



30.04.2021
PRESS RELEASE

Generali Switzerland annual result: Solid performance marked by one-off effects

Generali Switzerland ended 2020 with a stable volume of premiums and a robust operating performance. As in previous years, Generali Switzerland increased its guarantee reserve. This strengthening of its financial foundation as a basis for long-term profitable growth led to a negative overall result.

The past financial year was one unlike any other – with regard to the local economy as a whole but specifically the insurance industry and, by extension, Generali Switzerland. Andreas Krümmel, CEO Generali Switzerland: «The coronavirus pandemic has shown just how fragile our interconnected world can be and revealed new working realities. Our employees performed outstandingly in the face of immense pressure. They ensured that, without minus the one-off effects, Generali Switzerland was able to navigate a year of economic downturn.»

But Generali Switzerland has been equally heavily impacted by the ongoing low interest rate situation in Switzerland. As a life insurance provider, Generali Switzerland has been struggling against record-low interest rates for years. These rates make it impossible for us to generate the necessary revenue with the most risk-free possible investments to cover policy benefits for customers. «For this reason, more than in previous years, Generali Switzerland decided to use the operating profit of the reporting year to increase its guarantee reserve by adding CHF 615 million (CHF 400 million in previous year). These allocations help us to fulfil our role as a reliable partner, securing our obligations to our customers,» explains Krümmel. This allocation to the guarantee reserve was recognised in the income statement and distorts the otherwise solid annual result: despite a solid volume of premiums of CHF 1,923.9 million (-1%), Generali Switzerland recorded a negative overall result of CHF 301.6 million.

Generali (Switzerland) Holding Ltd.
Media Relations
T +41 58 472 41 60

media.ch@generali.com
generali.ch

Life business

The pandemic did not have any major impact on the life insurance business. Premium income from life insurance policies declined slightly in comparison with the previous year. Premiums written fell by two per cent to CHF 1,118.3 million. With earned premiums of CHF 736.7 million, unit-linked life insurance constituted Generali Personal Insurance Ltd.'s core segment and accounted for the majority of its premium income. The premium level in this segment increased by 0.8 per cent on the previous year thanks to an increase in income from new business and the realignment of the business mix.

The year under review saw Generali Switzerland focus on the capitalisation of GPV. Its SST rate had risen significantly to 155.5 per cent by the end of 2020. This was roughly 100 per cent at the end of 2019. CEO Krümmel: «Boosting the capital base of GPV will help to strengthen our position in cooperation with our distribution partners and boost trust in Generali Switzerland.»

Non-life business

The volume of premiums in the non-life insurance business increased slightly by 0.4 per cent to CHF 805.7 million in spite of the difficult conditions brought about by the coronavirus. At CHF 55.4 million, Generali General Insurance Ltd.'s overall result after tax was also slightly above that of the previous year (CHF 55 million).

The reporting year was a challenging one for non-life business. Fewer claims in individual product segments were offset by greater liabilities in the segments travel cancellation and epidemic insurance, as well as an increased support for the legal protection subsidiary Fortuna Legal Protection Insurance Company Ltd.

GAV recorded an SST ratio of 233.7 per cent as of the end of the reporting year, therefore demonstrating a very solid capital base. This corresponds to an increase of 23.1 percentage points in comparison to the previous year.

Capital investments

Investments held increased by 5.6% to CHF 20,571.9 million in the period under review. This increase was attributable to positive performance, the capital boost in the life business and the positive inflow of new money from insurance business.

Outlook

Generali Switzerland will also continue to increase its guarantee reserve in the coming years. Roughly CHF 300 million are earmarked for 2021, which will again impact the annual result¹. The current financial year will be part of a transitional phase that will see Generali Switzerland develop its medium- to long-term business vision. Andreas Krümmel: “In essence, we want to position ourselves as a lifetime partner for the next 10 to 15 years and develop the business model of the future. As part of the Generali Group strategy, we will continue to aspire towards profitable growth, improve capital management and advance the digital transformation.”

Further information

Along with the public disclosure requirements for insurers, Generali Switzerland submits separate reports for the companies Generali Personal Insurance Ltd., Generali General Insurance Ltd. and Fortuna Legal Protection Insurance Company Ltd. You can find the 2020 financial condition reports for the various companies with commented key figures and annual financial statements on the [Generali Switzerland website](#).

ABOUT GENERALI

The Generali Group is an independent Italian group with a strong international presence. Established in 1831, the company is now one of the world’s leading insurers. Generali has around 72,000 employees serving more than 65.9 million customers in 50 countries. The Group’s total income came to more than EUR 70.7 billion in 2020, making Generali the market leader in Western Europe. The company is also an increasingly important player in Central and Eastern Europe as well as in Asia.

Generali’s roots in Switzerland date back to 1887. Today, Generali (Switzerland) Holding Ltd. operates throughout Switzerland, with two head offices – one in Adliswil and one in Nyon – and a wide network of agencies. The insurer has more than one million customers and offers products for every situation in life. These include property insurance, legal expenses insurance, life insurance and pension solutions. Generali partners with start-ups to develop innovative products. The company is the first Swiss insurer to launch a fully digital pillar 3a.

Generali (Switzerland) Holding Ltd.

A member of the Gruppo Assicurativo Generali, entered in the Italian Register of Insurance Companies under number 026.

¹ According to Swiss Accounting Standards