talks

During the legislative process, the European Court of Human Rights decided in 2014 that a limitation period of up to ten years did not guarantee asbestos victims adequate access to justice. This raised the hopes of the victims and increased expectations for the legislator to act. In this uncertain legal environment, Federal Councillor Alain Beset proceeded to organise a round table headed by former Federal Councillor Moritz Leuenberger. In doing so, he hoped to lessen the legislative burden and avoid bureaucracy with a fast solution outside liability law. At the end of 2016, the participants published a joint final report on their decision to set up a private foundation together with the industry and the associations of asbestos victims in order to provide fast support for the latter. However, the objectives of such a foundation

were open to various interpretations. Some parties thought that this would be a comprehensive solution (compensation would either be provided via the foundation or through limitation law), while others believed that the foundation would offer an alternative to the existing provisions of the law (foundation and limitation law to provide compensation).

The SIA then advocated for a fast solution outside liability law through the foundation for asbestos victims. As far as the statute of limitations is concerned, it favoured a uniform limitation period not exceeding 20 years for all types of long-term personal injury. In doing so, it cited the practice in other European countries and the fact that the burden of proof was still within the realm of the possible after a maximum of twenty years. The objective has always been the same: Asbestos victims should receive rapid and adequate support, and at the same time, there should be legal certainty in liability law. Support for the 20-year-maximum postulate exists in the form of a similar postulate made by a group of law professors in the context of the total revision of liability law planned for 1998.

A foundation for all victims of asbestos

Taking all the above elements into consideration, the SIA has decided to contribute both man-hours and financial means toward the set up and initial funding of the foundation "Entschädigungsfonds für Asbestopfer (EFA)". The Swiss Railways (SBB), the associations of asbestos victims, the trade unions and other industry representatives will also contribute. Urs Berger, Chairman of the Board of Directors at Mobiliar, presides over the foundation. Financial contributions from SIA members enabled the foundation to start its operations on 1 July 2017. As soon as judges and politicians realise that the foundation is able to assist asbestos victims fast and with little bureaucracy involved and as soon as the statute of limitation has been set in a nationally and internationally viable fashion, there should be legal certainty. In 2017, the SIA has made meaningful contributions to finding adequate legislative solutions and creating legal certainty for all concerned. It will continue to do so in 2018.

Automatizing recourse procedures

The SIA's claims management committee (SLK), in conjunction with the working group on recourse and remedies, and with third-party project support, has been working hard on the digital perspectives of the insurance industry in the property and casualty segments.

Exchanging data through eAHV-IV

In order to coordinate social insurance benefits and in cases of recourse, accident and liability insurers are legally obliged by the UVG/LAA to allow each other access to their files. Currently, various access procedures apply. Often, files are exchanged physically by mail. E-Mail is also used to exchange data. In both cases, there is a significant possibility for gaps in data transfers as well as incorrect data transfers, making this a time-consuming process. Therefore, the SLK has decided to cooperate with the association eAVH/IV on a project called "Data exchange". This project aims to find out how processes can be made faster, more efficient and more affordable. The eAHV/IV association is the key ICT partner of the Federal Social Insurance Office (BSV/OFAS). It also is the first port of call for more than 100 Invalidity Insurance (IV/AI) offices.

At the time of writing, we already know that the federal "sedex" platform could also be used as a basis for further coordination efforts between accident and liability insurers. The Swiss Insurance Association cooperates with the eAHV/IV association in order to find "sedex"-based solutions for a fast and cost-effective electronic exchange of medical and factual files that are of use to all concerned. Ultimately, data should be exchanged not just in pdf format, but rather in the form of datasets. In 2018 the ground for future decisions on a joint platform should be laid.

Private insurers offer a recourse platform

Currently, the providers of liability insurance and the providers of social insurance must rely on significant staff resources to settle legal recourse under a case-by-case compensation approach. For quite some time they have been striving to simplify recourse procedures through various agreements such as the UVG/LAA recourse agreement. Nevertheless, a correct recourse settlement more often than not depends on an extensive and often fee-based procurement of official files and similar documents. Therefore, a (partial) automatization of the compensation procedure would add value for all concerned.

The SLK now intends to make a pre-assessment of various possibilities for simplifying the process. These pre-assessments are based on the idea that mass files from all insurance lines should be equally distributed among all insurance providers concerned by a claim. If the trial runs are successful, insurers could also handle cases in this fashion that exceed the upper limit for mass files.

The pre-assessment results have convinced the SIA that costs and benefits should be carefully examined. A step-by-step approach to fully automatizing future recourse procedures is strongly recommended. Linking all insurers concerned via interfaces presents a specific challenge in terms of costs and human resources. This calls for more in-depth clarification, but should not cause the project to fail. The SLK intends to take a significant step towards digitalising recourse and compensation procedures.

Private insurers and the SIA – a major market force

7,0 million

insured persons and/or
policies in life insurance

CHF 1375 billion
insured lump-sum and pension
policies in life insurance

CHF 30 billion
Gross value added in Switzerland

Over 20 million
active insurance contracts

77
Members

account for **over 90%** of private insurance
premiums generated in the Swiss market

CHF 60 billion

Premium volume Switzerland:
Life insurance CHF 29.5 billion
Non-life insurance CHF 27.5 billion
Reinsurance CHF 2.3 billion

34 employees at the
SIA head office

The life insurance companies insure over **180,000** small and medium-sized enterprises (SMEs) with roughly **1.2 million** employees and pensioners in the full-insurance system, offering comprehensive security with guarantees. They also provide risk coverage for some **70,000** SMEs with some **900,000** employees and pensioners.

CHF 579 billion in invest-
ments

Nearly **150'000** employees in total
Over **46'000** employees in Switzerland
102'500 employees abroad

22 additional persons carrying out
building surveys and related
services

Some **520 representatives** of the Swiss
private insurance companies were in-
volved in **25 standing bodies, various
task forces and working groups**

2000 apprentices and interns

Risk-based capital requirements

Once again, the SIA's efforts focused on the Swiss Solvency Test (SST) and its high capital requirements, especially if life insurers are concerned. FINMA was adamant and held on to its rigorous attitude. The regulator continued to do so during an entire year of intense work to jointly create new SST standard models.

Excessive capital requirements

In October 2017, FINMA published its standard model for reinsurers. While a number of large reinsurance companies will keep applying for FINMA recognition of their internal models for specific business activities, the new standard is set to be a massive and in parts even inappropriate burden for numerous smaller reinsurers.

The SST standard model for occupational pension providers has been defined in a laborious process. In summer 2017, it was trialled in elaborate field tests. The run-off approach as practised by FINMA runs counter to the long time hori-

zons that are characteristic for occupational pension providers. According to FINMA, insurers should be liquidated within a relatively short period of time. Therefore, the SIA continues to advocate strongly for a going-concern approach. However, FINMA has adopted and implemented a new standard model for occupational pension providers according to the run-off approach, which is applicable for the business year 2017 (SST 2018). This model barely takes the specifics of the occupational pensions business into account. Its capital requirements remain high – too high, according to the industry.

Issues

The SST standard model for individual life insurance is to be developed in 2018. Meanwhile, work continues on the new SST standard model for health and accident insurers. Various issues meant that the latter model could not be agreed upon in 2017 – not least because of its links to mandatory health insurance.

Sustainability – an increasingly important aspect

Acting sustainably and responsibly is of paramount importance, including within the insurance industry. This holds true for corporate management as a whole, its risk-taking and its investment activities.

Numerous Swiss private insurers in 2017 proceeded to define environmental, social and governance (ESG) criteria for their institutions and to assess their existing internal frameworks. ESG criteria and their implementation are gaining in importance with analysts, investors and rating agencies. The criteria play an increasingly weighty role in company assessments. As far as investments are concerned,

sustainability is a permanent item on the agenda of the SIA's investment committee. The Federal Office for the Environment (BAFU/OFEV) in 2017 has offered a voluntary climate compatibility test. With this test, insurers and pension funds will be able to assess the environmental impact of their investments. Most major Swiss insurance companies participated in this test. They concluded that massive efforts and reallocations will still be needed to meet the CO₂ goals of the Paris Convention. The SIA strongly supports corporate self-responsibility in this area. Unnecessary, excessive regulation is to be avoided.

Compliance with competition rules

The Swiss Insurance Association believes staunchly in open markets and supports the government's work to ensure a level playing field in the marketplace. In this context, the association sets great store by their members adhering to the principles of competition law when working for the association. It is in this context that the association has revised its 2008 German-language guidelines on antitrust law and association work ("Kartellrecht und Verbandsarbeit"). Work on this new version was terminated in Q3 2017, and all members of SIA bodies were duly informed. In addition, the heads and/or presidents of the various SIA

bodies were personally briefed in writing about the revised version and explicitly asked to discuss it at the next meeting of their organisations. In doing so, the SIA wanted to re-sensitize its members to the importance of competition law. The briefing enclosed newly developed, user-friendly "bookmarks" on the dos and don'ts at meetings. These handy memory aids have been met with great enthusiasm. They can be ordered via the SIA. The guidelines can be found on the German-language extranet ("Rubriken / Gruppen / Leitfaden").

Multinational enterprises to deliver country-by-country reports

In the context of the OECD's Base Erosion and Profit Shifting (BEPS) project, its final report on Transfer Pricing Documentation and Country-by-Country Reporting (report on Action 13) had been published in 2016. The report prescribes the automatic exchange of country-by-country reports on multinational enterprises. This is a minimum standard; all OECD and G-20 member states have committed to its implementation.

Country-by-country reports provide information on the breakdown of sales world-wide and on taxes paid. Such reports list additional key data on multinational enterprises in each state and territory. They also provide information about the main economic activities of each constitutive entity of multinational groups.

Swiss-domiciled parent companies of multinational groups with a revenue of over CHF 900 million are obliged to produce a country-by-country report and to transmit it to the Federal Tax Administration (ESTV/AFC). The ESTV/AFC automatically transmits these reports to the tax authorities in the partner countries. It also allows for access by the cantonal tax administrations in those cantons, in which the constitutive entities of the various groups are domiciled.

The legal basis for the automatic exchange of country-by-country reports was enacted on 1 December 2017. Country-by-country reporting is mandatory for financial years beginning on 1 January 2018 or thereafter. Regular exchanges will initiate in 2020. Multinational groups are permitted to submit "voluntary" reports relating to fiscal periods before 2018. The Federal ACREA Act requires the ESTV/AFC to transmit these reports to the partner states under the ACRE agreement. At the end of 2017, the ESTV/AFC issued guidelines and forms for groups intending to submit a voluntary report.

The SIA has stated its concerns during the formal consultation procedure on the ACREO. It thanks the Swiss State Secretariat for International Financial Affairs (SIF/SFI) and the ESTV/AFC for their efforts.

Tax Proposal 17 – A relaunch by the Federal Council

On 12 February 2017 the Swiss voters refused the Third Series of Corporate Tax Reforms by some 59 percent of votes. Broad-based hearings in the aftermath of the vote confirmed that a tax reform is absolutely essential and urgent. Special tax regimes need to be abolished due to taxation developments on an international level; otherwise, there will be immediate and severe consequences.

On 6 September 2017, the Federal Council issued its new draft on corporate tax reform, the Tax Proposal 17. This proposal increasingly takes the interests of the Swiss cities and municipalities into account and lessens the burden on the federal budget. It also has been considerably amended to the detriment of corporations: The tax burden on dividends is set to increase in order to make companies compensate for tax revenue losses.

The SIA responded positively to the consultation procedure on the Tax Proposal 17. In order to ensure international support, as well as to provide legal and planning certainty in Switzerland, all stakeholders need to explicitly agree with the proposal. In order to maintain an attractive corporate tax regime, the SIA requested that a deduction in the case of secure financing be introduced. Such a deduction is set to minimise the exodus of mobile international companies and the shifting of business activities abroad and to lessen the danger that the remaining Swiss companies and individual taxpayers will be called upon to compensate for tax revenue losses.

Revision of the Federal Act on Insurance Contracts

The Federal Act on Insurance Contracts (VVG/LCA) governs the contractual relationships between customers and insurance providers. On 28 June 2017, the Federal Council adopted its message on the partial revision of the VVG/LCA. This message pays heed to the Swiss parliament’s concerns as stated in the latter’s referral of the total VVG/LCA revision in 2013. Moreover, it proposes various other changes: The structure of the Act is to be optimised, the pre-contractual information requirements are to be enlarged and a limited direct right to claim liability insurance is to be introduced.

Protection of insurance customers

VVG/LCA and the Insurance Supervision Act (VAG/LSA) set a strict official framework for the protection of insurance customers:

- VVG/LCA: In its current form, this Act strengthens the customers’ position through numerous protective standards.
- VAG/LSA: The provisions of the VAG/LSA address both the supervision regarding insurer solvency and the supervision regarding any abuse, thereby enabling FINMA to penalise any insurer’s abusive behaviour toward its customers. Supervisory legislation (i.e. the VAG/LSA plus the corresponding ordinance and FINMA circulars) also contains material provisions to ensure policyholder protection, such as that pertaining to tariffs in life insurance or to insurance intermediaries.

This official framework is complemented by various voluntary industry measures:

- For over 40 years, the insurance industry has provided an ombudsman in the form of a foundation, the “Ombudsman of Private Insurance and of Suva”. Since 1972, insurance customers can apply to the ombudsman of- fice – a foundation that is supervised by the Federal De- partment of Home Affairs (EDI/DFI) – to resolve any differences with their insurers.

- With the Cicero (Certified Insurance Competence), certi- fication, the insurance industry has created a quality label for insurance advisors, making a clear and unequiv- ocal statement about the importance of good advisory practice.

SIA in favour of a selective partial revision

These official and voluntary measures ensure a high degree of customer protection. They have been tried and tested, particularly during the 2007/2008 financial crisis. This has been confirmed by a representative 2016 consumer protec- tion study of the Institute of Insurance Economics of the University of St. Gallen (IVW-HSG). Moreover, insurance providers have a vested interest in keeping their customers satisfied, as this is the only way to prove themselves against an ever increasing competition.

For this reason, the SIA encourages a selective partial revi- sion of the VVG/LCA. The Swiss parliament has mandated the Federal Council to address the following points:

- Limiting the scope of protection. Currently, the VVG/LCA affords protective standards to all insurance customers, whether they are private individuals, corporations or the public sector.
- Introducing a right of cancellation for insurance con- tracts. According to the Federal Council’s message, this should pertain to all distribution channels including e-commerce.
- Introducing a general right of termination
- Extension of the limitation period for claims arising from an insurance contract
- Abolishing the assumption of approval in case of inaccur- ate policies (prevalence of the agreement concluded)
- Provisional cover: Insurance coverage is to set in before the final conclusion of the contract (thereby bridging a regulatory gap).
- Approval of retroactive cover. For example: Liability in- surance for managers (D&O insurance) with retroactive coverage in case of claims arising from breaches of duty before the contact had been concluded.
- Accommodation of e-commerce within the VVG/LCA

The insurance industry agrees with these points as stated in the message. The industry welcomes the fact that the mes- sage of 28 June 2017 follows the parliamentary mandate much more closely than the draft bill. However, the message draft still exceeds the mandate, which means that there is still room for improvement. The SIA’s proposals address the execution of the parliamentary mandate, the limited direct right to claim and the implementation of the new legislation:

Execution of the parliamentary mandate

- Limiting the scope of protection: The protective provi- sions of the VVG/LCA should only apply to consumers and SMEs.
- Effect of cancellation in unit-linked life insurance: Insurers should be cushioned against potential losses in case of a contract reversal.
- Statute of limitation in group short-term disability insur- ance: provisions need to be formulated more precisely. Claims become irrecoverable after two years following the event that gave rise to the insurer’s obligation. Currently, the beginning of the term is not clear.
- e-commerce: e-commerce should be possible across the entire value chain. Even notices of termination should be textually verifiable (e. g. e-mail termination notices).

Further requests outside the mandate

- Limited direct right to claim in liability insurance: The letter of the law should be aligned with the relevant arguments in the message.
- Implementation of the revised VVG/LCA: Insurance providers should be accorded a transition period of at least one year between the enactment of the new law and its becoming effective.

Finally, it’s important to recognize that consumer issues are but rarely cost-neutral. Additional services provided by the insurance industry (such as granting excessive information requests) or unjustified benefits due to a legal imbalance (e. g. a breach of the duty of disclosure without any conse- quences) push up administrative costs or the benefits paid. Supervision law requires insurers to maintain their solvency. Consequently, insurers will not be able to offer additional services and/or benefits free of cost, and premiums would have to rise. This is not in the customers’ best interest. Further information on this matter can be found in a study by the Institute of Insurance Economics of the University of St. Gallen (IVW-HSG)¹. It confirms that customers as a rule are unwilling to pay for additional consumer protection, which gives another reason for the Swiss Insurance Associa- tion to insist that the parliamentary referral be respected.

The result of the parliamentary debate remains to be seen. The National Council acts as the premier legislative body. On 27 March 2018, its Economic Affairs and Taxation Com- mittee WAK-N/CER-N will begin to debate. A hearing has been scheduled in the aftermath of that debate. The SIA intends to voice its concerns.

¹ Pascal Bühler / Martin Eling / Peter Maas / Veselina Milanova, The consumers’ view of consumer protection: an empirical study of the Swiss insurance market, Institut für Versicherungswirtschaft der Universität St. Gallen, St. Gall 2016 (Consumer Protection Study)

Stronger data protection

On 15 September 2017, the Federal Council adopted its message on the total revision of the Federal Act on Data Protection (DSG/LPD) intended to tighten the protection of privacy in Switzerland and to bring Swiss law in line with the regulatory developments in the EU and the Council of Europe (revision of the Convention on Data Protection). In its current version, the DSG/LPD dates back to 1992 (it came into force on 1 July 1993). So far, it has been partially amended once, on 24 March 2006.

The DSG/LPD provisions have a direct tangible impact on the insurance industry. The revision of the Act therefore is of paramount importance to the SIA:

- Customer data are essential to any insurance activity. Insurers depend on customer data. Customers depend on the insurers' processing of their data, both when concluding an insurance contract (risk assessment and pricing), and during the life of the policy, in the event of a claim and in the context of marketing activities.
- Moreover, SIA members that are active in social insurance also provide mandatory insurance in Switzerland.

The Swiss Insurance Association realises that reform is needed and recommends the draft revision be enacted. Final amendments can be made during its detailed examination in parliament. The association is pleased to note that various concerns of the insurance industry have been taken into

account in the message, including the institutionalisation of a data protection consultant and the limitation to intentional offences. However, the Federal Council's draft needs further amendments to make sure that the new version of the Data Protection Act can be implemented and applied by the industry in an appropriate fashion. Currently, the draft still obliges companies to supply information or act in a specific way in too many cases. Supplying information upon the cross-border transfer of data or mandatory privacy impact assessments when profiling persons are cases in point. In addition, penal provisions should address companies instead of individual employees (with the exception of employees involved in criminal activities). A minimum transition period of two years is recommended to enable companies to adapt to the new data protection framework. Finally, the legal provisions governing social insurance need to be harmonised in order to conform to the new version of the Act. The SIA intends to continue its campaign to ensure the concerns of the insurance industry are heard during the parliamentary debates of the DSG/LPD draft.

Currently, the draft is being debated in the lower house (National Council), but, as yet, the result is open. On 11 January 2018, its advisory body, the political institution committee (SPK-N/CIP-N), decided to address the revision in two phases: Priority is given to the Schengen-related EU Data Protection Directive and its transposal into Swiss criminal law. Thereafter, the actual total revision of the Data Protection Act will be carried out in phase II.

Wage equality

In the 2017 labour law debates, the SIA has focused on opposing statutory wage controls as written in the draft version of the revised Federal Act on Gender Equality (GIG/LEg). Through its HR processes and voluntary internal checks, the insurance industry already ensures that there are no unjustifiable and inexplicable wage differences at its member companies. Kienbaum Consultants, acting by mandate of the SIA, has evaluated over 19,000 specific data sets from our members. Even though the study does not consider educa-

tional factors – a weighty criterion in general, for which no reliable data were made available – it comes to the conclusion that the inexplicable wage differences between male and female employees are below the statutory maximum of 5 percent. Therefore, the SIA determinedly refuses the above revision of the Gender Equality Act. The association trusts that wage equality is practised by its members as a matter of course. Any responsible employer nowadays strives to avoid direct or indirect discrimination.

The Financial Services Act – not applicable to the insurance industry

The Swiss Insurance Association successfully advocated for the insurance industry to be exempted from the new Financial Services Act (FIDLEG/LSfin).

In its autumn 2017 session, the National Council followed suit and adhered to the Council of States' decision of 14 December 2016 to delete the insurance industry from the draft law. Intended topics to be discussed under law were qualified life insurance and insurance intermediaries. These shall be addressed in the draft revision of the Insurance Supervision Act (VAG/LSA). The revision will also address the concerns that the parliament prefers to regulate by way of the VAG/LSA instead of the FIDLEG.

The SIA welcomes these decisions. Regulating the insurance industry by yet another (third) customer protection act (FIDLEG) would have led to overregulation with questionable costs and benefits. The SIA is convinced that any gaps should be bridged on a point-by-point basis and through the existing industry-specific laws (VAG/LSA and VVG/LCA). The specifics of the insurance industry should be taken into account. The association therefore intends to actively follow the VAG/LSA revision. The corresponding consultation procedure is set to be carried out in the second half of 2018.

Strong and goal-oriented advocacy

Any goal-oriented and efficient representation of interests helps to maintain and optimise a viable economic framework. The SIA also advocates actively for the private insurance providers and their customers.

In the year under review, the SIA once more concentrated on a timely and continuous cooperation with the Federal Administration, both in the actual drafting of legal provisions and in upcoming projects to support Switzerland as a centre of innovation, knowledge and industry. The association also coordinated and dialogued with key stakeholders in business, politics and cantonal organisations on varied topics, namely in the form of summit talks with federations and political parties. These talks not only served to exchange information, they also helped to strengthen contacts that had been initiated in the course of the year. The consistent statements of the industry and the commitment of the SIA Board members to engage with Berne have been recognised and appreciated.

Longevity – both challenge and opportunity

The SIA generally organises events for parliamentarians both in the parliamentary summer session and in its winter session. The agenda contains both current political topics and major challenges for the insurance industry.

The event at the beginning of the summer session emphasized longevity issues and chances. The outgoing chairman of the SIA, Urs Berger, underlined the insurers' responsibilities: In his view, they are the epitome of safety and solidarity. They are the mainstay of an ageing society – in their capacity as providers of life, health and accident insurance, as employers, investors and taxpayers. However, not only the insurance industry is called upon by now, but all of Switzerland – politicians, representatives of the economy and society as a whole. "All parties must face the challenges and consequences of increasing longevity and find acceptable, viable compromises for the future," said Urs Berger.

Transforming customer behaviour – the digital revolution

Digital revolution is another of the insurance industry's key topics: The digital revolution is changing customer behaviour and, therefore, the entire insurance industry. Insurers will have to deal with new risks and new opportunities. This is why SIA chairman Rolf Dörig focused on "InsurTech – the new magic word" at the second parliamentary event. InsurTech firms concentrate on technological trends such as artificial intelligence that are set to shape the insurance industry. More and more private insurers cooperate with start-up enterprises or even take stakes in such firms in order to develop their own InsurTech solutions. All those present agreed that a framework is needed to account for technological changes and refrain from smothering innovation.



Widespread regional presence

Once more, the SIA was able to hold four "cycles de conférence" in French- and Italian-speaking Switzerland. Interest in these quarterly training sessions with Cicero-accredited representatives from the SIA member companies has been continuously high. As in parliament, the future and its challenges were the key topic:

- New technologies and the customer journey
- A changing world and its challenges for life insurance providers
- InsurTech
- Health insurance – are we fit for the future?

In autumn, the Forum Romand tackled the so-called "silver economy." Participants from economic and political circles, as well as various local organisations, discussed issues of intergenerational solidarity. The Senior Living Lab showed interesting solutions to guarantee the mobility, safety and well-being of elderly persons. All these solutions have been created in cooperation with users, i.e. senior citizens.

Ticino gets its own section

In spring 2017, the SIA officially set up its Ticino section (ASA Ticino). The official founding ceremony was attended by representatives from the government, the education sector and the insurance industry and served to introduce the new section to the public. The "SIA section Ticino" will be able to focus even more on regional particularities. Positioning the industry as an economic, financial and social actor is a priority, as are recruiting and promoting young talent and supporting the insurance professions in Ticino. Together with the Ticino chamber of commerce, the section held its first event for politicians and business people from Ticino shortly after the vote on the pension system 2020. As the saying goes: The end of the reform is the beginning of the reform.

The Swiss Insurance Association

The Swiss Insurance Association SIA is the umbrella organisation that represents the private insurance industry. The SIA's membership consists of over 80 small and large, national and international primary insurers and reinsurers with over 46,000 employees 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 and socially acceptable market and competitive system. The association is mainly active in the following areas:

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

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

National and international representation of industry interests

The SIA forms political opinion by actively proposing practical solutions based on jointly prepared positions with broad support. In doing so, it aims to help shape and set realistic parameters and to standardise and simplify the laws and standards that make private insurance solutions possible. The SIA is viewed as a fair and reliable partner by policy-makers, 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 is a member of national and international associations and organisations. Representing the Swiss insurance industry and promoting the interests of its members, the association 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 SIA to work efficiently and professionally in furtherance of the entire insurance industry. 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.



One umbrella organisation for 77 companies (as of 1 January 2018)

Life insurance companies

Allianz Suisse Leben AG
P.O. Box
8010 Zurich
www.allianz.ch

Aspecta Assurance International AG
Austrasse 14
FL – 9495 Triesen
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 de la Balance 4
2001 Neuchâtel
www.ccap.ch

Elips Life AG
Thurgauerstrasse 54
8050 Zurich
www.elipslife.com

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

Groupe Mutuel Vie SA
Rue des Cèdres 5
1919 Martigny
www.groupemutuel.ch

Helvetia Schweizerische Lebens-versicherungsgesellschaft AG
St. Alban-Anlage 26
4002 Basel
www.helvetia.ch

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

Pax Schweizerische Lebens-versicherungs-Gesellschaft AG
Aeschenplatz 13
4002 Basel
www.pax.ch

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

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

Schweizerische Mobiliar Lebens-versicherungs-Gesellschaft AG
Chemin de la Redoute 54
1260 Nyon
www.mobiliar.ch

Skandia Leben AG
Birmensdorferstrasse 108
8036 Zurich
www.skandia.ch

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

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

Versicherung der Schweizer Ärzte
Länggassstrasse 8
3000 Berne 9
www.va-genossenschaft.ch

Zürich Lebensversicherungs-Gesellschaft AG
Hagenholzstrasse 60
8050 Zurich
www.zurich.ch

Health insurers

Agrisano Versicherungen AG
Laurstrasse 10
5201 Brugg
www.agrisano.ch

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

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

Groupe Mutuel Assurances SA
Rue des Cèdres 5
1919 Martigny
www.groupemutuel.ch

Helsana Unfall AG
P.O. Box
8081 Zurich
www.helsana.ch

Helsana Zusatzversicherungen AG
P.O. Box
8081 Zurich
www.helsana.ch

KPT Versicherungen AG
Tellstrasse 18
3014 Berne
www.kpt.ch

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

Swica Krankenversicherung AG
Römerstrasse 38
8401 Winterthur
www.swica.ch

Property and casualty insurance companies

AIG Europe Limited
Zweigniederlassung Opfikon
Sägereistrasse 29
8152 Glattbrugg
www.aig.com

Allianz Suisse Versicherungen AG
P.O. Box
8010 Zurich
www.allianz.ch

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

Assista Rechtsschutz AG
Chemin de Blandonnet 4
1214 Vernier
www.assista.ch

Axa Partners – Credit & Lifestyle Protection
Badenerstrasse 549
8048 Zurich
www.axa.com

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

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

Branchen Versicherung Schweiz
Sihlquai 255
8031 Zurich
www.branchenversicherung.ch

CAP Rechtsschutz-Versicherungsgesellschaft AG
Neue Winterthurerstrasse 88
8304 Wallisellen
www.cap.ch

Cardif Versicherung
Zweigniederlassung Zurich
Bleicherweg 66
8027 Zurich
www.cardif.ch

Chubb European Group Limited
Bärengasse 32
8001 Zurich
www.chubb.com

Chubb Limited
Bärengasse 32
8001 Zurich
www.chubb.com

Chubb Versicherung (Schweiz) AG
Bärengasse 32
8001 Zurich
www.chubb.com

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

DAS Rechtsschutz (Schweiz)
Route de Pallatex 7a
1163 Etoy
ww.das.ch

Emmental Versicherung
Emmentalstrasse 23
3510 Konolfingen
www.emmental-versicherung.ch

Ergo Versicherung AG
Alte Feldeggstrasse 14
8008 Zurich
www.ergo-industrial.ch

Europäische Reiseversicherungs AG
Margarethenstrasse 38
4002 Basel
www.erv.ch

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

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

Generali Assurances Générales SA
Avenue Perdttemps 23
1260 Nyon 1
www.generali.ch

GVB Privatversicherungen AG
Papiermühlestrasse 130
3063 Ittingen
www.gvb.ch

HDI Global SE
Niederlassung Zürich
Dufourstrasse 46
8008 Zurich
www.hdi.global

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

HOTELA Assurances SA
Rue de la Gare 18
1820 Montreux
www.hotela.ch

Liberty Mutual Insurance Europe Ltd.
Lintheschergasse 19
8001 Zurich
www.libertyspecialtymarkets.com

Orion Rechtsschutz-Versicherung AG
Aeschenvorstadt 50
4051 Basel
www.orion.ch

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

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

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

TSM Compagnie d'Assurances
Rue Jaquet-Droz 41
2301 La Chaux-de-Fonds
www.tsm.ch

UNIQA Versicherung AG
Austrasse 46
FL – 9490 Vaduz
www.uniqua.ch

Vaudoise Générale, Compagnie d'Assurances SA
Place de Milan 120
1001 Lausanne
www.vaudoise.ch

XL Insurance Company SE
Limmatstrasse 250
8005 Zurich
www.xlinsurance.com

Zürich Versicherungs-Gesellschaft AG
Hagenholzstrasse 60
8050 Zurich
www.zurich.com

Reinsurance companies

Aspen Re
Sihlstrasse 38
8001 Zurich
www.aspen-re.com

AXIS Re Europe
Alfred-Escher-Strasse 50
8002 Zurich
www.axiscapital.com

Catlin Re Switzerland Ltd
Limmatstrasse 250
8005 Zurich
www.xlcatlin.com

DR Swiss Deutsche Rück-versicherung Schweiz AG
Schweizergasse 21
Am Löwenplatz
8001 Zurich
www.drswiss.ch

Echo Rückversicherungs-AG
Brandschenkestrasse 18–20
8001 Zurich
www.echore.com

MS Amlin AG
Kirchenweg 5
8008 Zurich
www.msamlin.com

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

PartnerRe Zurich Branch
Bellerivestrasse 36
8034 Zurich
www.partnerre.com

SCOR Services Switzerland Ltd.
General-Guisan-Quai 26
8022 Zurich
www.scor.com

SIGNAL IDUNA Reinsurance Ltd
Bundesplatz 1
6302 Zug
www.sire.ch

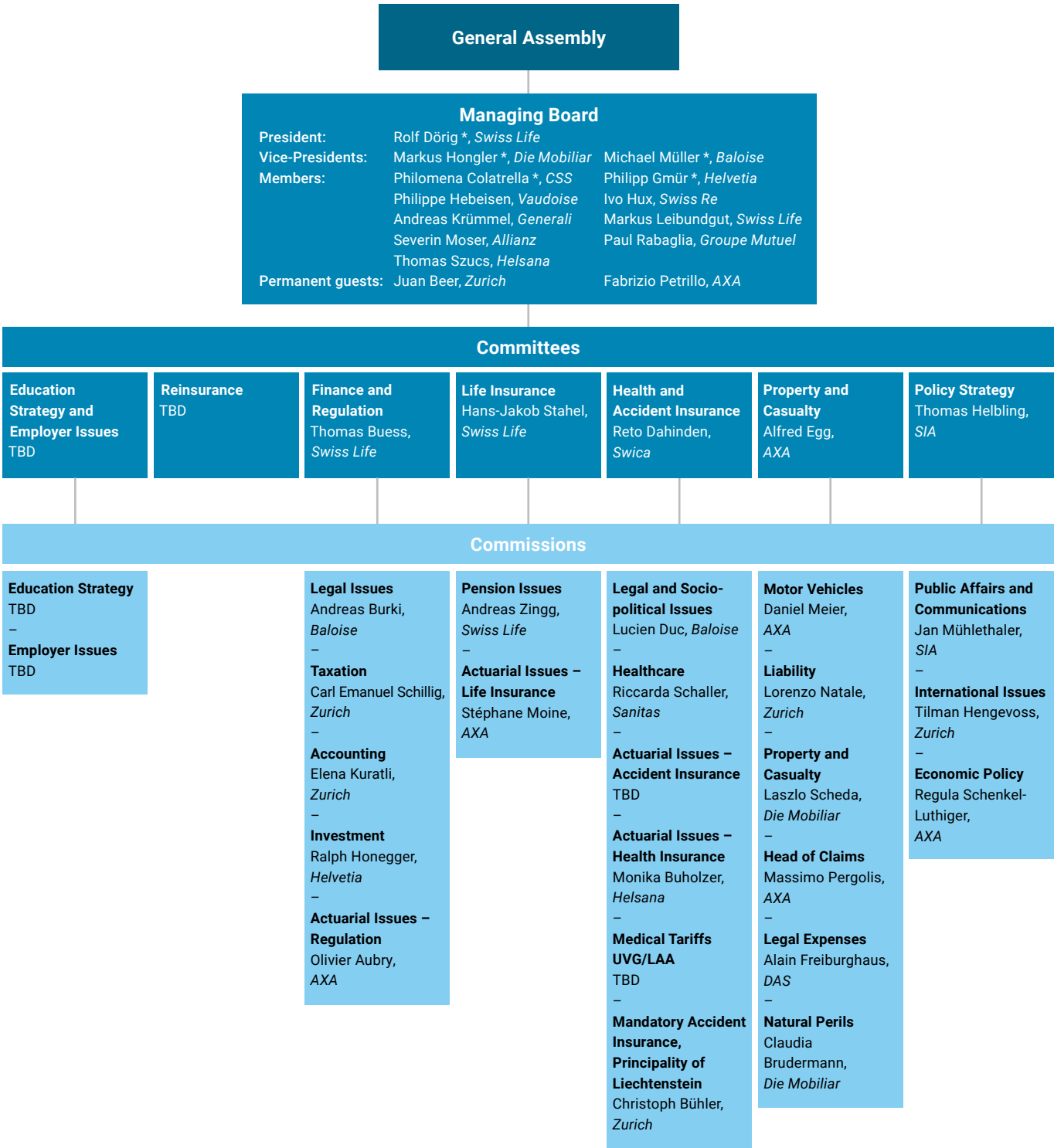
Swiss Re
Mythenquai 50/60
8022 Zurich
www.swissre.com

Tokio Millennium Re AG
Beethovenstrasse 33
8002 Zurich
www.tokiomillennium.com

TransRe Zurich Ltd
Sihlstrasse 38
8001 Zurich
www.transre.com

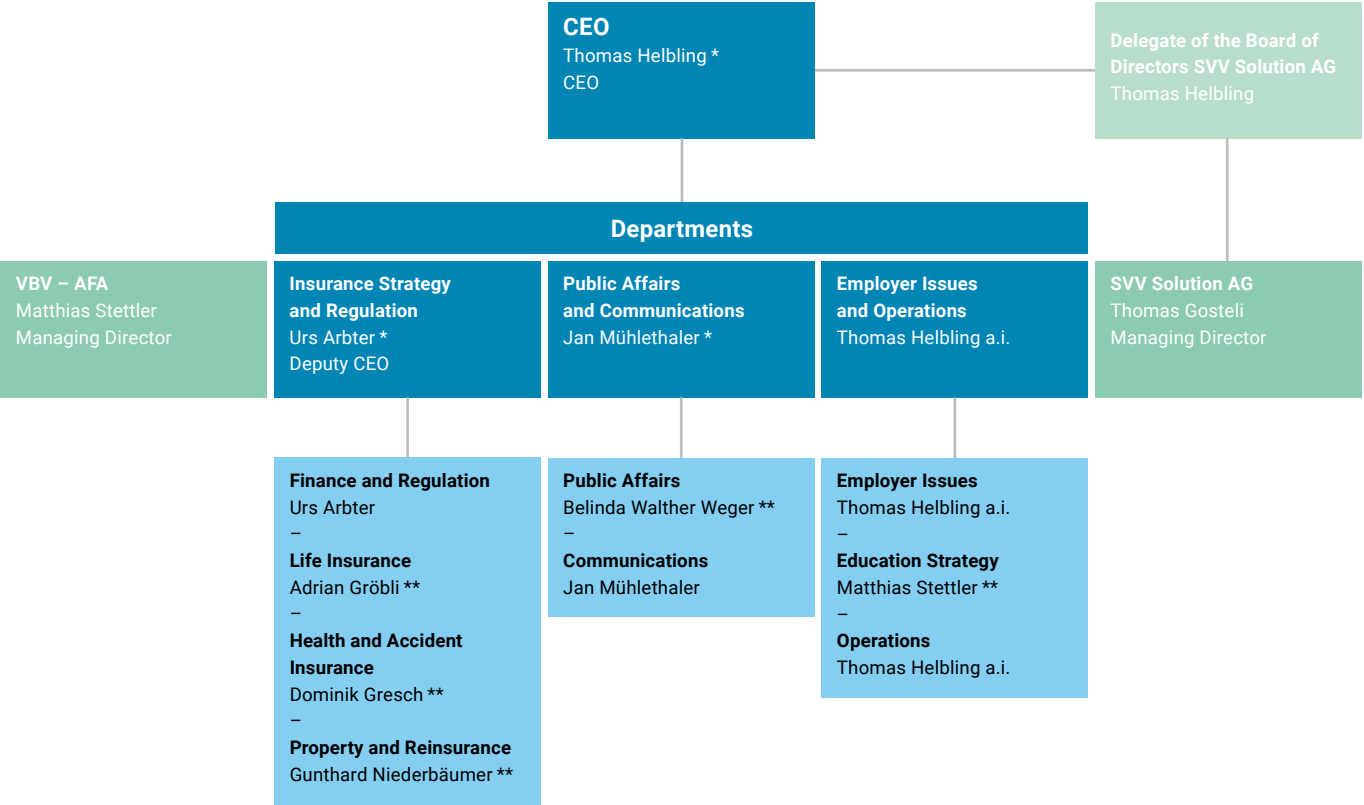
Validus Reinsurance (Switzerland) Ltd.
Talstrasse 83
8001 Zurich
www.validusholdings.com

Committees and commissions



* Ordinary Member of the Board Committee
The current version is available at www.svv.ch
Last update 1 April 2018

Head Office



* Member of the Executive Board
** Member of the Extended Executive Management
The names, positions, portraits and email addresses of all SIA employees can be found at www.svv.ch
Last update 1 April 2018

National and international contacts

Memberships

Compasso, information portal on professional integration for employers, representation on the board and the think tank, www.compasso.ch

COP 23 – UNFCCC – Swiss delegation, United Nations Climate Change Conference, cop23.unfccc.int

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

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

Eidgenössische Kommission für die berufliche Vorsorge, Swiss federal commission for occupational benefit plans

Eidgenössische Kommission für Konsumentenfragen (EKK), Federal Consumer Affairs Commission

Eidgenössische Kommission für Wirtschaftspolitik, Swiss federal committee for economic policy

European Centre of Tort and Insurance Law (ECTIL), European centre for tort and insurance law, www.ectil.org

European conference of the national institutes for professional insurance education (EIET) www.eiet.org

European Financial Certification Organisation (eficert), www.eficert.eu

Fachkommission Elementarschutzregister, FER, natural disasters – expert commission for the certification of components, www.hagelregister.ch

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

Federal Coordination Commission for Occupational Safety FCOS, central information and coordination office for safety and health at work, www.ekas.ch

Fonds für Verkehrssicherheit FVS, fund for traffic safety, representation on the panel of experts and the administrative committee, www.fvs.ch

Forum Gesundheit Luzern, sponsoring association of the nationwide platform on trends and perspectives in healthcare, www.trendtage-gesundheit.ch

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

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

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

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

Schweizerischer Arbeitgeberverband, Swiss employer organisation, www.arbeitgeber.ch

Schweizerische Gesellschaft der Vertrauens- und Versicherungsärzte, Swiss association of independent medical examiners, www.vertrauensaeerzte.ch

Schweizerischer Gewerbeverband sgV, Swiss trade association, www.sgv-usam.ch

Schweizerischer Verkehrssicherheitsrat, Swiss traffic safety council, umbrella organisation for road traffic safety, www.vsr.ch

SGHVR, Schweizerische Gesellschaft für Haftpflicht- und Versicherungsrecht, Swiss association for tort and insurance law, www.sghvr.ch

Swiss Sustainable Finance (SSF), platform for sustainable finance, www.sustainablefinance.ch

Vorsorgeforum, association for information on occupational pensions in Switzerland, www.vorsorgeforum.ch

Winterthur Institute of Health Economics, center of competence for economic and business administration issues in the field of healthcare, www.wig.zhaw.ch

Representation

Academy of Swiss Insurance Medicine (asim), University Hospital of Basel, cooperation and training partner in insurance medicine, www.asim.unibas.ch

Berufsbildungsverband der Versicherungswirtschaft (VBV), association for professional insurance education and training, SIA education partner, www.vbv.ch

Brunetti group of experts, advisory board on the future of the Swiss financial centre

economiesuisse, umbrella organisation of the Swiss economy, representation in the following bodies and working groups (WG):
– Managing Board
– Directors’ Committee
– WG stock corporation law
– WG Swiss-EU relations
– WG Data protection issues
– WG Financial Market Regulation
– WG Health
– WG Internet
– WG Climate change
– WG Economic affairs
– WG Value added tax
– WG Corporate taxation
– WG Public relations
– WG Commercial law

– WG World Trade Organization
– Company law panel
– Consumer policy panel
– Finance and Taxation Committee
– Energy and Environment Committee
– Legal Affairs Committee
– Competition Committee
– Document Retention Task Force
– WG Financial Data Exchange
– Tax Proposal 2017
– WF Digitalisation
www.economiesuisse.ch

Federal Office for Public Health FOPH, contact group BAG-health insurers, representation of the SIA health insurance providers, www.bag.admin.ch

FMH, professional (umbrella) association of the Swiss medical community, representation on the advisory board, www.fmh.ch

Gesundheitsförderung Schweiz, Health Promotion Switzerland, representation on the Board of Trustees, www.gesundheitsfoerderung.ch

HAVE/REAS Verein Haftung und Versicherung, liability and insurance association, representation on the Editorial committee, www.have.ch

Institute of Insurance Economics of St Gallen University (IVW), member of the association of patrons, www.ivw.unisg.ch

Insurance Europe, European insurance and reinsurance federation, representation in the following bodies:
– Executive Board
– Social policy working group
– Professional training working group
– Labour law working group
– Collective employment agreement working group
www.insuranceeurope.eu

Insurance Europe Health Platform, www.insuranceeurope.eu

International Committee for Insurance Medicine (ICLAM), www.iclam.org

Konferenz der Berufs- und höheren Fachprüfungen “Dualstark”, Swiss Board for Professional and Higher Examinations, www.dualstark.ch

Medizinaltarif-Kommission UVG (MTK), association that coordinates mandatory accident insurance in all matters of principle arising from medical law and the pricing of medical insurance, www.mtk-ctm.ch

Organisation for Economic Cooperation and Development (OECD), Insurance and Private Pensions Committee, www.oecd.org

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

Schweizerische Gesellschaft für Traumatologie und Versicherungsmedizin, Swiss society for traumatology and insurance medicine, Representation on the Executive Board, www.sgtv.org

Schweizerischer Arbeitgeberverband, umbrella association of Swiss employers, Representation on the following bodies:
– Executive Board
– Social policy working group
– Professional training working group
– Labour law working group
– Collective employment agreement working group
www.arbeitgeber.ch

SIM Swiss Insurance Medicine, Swiss community of interests for insurance medicine, Representation on the Executive Board and in the Legal committee, www.swiss-insurance-medicine.ch

Swiss Competence Center for Accident Prevention (bfu), representation on the board of trustees, www.bfu.ch

Swiss National Bank, representaion in the balance of payments group of experts, www.snb.ch

Cooperation

Art Loss Register, cooperation in tracking lost and stolen valuables, www.artloss.com

Ausgleichskasse “Versicherung” (AK81), social insurance compensation fund for the insurance industry, Appointment of the Board of Directos and the delegates, www.ak81.ch

Curafutura, www.curafutura.ch

Empa Materials Science and Technology, a research institute of the ETH Domain, cooperation on technology issues, www.empa.ch

Federal Office for the Environment FOEN, project partnerships on PPP, www.bafu.admin.ch

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

International Association of Insurance Supervisors (IAIS), observer, www.iaisweb.org

Kaufmännischer Verband Schweiz (kfmv Schweiz), Swiss commercial employees association, social partner of the insurance industry, employee representative for “Agreements on working conditions”, www.kfmv.ch

Ombudsman of private insurance and of suv, ombud office founded and funded by the SIA, representation on the Board of Trustees, www.versicherungsombudsman.ch

Ombudsstelle Krankenversicherung, Swiss health insurance ombud office, www.om-kv.ch

santésuisse, www.santesuisse.ch

Schutz vor Naturgefahren, joint campaign of KGV, HEV, SIA and varous cantonal banks to revert natural disasters, www.schutz-vor-naturgefahren.ch

Schweizerischer Pensionskassenverband (ASIP), Swiss pension fund association, contacts at various levels, www.asip.ch

Schweizerischer Verband der Versicherungs-Generalagenten (SVVG), Swiss association of General Insurance Agents, SIA partner, www.svvg-fsaga.ch

scienceindustries, Swiss business association for the chemical, pharmaceutical and biotech industries, cooperation on nanotechnology issues, www.scienceindustries.ch

SGK Schweizerische Gesellschaft für Konjunkturforschung, SGK Society for economic research, Society for the financial support of the KOF Swiss Economic Institute, Representation in the SGK, www.kof.ethz.ch/en/the-institute/SGK.html

Swiss Green Economic Symposium, www.sges.ch

Swissmem, association of the Swiss electrical and mechanical engineering industries and associated technology-oriented sectors, cooperation on nanotechnology issues, www.swissmem.ch

Université Lausanne, Faculté des hautes études commerciales, www.hec.unil.ch/people/jwagner

Vereinigung Kantonaler Gebäudeversicherungen, cooperation in the prevention of fires and natural disasters, www.vkg.ch

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

Other partners

avenir Suisse, think tank for economic and social issues, contribution to studies of the Swiss financial centre, www.avenirsuisse.ch

Fonds zur Sicherung künftiger Renten, fund to safeguard future annuities

IBM Research – Zurich Laboratory, Nanotechnology Center, www.zurich.ibm.com/nanocenter

Natural Perils Pool, pooling of private insurance companies to equalize risk compensation associated with natural disasters, www.svv.ch/en/sia/partners/natural-perils-pool

ASA | SVV

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