

BAK press release: Analysis of the Swiss reinsurance industry

## **Reinsurance strengthens Swiss exports**

**BAK Economics, 31.01.2023 (Basel/Berne/Lugano/Zurich) - Reinsurance insures insurance companies. Switzerland is one of the world's leading locations thanks to its reinsurance hub in the financial centre of Zurich. Swiss reinsurers are characterised by global activities and a very high productivity, which strengthens Swiss exports. In 2020, their added value amounted to CHF 4.8 billion, almost one fifth of the total insurance added value. Reinsurance's real economic output has more than tripled since 2000. These are some of the most important findings from the study conducted by BAK Economics on behalf of the Swiss Insurance Association (ASA/SVV).**

Reinsurance insures the risks of life, non-life and health insurance, thus contributing to their stability. Therefore, they are called 'the insurers' insurers'. They operate worldwide out of Switzerland, as their business model is based on global risk diversification to insure even large and complex cases such as natural catastrophes. Reinsurance thus strengthens Switzerland's export base. In 2021, gross premiums written by Swiss reinsurers amounted to CHF 45.6 billion, of which CHF 19.4 billion in Europe, CHF 17.3 billion in North America and CHF 6.7 billion in the Asia-Pacific region.

Switzerland is one of the world's leading reinsurance locations thanks to its reinsurance hub in the financial centre of Zurich. In terms of premium volume, Switzerland is the third largest reinsurance location after the US and Germany. The most important success factors are the access to reinsurance markets worldwide, the regulatory environment, the availability of specialists and political and macroeconomic stability.

Swiss reinsurers have above-average productivity and generated gross value added of CHF 4.8 billion in 2020, which corresponds to about one fifth of total insurance value added. Over the past 20 years, reinsurance has more than tripled its real economic output. This means that the industry has expanded much more strongly than insurance sectors that focus on the domestic market. Also in the future, the reinsurance industry will benefit from fast-growing foreign markets and thus has favourable development prospects.

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