VIEW

The annual magazine of the Swiss Insurance Association for the General Assembly 2021

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Contents

Further information on business year 2020 can be found at:

www.svv.ch/de/jahresbericht2020

Editorial

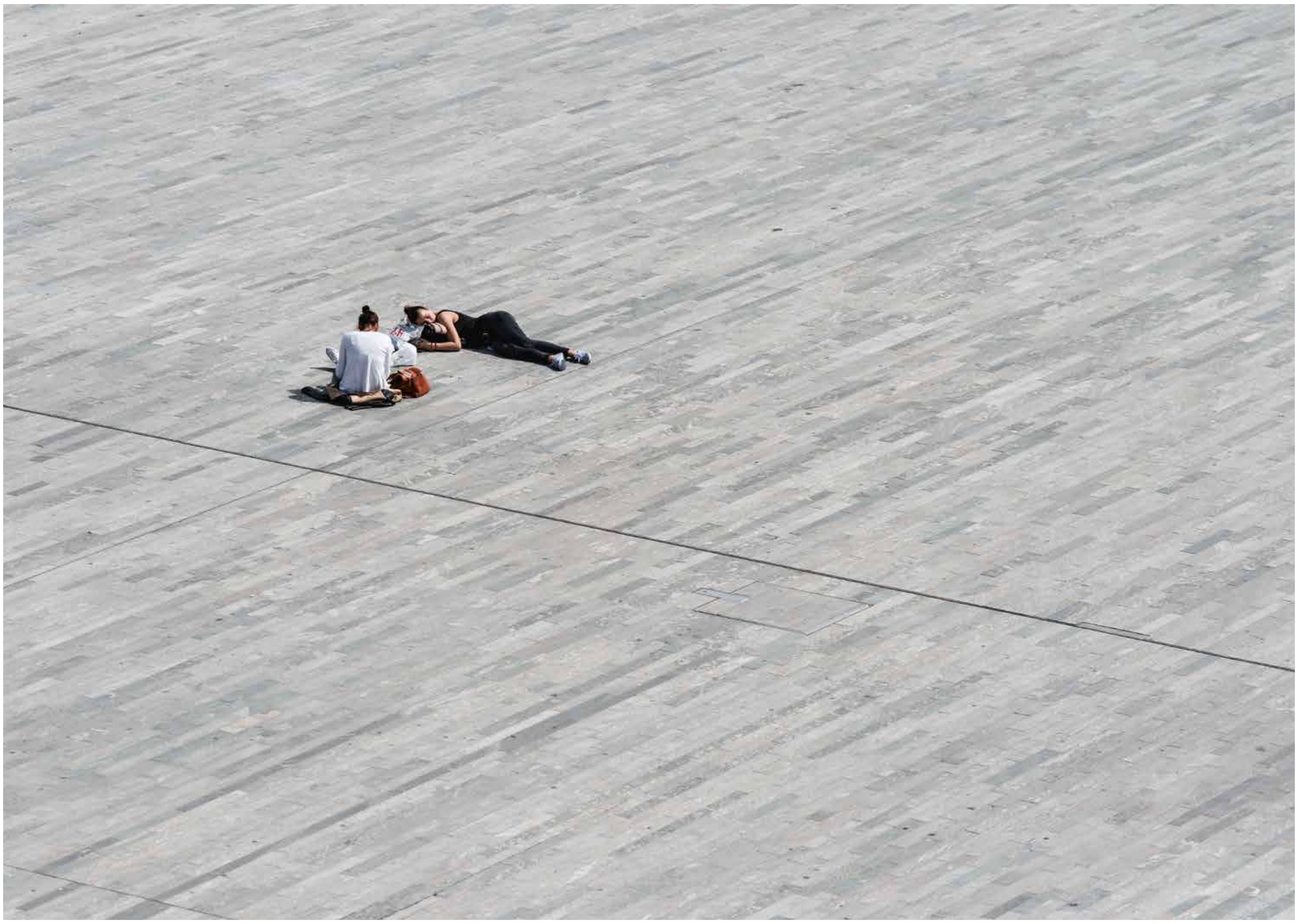
Dear readers,

The COVID-19 pandemic has shaped the activities of our association in 2020 in a variety of ways. As everywhere else, crisis management was our top priority. Familiar procedures, planned projects and events, ideas for political lobbying – all our plans were thrown out of the window. Daily routines were stopped in their tracks from one day to the next, and it was only over the course of time that we realised that they would not return overnight, if indeed they return at all. Similarly, the pandemic as an issue had a huge impact. It drew our attention to this global social risk and its dramatic effects – and overshadowed the top issues that had previously dominated the Worry Barometer. A few months have passed since then and, with the luxury of distance, we realise that although the way in which the pandemic has taken over our daily lives was unexpected, it does not change everything. However, it has emerged from nowhere as a new top risk in the league table of those challenges that have been keeping our society busy for some time now. And now that it has attained this status, the pandemic will not disappear quickly.

But it is important not to lose sight of the big picture. The reform of the pension system in particular remains an urgent and pressing issue. We cannot afford to delay it any longer at the expense of the younger generations. This is why we have given representatives of the young parties a prominent platform in this year's annual magazine: they report on their dwindling confidence in the outdated social welfare system and outline how their generation wants to shape the pension system to make it suitable for today's grandchildren and thus sustainable.

Whether in the context of the pension system or the commitment to an environment worth living in, sustainability is part of our DNA as private insurers. It has always been of central importance in risk assessment, the drafting of insurance policies and in loss prevention. And as major institutional investors with a long-term investment horizon, the SIA member companies take their responsibility in this area seriously. We spoke with Professor Alexander Braun of the Institute of Insurance Economics at the University of St Gallen on how the impact of a sustainable investment strategy can be proven.

In addition to the two central topics mentioned above, which have been pushed out of the public focus by the pandemic, the COVID-19 crisis was of course the issue dominating the year for us insurers as well. Our reports reflect this, devoting a considerable amount of attention to it. We expect private insurers to have paid at least CHF 1 billion in pandemic-related claims in 2020. At the same time, the global scale of COVID-19 has made it clear to us that when it comes to major risks such as this one – and also with others such as cyber risk, power shortage or earthquake – the principle of risk diversification no longer applies and purely private insurance solutions no longer have a place. During the COVID-19 crisis, the state took on the role of an in-

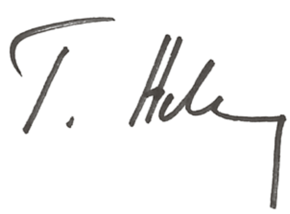


surer with its toolbox of hardship measures and short-time work and loss of earnings compensation. The problem is that it did not charge any premiums for this cover in advance, but rather will pass the burden on to the taxpayer and future generations after the event. So far, the tally comes to between CHF 60 billion and CHF 70 billion. This is neither sustainable nor does it inspire the population to take its own precautions for the next crisis. This is why innovative and sustainable solutions are needed now: they must be developed jointly by the state and risk experts in our industry, and then implemented over the coming years. The SIA is ready for this teamwork; the ball is now in the policymakers' court.

I hope that the articles make for interesting reading.

Thomas Helbling

CEO, Swiss Insurance Association SIA



'Redistribution in the second pillar runs counter to the principle of sustainability'

SIA chairman Rolf Dörig takes a look at the current challenges facing the Swiss insurance industry. During the pandemic, insurers continued to fulfil their mandate and provide their contractual benefits, and thus support both the economy and society at large in the crisis.

Mr Dörig, the pandemic has dominated our daily lives: did private insurers have any other issues on their agenda last year?
Like society and the economy as a whole, COVID-19 created a huge challenge for us as well. As a result of the pandemic, private insurers made claims payments of about CHF 1 billion last year. Just as they did before the outbreak of the COVID-19 crisis, they have continued to pay out a daily average of CHF 140 million in pensions and claims payments to private individuals and companies.

And yet nevertheless insurers came under fire …
I can understand that someone who might have expected their insurer to pay out more will have been less than happy. But if we want to ensure that the insurance principle is not undermined, private insurers can pay out benefits in the event of a claim only if premiums have actually been paid for these benefits in advance. This meant that despite the extraordinary situation, our member companies had to insist on compliance with the policies. But they also took a generous and unbureaucratic approach at the same time and helped many of their SME clients with quick and targeted support.

Does that mean there is no such thing as an insurance solution for risks such as a pandemic?
Not at the moment. First, it has proved difficult in the past to assess the impact of a pandemic accurately because the data required has not been available. Second, risks that materialise on a global scale, such as a pandemic, go against the central principles of insurability: the damage or loss occurs at the same time for almost everyone, making risk diversification impossible. This means that purely private insurance solutions are not effective enough for major risks as these. And this is precisely why we, as private insurers, have been on a quest with the federal government in recent months to find various possible approaches to a joint insurance solution for the next pandemic.

On 31 March 2021, the Federal Council made the decision not to continue with the concept of pandemic insurance. Do you understand the decision?
No. Development of the concept of pandemic insurance might still be at an early stage, but it is incomprehensible that the Federal Council has now announced that the entire exercise will be abandoned. If you are faced with major risks such as this one, it is essential to look into preventative measures!

You wanted to contribute insurers' expertise?
Exactly. Prevention and risk assessment are part of private insurers' DNA. Allocation of funds in the event of a claim is one thing, but the question as to who receives which funds – and how these funds can be paid out efficiently – is much more of a challenge. This is an area in which private insurers have well-established processes, expertise and human resources to offer. We can process a claim within a short space of time and identify whether the claimant is eligible or not. This creates transparency, prevents any unjustified payouts and means that injured parties receive fast, efficient and effective help. So our industry's expertise is very valuable when it comes to ensuring support for a future solution among the general population.

Is that the advantage over a purely state-led approach?
First and foremost, it's the advantage of an insurance solution. Instead of distributing funds indiscriminately in retrospect and at the sole expense of the country's taxpayers, an insurance solution allows a planned approach and provides legal certainty long before a claim is made. If an incident occurs, it then ensures that help goes to those who really need it as soon as possible, namely in line with the rules of play that were agreed beforehand and are based on the principle of solidarity.

You mention the principle of solidarity. Is this not also at risk in terms of retirement provision, particularly in the second pillar?
Unfortunately, it is. There has been an urgent and pressing need for action in this area for a long time now. Policymakers are facing challenges to their reform projects for the first and second pillars. There is broad acceptance for the Swiss three-pillar system, which has proved successful. But it has become outdated – and attempts are now being made to incorporate non-system elements into the second pillar. This is something we are vehemently opposed to. We do not need to fundamentally rebuild the balanced system. We just need to ensure, and this is all the more urgent, that it is adapted to today's demographic and economic realities.

What do you make of the Federal Council's proposal for the OPA reform overall?
It features key elements to stabilise the second pillar. We support the core of the reform – the one-step reduction of the OPA minimum conversion rate to 6.0 per cent.

And which aspects do you criticise?
In particular, the Federal Council's proposed pension surcharge and the idea of an unlimited salary contribution. A scattergun approach is something that has to be rejected at all costs. Rather, compensation has to be targeted and needs-based. This is why we want compensation payments to benefit the transitional generation within the second pillar to be limited in duration and to end automatically after this period. This is the only sustainable way to reform the pension system.

You want to see sustainability in retirement provision?
Yes, sustainability is imperative when it comes to retirement provision. It is about not living at the expense of the next generation and leaving behind an intact environment. It is precisely the redistribution in the second pillar that we have today that runs counter to the principle of sustainability. We need sustainability in retirement provision as well as in environmental matters …

… where the focus is also on the financial sector and as a result on private insurers, too.
This issue is not new for our member companies, as sustainability is at the core of their business model. As professionals in risk evaluation, and also in our capacity as major investors, we have an economic responsibility to live up to. Companies that invest their clients' premium funds have a long-term perspective and thus also an interest in sustainable commitments.

And what measures are insurers taking?
Many insurers have been addressing sustainability for years now and have built up corresponding expertise in this area. With the first Sustainability Report published last year, the private insurers allowed statements to be made about the industry as a whole for the first time. We have further enhanced this report for 2021, enabling us to provide more transparent information on how we are contributing to this issue.

The federal government's financial centre strategy also addresses the topic of sustainability.
We welcome the federal government's approach – and not only in terms of sustainability. The updated financial centre strategy ensures continuity and is designed in a targeted manner. The Federal Council addresses what we see as the key action areas: this will allow Switzerland to remain competitive as a financial centre in the years ahead.

There is also competition among the SIA's members. Does that not lead to competing interests?
That's par for the course in any association. The SIA thrives on diversity. Small niche insurers, national all-line insurers, health and accident insurers and global direct insurers and reinsurers are all members of the SIA. It goes without saying that they sometimes have differing views and needs.

You manage an association. The pandemic meant that political business also did not always go as planned. However, the partial revision of the Insurance Contract Act was completed in 2020. Are you satisfied with the outcome?
The lively discussion surrounding it shows just how important it is. Our efforts paid off. We believe that the partial revision is balanced. It strengthens policyholder rights in a variety of ways and allows policy processing that meets the needs of our digital age.

Parliament will discuss the partial revision of the Insurance Supervision Act next.
We expect the partial revision to adapt the Act to reflect the latest requirements. An Insurance Supervision Act that is fit for the future has to put overall conditions in place that facilitate technological progress. In terms of policyholder protection, differentiated solutions should be possible depending on the need for customer protection. As you can see, the association's work is set to remain challenging and exciting in 2021.

The COVID-19 crisis has revealed massive protection gaps

How has the insurance industry coped with the COVID-19 crisis so far? And what lessons should companies, society and policymakers learn from the crisis? Ruedi Kubat (Allianz Suisse) and Ivo Menzinger (Swiss Re) take stock of the situation.

By Daniel Schriber

'Out of the blue, the first few months of 2020 taught us how radically our everyday lives can change.' These were the opening lines of SIA's Annual Report 2020. Since then, COVID-19 has become part of our everyday lives. And nobody yet knows for sure how the second half of 2021 will develop. Will we have to get used to wearing masks on the tram and in public places in the future? How many more businesses will be forced to close as a result of the crisis? Will the vaccination campaign have the desired effect? It is not least the many questions remaining that make dealing with this pandemic so challenging. And it goes without saying that it has also had and is still having an impact on the insurance industry. 'None of us has ever experienced a crisis quite like it before,' says Ruedi Kubat, Head of P&C Insurance at Allianz Suisse and president of the steering committee of the 'Pandemic Insurance' project at the Swiss Insurance Association (SIA). 'The COVID-19 pandemic is like a wildfire that has spread rapidly across a large number of countries.'

facilities and rent concessions. 'For example, we offered our customers free payment agreements, waived reminders and debt collection measures and the associated administrative fees, and significantly reduced interest on arrears,' says Kubat. In addition, he explains that Allianz has accommodated a large number of commercial tenants by offering rent deferrals or concessions, as has been common practice in the industry.

Principles of insurability

Although private insurers offered their customers support in a number of areas, the industry has repeatedly been the target of much criticism, particularly at the beginning of the pandemic. 'The COVID-19 crisis revealed massive coverage gaps – in particular related to business closures and interruptions of operations,' says Kubat. This has been a source of frustration. At the start of the crisis, private insurers repeatedly came under fire because they often refused to pay out insurance benefits due to an epidemic or pandemic exclusion in their terms and conditions. This is despite the fact that the economic implications of a pandemic such as COVID-19 cannot be covered by non-life insurance per se. One of the main reasons is the fact that the business disruption hit a large number of industries across a wide geographical area due to the same cause. In addition, in a pandemic different risks interact with each other – including business interruptions, the impact on the global capital markets, mounting medical costs and rising mortality.
For insurers, a pandemic is an 'accumulation risk' – i.e. hazards that cause a disproportionate amount of damage simultaneously. 'The capital requirements associated with this accumulation risk would be so high that effective coverage through the private insurance market alone would require insurance premiums that would be completely unattractive, if not unaffordable, for policyholders,' says Kubat. In other words, an event such as the COVID-19 pandemic goes against all the principles of insurability.

It actually happens in practice

Ivo Menzinger, Head of Europe/Middle East/Africa for Public Sector Solutions at reinsurer Swiss Re, is keen to emphasise this: 'The economic impact of a pandemic is something that cannot be insured by the private sector alone as a matter of principle.' The past months have revealed what a lack of coverage means. The pandemic has shown the importance of society's resilience,' emphasises Menzinger. 'Although we knew in theory the implications of this sort of incident, society took only limited precautionary measures. This is something that we will have to reconsider in the future.' Menzinger believes that the COVID-19 crisis has opened many people's eyes: 'We have learned that these rare events are not confined to theory; they actually happen in practice.' He says that it is now up to society to determine how Switzerland wants to react to a pandemic or another

Brought closer together by the crisis

For employees at Allianz Suisse, the first lockdown in March 2020 came as a huge shock. At the start of the pandemic, Kubat says the primary focus was on ensuring that the company could continue to operate and also protect staff. From one day to the next, more than 90 per cent of Allianz employees found themselves working from home. The company's approximately 130 agencies throughout Switzerland were closed to customers for almost two months. However, Kubat's conclusion is that employees came to terms with the new situation relatively quickly. More than that: 'Overall, I would say that we have actually been brought closer together as a company during the crisis.' This was also the result of a related survey conducted by the company during the first lockdown. The survey revealed that the crisis also presented its fair share of opportunities for the corporate sector. For example, two thirds of the Allianz employees surveyed said that they wanted to be able to spend more time working from home in the future. 'Change is our constant companion anyway – it will now accelerate a little,' believes Kubat. In this respect, he says that the crisis provided valuable impetus, highlighting those areas in which the company could become even more digital and efficient in the future. Specifically, digital tools – for example, options for video processing – may also become increasingly important for the sales force. All in all, Kubat draws a positive conclusion: 'Given the extremely difficult conditions, we are very satisfied with what we have achieved. We have fared well throughout the crisis so far, thanks in part to our broadly diversified business portfolio.'

Far-reaching payment relief

Although Allianz and most other insurance companies have weathered the pandemic relatively well so far, other sectors have been hit hard by its consequences. Many of them are also customers of Allianz. 'We have shown solidarity with our corporate clients in this difficult situation and granted extensive payment facilities to give them some financial breathing space,' says Kubat. The company is not alone in adopting this approach: in 2020, the Swiss insurance industry not only made claims payments of about CHF 1 billion in connection with the COVID-19 pandemic, but it also supported a large number of businesses with payment

Normally, a number of people pay a risk-based premium, so an individual is compensated in the event of a claim.

If, as in the event of a major risk, everyone is dependent on support simultaneously, the insurance principle no longer works.

major event. 'We have a choice: either we learn the valuable lessons from our experience of the past few months – or we make decisions on an ad hoc basis again in the future,' says Menzinger. The current situation represents a huge opportunity. 'True to the maxim "never waste a good crisis", we should now seize the opportunity to make a difference as a society.'

At the beginning of the pandemic, it seemed as if the Federal Department of Finance (FDF) wanted to seize the opportunity, launching the federal Pandemic Insurance project. As SIA project manager, Menzinger represented the insurance industry on the project. In autumn 2020, the working group comprising representatives from administrative authorities and the insurance industry completed its work and submitted it to federal councillor Ueli Maurer. On 31 March 2021, however, the Federal Council announced that it had no plans to pursue the options proposed, citing an alleged lack of support in the business community. This decision makes no sense to the private insurance industry. 'It contradicts the current National Risk Analysis of Disasters and Emergencies,' says SIA director Thomas Helbling. Although the current situation has revealed massive gaps in coverage, he says that the national government appears not to be willing to learn its lessons for the next pandemic. 'Instead of countering the biggest risk to society by planning proactively, the federal government's decision suggests that it will continue to rely on an ad hoc solution for victims in the event of another pandemic,' says Helbling. It goes without saying that this route is rejected by the insurance industry for regulatory reasons. Instead, it is focusing on a precautionary approach. This, however, requires the involvement of all players involved. For Menzinger, there is no doubt: 'Pandemic insurance must be a real act of solidarity. A very high insurance penetration rate is needed to achieve a comprehensive protective effect.' This means that from the perspective of the private insurance industry, policymakers still have work to do and must put the necessary overall conditions in place.

What's next?

Despite the cancellation of the exercise by the Federal Council, private insurers are still willing to work on a solution. 'The insurance industry is interested in and open to providing support in the form of various possible solutions. We have business relationships with almost all companies in Switzerland and the tools to make fast, rule-based payments to those affected,' says Menzinger. He says that this is also important because when a pandemic hits, time is a factor that should not be underestimated in a company's survival. The question remains as to what lessons the insurance industry itself should learn from the COVID-19 crisis. 'Overall, I think that the insurance industry in Switzerland has managed the crisis well so far,' says Kubat, who is also a member of the SIA's Non-Life Committee. 'Thanks to its sustainable business model and its solid capital resources, the industry contributes to the stability of the economy and society during times of crisis.' Nevertheless, Kubat believes that the sector has catch-up work to do, particularly in communication. 'We have to formulate our insurance terms and conditions more clearly and make it transparent that the costs of a pandemic cannot be borne by private insurance. This might not always have been entirely clear, which understandably led to frustration and anger among some customers.' Menzinger also believes that the crisis has shown the industry the importance of clear contractual wording. 'We don't want gaps in coverage – but the insurance industry cannot pay for losses for which it has never received premiums.'

Pandemic insurance in limbo

In order to cover the risks associated with another pandemic, a joint solution is required from policyholders, insurers and the state.

On 31 March 2021, the Federal Council made the decision not to continue with the concept of pandemic insurance. It does not intend to pursue the proposals put forward by the working group. The working group consisted of representatives of the federal administration and the insurance industry, and had developed various proposals for solutions on behalf of the Federal Department of Finance (FDF). The core approach was based on an assumption of part of the claims burden by private insurers. The remainder was to be borne by the state. Based on this concept, the insurers' contribution would have focused primarily on expertise and claims settlement, infrastructure and customer relations. By deciding not to pursue the concept any further, the Federal Council is signalling that it does not want to counter the biggest societal risk with a precautionary plan. The Swiss Insurance Association (SIA) remains convinced that everyone – including the Federal Council – has an obligation to find a solution to pandemic risk that is viable for all concerned. Accordingly, Swiss private insurers continue to work for a solution that is better able to absorb the economic consequences of a future pandemic or a government-imposed lockdown.

www.svv.ch/en/coronavirus

'Why a pandemic cannot be insured purely by the private sector – a brief explanation of the major risks'

www.youtube.com/swissinsurers

The next major event will follow sooner or later

The COVID-19 crisis has shown impressively just how serious and complex the consequences of such a major event can be. In addition to the pandemic, other major risks could be headed our way in the future.

By Daniel Schriber

As these words are written, the COVID-19 crisis has had the world firmly in its grasp for more than a year. The pandemic also poses huge challenges to the Swiss insurance industry (see main article, p. 8). Nevertheless, the COVID-19 pandemic is neither the first nor the only major risk event. 'Major risks have always hung over us – even outside the insurance world', explains Eduard Held, managing director of the Natural Perils Pool at the Swiss Insurance Association (SIA). He cites volcanic eruptions and other supraregional natural catastrophes as examples. 'Technological advances and social change create the potential for different kinds of risks, such as plane crashes or terrorist attacks.' In addition, the scope of potential major risk events has grown steadily as a result of globalisation – in particular due to increasingly complex supply chains and the increasingly interdependent nature of the global community.

Eduard Held

Power shortage as the biggest risk

Although no universal definition of a major risk exists, there are certain criteria that all major risks meet: 'These events have a relatively low probability of occurrence, but the potential to inflict significant damage', says Held. They also often breach one or more conditions of insurability. The risk report of the Federal Office for Civil Protection (FOCP) divides major risks into natural, technological and societal risks. The FOCP identified a power shortage as the biggest risk in 2020. The scenario described assumed a power shortage of 30 per cent over a period spanning several months in winter. According to the FOCP report, such a scenario could lead to aggregate economic damage of more than CHF 180 billion in Switzerland. This means that the event, which according to the FOCP could occur once in a period of 30 to 50 years, is considered the biggest risk to our country, ahead of the risk of a pandemic or a nationwide failure of mobile communications. 'Events on this scale, in areas offering limited potential for diversification, push insurance companies to their limits', Held emphasises.

Even though power shortages and pandemics are two completely different events, the two scenarios nevertheless have some parallels. As with a pandemic, the Federal Council could also declare an extraordinary situation in the event of a power shortage. 'Official decisions can affect economic activities and lead to insured losses,' says Held. 'It is also extremely likely that in the event of a power shortage other countries or even larger regions will also be affected, which can potentially result in a high correlation of damage.' Although the insurance sector is familiar with the risk associated with power shortages, it still needs to take appropriate action, he says. 'The significance of the power shortage situation is common knowledge. But efforts are still needed to understand the specific impact of a power shortage on the insurance industry.'

Prevention: little effort, considerable benefits

Whether it's a power shortage, a new pandemic or a widespread cyberattack, Held is in no doubt that it is only a matter of time before the next major event emerges. The question as to how Switzerland will deal with major risks such as these remains open. 'Some see Switzerland as a sort of "fully comprehensive insurance" society in which the state ensures that nobody has to bear a major risk themselves,' he says. The experience that comes after every unexpected catastrophe, namely that this is not possible, stands in painful contradiction. Held stresses: 'There is no such thing as a zero-risk society.' This makes it all the more important to conduct a cost-benefit analysis of all risk reduction measures.

Prevention also plays a key role, demonstrated not least by the pandemic: 'People who protect themselves and others – for example, by following simple hygiene rules or getting vaccinated – can reduce the probability of occurrence and also the extent of the damage if an event occurs. Very effective prevention measures are available for natural hazards,' says Held. As examples, the managing director of the Natural Perils Pool mentions sensible spatial planning, earthquake-resistant construction and flood protection. 'Prevention is often worthwhile because preventative measures can offer an excellent cost-benefit ratio. The damage saved over time is often much greater than the effort required in prevention.'

He believes that the COVID-19 pandemic will change the way society deals with major risks: 'The crisis has served as a painful reminder that we have to live with unknown risks and cannot rule out every uncertainty. It also shows us how vulnerable we are as a society.'

POOL SOLUTIONS FOR NATURAL PERILS AND NUCLEAR RISKS

Natural catastrophes can inflict damage on a huge scale. They can be insured with the necessary insured amount and appropriate premiums only if both the insured persons and their insurers show solidarity and jointly share the risk. As a result, the concept behind natural perils insurance is based on double solidarity, in which insurers and insured persons jointly share the risk of natural perils. Switzerland also has a similar insurance model for nuclear risk. 'These solutions ensure that the major risk can be insured and that a single member company is not faced with an unsustainable claims burden. Instead, it is spread across several companies,' says Held.

FROM POWER SHORTAGE TO DROUGHT: THE 10 BIGGEST RISKS TO SWITZERLAND

The Federal Office for Civil Protection has defined the 10 biggest risks for Switzerland in its national risk analysis. These are the following events (in order of the expected loss value):

1. Power shortage
2. Influenza pandemic
3. Mobile communications failure
4. Heatwave
5. Earthquake
6. Power failure
7. Storm
8. Data centre failure
9. Influx of refugees
10. Drought

www.risk-ch.ch

New managing director of the Natural Perils Pool

On 1 October 2020, Eduard Held took over leadership of the Natural Perils Pool. The pool – an association of Swiss private insurers organized as a simple company with an office at the SIA – enables two-fold compensation: among the policyholders and among the participating insurers. It was established back in 1936. The Swiss natural perils insurance insures buildings and property against natural hazards, which can cause enormous damage. If a natural catastrophe hits a region, insurers are affected differently depending on their market share in the region. The Natural Perils Pool distributes 80 per cent of the loss amount among the affiliated insurers according to their national market share. Additional cover is provided through reinsurance in years with particularly high losses.

www.svv.ch/de/elementarschaden

You can't insure everything

Essay Katja Gentinetta

At one time, property insurance enabled global trade via shipping; later, material goods were insured for individuals; in the 19th century, when people were so bold as to apply clinical economic criteria to human life, it was even possible to launch life insurance policies. The principle of insurance was one of the biggest social advances made during the era of industrialisation and was expected to provide a new form of social welfare, which was exactly what happened. The ever-evolving insurance industry has always been about cushioning individual fate with a customised collective. The instrument of statistical probability calculation allowed the rationalisation of solidarity, so to speak.

Nowadays, individual and social insurance has become an integral part of our daily life. Whether goods, tangible assets or valuables, illness, accident or invalidity, pets, vehicles and travel, legal disputes, crop failures and mishaps of all kinds, there are practically no limits when it comes to listing everything that can be insured. Why is this so important to us? And why are there still things that are difficult or impossible to insure, even if we wanted to?

Insurance creates security

Insurance is there to provide security where none exists. For example, I expect that the things I own can be lost only to a limited extent, since they will be replaced if the worst comes to the worst. If I find a dent in the side of my car, I replace it with a new part. So far, so functional. But what if there is a break-in and my family heirlooms are stolen? Although their value can be expressed in figures and replaced by a monetary payout, their intrinsic value, the memory of my parents, grandparents or ancestors is lost forever.

Insurance is intended to mitigate risks – or at least their implications, as the risks themselves cannot be averted. Social insurance in particular ensures that the blow dealt by life's individual ups-and-downs, such as unemployment or illness, is cushioned, at least in financial terms. But once again, while it allows us to worry less about making a living, it does not guarantee a happy life.

Ultimately, insurance is there to minimise risk in order that we take it anyway. Businesses are adventures with big objectives: Just as Columbus wanted to use his expedition to discover America, a modern start-up wants to use its algorithm to conquer the world. Insurance can be the factor that decides whether someone actually embarks on this adventure. But no insurance policy can guarantee that the business will be successful, because the circumstances and potential surprises are simply too diverse. Although there is the promise of some degree of compensation in the event of failure – for example, in the case of the state export risk guarantee – the insurance policy steps in only in the event of unforeseeable or uncontrollable actions by third parties. Even if success often requires luck, without determination and hard work, you are unlikely to achieve your goals. The things that you can, and indeed must, achieve through your own efforts cannot be passed on to a collective.

These examples show that objective material assets, calculable indemnity and predicable risks are insurable. In contrast, intrinsic values, your emotional well-being and the management of your life in general cannot be insured.

Life remains a risk

The greatest challenge facing our affluent society is probably the realisation that this prosperity and the sense of well-being that comes with it cannot be insured. We cannot insure our security. As difficult as the idea might be to accept, we have to live with the fact that there will always be uncertainties that only we and no one else will have to overcome. So what does this mean for our lives and our society?

There may well be objective reasons why – to give a topical example – it is difficult to take out insurance to cover a pandemic. It cannot be clearly localised and or is it clearly calculable due to its varying implications. But even if we were able to find a solution, it is difficult for an insurance company to influence how an individual copes with negative events and their consequences in life.

While some become desperate and barely able to cope without support, or at least the hope of support, others seek out new avenues, knuckle down and embark on a new life. The point is not to evaluate why some people succeed while others do not, as yet again the reasons are too diverse. It shows, however, that not all people are equally dependent on support when they find themselves in difficult situations. This in turn means that not everyone is prepared to fully provide for others. Collective solidarity is required to cushion the blow dealt by individual fate. And solidarity has always been understood as a two-way street – I can rely on others because they can also rely on me in an emergency.

So insurance cannot be effective in areas in which there is no collective fate, or in which no such fate can be created. Ultimately, this means that how we live our lives is entirely up to us. It's a bit like love. None of us can decide where or when it happens. Turning that initial spark into a happy, ideally lifelong, relationship, however, requires attention, effort and prudence.

The Stoics perfected the art of not despairing when dealt a blow by fate, but rather of taking life as it is – in other words, accepting the things you cannot change. The Epicureans knew how to enjoy life, to find good things even in bad times and to see every day as a gift. We can still learn a lot from them today. Even if we yearn for security and would prefer to be able to insure it, life ultimately remains a risk – and being able to navigate through it has been the challenge facing us since time began. And that's a good thing, because it is the very meaning of life.

About

Katja Gentinetta holds a doctorate in political philosophy. She works as a publicist, university lecturer and board member. She writes an economics column for NZZ am Sonntag. She is also a member of the ICRC and supports companies and institutions in their strategic development and socio-political challenges

'The capital market has a key role to play'

Professor Alexander Braun of the University of St Gallen's Institute of Insurance Economics explains the effects of sustainable investment strategies and investor responsibility.

Interview: Takashi Sugimoto

Do we have a generally accepted valuation method for measuring the impact that financial investments have on global warming?
It is difficult to measure a direct link between investments and global warming. After all, financial investments themselves do not emit greenhouse gases. The effect is an indirect one that arises through the provision of capital for companies with carbon-intensive business models. Based on the carbon footprint of the companies in which an investor buys shares or bonds, the investor can roughly estimate the volume of emissions attributable to each individual franc, euro or dollar invested.

What responsibilities lie with the investor and the company in which the investment is made?
When it comes to the sustainability of investments specifically, the responsibility lies exclusively with the investor. Companies establish their business models and offer their securities on the capital market in connection with financing transactions. Those that invest in companies with business models that are not sustainable cannot justify their actions by passing the blame on to the management.

Would a label help in the transparent classification of sustainable investment products?
Definitely. This is an approach that has been put into practice by various bodies, such as the Morningstar Sustainability Rating and the ESG label from Forum Nachhaltige Geldanlagen (FNG) – with ESG standing for Environmental, Social and Governance. As long as they provide a reasonably accurate picture of the emissions balance of an investment, labels such as these serve as a reliable guide and reduce the search and information costs for investors substantially.

Is there a lack of transparency today?
For the average investor, verifying a company's emissions intensity is a highly resource-intensive matter. The information that companies supply in their annual financial statements tends to be of only limited value. Relevant information can be 'hidden' in the midst of irrelevant information, or showcase projects may signal a sustainable focus that a company does not actually have. In the context of structured investments or entire portfolios of shares and bonds, the verification effort soon becomes impossible to manage.

Does this give direct investments, e.g. in real estate, an advantage over structured investments?
Meaningful comparisons can be made first and foremost within a particular asset class. The question arises as to what the ESG footprint of the companies/business models behind shares or bonds looks like. However, the effect of direct investments in real estate can be measured more clearly. For example, with the financing of an energy-efficient development, it is easy to understand the CO_2 savings compared with an old building.

Can the effect of a sustainable investment strategy be proven?
If a large number of investors want to invest sustainably in the future, then the cost of capital for companies with a strong carbon footprint should increase substantially. The first indications of this can already be measured on the capital market. In a paper published recently in the Journal of Financial Economics, economists Patrick Bolton of Columbia University and Marcin Kacperczyk of Imperial College London provide empirical evidence that investors are demanding higher returns for shares in companies with a high emissions intensity.

Is the sustainable impact made by investments in different sectors, e.g. solar and cement plants, comparable?
Ultimately, the comparison can be made only on the basis of actual CO_2 emissions. Compared with the solar farm, the cement plant clearly has more of an initial negative impact on the environment. In this respect, the economic and social objective must be to find a way to manufacture cement in a climate-neutral way in the future. If investors decide against investing in the cement plant due to its currently poor environmental footprint, the capital costs will increase. The market mechanism then results in cement plants that cannot reduce their emissions substantially becoming uneconomical and dropping out of the market. But since society has a need for cement, it becomes worthwhile for the remaining cement plants to invest in new production processes with low CO_2 emissions.

Investors who withdraw from a coal-fired power plant, for example, improve their carbon footprint. But as long as the coal-fired power plant can find other investors, its CO_2 emissions will not be reduced. Does that make sense?
An investment strategy has to be assessed always with the investor's preferences taken into account. If an investor derives a non-monetary benefit from sustainable investments or is worried about the transition risks associated with non-sustainable investments, a focus on ESG-compliant investments is a sensible decision from its point of view. The fact that after the investor sells certain securities, other investors take its place and use their capital to support non-sustainable business models does nothing to change this.

Is it possible to say whether impact investment is more effective than an exclusion approach?
By definition, impact investors want to make an impact. In this respect, investments that can be used to actively drive change are more important here than in other investment categories. This is, however, a forward-looking 'ex ante' approach. I am not currently aware of any widespread standard method to measure and compare the impact achieved by various investments as part of a retrospective ('ex post') assessment.

How do the different approaches perform financially?
As the topic as a whole has gained significant momentum only over the last three years, the data series available for a sound scientific analysis is still relatively short. Nevertheless, initial evidence is already available on the performance of sustainable strategies relative to standard investments. In addition to the article by Bolton and Kacperczyk that I mention above, a paper by Brad Barber, Adair Morse and Ayako Yasuda, which also appeared in the Journal of Financial Economics in January 2021, is particularly worthy of mention. The authors demonstrate that venture capital funds with an impact focus generate significantly lower returns than their conventional counterparts.

How strong is the risk of a bubble emerging due to trending sustainability topics?
I do not see any signs of a bubble at the moment. However, larger capital inflows into sustainable funds have been seen in recent years. Evidence of this can be found in a paper published by my colleague at the University of St Gallen Manuel Ammann and co-authors, which was published in the journal European Financial Management in 2018.

Do sustainable investments deliver on their promises?
Yes, they certainly do, as long as they are selected carefully with all the available information taken into account. The capital market has a key role to play in the transition to a sustainable economy and society. If companies that are not sustainable can no longer secure financing, or are able to do so only at a very high cost of capital, their business models become uneconomical. This creates a strong incentive to adopt a sustainable approach.

About
Alexander Braun is an associate professor in insurance and capital markets and the director of the Institute of Insurance Economics at the University of St Gallen. His research interests include climate risk and sustainable insurance.

SUSTAINABILITY REPORT

Commitment to sustainability

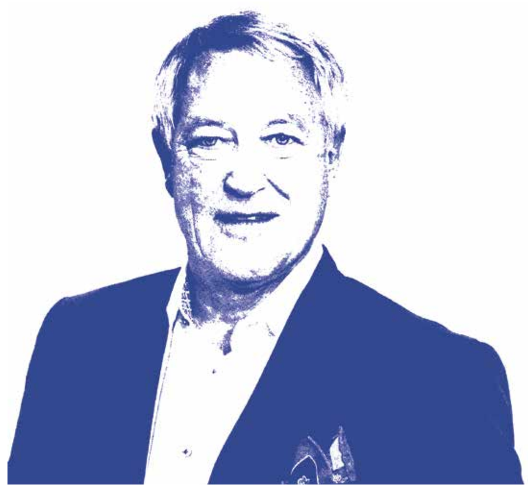
With the first sustainability report, private insurers highlighted their commitment to sustainability.

'ESG criteria are the focus for 86 per cent of the managed capital of those member companies of the Swiss Insurance Association (SIA) that submitted their data for the first sustainability report.' This was one of the findings of the first sustainability report for the insurance industry published by the SIA in 2020. ESG stands for Environmental, Social and Governance. The report allows private insurers to supply transparent information on their sustainability measures. The enhanced second edition will follow in 2021. For the SIA, the issue of sustainability also includes pension provision, which is an area in urgent need of a solution.

The strategy adopted in 2020 demonstrates the importance of sustainability to the SIA: sustainability is one of the focal issues. For example, the industry association for private insurers is also lending its support to the Federal Council's financial centre strategy, which focuses on the competitiveness and future viability of the financial centre. It focuses on terms such as 'innovative', 'networked' and 'sustainable'. Optimal overall conditions should help ensure that Switzerland remains one of the world's leading financial centres. The Federal Council aims to respond to increasing digitalisation by offering modular forms of authorisation, to examine the introduction of a supervisory regime for small insurers similar to the system for small banks, and to strengthen the sustainable development of the financial centre by putting appropriate overall conditions in place for sustainable finance. The Federal Council's focus is on the promotion of the industry' s initiative for greater sustainability, a move welcomed by the SIA.

svv.ch/de/nachhaltigkeitsreport-2020

Help for asbestos victims – a social responsibility



A commentary by Urs Berger

Asbestos is resistant to heat and aggressive chemicals, highly elastic and has high electrical and thermal insulating properties. These properties once made it an appealing and valuable material for industry and technology. This is why it was in such widespread use in these areas: In sheets or compounds for fire protection, in brake pads and clutch discs in vehicle construction, and in seals designed to withstand thermal or chemical strain.

Unfortunately, the risk to human health associated with asbestos processing was discovered only at a late stage. Asbestos breaks down into microscopically fine fibres and anyone who inhales them runs the risk of developing malignant mesothelioma, a malignant tumour in the lungs or abdomen. It takes 20 years, and often up to 45 years or more, for this usually fatal disease to appear. Although the manufacture and import of asbestos has been banned in Switzerland since 1 March 1990, the statistics suggest that it is still responsible for about 200 people becoming ill every year.

Due to the long period between the root cause and the outbreak, most compensation claims by the individuals affected were statute-barred. This prompted federal councillor Alain Berset to convene a round table to find a solution to meets everyone's needs with representatives from the corporate sector, associations, victims' associations, lawyers, trade unions, the Swiss National Accident Insurance Fund (Suva) and the federal administration. The EFA Foundation Compensation Fund for Asbestos Victims, established in 2017, is the result of this round table. It aims to provide the victims and their families with assistance quickly and with minimal red tape – regardless of whether the illness arose from a personal or work-related handling of the material.

The EFA Foundation has developed a care service together with the Vaud, Zurich and Ticino branches of the Swiss Lung Association. At the locations in Zurich, Lausanne and Bellinzona, specialists advise victims, their relatives and also interested individuals on all questions that arise in connection with an asbestos-related disease. Victims can apply for support at the service centre. the prerequisite is that they have been diagnosed with an asbestos-induced mesothelioma caused in Switzerland since 2006. This option is also open to victims' closest relatives.

The foundation is financed by voluntary contributions from business, industry, trade, associations and other institutions, as well as private individuals. Of the CHF 100 million discussed by the round table, a total of around CHF 25 million had been paid in by the end of 2020. The Swiss Insurance Association, SBB and numerous larger and smaller rail companies have joined forces to make a substantial contribution to the financing of the foundation via the public transport association.

The foundation will need another CHF 50 million by 2030. If the EFA Foundation runs out of funds, it can no longer pay compensation to asbestos victims. They would then have to claim support via the old age and survivors' insurance (OASI)/invalidity insurance (IV) scheme, and possibly sue for additional compensation through the courts – provided there is a liable party. They have neither the time nor the financial means to do this due to their illness. This approach is also expensive for the defendants and entails a loss of reputation. As a result, support is urgently needed. Everyone benefits from the EFA Foundation being able to continue its work.

The foundation has reached an agreement with federal councillors Berset and Guy Parmelin to invite representatives of the sectors and associations concerned to solidarity talks. The aim is for them to remind their members of their social responsibility and motivate them to donate to the EFA Foundation.

About

Urs Berger is chairman of the Board of Directors of Die Mobiliar and president of the EFA Foundation Compensation Fund for Asbestos Victims. He was president of the SIA from 2011 to 2017.

All eyes on Paris

A regular climate impact test is intended to show the progress made by the Swiss financial market with regard to the Paris climate goals.

By signing the Paris Agreement, Switzerland made a commitment to bringing the activities of the financial market into line with the Paris climate goals. The global temperature increase should remain well below two degrees. The Federal Office for the Environment measures the progress with the Pacta Test (Paris Agreement Capital Transition Assessment). In total, 79 pension funds and insurance companies participated in the pilot test in 2017. For the test in 2020, 179 organisations provided their data, including 24 insurers. The report identifies progress, but also addresses the need for further action.

www.transitionmonitor.com/pacta-2020

Transparency needs comparable criteria

State Secretary Daniela Stoffel, State Secretariat for international financial issues, talks about the role of sustainability for the Swiss financial centre.

What role does sustainability play in ensuring a competitive Swiss financial centre?
In its strategic realignment for future financial market policy of December 2020, the Federal Council made it clear: sustainable growth in all its aspects is the only future-proof development path for Switzerland as a financial centre. The focus on sustainability is not only an increasing expectation of the population, but also an opportunity to strengthen the importance of our financial centre.

You say sustainability is an opportunity for Switzerland as a financial centre. Where does Switzerland stand in this respect in an international comparison?
Due to the size and quality of its financial centre, and its high standards of research and education and regulatory requirements, Switzerland is extremely well equipped to become one of the world's leading hubs in sustainable financial services. However, the climate tests conducted recently by the federal authorities at companies in the banking and insurance sectors show that there is still room for improvement. That is a good incentive.

Switzerland supports the work of the international Task Force on Climate-Related Financial Disclosures established by the Financial Stability Board (FSB). Is transparency the most important issue?
Transparency on environmental risks and impacts is a prerequisite for financial markets to function and thrive in the long run. This transparency can be achieved only through internationally comparable criteria. This is why we are involved in numerous forums for global transparency criteria and examination of national implementation projects.

Where do you see the next challenges in this area?
In order for the risks to become more clearly visible and tangible for financial market players, the external costs of environmental and climate damage caused by economic activity have to be internalised in the real economy. Specifically, an adequate global price for CO_2 has to be defined.

Do fintech companies play a central role in a sustainable financial centre?
Fintech companies are a key driver of innovation, allowing the data required to make financial decisions to be generated cost-effectively, faster and more accurately. As well as banks and insurance companies, they are an important pillar of a sustainable financial centre.

Competition brings innovative products

Supplementary hospital insurance allows private insurers to develop products and services tailored to meet the needs of the insured. A new billing system will offer greater transparency in the future.

By Takashi Sugimoto

'Competition stimulates business and drives innovation – in terms of both products and services,' says Rudolf Bruder, Head of Customer Service and Benefits at Helsana. Philomena Colatrella, CEO of CSS, also emphasises the added value that supplementary insurance offers: 'Policyholders can opt for the products and services that best meet their needs. What is important is that genuine additional services are offered.' Whereas basic health insurance is subject to social insurance law and is mandatory, supplementary health insurance is voluntary and is governed by private law. In addition to the services provided under the compulsory health insurance system, insurers can offer additional products to meet their customers' individual needs. Thomas J. Grichting, Director/General Secretary of Groupe Mutuel, says: 'Every insurer strives to develop products that respond to customer needs and to offer them at attractive prices.'

«The move marks a paradigm shift»

Dr. Thomas J. Grichting

Several years long...

In order to establish a clearer billing system for additional services provided to patients with supplementary insurance in the future, multi- service contracts will replace the current contracts in place with hospitals. This will help to make invoices more transparent. 'We are creating the conditions to keep supplementary insurance products attractive for our customers in the future,' says Colatrella. However, the switch to the new system is a time-consuming process that will take several years. 'CSS has implemented the switch to multi-service contracts systematically, terminating contracts with 120 hospitals at the beginning of the year.' As a result, CSS has to renegotiate all these contracts individually, a process that will take time. Naturally, the interests of supplementary health insurers and service providers such as hospitals diverge when it comes to prices. 'We have to agree on the content, but also on the prices,' says Grichting. 'The move marks a paradigm shift, the transition from a legacy model to a new model.' He adds that the process will be anything but easy given the expectations voiced by the supervisory authorities. Colatrella also speaks of a new generation of contracts. In future, for example, hospitals will have to show more precisely and transparently what is covered by the basic insurance scheme and when supplementary insurance steps in. Additional services extending beyond those covered by the basic insurance have to be described in detail.

«Insurers have to forge ahead with coverage for innovations in supplementary insurance, such as digital treatment options.»

Philomena Colatrella

…and a demanding process
According to Bruder, even just defining and evaluating additional services is a time-consuming process. 'Higher requirements also apply to the documentation and evidence of additional services rendered,' he explains. Implementation of mapping of additional services in the insurance and hospital systems poses a further challenge. Linked to this is implementation of completely new billing and invoicing processes. Bruder also points out that there is no conclusively defined catalogue of mandatory services in the basic health insurance system. And he asks: 'But if compulsory services are not clearly defined, how do you define additional services; i.e. services that extend beyond the compulsory scope?' Grichting points out another challenge with regard to policyholders: 'Customers have taken out supplementary health cover with us for which we have made a comprehensive benefit commitment. These services must be available to our customers in the future.' He adds that it is also important to remember that Finma's supervisory activities are aimed at insurers, but it has no control over the service providers. Grichting says: 'This makes it even more important that both the regulator and the insurer speak the same language.'

If hospitals and supplementary hospital insurers cannot reach agreement in their contract negotiations, there is a risk of a contractless situation. Generally speaking, scenarios such as these are nothing out of the ordinary. Bruder explains that the lack of a contract can create ambiguity as to who is to bear which costs. 'In the worst case scenario, the insurer does not cover the costs, or at least is not prepared to cover them in full,' he says. Customers then run the risk that the hospital will charge them a deposit for costs that are not borne by the insurer. As a result, the lack of a contract makes it more difficult for insurers to safeguard the interests of their customers vis-à-vis service providers.

Individual needs-based supplementary insurance
Yet responding to policyholder needs is precisely the added value offered by supplementary insurance. 'Supplementary insurance gives customers the freedom to choose their doctor and hospital. They can choose the insurance coverage that meets their needs in terms of the services offered and the level of comfort they prefer,' says Grichting. This means that it offers an individual additional benefit over the basic health insurance system, in which the same benefits are defined for everyone based on the principle of solidarity. 'On the other hand, a two-tier healthcare system has to be avoided. Rather, it is important to ensure that supplementary health insurance is open to the entire population in a manner that focuses on customers and their needs,' he says. Supplementary insurance also has its role to play in future medical advances. Colatrella says: 'Insurance coverage for future products has to keep pace with rapidly changing offers and customer wishes. Insurers have to forge ahead with coverage for innovations in supplementary insurance, such as digital treatment options.'

«Competition stimulates business and drives innovation»

Rudolf Bruder

Transparency increases added value

Daniel Liedtke, CEO of the Hirslanden Group, talks about the change in the billing system and the role played by supplementary hospital insurance.

What challenges do service providers face as a result of the change in the supplementary hospital insurance billing system?
As a hospital group with 17 hospitals in 10 cantons, we have to defend our position in a landscape of more than five dozen supplementary and private insurers. And let's not forget our more than 2,500 partner doctors, all with different rates that also need to be reflected in the billing system – and that's over and above the statutory requirements for basic health insurance billing.

What effects do you expect to see from increased transparency in the billing system?
Hirslanden has always been committed to its quality strategy and a clear differentiation of the services provided. So we welcome Finma's calls for greater transparency from health insurers. The required disclosure of additional customer-oriented services to insured persons makes it easier for us to show all the services we offer in our discussions with the insurance companies. We know that the envisaged disclosure of additional services and the creation of transparency translates into a hefty workload for health insurers, and we are happy to support them.

What is the benefit of the additional services model?
The more transparently we can show the added value that supplementary insurance offers, the more attractive the supplementary insurance becomes. This will benefit insured persons, insurers and the service providers. From age 50 and up, insured persons find it increasingly difficult to change their supplementary health insurance. So it is up to service providers and insurers to develop specific products for these groups of insured persons.

From a service provider's point of view, what are the most important points when negotiating the new contracts?
Supplementary insurance covers the medical, diagnostic, nursing, therapeutic and service-oriented needs that extend beyond those covered by the Health Insurance Act, and offers the medical innovation that has not yet been incorporated into basic insurance. We refine this customer-oriented added value in all areas on a regular basis and develop additional services based on the current trends and demands of society. We negotiate the prices for these additional services with the health insurers. If the services are in demand, we expect the insurers to pay for them for the

insured patients. It is our shared challenge, together with the health insurers, to demonstrate the value of these additional services to insurance customers.

What does a contract-less case mean for a service provider?
For a service provider, this means that patients with supplementary insurance can no longer be treated as such, as in most cases they are not willing to assume the costs themselves. Despite the premiums they have paid to their insurer over the years, these patients are then treated as basic insured patients, which means that they are not free to choose their doctor and cannot use any of the additional services in the hospital concerned. Understandably, this often causes a lot of anger and confusion. In addition, these cases without contracts also send out an extremely bad signal to the market about the value of supplementary insurance.

How important are supplementary insurance services for hospitals?
The income from supplementary insurance services is crucial for hospitals. It is a prerequisite for investment in order to meet the future requirements of our healthcare system and the insured through progress and innovation and to maintain high quality standards.

Good results thanks to collaboration

With the new SST standard model health insurance, the SIA and Finma have made important adjustments.

The SIA has successfully represented the interests of health insurers and strengthened its collaboration with Finma. The latter introduced a new SST standard model for health insurance that came into effect in 2019. The Swiss Solvency Test (SST) assesses the insurer's capital resources in relation to the risks taken. The most important adjustment in the new model is the calculation of the actuarial risk on the basis of long-term obligations. In 2020, the SIA was also able to achieve further substantial improvements to the SST standard model in cooperation with Finma. The model is enhanced on an ongoing basis by the readjustment of individual parameters.

PARTIAL REVISION

Circular 'Health insurance under the ICA'

The SIA considers the partial revision of the Finma Circular to be inappropriate in various respects.

Finma uses its circulars to provide information on how it, as the supervisory body, applies the legislation governing the financial market. The circulars also affect insurers. In the SIA's view, however, the partial revision of Circular 2010/3 'Health insurance under the ICA' that has now been announced is not consistent with the new Ordinance to the Financial Market Supervision Act (FINMASA). This Ordinance came into force last year and defines Finma's regulatory principles. According to the Ordinance, a circular may only regulate the application of legislation, and can thus explain how Finma uses the leeway available to it as the supervisory body. The circular cannot, however, establish legislation itself. Rather, it must take the applicable law into account in each case.

But Finma does not want to comply with higher-ranking legislation and does not want to differentiate between the companies subject to its supervision. The SIA has criticised this, saying that if no distinction is made between the different circumstances that apply to a particular insurer, as provided for in the legislation, this may result in inspections leading to disproportionate results for a supervised entity, or costs without benefits. This sort of interpretation also hinders the innovative strength and competitive standing of the Swiss insurance market. Because the abuse scenarios are also very broadly defined, competition among insurers is rendered virtually impossible. The SIA also considers it problematic that the new circular may also be applied to existing insurance policies. Changes such as these in the overall regulatory conditions for a particular product can have serious underwriting consequences. Another problem identified by the SIA is that the circular completely ignores future developments as a justification for tariff adjustments. It appears to make little sense to base premiums on past experience alone, even though they also apply to the future.

71 MEMBERS

19 additional experts carrying out building surveys and related services

39 employees at the SIA head office

35/700

Some 700 representatives of the Swiss private insurance companies were involved in 35 standing bodies, various task forces and working groups

56.6 CHF BILLION

Premium volume Switzerland

Life insurance CHF 24.7 billion
Non-life insurance CHF 28.9 billion
Reinsurance CHF 3 billion

AROUND **85**

SIA members account for around 85 % of private insurance premiums generated in the Swiss market

Private Insurers – a significant segment of the economy

6 MILLION

insured persons and/or policies in life insurance

1660 BILLION

CHF insured lump-sum and pension policies in life insurance

47,000

employees in Switzerland

566 CHF BILLION in investements

2125

APPRENTICES AND INTERNS

OVER 20 MIO.

ACTIVE INSURANCE CONTRACTS

32.4 BILLION

CHF gross value added in Switzerland

The life insurance companies insure over **140 000** small and mediumsized enterprises (SMEs) with roughly **750 000** employees and pensioners in the full-insurance system, offering comprehensive security with guarantees. They also provide risk coverage for some **85 000** SMEs with some **800 000** employees and pensioners.

Sources: SIA, FINMA 2020, SIA extrapolation 2020

A fountain of youth for retirement reforms

Outline of a pension scheme to meet the needs of today's grandchildren – or how the youth wings of political parties want to resolve the reform deadlock among the older generations.

An alliance of the youth wings of the country's conservative and liberal political parties wants to finally make retirement provision suitable for today's grandchildren. Four presidents talk about how they want to get pension reform into gear.

By Claudia Wirz

When you are young, you should not have to worry about your retirement. Young people should be enjoying life, exploring the limits of freedom, making bold plans, being rebellious, saving the world, embarking on adventures, getting to know new things and investing in their education. This is the only way a society can move forward. It is one of the privileges of youth not to be a slave to the old system. Or this is the way things should be for a while at least.

The irony of history

But young people of today become old very early on. Now, 16-year-olds are forced to address matters such as our ageing society, salary deductions, redistribution and pension savings. Public officials in Bern welcome this development and are delighted when teenagers show a 'problem-awareness' of retirement provision before they have even embarked on their working lives. For years now, pension worries have topped the list of concerns for young people in Switzerland. The same cannot be said for their peers in Singapore, the US or Brazil.

This should not be cause for celebration, not even for a public official. If the biggest concern among 16-19-year-olds in a modern society – in particular one of the richest in the world – is their old-age pension, then something has gone wrong. It is obvious that 'the elderly' are to blame. For decades now, they have failed to install a pension system that is sustainable in the truest sense of the word – knowing full well that they will pass the systemic problems for which they are responsible on to their children and grandchildren.

The OASI system, which is repeatedly glorified as Switzerland's greatest social achievement, has gone from being a blessing to a source of worry within the space of only a few decades. It was set up in 1948 specifically to alleviate people's fear of poverty in old age. The irony of history! The inability of the Federal Council and parliament to tackle the urgently needed reforms has ensured that the OASI system is increasingly becoming what it actually was from the outset on closer inspection with its pay-as-you-go system: A Ponzi scheme at the expense of the young/working population and those not yet born. But this is not something we like to mention. The fact that this scheme is also becoming more and more widespread in occupational pensions and, against the logic of a funded system, redistributes money from the young to the old does not make things any better; on the contrary.

Grade: C minus

Occasionally, David Trachsel, president of the youth wing of the Swiss People's Party (SVP), stands in front of a class of schoolchildren and asks how many pupils still expect to receive an old-age pension one day, as their grandparents receive today. The outcome of these little surveys is almost always the same, he says. The vast majority of these young people are pessimistic and have no hope of interested in supplementary benefits in their mid-20s,' says Matthias Müller, president of the Young Liberals of Switzerland (YLS). This wouldn't be so bad if the 'older generation' – i.e. the people who are currently in power – would do their homework.

«The second pillar has to be financed based on a proper funded scheme again, without any redistribution.»

David Trachsel, *(1994) is president of the youth wing of the Swiss People's Party (SVP) and a member of the cantonal parliament of Basel Stadt. He has a bachelor's degree in business administration and works as a client advisor at a fiduciary. He is also managing director of the consumer organisation Vision Konsum.*

The older generation's political horse trading

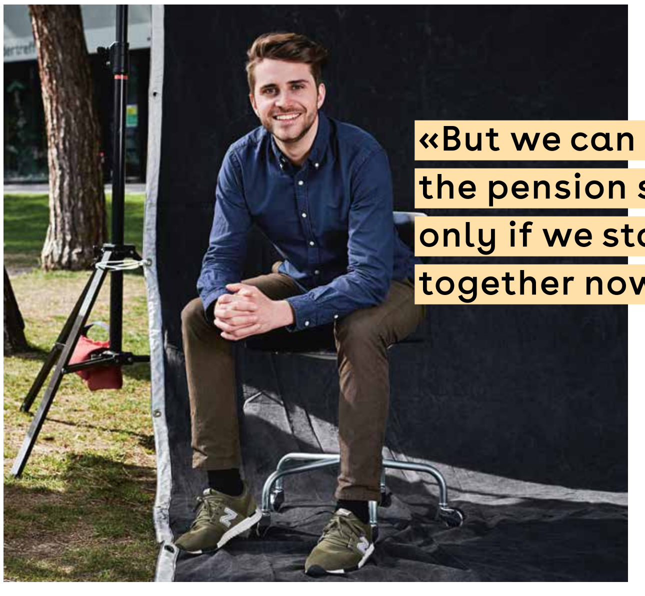
But today's politicians are a long way off achieving that goal. The latest reform proposals also provide scant hope of any imminent turnaround to ensure the solid financing of old-age pensions. 'At the moment, reforms only have a chance – if at all – if they are generously sugar-coated,' says Müller. This is precisely why occupational pensions are actually at risk of becoming a mini-OASI. 'This has to be prevented at all costs,' says Müller. This sort of mechanism would not only run contrary to the system, but it would also be unsustainable. This is something on which the conservative and liberal youth wings agree. 'Sustainability is the order of the day,' says Bünter, 'regardless of environmental issues or retirement provision.'

This is why the conservative and liberal youth wings no longer want to put up with the useless political horse-trading of the older generation. While the Young Socialists, together with their parent party, dream of a uniform basic pension for all with more or less maximum redistribution, the YLS, the youth wing of The Centre, the youth wing of the SVP, the Young Green Liberals and the youth wing of the Swiss Evangelical People's Party have formed an alliance to finally make retirement provision suitable for today's grandchildren.

an old-age pension on the scale seen today. 'In the most optimistic class, just a third of the young people were still confident about their retirement provision,' says Trachsel. Thus, the adolescents indirectly give the established politicians and the administration a rather bad report; grade: unsatisfactory.

One might say that these surveys offer no more than anecdotal evidence, but the findings of this small private study mirror the results that the Credit Suisse Youth Barometer, which measures the concerns of young people, has revealed time and again for years now. It is interesting to note that young people are not actually very familiar with the Swiss pension system. 'Specific knowledge about retirement provision is shockingly poor among the young, as well as among the population at large,' says Tobias Vögeli, co-president of the Young Green Liberals. 'Young people might not be familiar with the specifics,' says Trachsel, 'but they intuitively sense that something is wrong. After all, they are capable of thinking logically.' Indeed, it is obvious that pension promises that do not reflect demographic reality cannot be kept in the longer term. 'The pension system is simply not fit for the future in its current form,' says Sarah Bünter, president of the youth wing of The Centre.

Given the complexity of the issue and the obscure maze in conjunction with other welfare state measures, the limited knowledge of the pension system is hardly surprising. Schools could probably also do more to help. But when you are young, other issues are more important. 'No one is



«But we can reform the pension system only if we stand together now.»

Tobias Vögeli, *(1995) is co-president of the Young Green Liberals and a member of the management of the Green Liberal Party of Switzerland. He has been studying law in Bern since 2016. Since 2018, he has been responsible for finance in his role as a municipal councillor (executive) for Frauenkappelen (BE).*

«The pension system is simply not fit for the future in its current form.»

Sarah Bünter, *(1993), president of the youth wing of The Centre, works at a spatial planning company and is studying for a master's degree in international relations at the University of St Gallen. She is also a member of the Christian Democratic People's Party (CVP) leadership team for St Gallen and a CVP board member for the St Gallen/Gossau region.*

'If the conservative parties do not stand together, we will not be able to get the necessary reforms through,' says Bünter. 'And simply doing nothing,' says Müller, 'would cause collateral damage on a scale that nobody could possible want, least of all the young.' The alliance of the youth wings arose out of necessity – precisely in view of this impending collateral damage, explains Vögeli. There are certainly differences between the individual parties on this issue. 'But we can reform the pension system only if we stand together now.'

So what should happen now? A radical departure from the three-pillar system is not planned. 'This system is one of the best in the world,' says Müller. He explains that while the overall system makes sense, the current approach no longer plays by the rules of the game. The older generation lacks the political will to adjust the pension benefits or the retirement age to reflect demographic and market developments. Because of this political inertia, not only the OASI but also the occupational pension scheme is increasingly running into trouble. The pension funds need more and more money to pay their pensions and they are taking that money from their assets, contrary to the principle of a funded system.

About CHF 7 billion is redistributed from the young to the old in the second pillar every year. This is a situation that the youth wings are not prepared to accept any longer. 'The second pillar has to be financed based on a proper funded scheme again, without any redistribution,' says Trachsel. In their joint response to the consultation process on the reform of the second pillar, the youth wings are thus calling for the conversion rate to be depoliticised. 'In the future, the conversion rate has to be automatically based on objective actuarial criteria, such as life expectancy or market developments,' says Bünter.

Work has to be worthwhile

The adjustment of the retirement age to reflect increased life expectancy is naturally also a long overdue move from the perspective of the youth wings. 'We have to move away from forced retirement,' says Vögeli. Instead, the retirement age should be increased quickly, irrespective of gender, and also made more flexible. The idea is that a more flexible system will strengthen personal responsibility. 'People who work more and longer should also receive a higher pension,' says Müller. Calls for an increase in the retirement age are likely to remain on the political agenda, particularly since the Young Liberals' pension initiative is due to be submitted this summer.

The youth wings generally agree that work has to be worthwhile - considerably worthwhile. 'We can afford our generous social benefits only if we cultivate and maintain our typically Swiss work ethic,' says Trachsel. But currently a whole series of social measures run diametrically across this principle, such as progressive taxation, premium reductions and childcare subsidies. Those who voluntarily reduce their workload in order to have more free time have a good chance of receiving state subsidies such as these. 'Many people are not even aware,' says Bünter, 'of the advantages that those who opt to work less than they could enjoy today.'

The youth wings want to see the abolition of these misguided incentives in the retirement provision system and introduce a bonus-penalty system linked to a reference age. People who work more and longer should also receive a higher pension. As a logical consequence of this increased flexibility, working past retirement age has to be made more attractive, says Müller, who believes that reduced income tax would be a possible option. The old-age credits should also be adjusted since they artificially inflate the costs of the work of older employees.

New working world

'Pension reform also has to take account of how the modern world of work is resulting in different career trajectories,' says Bünter. Jobs for life and uninterrupted periods of employment are outdated concepts. Nowadays, people do project-based work, work for several employers at the same time, take a break from work entirely or are self-employed on a part-time basis. The current system is not, or is only very poorly, geared to all of these special cases. This is something that the youth wings want to change. They want the coordination deduction to be reduced or even abolished, because it puts part-time employees at a disadvantage in terms of occupational pensions. In addition, young adults should be allowed to pay into the second pillar from the age of 18 and not only from the age of 25, as is the case today – this would benefit those who complete an apprenticeship and embark on working life earlier than university graduates. This would at least partially compensate for the disadvantages of the generally lower incomes among non-graduates.

In summary, the concept put forward by the conservative and liberal youth wings can be described as an approach based on reason, pragmatism and a solid grasp on reality, and not by political tactics or a desire a name for themselves. Consequently, it comes as little surprise that the concept is also praised by the experts. Martin Eling, insurance economist and professor at the University of St Gallen, commented in NZZ am Sonntag that what he likes about the young politicians' reform plan is that they are not primarily pursuing their own interests, but are looking for fair solutions.

The youth wings are using a broad-based campaign in a quest to make their concept heard. Let's hope that they succeed. After all, nothing less is at stake than the good old intergenerational contract.

«Simply doing nothing would cause collateral damage.»

Matthias Müller, *president of the Young Liberals, studied law and economics in St Gallen. He is currently working towards a doctorate in takeover law at the University of Zurich and works as a trainee lawyer at a large commercial law firm in Zurich.*

Retirement provision: parliament will decide

In November 2020, the Federal Council submitted the proposal on reforming occupational pensions to parliament. The core of the proposal is the reduction in the OPA minimum conversion rate to 6.0 per cent in a single step, which the Swiss Insurance Association (SIA) considers to be an essential, pressing move. This requires targeted and needs-based compensation within the second pillar for the transitional generation, which will be hit particularly hard. The SIA clearly rejects the pension surcharge proposed by the Federal Council, however, which would apply indefinitely and be financed on a pay-as-you-go principle that is alien to the system. In February 2021, the National Council's Social Security and Health Committee (SSHC-N) approved the submission unanimously. The Federal Council had already adopted the proposal on measures to stabilise the OASI system in August 2019. During the consultation procedure, the SIA pointed out the need to make adjustments on both the income and the benefits side. In February 2021, the Council of States' Social Security and Health Committee (SSHC-S) concluded its detailed consultation procedure on the proposal. The consultation in the two Councils will take place over the course of 2021.

GLOSSARY

The first pillar of the pension system (the OASI system) is financed on a **pay-as-you-go** basis. Current expenses (mainly pensions) are covered by current income (mainly contributions paid by employees and employers, contributions from the federal government and VAT income).

The second pillar, occupational pensions (OPA), is financed based on a **funded model.** As with a savings account, retirement assets are saved in the pension fund for each insured person during their working life.

Annual **retirement credits** are credited to the pension fund to build up the retirement assets. These are defined as a percentage of the coordinated salary. The amount depends on the age of the insured person.

The **coordination deduction** corresponds to 7/8 of the maximum ordinary OASI pension (as at 2021: CHF 25,095). No retirement credits are credited to this part of the salary.

The **conversion rate,** together with the retirement assets available on retirement, determines the amount of the pension in the second pillar. A conversion rate of six per cent means that a pensioner receives an annual pension of CHF 6,000 for every CHF 100,000 francs saved in retirement assets.

Terra firma in retirement provision

'What does the population think about pensions?' This is one of the topics covered by the SIA Safety Monitor. Michael Hermann, managing director of the research institute Sotomo, interprets the findings.

According to the SIA Safety Monitor, less than one quarter of respondents feel that they have no gaps in their retirement provision. Where does the problem lie?
The population is more than aware of the problems facing the pension system. People know that a dwindling number of people in work must finance a growing number of pensioners. What is more, the system is so complex that younger people in particular do not know exactly what happens to their money.

Nonetheless, why is reform so difficult?
People essentially understand that things cannot continue as they are. But older people expect the current system to be sufficient to meet their needs. They see terra firma. This puts a damper on the pressure to implement reforms. For younger people, on the other hand, retirement is still a long way off. The situation is a theoretical one. But there is another aspect, namely that stability, security and no loss of pension are firmly established as overall goals. But reforms are always associated with cuts. That's why the population wants to put them off for as long as possible.

In 2019, 40 per cent of those surveyed felt that the current system did not cover their retirement security needs at all; by 2020, this figure had fallen to only 31 per cent.
After the failed pension reform of 2017, there was a real sense of urgency. The adoption of the Federal Act on Tax Reform and OASI Funding (OASI TRAF) in 2019 then took relieved the pressure. Although pension system reform is still ongoing, it has become something of a side issue. First, it was pushed into the background by climate change and the gender debate.

And now by COVID-19?
Exactly. Another side effect of COVID-19 in my view is that the issue of sovereign debt and pushing large volumes of money around is seen as less problematic. You become used to relying on a safety net. People start thinking that if the state can spend billions of francs saving the economy, why can't it do the same for the pension system? In the last survey, these effects were only just starting to emerge. I am curious to see how the relationship with the state will change.

What does this mean for the first and second pillars?
It is interesting that the population wants to strengthen the second pillar, which it considers more sustainable than the first pillar. At the same time, the perception of the second pillar as personal provision is being eroded. And on the political side, this pillar is starting to feature more redistributive and pay-as-you-go elements.

Does the population want the OASI system to be expanded after all?
No, but the question is 'should the second pillar be personal provision in its purest form?'

Which reform approaches have a chance of securing the support of the majority of the population?
An increase in the female retirement age is seen in a relatively positive light. There is also support for the total time spent in work over a lifetime. The idea of reducing the OASI pension for high earners is also surprisingly popular.

What concepts are not proving popular?
We know that the population is not willing to accept lower pensions. Taking something away is an extremely difficult matter. If pensions are to be maintained at the current level, we will need innovative approaches.

SVV Safety Monitor

The fourth edition of the SVV Safety Monitor will be published in 2021. The Sotomo polling institute, together with the Military Academy (MILAC) at ETH Zurich, has surveyed the population on societal safety and stability on behalf of the SIA.
www.svv.ch/de/monitor

We need a successful OPA reform for all

A commentary by Patric Olivier Zbinden

When I was studying law about 20 years ago, the occupational pensions world still seemed to be completely intact. This can be illustrated by two key elements: The statutory conversion rate and the OPA minimum interest rate. Both were explicitly defined as a figure in the Federal Act of 25 June 1982 on Occupational Old Age, Survivors' and Invalidity Pension Provision. The 7.2 per cent conversion rate was actually out of date even then. Strictly speaking, the value was already outdated when the OPA came into force in 1985 and was based on the lower life expectancy of the 1970s. As far as the OPA minimum interest rate of 4 per cent is concerned, I had noted in my studies that the value had deliberately been set (so) low that it would be easily achievable based on the capital investment made in every conceivable scenario. This makes sense if you consider that the annual average investment return, even with a large proportion of bonds in the portfolio, was between 7 and 8 per cent shortly before the millennium. Back then, everything seemed to be working fine.

Today's world looks very different. We have learned that the capital market – the third contributor to occupational pensions alongside employers and employees – can practically collapse at times. We have also learned that funded occupational pensions works only if capital accumulation and depletion are in a state of equilibrium. If this is not the case, a pay-as-you-go element will inevitably creep in and take hold.

But we have also received confirmation that our three-pillar concept is very stable and valuable, and needs to be preserved. The concept is relatively easy to grasp for anyone who sits down to think about it. Many people, however, start taking an interest in the topic only when they get married, when they have a child, or perhaps when they get divorced or buy a property. And all too often, unfortunately, much later. I gained a grasp of the topic relatively quickly as a student about 20 years ago and I thought I had understood the most important aspects. But one only realises how intricate the three-pillar system in general and occupational pensions specifically really are only when one wants to adapt and reform the system to reflect new circumstances. We have to find an approach that works and ultimately does justice to all stakeholders. After all, there is a real, pressing need to act.

Two aspects give me reason to be confident. First, everyone involved agrees on the immediate need to take action. Second, there are enough experts who understand the complex set of OPA rules, with all its interrelations and dependencies, who can dismantle them, adapt them and put them back together again. The changes have to ensure that the economy is not hit with excessive costs here and now. They have to strike a sensible balance between the need to save and the freedom to save, in order to ensure that as many people as possible are able to put sufficient funds aside while they are still in employment to allow them to maintain their accustomed standard of living in the third stage of life. When the reform comes into force, it must take sufficient account of the 'transitional generation'. And people on lower incomes and part-time workers have to be able to look forward to better pension provision.

Experience has shown that the devil is in the detail. We must be aware, however, that it is high time to set the right course and not only initiate reform, but also put it into practice. If we don't act now, it will be several years before we get another opportunity and by that time the urgent need for reform will have become even more pressing.

About

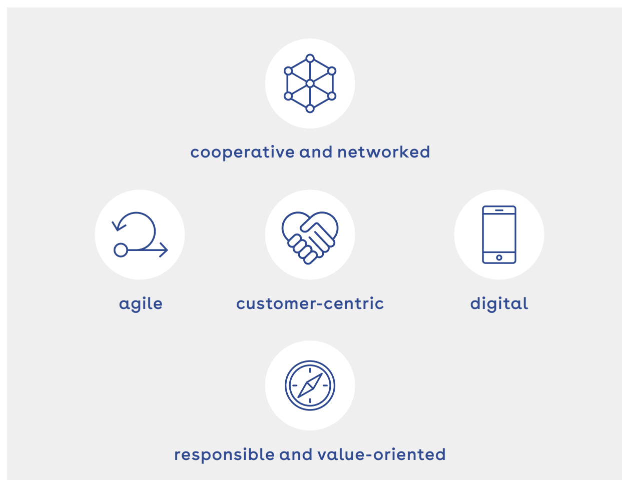
Patric Olivier Zbinden is head of corporate customers and a member of the Executive Board at Baloise Insurance. He chairs the SIA's Life Committee.

Transversal competencies bring success

Anyone who wants professional success in the insurance world in the future will need transversal competencies in addition to the required technical skills. Although these are more difficult to convey in conventional training programmes, they are the recipe for success in the long run.

By Lisa Schaller

Short, concise, precise: in the post-war era, job advertisements spanned only a few lines. Requirements for soft skills were addressed, if at all, with words such as 'proficient' or 'honest'. In the 1980s, job advertisements had already become longer and increasingly included references to social skills such as 'outgoing'. Nowadays, transversal competencies are the latest concept. It refers to skills that are not subject-specific and can be applied to a number of different areas. With the involvement of people from the insurance industry, the Institute of Insurance Economics at the University of St Gallen (I.VW-HSG) worked with the Swiss Federal Institute for Vocational Education and Training (SFIVET) to analyse which skills will be important in the insurance industry in the future. They identified the trends that will shape the insurance industry over the next 10 years. Social, economic and technological trends – such as the use of artificial intelligence (AI) – were taken into account. 'Artificial intelligence describes the attempt to replicate, or even imitate, human behaviour using machines. Insurers are making their first attempts at using this technology in their interaction with customers; for example, through the use of digital assistants. But the potential of this technology is much greater and ultimately spans all areas of the value chain – from the customer interface to the product factory,' says Professor Christian Biener, who was involved in the study as director of I.VW. Based on the trends identified, five competencies emerge that describe how employees in the insurance industry must be able to approach and solve their future work tasks:



'In practice, these competencies are intertwined and are impossible to separate entirely from each other,' says Professor Ursula Scharnhorst from SFIVET and co-author of the study. She also points out that these skills are anything but new: 'But today they are not yet being pursued systematically enough.' Education providers' curricula have long formulated professional educational goals in a competency-oriented manner. Often transversal competencies are also listed as teaching objectives. 'But these skills cannot be imparted in a purely academic setting. Transversal competencies are often linked to personality traits that have been developed from early childhood. Later, in the

context of vocational education and training, these skills can best be learned by reflecting on one's own actions and improving them step by step,' says Scharnhorst. For Belinda Walther Weger, head of Public Affairs and Sustainability at Mobiliar and president of the SIA's Education Strategy Commission, teaching transversal competencies is a central aspect, both on the job and in education and further training: 'It is important that we work with our education partners in the future to find and develop ways of imparting and teaching the skills appropriately.'

One challenge in the future will lie in identifying those applicants who have transversal competencies: 'The most workable approach would be to describe specific situations that applicants have to navigate and that they can solve only if they have the necessary skills,' says Stephan Walliser, head of Human Resources at Baloise Insurance and president of the SIA's Employer Issues Commission. Scharnhorst also confirms this: 'At the moment, there are very few tried-and-tested and reliable tools for measuring transversal competencies in the professional world. In general, social skills are best recognised in specific work-related situations.' So the way in which the insurance industry recruits new employees is changing. Walliser also predicts that in only five years, job advertisements will look very different than today: 'In future, we will definitely focus more on describing situations intended to attract those people who have the transformative skills we are looking for.'

In the long run, people who are aware of their transversal competencies and take targeted action to develop them will be successful.

'Skills of the future'

As part of the SIA Strategy 2020-2024, the Institute of Insurance Economics at the University of St Gallen (I.VW-HSG) and the Swiss Federal Institute for Vocational Education and Training (SFIVET) investigated the 'Skills of the future' for the insurance industry with a time horizon of 2030. The results, which were developed with the involvement of various representatives from the insurance industry, are now available:

www.svv.ch/skills

'The transformation of the working world has been fast-tracked by COVID-19'

Severin Moser, CEO of Allianz Suisse, member of the SIA Managing Board and president of the SIA's Education and Policy Employer Committee.

The 'Skills of the future' final report has identified five transversal competencies that employees need to have in order to be successful in the insurance industry in the future. How will these results be incorporated into the strategic alignment of insurance companies?
While the insurance industry has a very long-term focus, but this is sometimes associated with a certain inertia that is at odds with the digital age. However, the final report clearly shows that this is no longer the case. It serves as a good compass with which small and large insurance companies alike can, and indeed should, use for strategic orientation. Some are already very agile, while others still have some work to do. It is important for us to respond to new impetus, get our staff on board in the interests of continuous development and make new forms of work tangible. In any case, the industry has become more attractive despite the COVID-19 pandemic – this trend will continue if we continue to promote the skills we are looking for.

How can these skills be encouraged among employees?
We all have strengths, talents and potential. The art lies in using, promoting and developing them in a targeted manner. First, it is crucial to raise awareness of the need to make the appropriate time and financial resources available. The insurance companies provide the framework in the form of training and further development and on-the-job opportunities that promote the relevant skills. The motivation to acquire new skills and develop them individually has to come from employees themselves. This is an area in which we can advise employees and also support managers in their role. Where there is a common will, there is a way.

The COVID-19 pandemic has also had a marked impact on the way we work. Is this a short-term trend or more of a long-term change?
Let's put it this way: it is a long-term change that has been fast-tracked by COVID-19. The industry has demonstrated that it was able to maintain operations seamlessly, even when faced with extremely difficult conditions and with employees working from home. We used video calls to provide advice to clients and held virtual meetings. Although this came with a few technical challenges, there was no loss in terms of service quality or customer satisfaction. The need for flexible working methods has increased on both the employer and the employee side. We can now exploit these positive effects and see them as an opportunity to advance the working worlds of tomorrow. A large number of companies are already working intensively on this. It's a really exciting development!

The dark side of digitalisation

Cyberattacks are one of the main risks we face. The potential victims are by no means limited to major companies. Insurance companies have long since recognised the problem – and adapted their offers accordingly.

Author: Daniel Schriber

The figures give food for thought. As a survey conducted by the market and social research institute gfs-zürich revealed, one in four SMEs in Switzerland has fallen victim to a cyberattack. So it is no wonder that the insurance industry is also addressing the topic. Mobiliar, for example, has launched a centre of competence for cyber risks. Its mission is to help raise awareness in the corporate sector of the dangers lurking on the internet, ranging from viruses to data theft to deliberately overloading the company network. 'Attacks are becoming increasingly professional,' says Andreas Hölzli, head of the Cyber Risk Competence Centre. The fact that SMEs are often the target of cyberattacks is no coincidence, according to Hölzli, 'Smaller companies tend to have poorer protection than their large counterparts.' This is either because they are not aware of the risk – or because they simply lack the means to put an efficient cyber defence system in place. For criminals, companies like these are ideal victims: 'Basically, any company that uses IT and has an internet connection is at risk,' says Hölzli. 'This is exactly why we are constantly expanding our products and developing corresponding risk management services.' For example, Mobiliar offers its customers a service that trains employees to deal with cyber risks and uses simulated phishing campaigns to test them.

More progress, more risk

Prevention is a crucial factor in the fight against cybercrime. Maya Bundt, head of Cyber & Digital Solutions at reinsurer Swiss Re, agrees. 'Often, the first thing to be done is to raise awareness of the risk.' Across the globe, Swiss Re's cyber experts work to identify the latest threats. 'Cyber risks are the dark side of digitalisation,' says Bundt. 'The greater the technological progress, the faster the rate at which the associated risks grow – and that applies world-wide.' This development is also being closely monitored at the National Cyber Security Centre (NCSC). 'Cyber security has become much more of an issue at all levels in recent years,' emphasises Max Klaus, deputy head of operational cyber security. The fact that some companies still believe that they are not interesting targets is a big mistake. 'Every company has interesting data. It might be information about employees, financial data or sensitive customer data. From the attackers' point of view, the data affected is irrelevant. If the data has an economic or emotional value for the victim, they will probably be willing to pay the ransom.' Cyberattacks, he explains, are often based on blackmail. For example, a crypto-Trojan is smuggled into a company network, which then encrypts all the company's data and is prepared to release it again only in return for a ransom. The NCSC's recommendation in such cases is clear: Do not pay the ransom! 'There is no guarantee that you will be able to restore the data once you have paid the ransom,' says Klaus. Instead, the attack should be reported to the police.

«Basically, any company that uses IT and has an internet connection is at risk.»

Cyber insurance for the corporate sector

If a cyberattack is successful despite the measures taken, most insurance companies now offer good cover. According to Hölzli, these services can be split into three areas: Own damage, third-party damage and legal expenses insurance. For example, insurance companies offer compensation in the event of data loss or a business interruption. In addition, insurers advise their clients on cyber risk assessment and potential vulnerabilities. 'It is often the case that good basic protection is enough to prevent the attack,' Hölzli emphasises. One thing is clear – the dynamic development and growing complexity of cyber risks will continue to keep insurance companies busy in the future. 'We are currently witnessing a real arms race between attackers and defenders,' says Hölzli.

NB: Cyberattacks can be recorded and reported using the reporting form of the National Cyber Security Centre: **https://www.report.ncsc.admin.ch**

ANALYSIS

SIA risk matrix addresses major risks and their consequences

COVID-19 bears impressive testimony to the fact that if an event occurs for which society is not sufficiently prepared, the consequences can be dramatic. The principle also applies to other risks. In June 2020, the SIA decided to create an industry risk matrix for those events to which the industry is exposed over and above the contractually insured risks. The intention is to facilitate early identification and address of these risks. The SIA has defined three categories in which events could occur: Short term (likely to occur within one year), medium term (likely to occur within one and three years) and long term (likely to occur after three years). The loss potential was divided into low, medium and high, taking into account the impact on individual companies and (sub-)sectors. The analysis showed that each category is associated with key risks that will be highly significant to the insurance industry. Pandemics and cyberattacks were identified as the major large-scale risks. Based on the feedback provided by the committees, the SIA will focus even more on contributing to a common understanding through identification and classification of emerging, overarching risks. This also includes development of mitigating measures (exchange of information, increasing resilience) and – if necessary – active coordination of their implementation.

Promoting innovation, optimising security

Parliament is currently addressing the partial revision of insurance supervision law. Monica Mächler, member of the Board of Directors at Zurich Insurance Group AG, and Nina Arquint, Chief Risk Officer Corporate Solutions at Swiss Re, talk about the requirements for future-proof insurance regulation.

By Takashi Sugimoto

What should future-proof insurance regulation achieve?
Monica Mächler: Just like the market as a whole, insurance supervision is facing huge challenges. We are still operating in a low interest rate environment with an upward trend. In this context, it is important to stay resilient in terms of capital and liquidity resources and qualitative requirements. We also need to develop balanced methods to deal with technological advances in order to enable innovation but limit risk. We also have to define the appropriate method of handling the effects of climate change. And, last but not least, it is important to focus on the essentials and increase the efficiency of regulation and supervision.
Nina Arquint: In addition, future-proof insurance regulation should allow for rapid adaptation to change, which is why a principle-based regulatory system is an advantage. It is also desirable that Swiss insurance regulation is recognised internationally. This is a prerequisite if Swiss reinsurance and primary insurance companies with international operations are to benefit from the most efficient group supervision possible.


Nina Arquint

Must Switzerland be guided by the regulatory systems of other countries?
NA: If Switzerland wants to remain one of the world's leading financial centres in the future and support insurance companies with international operations, then I believe there is no getting around this. Ideally, Switzerland should not only be guided by international regulations, but should also play an active role in shaping them.
MM: With international standard setting in particular, it is crucial that the Swiss authorities make an active contribution. In addition, Swiss and foreign regulations – particularly in neighbouring countries – should be compared on a regular basis, because in the longer term the regulations need to move in a similar corridor to prevent undesirable arbitrage effects.

How can regulation guarantee security while enabling innovation at the same time?
MM: Realistic goals are to welcome and encourage innovation, to optimise security and to prevent adverse effects on the insured as a consequence of failure. As a result, supervisors should not restrict or hinder the freedom to make use of new techniques, but should ensure that insurance companies have the necessary risk management structures in place.
NA: I expect that 'insurance' as a service will change a lot over the next few years. Insurance will be increasingly needs-based and embedded in other products and services. Security is primarily the responsibility of the insurance company itself – policyholder trust is a precious asset for every insurer. Insurance regulation should support the responsibility of insurance companies.

And how can appropriate capital requirements be determined?
NA: When defining regulatory capital requirements, it is important to strike the right balance between protecting policyholders and ensuring competitiveness. Overall, the Swiss Solvency Test has proven to be an effective concept.
MM: Risk sensitivity in determining capital requirements is a major achievement of the Swiss Solvency Test, Solvency II and the International Capital Standard (ICS) developed by the International Association of Insurance Supervisors (IAIS). This should be maintained as a baseline. The pandemic has shown very clearly that capital buffers are extremely valuable.

What are the benefits of differentiating between varying degrees of customer protection?
MM: It is crucial to offer sufficient protection to those who need it. But certain protective mechanisms can be dispensed with for customers with a higher risk tolerance; for example, in reinsurance and corporate business. This allows products to be offered more efficiently and on more cost-effective terms.

NA: If distinctions are made between customer protection requirements, regulation and supervision becomes more risk-based. The elimination of tied assets for professional policyholders will also increase insurers' international competitiveness.

Is that why less stringent supervision should apply to reinsurance?

NA: In the partial revision of the Insurance Supervision Act (ISA), the SIA is working to ensure that reinsurers pay more attention to the lower need for protection and the special features of the global business model. These calls make sense, since reinsurance customers are primary insurers that are on an equal footing with the reinsurer.

MM: As a business among experienced parties, reinsurance does not require the same level of regulation. But a solid basic framework is needed, and, in my opinion, to an appropriate extent one for branches of foreign reinsurers in Switzerland as well.

Monica Mächler

NA: I agree. I also believe that less stringent supervision should be possible if the parent company abroad is subject to adequate supervision, as in the Solvency II system.

Why is the issue of corporate restructuring important?

MM: If an insurance company runs into financial difficulties, the aim is to find the best solution for the insured.

NA: These are currently no restructuring options for insurance companies. Restructuring law offers an alternative to insolvency, provided that the insured persons and creditors are not put in a worse position as a result.

MM: For example, restructuring would allow life insurance policies or supplementary insurance to social health insurance policies to be continued – provided that sufficient funds or partners can be mobilised. This approach is often preferable to insolvency with cancellation of insurance policies.

About:

Monica Mächler is a member of the Board of Directors of Zurich Insurance Group AG and Zürich Versicherungs-Gesellschaft AG. She served as Vice-Chair of the Board of Directors of Finma until September 2012, after leading the Federal Office of Private Insurance in 2007 and 2008.

Nina Arquint is Chief Risk Officer Corporate Solutions at Swiss Re and chairs the Reinsurance Committee of the SIA. She was a member of Finma's Executive Board until the end of 2014 and headed up the Strategic Services division.

ISA

A modern supervisory system

The current partial revision of the Insurance Supervision Act (ISA) is intended to adapt it to reflect current requirements.

The Insurance Supervision Act (ISA) sets out provisions governing the federal supervision of insurance companies and insurance intermediaries. The current version has been in force since 1 January 2006. Since then, a need for adjustments has arisen in various areas. As a result, the Federal Department of Finance took charge of the revision on behalf of the Federal Council. It submitted the proposal for a partial revision on 21 October 2021. The SIA has supported this partial revision from the outset. It entails significant quantitative and material changes, and includes the following topics (as at proposal):

- Innovation/insurtech: Introduction of a regulatory 'sandbox' (exemption from supervision with conditions) and adjustments for non-insurance business
- Solvency: Ensuring the competitive standing of the Swiss financial centre
- Relief in the B2B area that affects reinsurance and corporate business
- Enhanced customer protection following the Financial Services Act (FinSA)
- Introduction of restructuring legislation
- Amendments to group and conglomerate supervision
- Other proposed revisions relate to the scope of the ISA, systemic risks and stabilisation plans.

The SIA will follow the parliamentary debate closely and ensure that the industry's concerns are heard.

Read the latest information at: **www.svv.ch/vag**

New chairman of AK81

Alex Schönenberger has taken over as Chairman of the Board of the Insurance Compensation Fund (Ausgleichskasse Versicherung AK81) as of 1 January 2021. Until the spring of 2020, he was head of business and employer issues at the SIA. The Compensation Fund provides social insurance services. It has 1,240 members. About 50,000 insured persons and 13,000 pensioners are affiliated with the Fund. The Compensation Fund collects contributions for old age and survivors' insurance (OASI), invalidity insurance (IV), loss of earnings compensation (EO) and unemployment insurance (ALV) – about CHF 660 million in 2020. It is responsible for paying out OASI, IV and EO benefits – about CHF 330 million in 2020. The SIA and the Swiss Managing General Agents' Association (SVVG), established the compensation fund in 1948 when the OASI system came into force. The head office of the Compensation Fund is also responsible for operation of the Family Allowances Office FAK81. Just over CHF 65 million in contributions and benefits for family allowances are processed by the Family Allowances Office. **www.ak81.ch**

Getting started in the insurance sector

Young people can use the website at **www.startsmart.ch** to find out about apprenticeships and training opportunities in the insurance industry. The five-year-old platform was relaunched in 2020. The integrated job platform allows visitors to the website to apply directly for an apprenticeship in the insurance industry. The multimedia learning tools 'Share your Risk' and 'Choose your Risk' provide information about pension provision, health insurance or liability.

New website

As the main sponsor of Compasso, private insurers are committed to professional integration. A new website is available to support employers.

Compasso, the network for professional integration, revamped its website at the end of November 2020, making it even easier for employers to find the information they need. Compasso is committed to ensuring that employees remain employable. It also helps employers to identify health problems faced by their employees at an early stage. In addition, Compasso helps employees to get back into the labour market. To this end, the network supports employers in the reintegration process by raising awareness, providing tools and solutions, and coordinating system partners and system support.

The SIA has supported Compasso as a main sponsor since 2015. 'Ultimately, all insurers that deal with personal injuries can save on benefit expenses if people of working age are in employment,' says Bruno Soltermann, senior doctor and head of the SIA's personal injuries and reintegration working group, who will retire in July 2021 after more than 20 years with the SIA. Private insurers can also benefit from Compasso's tools as employers themselves. The commitment is also a perfect fit for the SIA's three strategic objectives: appropriate regulation, employment policy and anchoring sustainability. Soltermann: 'With Compasso, insurers and employers, together with associations for people with disabilities, show that they take responsibility for promoting the integration of people in the work process.'
www.compasso.ch

Quantum leap in hail data

Hail is one of the biggest natural perils in Switzerland. This prompted the insurance industry to support the development of the new hail map.

'The development of the hail maps as part of a public-private partnership shows just how important risk partnerships are as a way of joining forces to face the challenges associated with major risks', says Gunthard Niederbäumer, head of Non-life and Reinsurance at the SIA. 'The hail maps unveiled on 7 May 2021 represent a quantum leap in the quality of hail data.' The maps are based on state-of-the-art scientific methods and offer a wide range of applications. 'They provide information not only on hail frequency by area, but also on the size of hailstones that can be expected in a particular region', explains Niederbäumer. The maps also clearly show that the larger the hailstones, the rarer this sort of hail event is. Establishment of links such as these is crucial for the private insurance industry, as it allows hail risks to be calculated as precisely as possible. As a result, insurers can provide even better advice in the selection of efficient and sensible preventative measures.

The hail maps are also helpful for defining premiums. Natural perils insurance (buildings, household contents and vehicles) is subject to a standard premium, but hail damage to cars, boats, caravans and facilities, such as mountain railways, or agricultural crops, such as fruit trees, vines or grain, are insured on the free market with risk-based premiums. Detailed data allows the risks to be calculated more exactly, supporting precise pricing by insurers. The maps also help insurers to evaluate their portfolios. 'For example, they are able to recognise accumulated hail risk and respond by taking out reinsurance', says Niederbäumer. The hail map was compiled under the auspices of MeteoSwiss by four federal offices, the association of cantonal building insurers, the Swiss hail insurance company, the Swiss Society of Engineers and Architects and the Swiss Insurance Association. **www.hagelklima.ch**

‘Competition based on quality instead of a planned economy’

Joachim Eder, president of economiesuisse’s newly established Health Policy Commission.

Why is the new commission required?
With a dedicated commission, economiesuisse is responding to the considerable importance of the topic of health, a mega-trend that now permeates all areas of our daily lives. It was high time to upgrade the existing working group. The move gives health policy issues the same status as the areas of infrastructure, law, education/research, energy/environment, foreign trade, finance/taxes and competition, for which commissions have already been established.

What are the most pressing health policy challenges?
We must get health costs, with rising health insurance premiums, under control. Another vital aspect of health policy is the long-term security of our social systems (OASI and occupational pensions). We also need greater transparency and coordination, competition based on quality instead of a planned economy, uniform financing flows in outpatient and inpatient medicine, and a correction of misguided incentives. Moreover, the COVID-19 pandemic has brought the importance of security of supply to the fore.

What attracted you to this new role?
As a former director of health for canton Zug, and as a member of the Council of States, I have always attached great importance to a liberal, innovative and financially sustainable health system. Unfortunately, the reforms of recent years have increasingly moved towards centralism instead of consistently pursuing a path of regulated competition. Together with the strong commission team, I want to work to ensure that private initiatives are maintained and that the state footprint becomes more moderate. We aim to be a professional body with real clout. After all, forecasts put health expenditure last year at about CHF 85.5 billion, or 11.2 per cent of gross domestic product.
www.economiesuisse.ch

Independent arbitrator

The Swiss Ombudsman of Insurance and Suva recorded a slight increase in the number of cases handled in 2020.

Thanks to processes that were successfully digitalised at the beginning of 2020, the Swiss Ombudsman of Insurance and Suva were able to maintain their service without any restrictions, even during the lockdown period. They recorded a slight increase of 1.7 per cent in the number of cases handled: 3,350 enquiries and complaints were processed last year.
The Ombudsman is an independent foundation and the service is free of charge for insured persons. The service is supported by the insurers and is used to resolve and mediate in the event of differences of opinion between the affiliated insurers and insured persons.
It also answers insurance law questions in the context of problems with the insurer. In 2,997 cases last year, it was able to resolve the issues raised by insured persons directly. In about 30 per cent of the 1,383 complaints submitted in writing, the Ombudsman approached the insurer concerned. Of the interventions in 2020, 77 per cent were concluded with a positive outcome and resulted in an improvement for the insured person.
The past year was dominated by the effects of the pandemic for the Ombudsman. It received a large number of enquiries related to epidemic and travel insurance. Conversely, the number of enquiries relating to compulsory accident insurance fell by 20 per cent. The Ombudsman also recorded a slight drop in cases in most areas of private insurance.
www.ombudsman-assurance.ch

New vice president of the Swiss Council for Accident Prevention (BFU)

From 2021, Christoph Bühler will represent the SIA as vice president on the Board of Trustees of the BFU, the Swiss Council for Accident Prevention. He is head of personal insurance and a member of the Management Board of Zürich Versicherungs-Gesellschaft AG. Samuel Grossenbacher, Die Mobiliar, Marc Lambert, Groupe Mutuel, and Irène Hänsli from the SIA also represent the interests of private insurers on the Board of Trustees. Representatives of the Swiss National Accident Insurance Fund (Suva) and the other insurers make up the remaining members of the Board of Trustees. Suva holds the presidency of the Board. The Council for Accident Prevention fulfils a statutory mandate for prevention of non-occupational accidents. **www.bfu.ch**

Self-regulation of insurers

Lawyer Christina Brugger took over at the helm of the Self-Regulatory Organisation of the Swiss Insurance Association (SRO-SIA) on 1 January 2020. The SRO-SVV has existed as an independent association since 1999. It fulfils the requirements for self-regulation in accordance with the Federal Act on Combating Money Laundering and Terrorist Financing (Anti-Money Laundering Act, AMLA). It has been commissioned by Finma to monitor its members’ compliance with money laundering regulations as part of self-regulation, and to work with its voluntary committees to ensure practical, efficient measures to combat money laundering. **www.sro-svv.ch**

One umbrella organisation for 71 companies

Life insurance companies

Allianz Suisse Leben
www.allianz.ch

Basler Leben AG
www.baloise.ch

CCAP Caisse Cantonale
d'Assurance Populaire
www.ccap.ch

Elips Life
www.elipslife.com

Generali Personenversicherungen AG
www.generali.ch

Groupe Mutuel Vie
www.groupemutuel.ch

Helvetia Leben
www.helvetia.ch

Império Assurances
www.imperio.ch

Pax Leben
www.pax.ch

Rentes Genevoises
www.rentesgenevoises.ch

Retraites Populaires
www.retraitespopulaires.ch

Schweizerische Mobiliar Lebens-
versicherungs-Gesellschaft AG
www.mobiliar.ch

Skandia Leben AG
www.skandia.ch

Swiss Life
www.swisslife.ch

Vaudoise Vie
www.vaudoise.ch

Versicherung der Schweizer
Ärzte Genossenschaft
www.va-genossenschaft.ch

YOUPLUS Insurance
www.youplus.li

Zürich Lebensversicherungs-
Gesellschaft AG
www.zurich.ch

Health insurers

Agrisano Versicherungen AG
www.agrisano.ch

Assura SA
www.assura.ch

CSS Versicherung AG
www.css.ch

Groupe Mutuel Assurances SA
www.groupemutuel.ch

Helsana Unfall AG
www.helsana.ch

Helsana Zusatzversicherungen AG
www.helsana.ch

KPT Versicherungen AG
www.kpt.ch

Sanitas Privatversicherungen AG
www.sanitas.com

SWICA Krankenversicherung AG
www.swica.ch

**Property and casualty
insurance companies**

AIG Europe S.A.
www.aig.com

Allianz Suisse Versicherungen AG
www.allianz.ch

Appenzeller Versicherungen
www.appvers.ch

Basler Versicherung AG
www.baloise.ch

Branchen Versicherung
www.branchenversicherung.ch

CAP Rechtsschutz-
Versicherungsgesellschaft AG
www.cap.ch

Cardif Versicherung
Zweigniederlassung Zürich
www.cardif.ch

Chubb Versicherungen (Schweiz AG)
www.chubb.com

Coop Rechtsschutz
www.cooprecht.ch

Emmental Versicherung
www.emmental-versicherung.ch

Ergo Versicherung AG
www.ergo-industrial.ch

Firstcaution SA
www.firstcaution.ch

Fortuna Rechtsschutz-
Versicherungs-Gesellschaft AG
www.generali.ch

Generali Assurances
Générales SA
www.generali.ch

GVB Privatversicherungen AG
www.gvb.ch

HDI Global SE
www.hdi.global

Helvetia Versicherungen
www.helvetia.ch

HOTELA Assurances SA
www.hotela.ch

Liberty Specialty Markets
www.libertyspecialtymarkets.com

Orion Rechtsschutz-Versicherung AG
www.orion.ch

Protekta Rechtsschutz AG
www.protekta.ch

Schweizerische
Hagel-Versicherungs-Gesellschaft
www.hagel.ch

Schweizerische Mobiliar
Versicherungsgesellschaft AG
www.mobiliar.ch

TSM Compagnie d'Assurances
www.tsm.ch

Uniqa Österreich Versicherungen AG
Zweigniederlassung Zürich
www.uniqa.ch

Last update: 1. April 2021

Vaudoise Générale
www.vaudoise.ch

Zürich Versicherungs-Gesellschaft AG
www.zurich.ch

Reinsurance companies

Aspen Re
www.aspen-re.com

AXIS Re Europe
www.axiscapital.com

Catlin Re Schweiz AG
www.xlcatlin.com

Coface RE SA
www.coface.com

DR Swiss Deutsche Rückversicherung
Schweiz AG
www.drswiss.ch

Echo Rückversicherungs-AG
www.echore.com

Great Lakes Insurance SE, München,
Zweigniederlassung Baar
www.greatlakes.co.uk

MS Amlin AG
www.msamlin.com

New Reinsurance Company Ltd.
www.newre.com

PartnerRe Zurich Branch
www.partnerre.com

RenaissanceRe Europe AG
www.renre.com

PartnerRe Zurich Branch
www.partnerre.com

SCOR Switzerland Ltd.
www.scor.com

SIGNAL IDUNA
www.sire.ch

Swiss Re
www.swissre.com

TransRe Europe SA
Zurich Branch
www.transre.com

Validus Reinsurance (Switzerland) Ltd.
www.validusholdings.com

Nothing works without insurance

The private insurance industry is of enormous economic importance. Insurers provide benefits in the event of damage to property, illness and accidents, old age and death. They do this in this capacity as primary insurers or reinsurers – and pay out an average of CHF 140 million in claims and pensions to their policyholders every day. In doing so, they protect individuals from social hardship or businesses from economic collapse – and at the same time contribute to higher economic and social added value. The gross added value created by the private insurance industry amounts to CHF 32.4 billion. Insurance companies are among the largest and most important investors in Switzerland and abroad. They build homes, grant mortgage loans and support a large number of start-ups. The companies and their 47,000 employees in Switzerland are also major taxpayers. In addition, the insurance industry is an attractive employer and offers its employees innovative needs-based training and further education opportunities. All these factors make the insurance industry a major force in the Swiss economy. Private insurers are therefore committed to the successful development of the areas in which they operate, both in business and in social and political terms, meaning that they assume economic responsibility.

Committees and commissions

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Vice-Presidents: Michael Müller, Baloise; Juan Beer, Zurich

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Reto Dahinden, Swica
Andreas Krümmel, Generali
Markus Leibundgut, Swiss Life
Patrick Raaflaub, Swiss Re
Thomas Szucs, Helsana
Philomena Colatrella, CSS
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Jean-Daniel Laffely, Vaudoise
Severin Moser, Allianz
Michèle Rodoni, Die Mobiliar

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Education Strategy and Employer Issues
Severin Moser, Allianz

Finance and Regulation
Matthias Aellig, Swiss Life

Illness / Accident
Reto Dahinden, Swica

Life Insurance
Patric Olivier Zbinden, Baloise

Non-life
Patric Deflorin, Die Mobiliar

Reinsurance
Nina Arquint, Swiss Re

Policy Strategy
Thomas Helbling, SIA

Commissions

Education Strategy and Employer Issues

Education Strategy
Belinda Walther Weger, Die Mobiliar
–
Employer Issues
Stephan Walliser, Baloise

Finance and Regulation

Legal Issues
Thomas Vogel, Helvetia
–
Taxation
Oliver Halaszy, Helvetia
–
Accounting
Elena Kuratli, Zurich
–
Investment
Reto Kuhn, Vaudoise
–
Actuarial Issues – Regulation
Remo Cavegn, Allianz

Illness / Accident

Legal and Socio-political Issues
Susann Wyssbrod, Groupe Mutuel Vie
–
Supplementary Health Insurance
Daniel Volken, Groupe Mutuel
–
Actuarial Issues – Accident Insurance
Andreas Koller, Swica
–
Medical Tariffs UVG/LAA
Thomas Lack, Baloise
–
Mandatory Accident Insurance, Principality of Liechtenstein
Christoph Jenny, Zurich

Life Insurance

Special Issues – Life Insurance
Patrick Barblan, Swiss Life
–
Actuarial Issues – Life Insurance
Anja Göing-Jaeschke, Helvetia
–
Taxation – Life Insurance
Hans-Peter Conrad, Swiss Life
–
Legal Issues – Life Insurance
Stefan Plattner, Baloise
–
Medical Underwriting
Heidi Fröhlich, Generali

Non-life

Motor Vehicles
Michelle Gruner, Die Mobiliar
–
Liability
Lorenzo Natale, Generali
–
Property and Casualty
Laszlo Scheda, Die Mobiliar
–
Head of Claims
Michel Bögli, Zurich and Rolf Wendelspiess, Die Mobiliar
–
Legal Expenses
Daniel Eugster, CAP Rechtsschutz
–
Natural Perils
Claudia Brudermann, Die Mobiliar
–
Sustainability
Kristine Schulze, Helvetia

Policy Strategy

Public Affairs and Communications
Jan Mühlethaler, SIA
–
International Issues
Tilman Hengevoss, Zurich
–
Economic Policy
Bruno Boschung, Baloise

Last update 2 July 2021

Head Office

CEO
Thomas Helbling*
Chief Executive Officer

Delegate of the Board of Directors SVV Solution AG
Thomas Helbling

Departments

Association of Vocational Education and Training in Insurance
Jürg Zellweger, Director

Swiss Natural Perils Pool
Eduard Held,
Managing Director

CEO Office
Thomas Helbling
CEO

Educational Policy and Employer Issues
Barbara Zimmermann-Gerster**
–
Resources
TBD**

Insurance Strategy and Regulation
Urs Arbter*
Deputy CEO

Finance and Regulation
Sandra Kurmann**
–
Life Insurance
Adrian Gröbli**
–
Health and Accident Insurance
Dominik Gresch**
–
Non-life Insurance and Reinsurance
Gunthard Niederbäumer**

Public Affairs and Communications
Jan Mühlethaler*

Public Affairs
Anne Cécile Vonlanthen-Oesch **
–
Communications
Jan Mühlethaler

SVV Solution AG
Thomas Gosteli
Managing Director

* Member of the Executive Board
** Member of the extended Executive Board
The names, positions, portraits and email addresses of all SIA employees can be found at **www.svv.ch**
Last update 2 July 2021

ASA | SVV

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

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