



Eidgenössische Finanzmarktaufsicht FINMA  
Autorité fédérale de surveillance des marchés financiers FINMA  
Autorità federale di vigilanza sui mercati finanziari FINMA  
Swiss Financial Market Supervisory Authority FINMA

# Insurance market report 2023

# Foreword

This report provides an overview of the Swiss insurance market in 2023. The first part contains information about the market as a whole. Parts 2, 3 and 4 provide detailed information on the life, non-life and reinsurance sectors.

This report also includes information on the group life reporting for occupational pension schemes of life insurance companies. The information can be found in the “Life insurance companies” section under “Group life reporting for occupational pension schemes”.

The figures presented in the report have been prepared on a statutory basis; any changes in the values of assets and liabilities generally do not correspond to market value adjustments. For example, bonds are shown at amortised cost, which means the carrying values are not sensitive to interest rates. On the liabilities side, technical provisions for life insurers are discounted with technical interest rates and not with the prevailing market yield curve. Technical provisions for non-life insurers are generally undiscounted, while accident insurance benefits (UVG) have been specifically excluded.

Aggregated data on balance sheets, income statements and on the Swiss Solvency Test (SST) contain only the values for solo insurance companies subject to the SST. The data on tied assets and premiums also include figures for FINMA-supervised Swiss branches of foreign insurance companies and general health insurance companies in the supplementary health insurance sector.

The data reported to FINMA by the insurance companies have been included in this report and on the insurers’ reporting portal. FINMA does not, however, guarantee the accuracy of these figures.

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# Total market

## Supervised insurance companies and sectors

### Overview of supervised insurance companies and sectors 2022–2023

	2023	2022
Life insurers, including	18	18
– insurance companies domiciled in Switzerland	15	15
– branches of foreign insurance companies	3	3
Non-life insurers, including	117	115
– insurance companies domiciled in Switzerland (of which 16 supplementary health insurance providers [2022: 16])	69	68
– branches of foreign insurance companies (of which 2 supplementary health insurance providers [2022: 2])	48	47
Reinsurers, including	48	46
– reinsurers	24	22
– reinsurance captives	24	24
General health insurance companies offering supplementary health cover	11	10
Total number of supervised insurance companies and general health insurance companies	194	189
Insurance groups and conglomerates	7	6

## Key figures

Swiss insurance companies achieved aggregate annual profits of CHF 13.6 billion in 2023. The overall result increased by CHF 5.9 billion or 78% compared with the previous year. The annual profits of life insurers remained stable (+4% to CHF 1.3 billion). Non-life insurance companies reported an increase in their aggregate annual profits of CHF 1.1 billion or 18% to CHF 6.9 billion. After two years of modest profits (CHF 0.5 billion in 2022 and CHF 0.1 billion in 2021), reinsurance companies reported an aggregate annual result of CHF 5.4 billion in the year under review.

Swiss insurance companies' aggregate equity amounted to CHF 83 billion at the end of 2023, which is 0.7% less than in the previous year.

Aggregate gross premium volume increased by CHF 11.7 billion or +9.1% in the year under review to CHF 140.6 billion. While the premium volume of life insurers fell slightly (–1.2% compared with the previous year), gross premiums written by non-life insurers (+19.4%) and reinsurers (+4%) increased significantly. The majority of the increase in pre-

### Key figures of total market 2022–2023

(in CHF thousands)

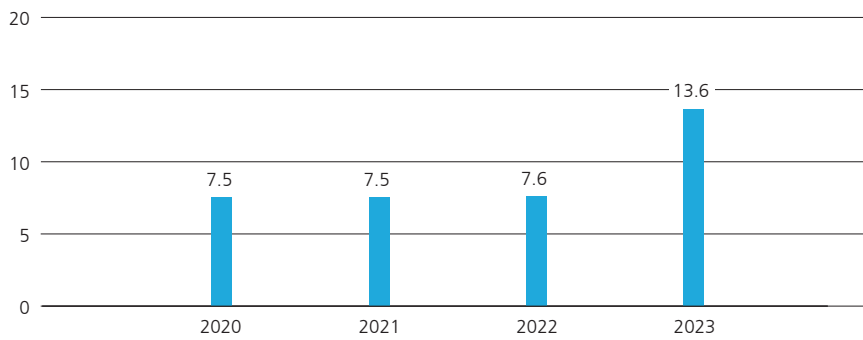
	2023	2022	+/- in %
<b>Gross premiums written</b>	<b>140,597,507</b>	<b>128,865,079</b>	9.1
Claims paid out	81,007,019	79,761,534	1.6
Costs for the change in technical liabilities	5,332,421	–4,055,821	n/a
Costs for the change in other actuarial liabilities	327,508	–1,281,044	n/a
Costs for underwriting	24,887,740	23,122,281	7.6
Taxes	1,124,075	908,059	23.8
Gains/losses from investments	15,033,956	7,305,047	105.8
<b>Annual profits</b>	<b>13,552,059</b>	<b>7,630,847</b>	77.6
<b>Balance sheet total</b>	<b>716,308,591</b>	<b>711,196,756</b>	0.7
Investments	528,272,336	539,803,856	–2.1
Technical liabilities	505,599,158	498,531,773	1.4
<b>Equity (before profit allocation)</b>	<b>82,937,586</b>	<b>83,541,046</b>	–0.7
	<b>2023 in %</b>	<b>2022 in %</b>	+/- percentage points
Return on investments	<b>2.95</b>	<b>1.40</b>	+1.55
Return on equity	<b>16.34</b>	<b>9.13</b>	+7.21
SST solvency ratio	<b>254</b>	<b>270</b>	–16
Tied-assets coverage ratio	<b>113</b>	<b>113</b>	–

miums for non-life insurers can be attributed to the foreign business of Zürich Versicherungs-Gesellschaft AG and Zürich Rückversicherungs-Gesellschaft AG. In addition, the increased premiums in the non-life and reinsurance business reflect inflation on the one hand and are also attributable to real rate increases for renewed insurance capacities in the reinsurance sector on the other.

The cover ratio of tied assets remained unchanged in the year under review. It amounted to 113% at the end of the year. The solvency ratio according to the Swiss Solvency Test (SST) was 254%, a decrease of 16 percentage points compared with the previous year.

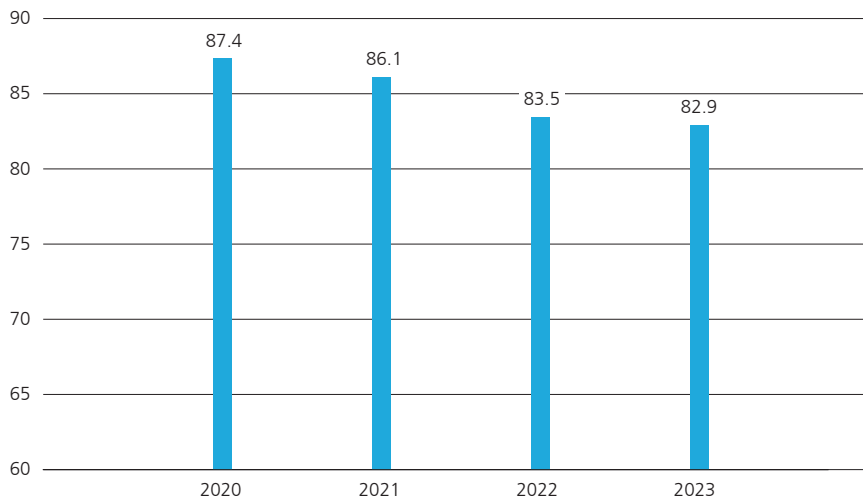
### Annual profits total market

(in CHF billions)



### Equity capital total market

(in CHF billions)



## Investments

The following section provides information about total assets and the return on investments of total assets as reported by Swiss insurance companies in 2023.

### Total assets invested

Total investments by Swiss insurance companies decreased by 2.1% in 2023 and amounted to CHF 528 billion at the end of the year. Investments by life insurance companies fell in the year under review by 3.1% to CHF 283 billion, while those of non-life insurance companies remained stable and amounted to CHF 149 billion at the end of the year. Investments by reinsurers fell by 2.6% to CHF 96 billion in the year under review.

### Distribution of total assets

The absolute portfolio of fixed income securities fell by 3.8% in the year under review. However, fixed income securities remained the dominant asset class in the portfolio of Swiss insurance companies, making up 43% of total investments (1 percentage point

less than in the previous year). Life insurers held 47% (2 percentage points less than in the previous year) while non-life insurers held 37% (2 percentage points more than in the previous year) and reinsurers held 42% (1 percentage point more than in the previous year) of their total assets in fixed income securities. The value of the reported investments from unit-linked life insurance increased significantly in the year under review (+25.9%). In addition, there were small increases in participations and collective investments. By contrast, the value of real estate, loans, mortgages and alternative and other investments decreased.

### Return on investments of total assets

The return on investments is reported in accordance with statutory provisions.

## Asset allocation in total market

(in CHF thousands)

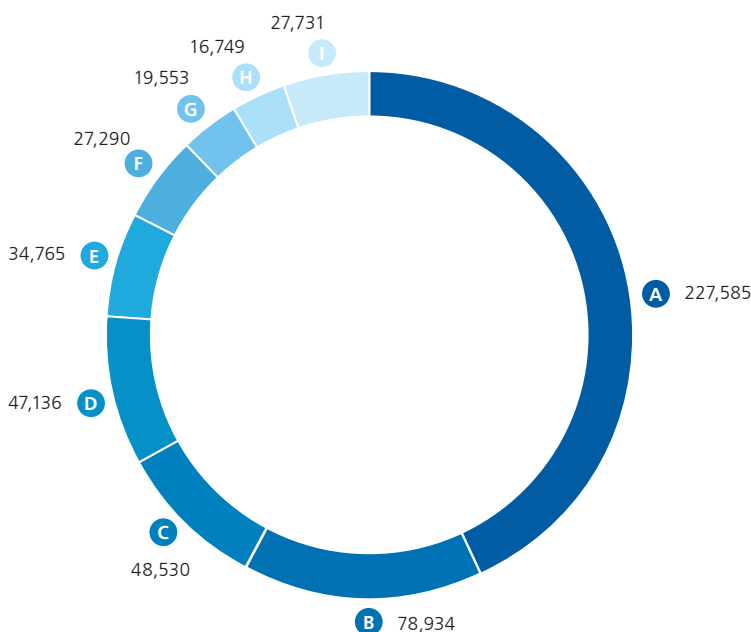
	2023	2023 in %	2022	2022 in %
Real estate, buildings under construction and building land	47,135,597	9	49,003,708	9
Participations	78,933,511	15	78,553,991	14
Fixed income securities	227,584,794	43	236,569,022	44
Loans	19,552,662	4	22,299,008	4
Mortgages	34,765,224	7	36,545,336	7
Equities	16,049,103	3	15,955,597	3
Collective investments	48,530,460	9	48,179,761	9
Alternative investments	16,748,523	3	17,419,964	3
Other investments	11,682,402	2	13,599,829	3
Investments from unit-linked life insurance	27,290,059	5	21,677,640	4
<b>Total investments</b>	<b>528,272,336</b>	<b>100</b>	<b>539,803,856</b>	<b>100</b>



### Asset allocation in total market 2023

(in CHF millions)

- **A** Fixed income securities
- **B** Participations
- **C** Collective investments
- **D** Real estate, buildings under construction and building land
- **E** Mortgages
- **F** Investments from unit-linked life insurance
- **G** Loans
- **H** Alternative investments
- **I** All other investments



The return on investments by life insurers was 1.97% in 2023, a decrease of 9 basis points compared with the previous year. The return on investments for non-life insurance companies increased by 176 basis points to 4.24% in the year under review. Non-life insurance companies were able to benefit from the favourable market conditions on the equity and bond markets in 2023. In addition to higher direct profits from participations and fixed income securities, realised losses and write-downs on units in collective investment funds and shares in particular fell significantly in 2023 compared with the previous year. Among the reasons why life insurers achieved a lower return on investments compared with non-life insurers is the substantial proportion of tied assets they hold in their capital portfolios. This proportion tends to imply a lower-risk investment policy. While life insurance companies held 95% of their investments, liquid assets and derivative financial instruments in tied assets, this share amounted to just 53% for non-life insurance companies. The return on in-

vestments for reinsurers increased by 672 basis points to 4.24% in 2023. In the previous year, a negative return on investment resulted mainly due to negative value adjustments on investment fund units. In 2023, by contrast, reinsurance companies benefited from positive value adjustments on investment fund units and from higher current income from fixed income securities, short-term investments and loans.

in %

	2023	2022
<b>Total market</b>	2.95	1.40
Life insurers	1.97	2.06
Non-life insurers	4.24	2.48
Reinsurers	3.62	-2.08

# Life insurance companies

Inflation continued to dominate the economic landscape in 2023. Although it was generally moderate in Switzerland, it was also relatively high here in the first quarter of 2023 at 3.4%. It then fell to 1.7% by the end of 2023. As a result, the ten-year spot rate for federal bonds also fell continuously. Yields on 10-year Swiss Confederation bonds were still around 1.6% in January 2023 and fell gradually to around 0.7% by December. Offering and managing life insurance contracts with savings components was therefore a major challenge once again in 2023, because it meant offsetting obligations arising from liabilities with long-term interest rate guarantees against invested assets that had to be renewed continuously at lower returns. One way in which life insurance companies responded to this situation was by reducing their long-term guarantees. Products with guaranteed interest rates were rarely offered any more, and if they were, the guaranteed interest rate was often 0%.

## Key figures

Written gross premiums fell overall in 2023 by 1.2% (2022: +4.6%). They declined by 0.6% if reinsurance accepted is excluded. This could be attributed once again to the group life occupational benefits sector. Payments for insurance cases also fell. Costs for underwriting increased again slightly by 3.1% (2022: 3.5%).

In 2023, investment income was again down on last year (–8.6%). However, annual profits improved (+4.3%). Total assets of life insurers fell by 2.4%. Investments, technical provisions and equity capital all decreased. The return on equity was 11.52% (10.25% in the previous year).

The assets that life insurers need in order to meet their insurance obligations must be secured with tied assets. The target amount is defined as 101% of the technical provisions and must always be covered with corresponding investments, which are subject to stringent guidelines. The cover ratio of tied assets indicates the amount available in that category as a percentage of the target amount. The tied assets and the risk-based solvency regime under the Swiss Solvency Test (SST) are meant to ensure a high level of security for policyholders of Swiss insurance companies.

## Key figures of life insurers

(in CHF thousands)

	2023	2022	+/- in %
<b>Gross premiums written</b>	25,846,804	26,149,066	-1.2
Claims paid out	27,804,854	29,930,874	-7.1
Costs for the change in technical liabilities	-901,531	-6,586,015	-86.3
Costs for the change in other actuarial liabilities	-512,735	-803,759	-36.2
Costs for underwriting	2,525,221	2,449,142	3.1
Taxes	230,618	300,739	-23.3
Gains/losses from investments	5,175,043	5,663,888	-8.6
<b>Annual profits</b>	<b>1,304,088</b>	<b>1,250,798</b>	4.3
<b>Balance sheet total</b>	<b>308,128,800</b>	<b>315,652,897</b>	-2.4
Investments	282,857,803	291,868,293	-3.1
Technical liabilities	272,243,061	275,260,707	-1.1
<b>Equity (before profit allocation)</b>	<b>11,319,253</b>	<b>12,201,954</b>	-7.2
	<b>2023 in %</b>	<b>2022 in %</b>	+/- percentage points
Return on investments	1.97	2.06	-0.09
Return on equity	11.52	10.25	+1.27
SST solvency ratio	223	243	-20
Tied-assets coverage ratio	109	109	-

## Asset allocation

The total value of investments fell by just over 3% compared with the previous year. Overall, increases in participations, investments from unit-linked life insurance and, to a lesser extent, in collective investments are balanced out by a decrease in the other investment categories. Fixed income securities and mortgages in particular declined.

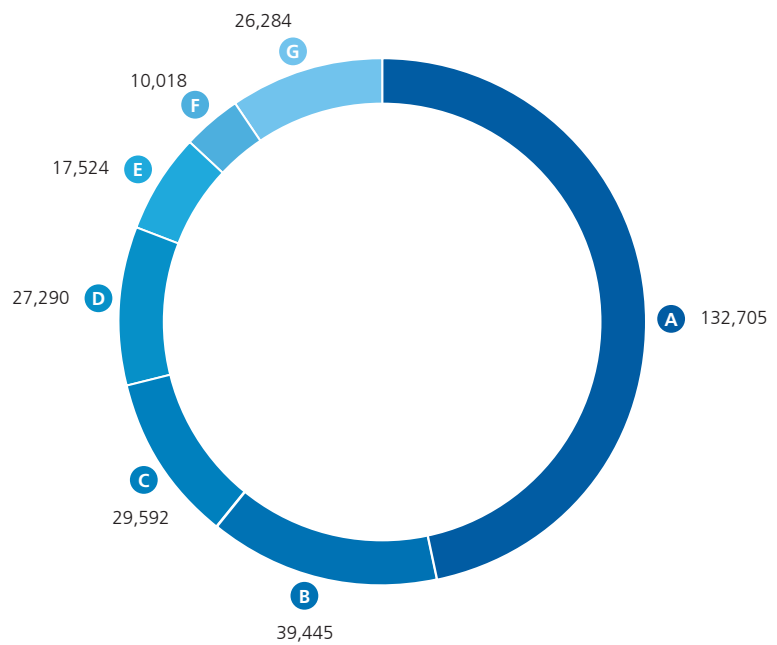
### Asset allocation of life insurers

(in CHF thousands)	2023	2023 in %	2022	2022 in %
Real estate, buildings under construction and building land	39,445,146	14	41,716,879	14
Participations	7,919,797	3	6,441,786	2
Fixed income securities	132,705,056	47	143,245,235	49
Loans	7,122,867	2	7,980,199	3
Mortgages	29,592,161	10	31,427,094	11
Equities	9,150,721	3	9,102,110	3
Collective investments	17,523,909	6	17,240,640	6
Alternative investments	10,018,212	4	10,708,138	4
Other investments	2,089,967	1	2,346,610	1
Investments from unit-linked life insurance	27,290,059	10	21,659,601	7
<b>Total investments</b>	<b>282,857,803</b>	<b>100</b>	<b>291,868,293</b>	<b>100</b>

### Asset allocation of life insurers 2023

(in CHF millions)

- A** Fixed income securities
- B** Real estate, buildings under construction and building land
- C** Mortgages
- D** Investments from unit-linked life insurance
- E** Collective investments
- F** Alternative investments
- G** All other investments



## Premium trends

Total premium income, consisting of periodic premiums and one-off contributions, fell again by 0.6% even if reinsurance accepted is excluded. As in the previous year, this reduction can be attributed primarily to the group life occupational benefits sector. Nevertheless, with a share of 56.9% (2022: 58.5%), occupational pensions still dominated the Swiss market. However, these premiums also include vested benefits that are transferred when contracts are

taken over as well as new enrolments under existing contracts. In individual life insurance, on the other hand, premiums rose by just under 5% due to growth for capitalisation (pure savings products without cover for death/survival benefits), annuity insurance, unit-linked life insurance and for life insurance linked to internal investment holdings.

## Gross premiums written

(in CHF thousands)

	2023	2023 in %	2022	+/- in %
Group life occupational pension schemes	14,714,053	56.9	15,296,159	-3.8
Traditional individual endowment insurance	4,024,519	15.6	4,086,749	-1.5
Traditional individual annuity insurance	200,373	0.8	182,286	9.9
Unit-linked life insurance	1,994,116	7.7	1,980,159	0.7
Life insurance linked to internal investment portfolios	834,465	3.2	688,319	21.2
Capitalisation and tontines <sup>a)</sup>	478,747	1.9	144,926	230.3
Other life insurance segments	558,353	2.2	562,621	-0.8
Health and casualty insurance	3,883	0.0	4,056	-4.3
Foreign branches	1,311,113	5.1	1,328,430	-1.3
Reinsurance accepted	1,727,184	6.7	1,875,361	-7.9
<b>Total</b>	<b>25,846,804</b>	<b>100.0</b>	<b>26,149,066</b>	<b>-1.2</b>

<sup>a)</sup> There are not currently any tontines on the Swiss market.

## Market shares in the direct Swiss business

In line with the development of the market, the total direct underwriting volume in Switzerland of the six largest life insurers fell by around 1%. The overall market share of the six largest insurers fell slightly by 0.4% to 85.3%.

Only Helvetia Leben, AXA Leben and Allianz Suisse Leben gained market share.

### Market shares of life insurers

(in CHF thousands)

	Premiums written 2023	Market shares in % 2023	Premiums written 2022	Market shares in % 2022
Swiss Life	9,306,053	40.8	9,403,554	41.0
Helvetia Leben	2,840,017	12.5	2,874,513	12.4
Baloise Leben	2,556,081	11.2	2,637,252	11.5
AXA Leben	1,868,960	8.2	1,787,414	7.8
Allianz Suisse Leben	1,666,061	7.3	1,660,322	7.2
Zürich Leben	1,215,482	5.3	1,321,884	5.8
<b>The six largest insurers</b>	<b>19,452,655</b>	<b>85.3</b>	<b>19,657,937</b>	<b>85.7</b>

## Actuarial reserves

Actuarial reserves are insurance obligations that are calculated individually per policyholder on the basis of the financial statements. They are carried in the balance sheet as the main component of technical liabilities and used for establishing the tied assets (2023: CHF 272 billion; 2022: CHF 275 billion). Other components of underwriting liabilities include increases for longevity and supplementary provisions, e.g. for losses from conversion rates or IBNR,<sup>1</sup> as well as premium deposits and surplus funds.

The actuarial reserves among the life insurers amounted to a total of around CHF 235 billion in 2023, or 86% of underwriting liabilities. Actuarial reserves fell by 0.9% or CHF 2.1 billion in absolute terms compared with the previous year.

The principles applied when calculating the technical provisions (actuarial reserves plus other provisions) must be determined prudently. Furthermore, the

biometric fundamentals must be based on accepted statistical procedures, entered in the business plan and reviewed annually against current and individual benchmarks.

Occupational pensions made up the main part of the actuarial reserves with 54.8%, followed by traditional individual endowment insurance (maturity or death) with 21.4%. The shares of the other sectors were in the single-digit percentage range.

In 2023, the actuarial reserves for group life occupational benefits decreased by CHF 3.4 billion or 2.8%. In percentage terms, the actuarial reserves of traditional individual annuity insurance fell (–6.4%) most significantly compared with the previous year. In 2023, there were increases in the actuarial reserves of life insurance linked to funds and internal investment holdings, reinsurance accepted and capitalisation insurance.

### Gross actuarial reserves

(in CHF thousands)	2023	2023 in %	2022	+/- in %
Group life occupational pension schemes	129,075,711	54.8	132,823,326	–2.8
Traditional individual endowment insurance	50,388,567	21.4	50,927,145	–1.1
Traditional individual annuity insurance	11,380,217	+4.8	12,152,754	–6.4
Unit-linked life insurance	17,637,721	7.5	16,547,902	6.6
Life insurance linked to internal investment portfolios	3,707,087	1.6	2,962,404	25.1
Capitalisation and tontines <sup>a)</sup>	1,373,485	0.6	1,016,442	35.1
Other insurance segments	1,976,601	0.8	2,091,532	–5.5
Foreign branches	16,973,306	7.2	17,170,552	–1.1
Reinsurance accepted	2,820,142	1.2	1,774,417	58.9
<b>Total</b>	<b>235,332,836</b>	<b>100.0</b>	<b>237,466,473</b>	<b>–0.9</b>

<sup>a)</sup> There are not currently any tontines on the Swiss market.

<sup>1</sup> Incurred but not reported: provisions for damage that already occurred but has not been reported to the insurer.



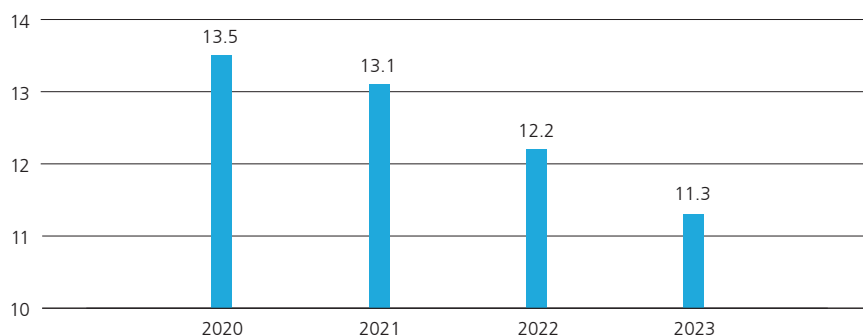
## Changes in equity capital

At the end of 2023, the equity capital base came to CHF 11.3 billion. In contrast to the previous year, the equity base fell by CHF 0.9 billion during the year under review. The ratio of equity to technical liabilities

fell again to 4.2%. In 2019, this ratio was still over 5%, but a continuous decline has been observed since then.

### Equity capital of life insurers

(in CHF billions)



## Group life reporting for occupational pension schemes

2023 is the nineteenth consecutive year in which eleven of the private life insurers operating in occupational pensions have accounted for their occupational pension scheme activities in their group life reporting. VZ BVG Rück was also included in the statistics for the first time. However, its volume is very small. The table below shows the results of the savings process, risk process and cost process. They give an aggregate gross result of CHF 806 million, representing a year-on-year decrease of CHF 565 million.

### Gross, net and operating results 2019–2023

(in CHF millions)	2023	2022	2021	2020	2019
<b>Savings process</b>					
Income	1,972	2,747	2,780	2,975	3,627
Expenses	1,781	2,035	2,769	2,659	3,459
Result	191	712	672	207	969
<b>Risk process</b>					
Income	2,437	2,370	2,324	2,302	2,305
Expenses	1,784	1,691	1,754	1,666	1,580
Result	653	679	571	635	725
<b>Cost process</b>					
Income	716	710	708	711	732
Expenses	754	729	680	747	765
Result	–38	–19	28	–35	–33
<b>Summary of the three results</b>					
Savings process result	191	712	672	207	969
Risk process result	653	679	571	635	725
Cost process result	–38	–19	28	–35	–33
Gross result (group life reporting)	806	1,371	1,271	806	1,661
Strengthening technical reserves <sup>a)</sup>	335	–68	–337	55	–746
Net result	1,141	1,303	934	861	914
<b>Breakdown of the net result</b>					
Assignment to surplus fund	872	924	489	450	464
Operating result <sup>b)</sup>	269	379	445	411	451
Net result	1,141	1,303	934	861	914

<sup>a)</sup> Release from strengthening (+) minus strengthening (–) of technical reserves.

<sup>b)</sup> The operating result corresponds to the life insurer's share of the net result.

The balance of all processes fell compared with the previous year.

Life insurers released technical reserves of CHF 335 million (compared with strengthening of CHF 68 million in the previous year). This gives a net result of CHF 1,141 million, of which CHF 872 million goes to the surplus fund, leaving an operating result of CHF 269 million. This corresponds to a decrease of CHF 110 million compared with the previous year.

The reported operating result gives a total payout ratio of 94.7% and 93.4% for business subject to the minimum ratio. The statutory minimum ratio in the latter area is 90%.

Expenses and income were down in the savings process. However, income fell more sharply, resulting in a lower balance. Risk and cost premiums increased slightly. However, expenses rose faster than premiums in both processes, meaning that the balances were lower.

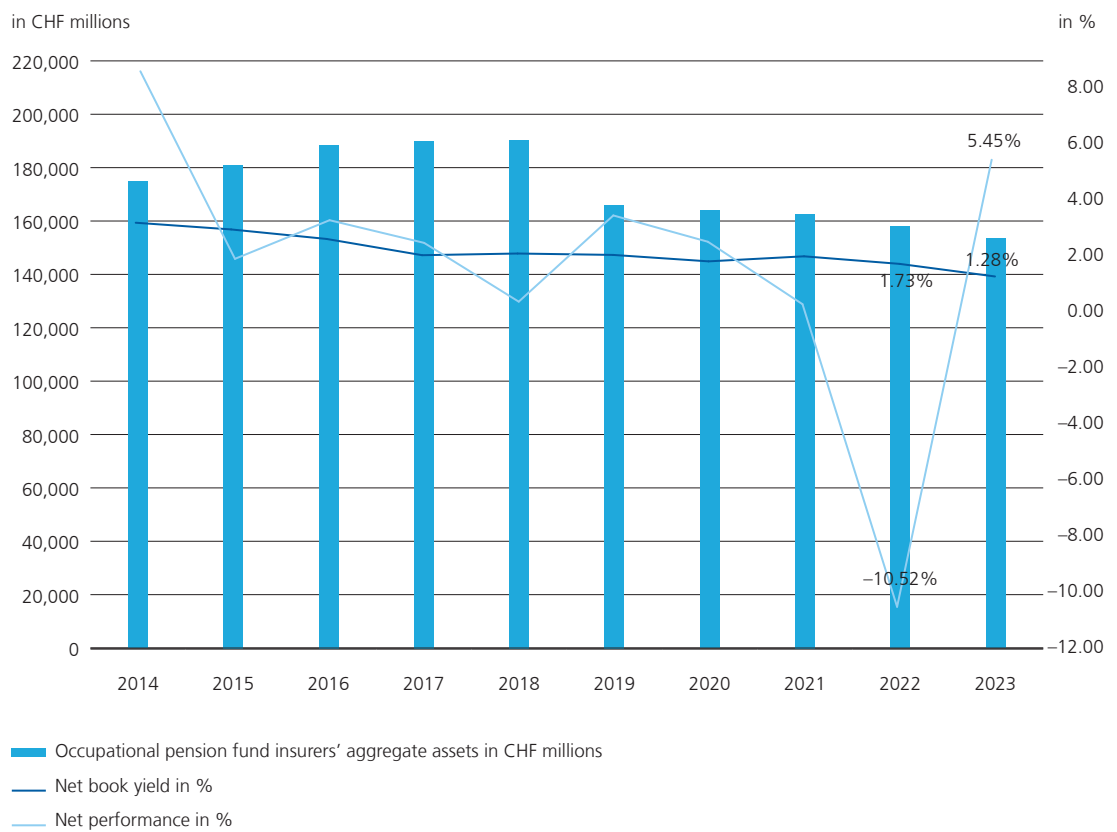
### **Savings process sees year-on-year change**

Life insurers produced positive results in the savings process, with revenues minus expenses yielding CHF 191 million (2022: CHF 712 million).

At 1.28%, the net return on investments (book yield) was lower than in the previous year (1.73%). Between 2014 and 2023, the average return was 2.18% (average from 2013 until 2022: 2.63%). Taking account of the changes in the value of the investments, performance stood at 5.45% in 2023 (2022: –10.52%).

Asset management costs (as a percentage of the market value of investments) amounted to 29 basis points (2021: 28).

### Aggregate assets, net book yield and net performance of occupational pension fund<sup>2</sup> insurers, 2014–2023



<sup>2</sup>Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (SR 831.40).

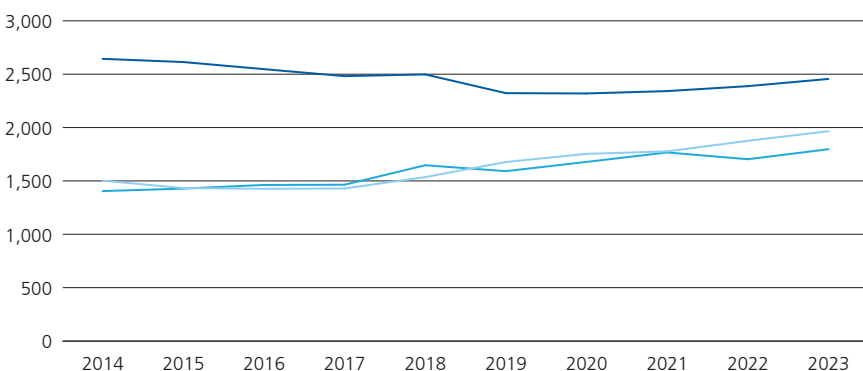
**Risk process: lower results for death and disability risks**

Claims expenses in the risk process increased by 5% in the year under review compared with the previous year from CHF 1,691 million to CHF 1,784 million, while risk premiums rose by 3% from CHF 2,370 mil-

lion to CHF 2,437 million. The result (gross) in the risk process fell by CHF 26 million to CHF 653 million. The supplementary provisions in the risk process decreased by CHF 3 million to CHF 167 million.

**Premiums and total expenses<sup>3</sup> in the risk process 2014–2023**

(in CHF millions)



- Risk premiums
- Total expenses for death and disability risks
- Linear trend

<sup>3</sup> Including creation or release of technical provisions.

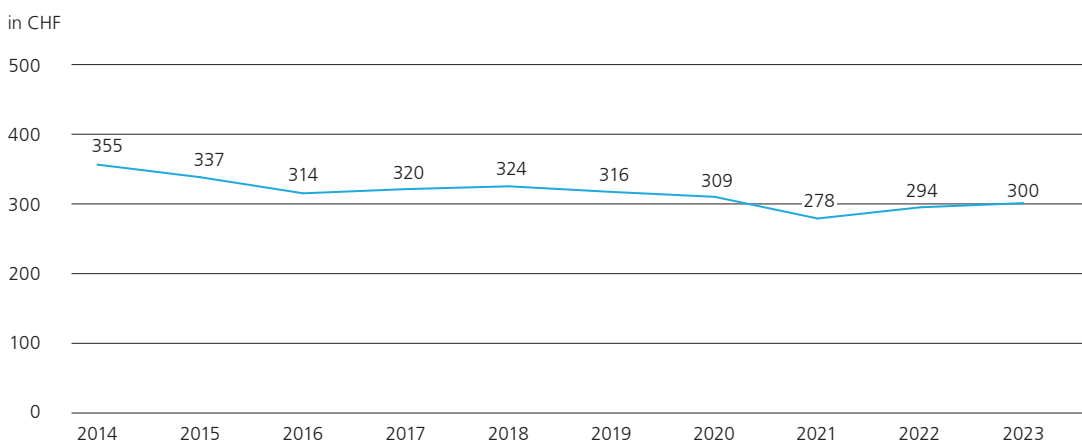
### Cost process negative in year under review

With a deficit of CHF 38 million, the results in the cost process were slightly negative when aggregated across occupational pension fund insurers. Income of CHF 716 million was offset by expenses of CHF 754 million, which include distribution and acquisition costs of CHF 269 million. The reported per capita operating costs rose to CHF 300 (2021: CHF 294).

The total distribution and acquisition costs of CHF 269 million break down as follows: commissions for brokers and agents (CHF 104 million), in-house sales force commission (CHF 101 million) and other acquisition costs (CHF 63 million).

The difference between the CHF 355 resulting from the income statement and the CHF 300 resulting from the cost process is explained mainly by how claims management costs are recorded; they are included in costs in the income statement, but they are recorded in the risk process for the technical breakdown.

### Changes in per capita costs 2014–2023



### Technical reserves: further decline in retirement savings

Retirement savings fell by CHF 3.1 billion (2022: –CHF 3.0 billion), reaching a year-end total of around CHF 66 billion. The decline was slightly stronger for the statutory savings than for the supplementary part. The share amounts to about half of the savings in each case.

The provisions for current old-age and survivors' pensions also decreased in the year under review. One reason for the decline is the increase in the capital

option at retirement age. The actuarial reserves for disability pensions fell by 7% to CHF 7.9 billion.

Overall, the technical provisions decreased by more than CHF 4 billion. The surplus fund exhibited a larger increase, which is the result of a high amount being allocated in the year under review.

### Key components of the technical provisions 2021–2023

(in CHF millions)	2023	2022	2021	2023/22	+/- in % 2022/21
Mandatory retirement savings	32,916	34,930	36,243	-5.8	-3.6
Supplementary retirement savings	33,328	34,399	36,133	-3.1	-4.8
Additional reserves for future pension conversions	2,886	3,174	3,218	-9.1	-1.3
Actuarial reserves for current old-age and survivors' pensions	42,596	42,761	43,852	-0.4	-2.5
Actuarial reserves for current disability pensions	7,903	8,453	8,450	-6.5	0.0
Actuarial reserves for vested benefits policies	5,502	5,737	6,023	-4.1	-4.8
Actuarial reserves for other cover	4,041	4,027	3,976	0.3	1.3
Strengthening the actuarial reserves of current pensions	9,047	9,258	9,931	-2.3	-6.8
Technical reserve for incurred but not yet settled insurance claims	3,065	2,396	2,494	27.9	-3.9
Reserve for interest guarantee, loss and value fluctuations	1,378	1,653	1,633	-16.6	1.2
Other insurance reserves	1,098	1,047	981	+4.8	6.8
Provisions for inflation	1,870	1,929	1,926	-3.0	0.1
<b>Total technical reserves</b>	<b>145,631</b>	<b>149,766</b>	<b>154,860</b>	<b>-2.8</b>	<b>-3.3</b>
The surplus fund	1,778	1,467	1,081	21.2	35.7
Premium deposits	1,171	1,441	1,656	-18.7	-13.0
Credited allocations to the surplus fund	120	144	132	-16.7	9.6
Other liabilities	7,841	8,065	8,176	-2.8	-1.4
<b>Total assets: operating statement of occupational pensions</b>	<b>156,541</b>	<b>160,883</b>	<b>165,905</b>	<b>-2.7</b>	<b>-3.0</b>

### The surplus fund

The surplus fund is an actuarial balance sheet item to free up surplus dividends for occupational pension institutions and their insured persons. A total of CHF 561 million (2022: CHF 538 million) was allocated to these occupational pension institutions and their insured persons. The table below shows that the surpluses generated in one year were passed on rapidly to the insured persons. Of the net result, CHF 872 million were allocated to the surplus fund in the year under review (2022: CHF 924 million), which means that an increase in the allocation can be expected for the next year.

### Changes in the surplus fund 2019–2023

(in CHF millions)	2023	2022	2021	2020	2019
At the beginning of the year	1,467	1,081	1,061	1,102	1,985
Withdrawals	-561	-538	-469	-491	-1,346
In %	-38	-50	-44	-45	-68
Allocations	872	924	489	450	464
At year end	1,778	1,467	1,081	1,061	1,102
Assigned from allocation in year +1	0	18	0	0	0
Assigned from allocation in year +2	0	0	489	396	322
Assigned from allocation in year +3	0	0	0	54	142
Assigned from allocation in year +4	0	0	0	0	0
Assigned from allocation in year +5	0	0	0	0	0
Total assignments	0	18	489	450	464
Outstanding assignments	872	906	0	0	0



### Changes in key figures

The changes in the key figures for occupational pension funds are shown in the following table. Further information about the operating statement of occu-

pational pensions and in particular the transparency schemes of the occupational pension fund insurers can be found on the [FINMA website](#).

### Key figures for occupational pension funds 2019–2023

	2023	2022	2021	2020	2019
<b>Premiums and investments</b>					
Total gross written premiums, in CHF millions	14,730	15,292	15,578	17,401	22,049
Total investments (market values), in CHF millions	159,559	156,517	182,376	186,228	186,139
Total investments (book values), in CHF millions	152,668	156,272	161,562	162,703	164,329
Net return on investments (book yield), in %	1.28	1.73	2.00	1.82	2.05
<b>Per capita operating costs, in CHF</b>					
Averaged over insured persons	355	357	344	351	370
Active insured persons	367	372	363	376	399
Pensioners	541	528	490	467	480
Holders of vested benefits policies	63	64	64	68	75
<b>Net result,<sup>a)</sup> in CHF millions</b>					
Savings process	687	807	338	328	304
Risk process	486	508	560	560	640
Cost process	-38	-19	28	-35	-33
Outside the processes	7	7	7	8	3
<b>Total (net result)</b>	<b>1,141</b>	<b>1,303</b>	<b>934</b>	<b>861</b>	<b>914</b>
<b>Breakdown of the net result</b>					
Life insurers' portion (operating result), in CHF millions	269	379	445	411	451
Life insurers' portion, in %	23.6	29.1	47.7	47.7	49.3
Insured persons' portion (assignment to surplus fund), in CHF millions	872	924	489	450	464
Insured persons' portion, in %	76.4	70.9	52.3	52.3	50.7
<b>Revenue in the savings, risk and cost process, in CHF millions</b>					
Life insurers' portion, in %	5.3	6.5	7.1	6.9	6.8
Insured persons' portion, in % (payout ratio)	94.7	93.5	92.9	93.1	93.2
Payout ratio only for business subject to the minimum ratio, in %	93.4	93.3	93.1	92.9	93.5

<sup>a)</sup> After creation/release of reserves, but before allocation to the surplus fund.

# Non-life insurance companies

The following information pertains to non-life insurers as well as to supplementary health insurers under the Insurance Contract Act (ICA).

## Key figures

Premiums increased by 19.4% (gross) or just under CHF 10 billion compared with the previous year. Around CHF 8 billion of this can be attributed to the foreign business of Zürich Versicherungs-Gesellschaft AG and Zürich Rückversicherungs-Gesellschaft AG. The premium volume for the Swiss direct business alone grew by around CHF 1 billion in 2023.

The claims expenditure (net) also increased significantly, by 22.4%. Although payments for insurance claims fell slightly (–0.7%), insurance reserves and liabilities amounting to CHF 5.8 billion were created, whereas in the previous year a small amount of CHF 8 million was released.

The loss ratio (gross) increased by 7.3 percentage points to 67.9% in 2023. This is due to a significantly worse claims experience in both direct and indirect business compared with the previous year. On the other hand, the expense ratio fell by 3.2 percentage points to 24.9%.

Non-life insurance companies generated significantly higher investment income in 2023 than in the previous year (+72.0%). Accordingly, the return on investment improved from 2.5% to 4.2% in the same period.

In 2023, the higher insurance-related expenses were more than offset by the improvement in the investment results, meaning that the annual profits of non-life insurance companies rose by 18.2% or around CHF 1 billion overall compared with the previous year. In addition, the return on equity increased by 3.2 percentage points.

The solvency of non-life insurance companies fell by 27 percentage points in 2023 compared with the previous year, while the coverage of tied assets remained unchanged. Both key figures remain in a comfortable range.

## Key figures of health insurance companies

(in CHF thousands)

	2023	2022	+/- in %
<b>Gross premiums written</b>	<b>61,435,430</b>	<b>51,455,308</b>	19.4
Claims paid out	25,076,968	25,243,244	-0.7
Costs for the change in technical liabilities	5,380,492	345,175	n/a
Costs for the change in other actuarial liabilities	423,625	-353,233	n/a
Costs for underwriting	10,828,306	9,910,393	9.3
Taxes	579,357	420,672	37.7
Gains/losses from investments	6,323,117	3,676,328	72.0
<b>Annual profits</b>	<b>6,896,376</b>	<b>5,833,081</b>	<b>18.2</b>
<b>Balance sheet total</b>	<b>201,985,584</b>	<b>188,247,758</b>	7.3
Investments	149,032,573	148,966,244	0.0
Technical liabilities	105,169,274	90,364,999	16.4
<b>Equity (before profit allocation)</b>	<b>43,311,791</b>	<b>45,710,539</b>	<b>-5.2</b>
	<b>2023 in %</b>	2022 in %	+/- percentage points
Return on investments	4.24	2.48	+1.76
Return on equity	15.92	12.76	+3.16
Loss ratio	67.9	60.6	+7.3
Expense ratio	24.9	28.1	-3.2
Combined ratio	92.8	88.7	+4.1
SST solvency ratio	277	303	-26
Tied-assets coverage ratio	128	128	-

## Asset allocation

Asset allocation remained stable, as in previous years.

### Fixed income securities

Investments in fixed income securities were by far the largest investment category. They were divided between around 64% corporate bonds and 36% government bonds.

### Investments in shareholdings

Investments in shareholdings affected only a few insurance companies, with Zürich Versicherungsgesellschaft AG's shareholdings making up the lion's share of CHF 36.5 billion (2022: CHF 36.2 billion).

### Other positions

Non-life insurance companies continue to invest significantly less in real estate and mortgages than life insurance companies.

## Asset allocation of non-life insurers

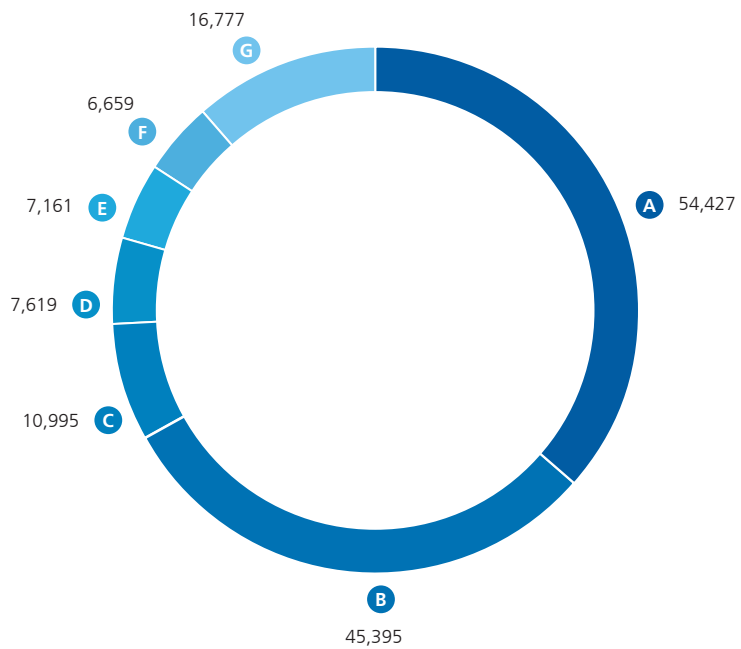
(in CHF thousands)

	2023	2023 in %	2022	2022 in %
Real estate, buildings under construction and building land	7,618,741	5	7,208,779	5
Participations	45,395,321	30	45,094,593	30
Fixed income securities	54,427,008	37	52,442,490	35
Loans	7,160,879	5	10,051,937	7
Mortgages	5,173,063	4	5,118,242	3
Equities	6,658,579	4	6,177,769	4
Collective investments	10,994,687	7	10,309,310	7
Alternative investments	5,623,854	4	5,575,912	4
Other investments	5,980,441	4	6,987,210	5
<b>Total investments</b>	<b>149,032,573</b>	<b>100</b>	<b>148,966,244</b>	<b>100</b>

### Asset allocation of non-life insurers 2023

(in CHF millions)

- A** Fixed income securities
- B** Participations
- C** Collective investments
- D** Real estate, buildings under construction and building land
- E** Loans
- F** Equities
- G** All other investments



## Premium trends in the direct Swiss business (including supplementary health insurers)

In 2023, an increase in premium volume of 3.3% was observed in the non-life insurance segment. This is the result of the continued resumption of economic activity following the COVID-19 pandemic, higher premium rates in certain cases due to the further increase in reinsurance premium rates and premium increases in connection with inflation. Premium volume increased in almost all non-life insurance lines. Only in the credit and surety line was there a significant decrease (–3.4%) and in the marine, aviation, transport line a minimal decrease (–0.1%). The decline in the credit and surety line (–3.4%) is mainly due to an inconsistency in the previous year’s reporting by one insurer.

The 3.5% increase in premium volume in the land vehicle (comprehensive) line and the 0.8% increase in the land vehicle (liability) line are worthy of mention. This is the result of the 1.2% increase in the number of land vehicles compared to the previous

year, the increase in the value of new cars and also premium increases by certain insurers. The most marked increase in premiums was seen in the tourist assistance line (+8.9%) due to the resumption of tourism. As in previous years, premiums in by far the largest sector, illness, increased sharply, this time by 5.0%. Premiums in the accident line also grew by 4.1%. In both cases, this is a consequence of the growth of the active population and the increase in salaries. The premium volume in the legal protection line grew by 5.2%. On the other hand, the fire and property damage (+2.0%) and liability (+0.1%) sectors saw more modest growth rates.

### Gross premiums written in the direct Swiss business (including supplementary health insurers)

(in CHF thousands)	2023	2023 in %	2022	+/ in %
Illness	12,819,757	39.9	12,212,176	5.0
Fire and property damage	4,693,696	14.6	4,603,399	2.0
Accident	3,544,989	11.0	3,404,803	4.1
Land vehicle (comprehensive)	3,676,124	11.5	3,552,849	3.5
Land vehicle (liability)	2,555,879	8.0	2,536,204	0.8
Liability	2,319,070	7.2	2,316,966	0.1
Marine, aviation and transport	442,389	1.4	443,000	–0.1
Legal protection	771,919	2.4	733,553	5.2
Financial losses	593,243	1.8	585,529	1.3
Credit and surety	416,376	1.3	430,826	–3.4
Tourist assistance	260,671	0.8	239,380	8.9
<b>Total</b>	<b>32,094,113</b>	<b>100.0</b>	<b>31,058,686</b>	<b>3.3</b>

## Market shares in the direct Swiss business

After the market shares among the eight main direct Swiss non-life insurance companies (excluding supplementary health insurers) had gradually declined in recent years, they increased slightly to 82.7% (+0.9 percentage points) in 2023. The remaining 17.3% of the market was shared by 91 further non-life insurance companies with their registered office in Switzerland as well as Swiss branches of insurance companies registered outside Switzerland.

Market shares of no more than 0.5 percentage points shifted only slightly among the eight largest Swiss non-life insurance companies. The respective positions of the eight largest Swiss non-life insurance companies remained unchanged.

### Market shares of non-life insurers (excluding supplementary health insurers)

(in CHF thousands)

	Premiums written 2023	Market shares in % 2023	Premiums written 2022	Market shares in % 2022
AXA Versicherungen	3,789,769	18.0	3,626,492	17.7
Schweizerische Mobiliar	3,462,984	16.4	3,314,898	16.2
Zürich Versicherung	3,292,191	15.6	3,104,611	15.1
Allianz Suisse	1,992,118	9.1	1,911,267	9.3
Helvetia	1,783,984	8.5	1,684,593	8.2
Baloise Versicherung AG	1,426,795	6.8	1,392,118	6.8
Vaudoise	1,081,726	5.1	1,030,301	5.0
Generali Assurances	672,723	3.2	707,954	3.5
<b>The eight largest insurers</b>	<b>17,432,290</b>	<b>82.7</b>	<b>16,772,325</b>	<b>81.8</b>

## Claims ratios in the direct Swiss business

The claims ratio in the direct Swiss non-life business increased by 2.6 percentage points compared with the previous year to 69.0% (2022: +0.9). However, it is interesting to note that the claims ratio developed differently in the individual insurance sectors, sometimes even with substantial changes.

Inflation remained moderate in Switzerland in 2023. The increase in the claims ratio in the direct Swiss non-life business is mainly due to the change in the claims ratio in the fire and property damage sectors. In these sectors, the claims ratio rose by 12.9 percentage points in 2023 compared to the previous year (2022: –16.0). The reason for this is the insured losses caused by natural events in 2023.

In the land vehicle (liability) sector, the claims ratio fell by 14.8 percentage points, and in the liability sector it rose by 14.3 percentage points. These changes are mainly due to a reallocation of the technical reserves to the insurance segments at one insurance company.

### Claims ratios of the sectors in the direct Swiss business (including supplementary health insurers)

in %	2023	2022	+/- percentage points
Illness	75.8	75.1	+0.7
Fire and property damage	60.0	47.1	+12.9
Accident	71.5	70.9	+0.6
Land vehicle (comprehensive)	87.9	86.0	+1.9
Land vehicle (liability)	41.2	56.0	–14.8
Liability	64.0	49.7	+14.3
Marine, aviation and transport	40.8	56.7	–15.9
Legal protection	53.2	53.9	–0.6
Financial losses	62.9	36.1	+26.8
Credit and surety	30.8	36.6	–5.7
Tourist assistance	83.5	82.5	+1.0
<b>Total</b>	<b>69.0</b>	<b>66.4</b>	<b>+2.6</b>

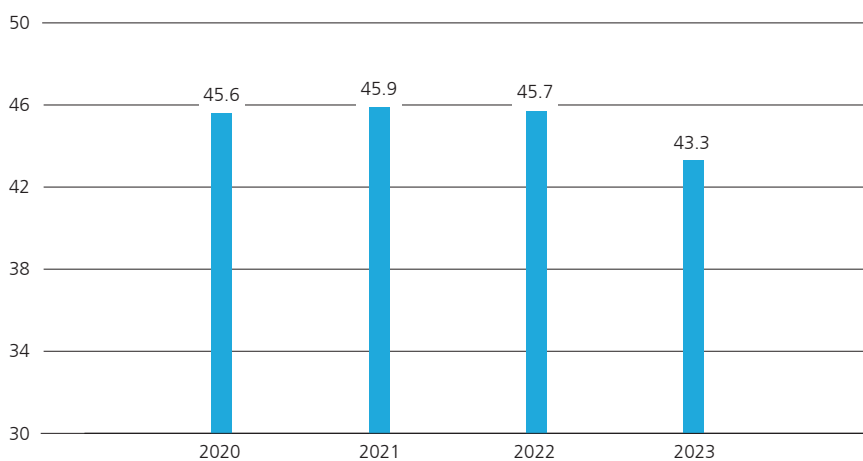


## Changes in equity capital

The equity capital of non-life insurance companies totalled CHF 43.3 billion at the end of 2023. The decline compared to previous years is mainly due to lower equity at Zürich Versicherungs-Gesellschaft AG (CHF 21.3 billion in 2023 compared to CHF 24.4 billion in the previous year).

### Equity capital of non-life insurers

(in CHF billions)



## Supplementary health insurance providers

### Key figures

Gross premiums written show the development of health insurers' premiums excluding the supplementary health insurance business (ISA portion) of general health insurance companies. The transfer of the supplementary health insurance business at SWICA resulted in the relevant premium volume being included in the gross premiums written in 2023. This explains a large proportion of the increase by around 26% from 2022 to 2023.<sup>4</sup> The gross premium volume in the private health insurance business (health insurers and supplementary health insurance business [ISA portion] of general health insurance companies) re-

mained in line with developments in previous years and effectively increased by 3.7% from 2022 to 2023.

Claims payments by health insurers (excluding the ISA portion of general health insurance companies) rose by around 0.1% in absolute terms when adjusted for the effect of the transfer of the supplementary health insurance business at SWICA, and thus by slightly more than the premium volume. In contrast, expenditure for insurance operations fell by around 2%. Adjusted for the effect of the transfer of the supplementary health insurance business at SWICA,

### Key figures of health insurance companies

(in CHF thousands)

	2023	2022	+/- in %
<b>Gross premiums written</b>	10,802,701	8,558,371	26.2
<b>Gross premiums written including ISA portion of health insurance companies</b>	10,974,812	10,581,200	3.7
Claims paid out	7,545,893	5,840,012	29.2
Costs for underwriting	2,077,892	1,786,676	16.3
Taxes	120,300	40,326	198.3
Gains/losses from investments	349,424	-502,312	n/a
<b>Annual profits</b>	<b>747,322</b>	<b>313,188</b>	138.6
<b>Balance sheet total</b>	<b>23,517,182</b>	<b>20,457,883</b>	15.0
<b>Investments</b>	<b>20,106,116</b>	<b>17,920,758</b>	12.2
Technical liabilities	13,335,905	11,895,826	12.1
<b>Equity (before profit allocation)</b>	<b>5,835,348</b>	<b>4,880,612</b>	<b>19.6</b>
	<b>2023 in %</b>	2022 in %	+/- percentage points
Return on investments	1.84	-2.78	+4.62
Return on equity	5.99	6.42	-0.43
SST solvency ratio	362	365	-3
Tied-assets coverage ratio	130	129	+1

<sup>4</sup>SWICA Krankenversicherung AG (general health insurance company) transferred its supplementary health insurance business to SWICA Versicherungen AG (ISA health insurer) at the beginning of 2023.

technical liabilities increased again and rose by around 3%.

In contrast to 2022, the favourable development of capital markets led to a positive investment result in 2023. The higher market values resulted in a slight increase in the excess of tied assets. The median solvency ratio of the Swiss Solvency Test (SST) remained stable.

### Market share in the supplementary health insurance sector

The breakdown of market share<sup>5</sup> shows that the concentration – irrespective of intra-group structural changes – stabilised again in 2023. The percentage market shares of the eight largest health insurance

companies remained almost unchanged. However, it should be noted that as a result of the facts stated in the footnote, business policy decisions have an impact on the operation of additional sectors and can reduce or increase the overall volume.

### Market share in the supplementary health insurance sector

(in CHF thousands)	Premiums written 2023	Market shares in % 2023	Premiums written 2022	Market shares in % 2022
SWICA <sup>6</sup>	2,195,999	20.0	2,096,093	19.8
Helsana Zusatzversicherungen	1,953,555	17.8	1,881,857	17.8
Groupe Mutuel Assurances	1,354,766	12.3	1,199,337	11.3
CSS	1,332,381	12.1	1,319,789	12.5
Visana	1,290,981	11.8	1,240,245	11.7
Sanitas	754,408	6.9	761,317	7.2
Concordia	548,199	5.0	575,795	5.4
Assura	347,612	3.2	351,728	3.3
<b>The eight largest insurers</b>	<b>9,777,901</b>	<b>89.1</b>	<b>9,426,161</b>	<b>89.0</b>

<sup>5</sup> The figures include all premium income generated by the categories shown (including premiums for lines offered additionally to health insurance).

<sup>6</sup> To improve comparability, the supplementary health insurance business of SWICA Krankenversicherung AG, which was transferred to SWICA Versicherungen AG in 2023, was included in 2022.

# Reinsurance companies

## Key figures

Gross premiums generated by reinsurance companies under supervision rose in 2023 by 4.0% to CHF 53.3 billion. The loss ratio (claims ratio) improved sharply by 6.3 percentage points to 60.3%. The investment result changed significantly; instead of the previous year's loss of CHF 2.0 billion, a profit of CHF 3.5 billion resulted. The annual result of CHF 547 million improved markedly to CHF 5.4 billion. With a return on equity of 18.9%, this represents a significant increase compared to the previous year. The SST solvency ratio for

reinsurers improved slightly by 7 percentage points to 263%.

An increase in gross premiums was recorded by Swiss Re companies and other professional reinsurance companies as well as by reinsurance captives. The highest absolute and relative contribution to growth came from the other professional reinsurance companies, where gross premiums increased by 7.1%. Growth at New Re in both life and non-life reinsur-

## Key figures of reinsurance companies

(in CHF thousands)

	2023	2022	+/- in %
<b>Gross premiums written</b>	53,315,272	51,260,705	4.0
Claims paid out	28,125,198	24,587,415	14.4
Costs for the change in technical liabilities	853,459	2,176,018	-60.8
Costs for the change in other actuarial liabilities	416,619	-124,052	n/a
Costs for underwriting	11,534,213	10,762,201	7.2
Taxes	314,100	186,649	68.3
Gains/losses from investments	3,535,796	-2,035,169	n/a
<b>Annual profits</b>	<b>5,351,595</b>	<b>546,968</b>	n/a
<b>Balance sheet total</b>	<b>206,194,208</b>	<b>207,296,101</b>	-0.5
<b>Investments</b>	96,381,960	98,969,319	-2.6
Technical liabilities	128,186,823	132,906,067	-3.6
<b>Equity (before profit allocation)</b>	<b>28,306,542</b>	<b>25,628,554</b>	10.4
	<b>2023 in %</b>	2022 in %	+/- percentage points
Return on investments	3.62	-2.08	+5.70
Return on equity	18.92	2.13	+16.78
Loss ratio, non-life	60.3	66.6	-6.3
Benefit ratio, life	84.2	61.5	+22.7
SST solvency ratio	263	256	+7

ance business accounted for a large proportion of the growth, followed by MS Amlin Re.

Total assets fell slightly, by 0.5% to CHF 206 billion. On the liabilities side, technical liabilities fell by 3.6% to CHF 128.2 billion, while equity increased by 10.4% to CHF 28.3 billion, the latter mainly driven by Swiss Re.

The development of the non-life loss ratio (net) was mixed; overall, there was an improvement of 6.3 percentage points compared with the previous year to 60.3%. The Swiss Re Group companies even recorded an improvement of 12.3 percentage points to 58.2%. The other professional reinsurance companies achieved improvements, while the reinsurance captives saw a deterioration.

## Asset allocation

Asset allocation was relatively stable year on year. Fixed income securities and loans rose slightly, while other investments fell slightly. Shareholdings involved almost exclusively Swiss Re Group companies, which function as holding companies in addition to their

operational activities. Overall, however, the value of investments fell slightly, which can be attributed primarily to participations.

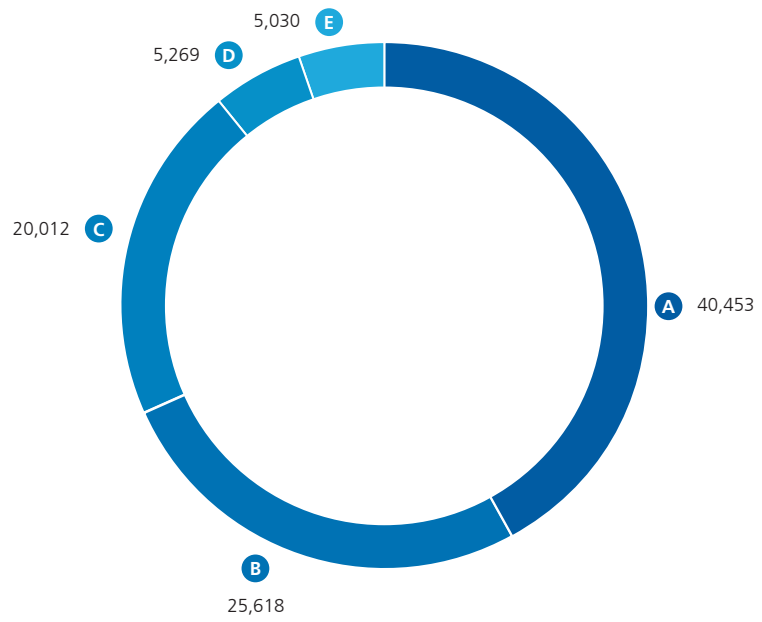
### Asset allocation of reinsurance companies

(in CHF thousands)	2023	2023 in %	2022	2022 in %
Real estate, buildings under construction and building land	71,710	0	78,050	0
Participations	25,618,483	27	27,017,611	27
Fixed income securities	40,452,731	42	40,881,297	41
Loans	5,268,916	5	4,266,871	4
Mortgages	0	0	0	0
Equities	239,803	0	675,718	1
Collective investments	20,011,864	21	20,629,811	21
Alternative investments	1,106,458	1	1,135,913	1
Other investments	3,611,994	4	4,284,047	5
<b>Total investments</b>	<b>96,381,960</b>	<b>100</b>	<b>98,969,319</b>	<b>100</b>

### Asset allocation of reinsurance companies 2023

(in CHF millions)

- A** Fixed income securities
- B** Participations
- C** Collective investments
- D** Loans
- E** All other investments



## Premium trends

Overall, gross premiums earned rose slightly more than premiums written. In the non-life reinsurance sector, overall growth of 7.3% was recorded, while the life reinsurance sector saw a 1.4% reduction. A significant reduction stemmed from Swiss Re, while New Re posted growth. In geographical terms, the relative increase was greatest in business with Euro-

pean and North American cedants, while Asia-Pacific and the other markets contracted slightly. Overall, however, Europe and North America remain dominant and together accounted for almost 80%.

### Premiums earned by reinsurers

(in CHF thousands)

	2023	2023 in %	2022	+/- in %
Short-tail	19,601,202	37.7	18,599,161	5.4
Long-tail	12,955,712	24.9	11,870,069	9.1
Catastrophes	4,970,526	9.6	4,503,794	10.4
<b>Total non-life</b>	<b>37,527,440</b>	<b>72.1</b>	<b>34,973,025</b>	<b>7.3</b>
Life insurers	14,488,853	27.9	14,695,314	-1.4
<b>Total gross premiums</b>	<b>52,016,292</b>	<b>100.0</b>	<b>49,668,338</b>	<b>4.7</b>
Asia/Pacific	8,255,577	15.9	8,418,483	-1.9
Europe	21,102,464	40.6	19,908,446	6.0
North America	20,226,781	38.9	18,885,810	7.1
Rest of the world	2,431,470	4.7	2,455,599	-1.0
<b>Total gross premiums</b>	<b>50,016,292</b>	<b>100.0</b>	<b>49,668,338</b>	<b>4.7</b>



## Claims ratio

In 2023, the claims ratio in the non-life reinsurance sector improved by 6.4 percentage points to 63.0% (2022: 69.4%). This development was largely shaped by the performance of the catastrophes segment, which improved by 62.0 percentage points to 19.7%. Although there were again high losses due to natural disasters<sup>7</sup> in 2023, the loss ratio for professional reinsurers was significantly lower than in the previous year. There was no event comparable to Hurricane Ian, but there was a high frequency of smaller events and the earthquake in Turkey, which resulted in insurance claims remaining at a high level overall.

It is interesting to note that the claims ratio in the property insurance sector rose significantly for non-life insurers, while it fell sharply for reinsurers, particularly in the case of catastrophe losses. One explanation for the lower claims for reinsurers could be, among other things, higher excesses for primary insurers, driven by the partial withdrawal of reinsurers from the more heavily frequented lower cover areas in favour of higher cover areas where major events are covered. However, the business of Swiss reinsurers has a very international focus and is therefore not congruent with that of primary insurers.

### Claims ratios in non-life reinsurance business

in %	2023	2022	+/- percentage points
Short-tail	65.0	63.9	+1.1
Long-tail	73.3	71.9	+1.4
Catastrophes	19.7	81.7	-62.0
<b>Total</b>	<b>63.0</b>	<b>69.4</b>	<b>-6.4</b>

<sup>7</sup>Source:  
Swiss Re sigma 1/2023.

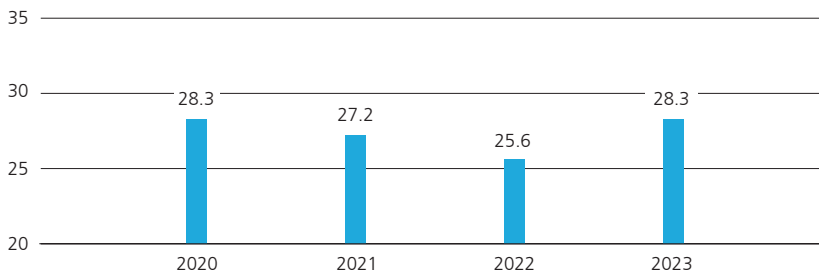
## Changes in equity capital

Statutory equity capital before profit allocation increased by 10.4% to CHF 28.3 billion compared with the previous year. Swiss Re was largely responsible for this, where equity capital rose by 18.5% to

CHF 17.3 billion. The equity capital at reinsurance captives also increased by 7.1% to CHF 3 billion, while professional reinsurance companies saw a slight decline of 1.2% to CHF 8 billion.

### Equity capital reinsurers

(in CHF billions)



# Definition of terms

## Combined ratio

The combined ratio is a composite key figure that expresses the ratio of gross claims to operating costs. The insurance industry uses this ratio to evaluate the profitability of its portfolios.

## Expense ratio

The expense ratio is a key figure that non-life insurers use to indicate the amount in earned gross premiums required for managing the insurance operations. The rate itself is less indicative than the actual change over time.

## Loss ratio

The loss ratio, or gross claims ratio, is a key figure that the non-life insurance sector uses to indicate the extent to which contribution income covers the insurance benefits that are paid. Calculating the loss ratio means dividing the paid-for and reserved claims expenditure by the earned gross premiums. The gross claims ratio reflects the effect of claims on the insurance company, the adequacy of premiums, and the appropriateness of the underwriting policy.

## Return on equity

Return on equity is a key figure that measures the profitability of equity capital. It is calculated based on the ratio of annual profits to equity capital. This simple and precise indicator makes it possible to compare the profitability of different companies.

## Return on investments

Return on investments calculates as the profit or loss from an investment divided by the average amount of investments. Return on investments reflects the performance of the investment activities of insurance companies. In the calculation, the numerator is the total of direct income, realised income/losses, unrealised gains/losses, and the investment expenditures. The denominator is the average amount of the investments (excluding investments on third-party account).

## SST solvency ratio

The Swiss Solvency Test (SST) is a modern supervisory tool that applies risk-based principles and uses a total balance sheet approach. Insurance companies are required to provide a market-consistent assessment of the value of their assets and liabilities. Changes to these balance sheet positions are then modelled over a one-year period in order to arrive at the total required capital. The solvency ratio contrasts the available capital (risk-bearing capital) against the required capital (target capital). The Swiss branch offices of foreign insurance companies and supplementary health insurers (in the supplementary health insurance sector) that are supervised by FINMA are exempt from SST obligations.

## Tied assets

Insurance companies are legally obliged to guarantee entitlements arising from insurance contracts by establishing tied assets. Thanks to this rule, policyholders have a liability substrate which ensures that their claims under insurance contracts will be satisfied before the claims of all other creditors if an insurance company becomes insolvent. All insurance companies, with the exception of reinsurers, must observe special rules when investing tied assets. The rules for tied assets specify not only the eligible asset classes, but also the requirements to be met by insurance companies in terms of their investment organisation and processes. These rules contain precisely formulated restrictions for riskier asset classes.

# Abbreviations

<b>BVG</b>	Swiss Federal Act of 25 June 1982 on Occupational Old-Age, Survivors' and Invalidation Pension Provision (SR 831.40)
<b>CHF</b>	Swiss francs
<b>IBNR</b>	incurred but not reported
<b>ICA</b>	Swiss Federal Act of 2 April 1908 on Insurance Contracts (Insurance Contract Act; SR 221.229.1)
<b>ISA</b>	Swiss Federal Act of 17 December 2004 on the Supervision of Insurance Companies (Insurance Supervision Act; SR 961.01)
<b>n/a</b>	not applicable
<b>SST</b>	Swiss Solvency Test
<b>UVG</b>	Swiss Federal Act of 20 March 1981 on Accident Insurance (Accident Insurance Act; SR 832.20)

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