



# Risk & Insurance Insight 2024



A SECURE FUTURE.

# Welcome!

Kessler is the leading Swiss enterprise specializing in comprehensive risk, insurance and pension benefits.

We advise over 1,500 medium-sized and large Swiss companies from the service, trading and manufacturing industries, as well as the public sector. Thanks to our expertise in each of these economic areas, the dedication of our highly qualified staff and our leading market position, our customers can benefit from the best possible solutions and optimized risk costs. This enables us to make a significant contribution to their long-term success.

#### IN PICTURES

In 2023, we moved into our new offices in Lausanne. We wanted to create modern working environments and allow workstations to be used flexibly to support a hybrid work model. The photos show our employees in Lausanne. The cover image was taken by a young photography student at Écal, who took photos of Lausanne for the opening, capturing the city from a different angle.

# Content

<b>Editorial</b>	<b>4</b>
<b>Interview</b>	<b>6</b>
<b>Annual report</b>	<b>11</b>
<b>Management seminar</b>	<b>28</b>
<b>Customer focus</b>	<b>30</b>
<b>blue line – Martin Rohrbach</b>	<b>31</b>
<b>International – Yves Krismer</b>	<b>32</b>
<b>Special Risks – Pascal Schweingruber</b>	<b>33</b>
<b>French-speaking Switzerland – Bernard Perritaz</b>	<b>34</b>
<b>Health &amp; Benefits – Stefan Leuenberger</b>	<b>35</b>
<b>Pension fund administration – Natalie Koch</b>	<b>36</b>
<b>Risk Consulting – Simon Künzler</b>	<b>37</b>
<b>Sites</b>	<b>38</b>
<b>Imprint</b>	<b>40</b>

# Editorial



## Dear clients, partners, employees and friends of Kessler,

Geopolitical tensions such as the war in Ukraine and the reignited conflict between Israel and Hamas have shaped 2023 – with an impact on the internationally important trade routes in the Red Sea. Central banks around the world appear to be getting a grip on inflation by raising interest rates, first interest rate cuts are already expected in 2024. We are hoping for a sustained normalization without too much damage to the global economy.

The Swiss economy has continued to hold up well. Inflation remained lower than in other countries, although this is partly due to the appreciation of the Swiss franc. Switzerland must now chart the course for the future in its relationship with the EU, as well as the healthcare and pension system.

The insurance markets remained challenging in 2023, despite some first signs of an easing. On January 1, 2024, the revised Insurance Supervision Act came into force, which carries stricter regulations for independent insurance brokers. We welcome many of the new regulations and at the same time hope that they will be implemented with good judgement.

In the interest of long-term succession planning, the Board of Directors elected Yves Krismer and Martin Rohrbach to the Executive Committee, effective beginning in 2024. Their predecessors, Roger Konrad and Helmut Studer, remain with the company, working mainly in the area of client advisory. Read about Roger Konrad and Helmut Studer's plans for their future with Kessler in their interview.

Our slogan is "A secure future." We can count on loyal clients, business partners, dedicated employees and a strong management team. We remain on our clients' side as a reliable partner, and we extend this service worldwide in our role as Swiss partner in the Marsh Network.

We would like to thank you for this collaboration based on trust.

Tom Kessler  
Managing Partner

Christian Kessler  
Managing Partner



# Interview

## Insights and outlook



HELMUT STUDER  
Member of the Executive Committee for 25 years



ROGER KONRAD  
Member of the Executive Committee for 15 years

Helmut Studer and Roger Konrad stepped down from the Executive Committee on December 31, 2023, to make way for the new generation. Helmut Studer served on the committee for 25 years and Roger Konrad for 15, although they both joined the company long before that. But how did it all begin, what were the biggest changes and highlights over the years? And what predictions do the pair have for their own future and the future of the company? Read all about their exciting and personal insights in the following interview.

**You joined Kessler in 1994 as Legal Counsel. Five years later, you stepped up to join the Executive Committee. How did that come about? What was it about this role that appealed to you?**

**Helmut Studer (st):** The Kessler family placed a huge amount of trust in me right from the start. Ernst Brateler and Heinz Kuhn, who were members of the Executive Committee at the time, also gave me a lot of support. With such great support behind me, I was able to learn a great deal in my first five years at the company. When a vacancy arose on the Executive Committee, I seized the opportunity to join an innovative and dynamic team with both hands.

**You also joined Kessler as a client consultant in the 1990s. What did your journey to management look like?**

**Roger Konrad (ko):** After graduating from the University of Applied Sciences in Business Administration in Zurich, I became aware of Kessler through a report in a business journal. I simply called up to see if there were any vacancies. Joining Kessler was a gut decision that I

have never regretted. That was 33 years ago. After a few years, I got the chance to work with large international clients in the US with Johnson & Higgins in Chicago, our network partner who became Marsh shortly after I had left. It was a very happy and exciting time for me. After I returned, I mainly worked for financial institutions and managed that department. When there was a vacant position in the Executive Committee, I was in the right place at the right time.

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« The risk landscape of our clients and the insurance industry are changing all the time and the rate of change is only getting faster.

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# Interview

**You were both part of the Executive Committee for many years. What has changed the most compared with today? And what have been your personal highlights?**

**st:** The risk landscape of our clients and the insurance industry are changing all the time and the rate of change is only getting faster. Incorporating these changes into client consultancy with foresight is what makes our profession exciting. My highlights are all the personal experiences with my colleagues and our clients. Fortunately, people are at the heart of what we do.

**ko:** What has changed is the pace and volume. But basically, we have always been very consistent and level-headed along the way. What surprised me about the Executive Committee was that nobody gave out orders, instead all the decisions were discussed as a team. Every situation was explored and discussed until we came to a consensus. The committee really does work according to the principle of collective responsibility.

**A commitment like this requires a lot of energy and motivation. How have you managed to keep driving things forward over the years?**

**st:** In my divisions, we have always upheld the maxim “have fun.” Even when the work is difficult and intense, we can still master it together with a smile on our faces. Coupled with a good dose of composure, having fun at work is the best driver of top performance.

**ko:** My colleagues would say that it was the chocolate that gave me the most energy. I always knew where to get my hands on some. But what I enjoyed most was working with clients. When I went home happy after work, it was usually because of a successful project with a client. We really have a great customer base with long-standing and good relationships. Working in a multinational context on the client side and in the Marsh Network is an enriching experience. And then there was also the fact that the company culture is positive and open. There’s a huge amount of trust and a lot of things go hand in hand.

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« We have such consistency in the company that it’s important to bring in a breath of fresh air and new ideas after a generation.

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**After many years of being part of the Executive Committee, you are handing over your leadership responsibilities to your colleagues. What made you come to this decision?**

**st:** At Kessler, there's an unwritten rule that you have to step out of the driver's seat at the age of 60. As consultants with one eye on the future, we should be able to develop new managers from within the company. The logical consequence of this is to move over and make space for them, and concentrate once again on the supreme discipline of a professional services firm: being in direct contact with our most important clients on a daily basis.

**ko:** We have such consistency in the company that it's important to bring in a breath of fresh air and new ideas after a generation. As a follower of this unwritten rule, I am happy to pass on the baton to someone else. Yves Krismer will do very well and continue to be successful. Like me, he can count on very capable colleagues and teams here.

**What will your future tasks be and what will you focus on now?**

**st:** As General Counsel, I will continue to manage the Legal & Compliance division. This also includes our specialist group for complex claims, which is made up of 15 lawyers. As a member of the Board of Directors of our subsidiary in Liechtenstein, I would like to further strengthen our market presence there. I'm also in charge of a project to raise Kessler's profile as the leading en-

« The stricter supervision of non-tied insurance brokers by FINMA will separate the wheat from the chaff even more.

terprise in risk, insurance and pension benefits consulting together with Marsh McLennan, serving the 200 largest companies in Switzerland. That means my diary for the next few years is full to bursting.

**ko:** I'm looking forward to continuing to work in my familiar environment and having more time to dedicate to clients. I have promised myself that I will not interfere in internal matters and will make myself useful where I can put my experience to good use. I'm convinced that this will lead to exciting opportunities. I will also retain

# Interview

« We can be successful only when we have good people on board and consistency in our services.

my previous responsibilities for the Market Security Committee and Insurance Regulation & Tax. I also bear the responsibility for the cooperation for a few insurance companies with which we place business on behalf of our clients. I will also maintain the cooperation and the projects with the other Marsh McLennan companies in Switzerland and in the Marsh Network.

**And finally, a look into Kessler's future: what will be the most important issues in the years to come? How will Kessler and the brokerage industry develop?**

**st:** The stricter supervision of non-tied insurance brokers by FINMA will separate the wheat from the chaff even more. This is associated with increased professionalization and consolidation among insurance brokers. Only a few high-quality consulting companies will be able to meet these requirements. I think this will benefit our clients.

**ko:** The economic situation and the legal environment are volatile. The key to our success will be how we can prepare and adapt here. How we adapt to the labor mar-

ket is also extremely important. We can be successful only when we have good people on board and consistency in our services. The labor market has been a challenge over the past two years. Nevertheless, it's good to see that we still have had a selection of candidates for most positions. Where appropriate, we are always able to keep young talents on after their internships and enjoy seeing how they develop together. I see a bright future for Kessler. The first 109 years have provided a good foundation for our slogan: "A secure future."

Annual report  
Our year 2023



ROBERT KESSLER  
Chairman of the Board of Directors

# Annual report

## GEOPOLITICAL UNCERTAINTIES

Russia's war of aggression against Ukraine has continued unabated since February 2022. The chances of liberating Crimea and the Donbas region do not look good. In this war of attrition between Russia, led by President Vladimir Putin, and Ukraine, led by President Volodymyr Zelenskyy, the country under attack continues to receive support from the West through the US, the UK and the EU. The outcome of this grueling war is uncertain. NATO appears to have been strengthened, not least by the inclusion of the previously neutral states of Sweden and Finland.

Since October 7, 2023, the deep rift between the Palestinian Hamas and the Israelis has also been inflamed by the attack on Israel, and a ground war is being waged with great intensity, where many innocent people in the Gaza Strip are suffering terribly. We all hope that the local conflict does not develop into a regional conflagration with Yemen, Syria and Iraq becoming involved. The situation in the western Pacific has been a serious concern for years, with the potential annexation of Taiwan by China.

After the supply chain problems caused by COVID-19 had subsided, gas and oil supplies came under pressure due to the war in Ukraine and Western sanctions against Russia. However, the feared gas and electricity shortages in western Europe did not materialize, and we can partly thank a mild winter in 2022/2023 for that. We were somewhat better equipped to deal with the winter of 2023/2024.

## GLOBAL RISKS

Cyber risks remain a real threat for almost all companies and organizations around the world. It is not just IT departments that have a role to play – leadership and general awareness among employees are equally important. Dependency on a functioning internet connection and reliable email system has risen further. Malicious cyber attacks involving ransomware (ransom demands) are unfortunately a lucrative business model for cyber criminals, not least since ransoms can be covered in cyber insurance policies.

Four years ago, humanity was taken by surprise by the dramatic effects of COVID-19. We are currently dealing with a new risk connected to the rapid developments in artificial intelligence (AI) and generative artificial intelligence (GenAI), which includes ChatGPT. AI has undesirable effects as well, and the risk of misinformation and disinformation has become the biggest risk in record time. How do we know which written information or which published images and videos we can still trust?

## THE GLOBAL ECONOMY: INFLATION, INTEREST, RETURN ON INVESTMENT, STRENGTH OF THE SWISS FRANC

The years that central banks spent pumping money into the economy (quantitative easing, “whatever it takes”) to overcome every crisis have led to high inflation within a matter of months in response to the war in Ukraine and the sharp rise in energy costs. The central banks raised interest rates late, but by a significant amount, and the reaction was quick. Switzerland kept the price trend under control better than many EU countries or



## THE FIVE BIGGEST RISKS

### Within two years

Misinformation and disinformation

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Extreme weather events

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Societal polarization

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Cyber insecurity

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Interstate armed conflict

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### Within ten years

Extreme weather events

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Critical change to earth systems

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Biodiversity loss and ecosystem collapse

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Natural resource shortages

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Misinformation and disinformation

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The WEF Global Risks Report 2024, currently being developed in partnership with Marsh McLennan and the Zurich Insurance Group, sees misinformation and disinformation as the biggest short-term risks. Extreme weather events and critical changes to Earth's systems are the greatest long-term concerns.

the US. The Swiss franc has become a safe haven currency, which has led to its appreciation, meaning that imports remain cheap and our inflation rate is comparatively low at about 2%. Banks and borrowers are paying positive interest rates again. The SMI rose by 3.8% (in addition to dividends), while the SPI (including dividends) returned +6.0%. The Swiss franc has steadily increased in value over the last 20 years, whereas since January 2000 the JPY has lost 61.5%, the GBP 58.4%, the USD 47.1% and the EUR 42.0%.

## POLITICAL AND ECONOMIC ENVIRONMENT IN SWITZERLAND

Despite the strong Swiss franc, most Swiss companies were still doing well in 2023. However, the outlook for 2024 is somewhat gloomy for various reasons, such as the international slowdown, the strength of the Swiss franc and the shortage of skilled workers. This shortage will be exacerbated by demographic trends in the coming years and decades, as the baby boomers are now reaching retirement age. Switzerland's population has risen to 9 million due to foreign workers flocking to attractive Switzerland, and also to a certain extent to the influx of refugees.

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As the Swiss partner of Marsh, we offer our clients international insurance solutions and the latest expertise.



As Switzerland does not have any plans to join the EU or the EEA, it wants to continue on the bilateral path. New negotiations are due to start at the beginning of 2024 and should be finalized before the end of the year. The subsequent path through parliament, and probably through the people, is a long one. The main political differences between the EU and Switzerland lie in wage protection, the EU Citizens' Rights Directive and state aid. New rules for six agreements will come into effect: free movement of persons, agricultural products, technical barriers to trade, land and air transport, and the planned electricity agreement.

In June 2023, the Swiss people approved the OECD's call for a corporate profit tax of at least 15%. The Swiss Confederation is introducing the necessary constitutional amendment in record time, although many other countries will not be ready by January 2024.

The Swiss Economic Institute (KOF) forecasts that gross domestic product (GDP) will grow by +0.7% in 2023 and by +1.4% in 2024. Inflation is expected to run at 2.1% in 2023, while cumulative inflation in the previous 12 years was almost zero. SECO expects an unemployment rate of 2.3% for 2024.

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Innovation, experience and a strong negotiating position – our clients benefit from our position as the Swiss industry leader.



#### **REGULATORY AFFAIRS: PARTIAL REVISION OF THE INSURANCE SUPERVISION ACT (ISA)**

The partial revision of the ISA and the associated Insurance Supervision Ordinance (ISO) came into force on January 1, 2024. In this context, the requirements for insurance brokerage will increase, with the aim of improving customer protection. It introduces a more precise definition of non-tied and tied insurance brokers, and a ban on acting as both a tied and a non-tied broker. FINMA will continue to keep the register, but only for non-tied insurance brokers.

Ongoing training and the avoidance of conflicts of interest are now required. Insurance brokers must have a good reputation and offer a guarantee that they will ful-

fill their obligations under ISA. FINMA will be equipped with more effective tools for abuse control. Non-tied insurance brokers must disclose their compensation.

One of the main objectives of the partial revision of ISA/ISO is the introduction of the customer protection-based regulation and supervision concept. This means that the greater the need for customer protection, the more intensive the supervision should be, and vice versa. Regulation is to be directed primarily at private clients. In the business customer segment, these are mature customers that deal with insurance brokers as equals. Brokers that are members of the Swiss Insurance Brokers Association (SIBA) are mainly active in the business customer segment, where the need for protection is low.

SIBA has supported the tightening of this law. Unfortunately, despite the unanimous opposition of the main trade associations and SIBA, the amendment to the ISO is likely to result in massive overregulation by FINMA. Ongoing reporting for independent insurance brokers is hardly necessary in the business customer segment. SIBA is of the opinion that there is probably no legal basis for such preventive reporting and that it is disproportionate.

#### MARKET CONSOLIDATION IN THE BROKER MARKET

Increased competition and stricter regulatory requirements will lead to further market consolidation in insurance brokerage. According to the latest figures published by FINMA, which date from December 2022, 17,765 insurance brokers are entered in the FINMA register. About 2,100 of these are legal entities (AG, GmbH, etc.) and 15,630 are natural persons (including sole proprietorships, simple partnerships and general partnerships). Of the natural persons, 55% are tied insurance brokers, i.e. agents and insurance representatives. A total of 45% are non-tied, i.e. insurance brokers. SIBA anticipates a decline in the number of non-tied insurance brokers. We will have a better idea in the second half of 2024 after non-tied insurance brokers have submitted the mandatory subsequent documentation (re-registration) to FINMA.

The market share of professional insurance brokers for medium- and large-scale corporate clients is more than 90%. SIBA brings together the most important Swiss brokers with about 3,000 employees. Non-tied or unaf-

SIBA anticipates a decline in the number of non-tied insurance brokers.

filiated insurance broking is an established profession, the market is distributed and cutthroat competition is rampant.

Aon will probably remain number two behind the industry leader Kessler, but in terms of personnel Qualibroker has caught up with IBC and the French majority owner Diot-Siaci. ASSEPRO, which has grown strongly in terms of acquisitions, has a new owner: the private equity company EMZ has sold the group to the Ardonagh Group, which is active mostly in the UK middle market. In addition to Verlingue, Willis, Funk and Gallagher, Howden in particular has major growth plans and has acquired another competitor in argenius. We remain vigilant.

## INSURER

Thanks to our large volume, collaboration with private insurers, health insurers and collective foundations remains well established, but in most insurance sectors difficult market conditions prevail. As the market leader, we are recognized for our professional services that take the strain off clients and insurance companies. The insurer's responsibility is to provide underwriting and claims settlement services. The insurance broker is responsible for the development, advice and support of medium-sized and larger corporate clients.

Insurers and reinsurers were slightly less affected by natural disasters in 2023. Swiss Re estimates globally insured catastrophe claims to be at USD 100 billion. (previous year: USD 120 billion), with the earthquakes in Turkey and Syria and the forest fires in Hawaii among the largest claims.

The insurance market in Switzerland remains tough. After accident and health insurance, we are witnessing premium surcharges and capacity and coverage restrictions in most lines of insurance. We see major relief in the area of director and officer liability insurance. Pre-

miums for cyber risks appear to be stable, with insurers making offers only if the IT systems and processes reach a certain level of maturity. Large and difficult property insurance risks still sometimes require complicated "vertical placements." The work of specialists is even more challenging, even though companies with smaller risks can benefit from our blue line solutions. As brokers, we are continually called on to handle larger claims, which in turn are often settled only after some hard negotiations.

Insurers have solid financial resources thanks to strong previous years, and this area does not pose a problem, despite the foreseeable decline in profits due to the financial markets in 2022. Creditworthiness is the primary criterion of our placement policy. Our Market Security Committee (MSC) monitors risk carriers (namely insurers and pension foundations). We work closely with our colleagues at Marsh.

## MARSH MCLENNAN

With Marsh, Guy Carpenter, Mercer and Oliver Wyman, Marsh McLennan Companies remains the world's leading professional services firm in our industry. With a total workforce of 85,000 employees in 130 countries, it generates a turnover of more than USD 20 billion. The four businesses are set to grow closer together. John Doyle took over as President and Chief Executive Officer of Marsh McLennan in 2023. The four companies are working more closely together under the READY strategy program, in particular Marsh and Mercer. Both Marsh and the Group as a whole are enjoying much success and growing at double-digit rates.

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The insurance market in  
Switzerland remains tough.

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Customer focus is at the core of everything we do.  
That's why we're organized according to our clients' economic sectors.



Siegmund Fahrig was CEO of Marsh Continental Europe and Marsh's representative on our Board of Directors until the beginning of 2023. We are delighted that Christos Adamantiadis joined our Board of Directors as his successor from March 2023. Christos Adamantiadis is the new CEO of Marsh McLennan Europe (which includes Ireland but not the UK) and has chosen Zurich as his base. Samuel Lisse, who was CEO of Mercer Switzerland for many years, has handed over the role to Isabelle Hernu-Sfeir as of March 1, 2024; she is moving from Paris to Zurich with her family.

The collaboration with Mercer showed positive development, with joint client projects and mutual referrals for complementary services. As the Swiss partner of

Mercer Marsh Benefits (MMB), we offer global companies a centralized approach to employee benefits management. In 2023, we managed 59 Global Benefits Mandate (GBM) clients. We were able to introduce Mercer Switzerland to various clients for actuarial services (ALM studies).

#### **CSR/ESG/SUSTAINABILITY**

The consequences of global warming and the demands for comprehensive sustainability (including the circular economy and biodiversity) pose major risks and challenges for humanity. CSR (corporate social responsibility) covers companies' behavior. ESG (environmental, social, governance) has become a megatrend. The sustainability initiatives for the planet are set out in the



United Nations Global Compact, consisting of 17 Sustainable Development Goals (SDGs). Kessler is also active in this area and has developed basic principles. Based on an ESG materiality analysis, we have decided to focus on SDG 3 (Good Health and Well-Being), SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action). Within this framework, we have defined four objectives, which include the establishment of a comprehensive occupational health management system and the review of plans for an energy-efficient building refurbishment at our headquarters at Forchstrasse 95. We are registered with STI (Swiss Triple Impact, in collaboration with B Lab Switzerland) and have also successfully reregistered with EcoVadis. In 2023, we set up a whistle-blowing system. We are a member of

Sustainable Switzerland (NZZ's topic-specific dialog platform), rated by esg2go (rating and reporting standard by the CCRS, Center for Corporate Responsibility and Sustainability) and are active in other forums.

Kessler wants to be a good corporate citizen in terms of ESG through its own behavior. We measure electricity and gas consumption and want to move away from paper through digitalization. We signed more than 7,700 documents digitally in 2023 using Skribble, saving over 82,000 sheets of paper. Other digitalization projects are also at an advanced stage.

Furthermore, as a leading broker in Switzerland, we want to evaluate suppliers (primarily private insurers

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We help to identify and insure risks – and provide support from our own lawyers in the event of a claim.



and collective foundations) along our value chain based on standardized ESG criteria. In addition to their credit rating, since the beginning of 2023, we have been reporting on the sustainability of our suppliers in our tendering process and offer clients a comparison. In the non-life segment, we have provided the ESG ratings from MSCI and Sustainalytics, where this data was available. We hope that this will increase awareness of ESG attitudes among our clients, which will lead to good client dialog and positive subsequent decisions and/or choices of insurer. The MSCI rating was replaced by a rating from Inrate towards the end of 2023. We have commissioned and purchased ratings from Inrate for all major private insurers, including Mobiliar and Vaudoise, and for the health insurers Helsana, Swica, Visana,

Groupe Mutuel, ÖKK and Sympany. Towards the end of 2023, we commissioned Mercer to establish a Responsible Investment Total Evaluation (RITE) score for life insurers and the most important collective and grouped insurance plans. Mercer evaluates the institutions according to their categories (Beliefs, Policy, Process, Portfolio).

#### **CLIENTS AND SERVICES**

Our client promise reads: “With Kessler by your side, you can focus entirely on your business. You can rest assured that we develop the best solutions for you and the risks you face – and you will be looked after in the event of a claim.” This is all thanks to our qualified employees, our reliable and tailored advice and our desire

to build lasting relationships. Thanks to our expertise in the various business sectors, the dedication of our employees and our leading position on the market, our clients benefit from the best possible solutions and optimized costs of risk. This enables us to make a significant contribution to their long-term success.

We offer our clients comprehensive risk, insurance and pensions benefits consulting. We conduct a risk dialog with clients for this purpose. Modern risk management requires an in-depth risk identification and assessment, and optimizes the balance between prevention, insurance and risk acceptance. The objective is to minimize the total cost of risk (TCOR). We help our clients develop a risk and insurance management policy. We design and place tailor-made insurance solutions, provide ongoing advice and support to our clients, and assist them in the event of a claim. The interactive digital checklist for risk and insurance has been well received by our cli-

ents. Our report for the annual client meetings is also becoming increasingly automated and digital. The clients always have access to their own risk and insurance data via KesslerOnline.

Our product and market strategy is geared towards providing comprehensive support for companies with 100 employees or more. These number roughly 7,000 private sector companies and about 500 public sector organizations in Switzerland. Kessler works with 1,500 of these 7,500 target clients, which corresponds to a market penetration of 20%. We cultivate business relationships with 45 of Switzerland's top 100 companies. We primarily advise medium-sized companies, 1,000 of which employ up to 250 staff, while 500 are larger companies with more than 250 employees.

As was the case last year, we are publishing the Risk & Insurance Insight, the D&O Message, the Market View and now the Cyber Message to keep our clients up to date. We have held a total of 16 customer events, received a record 56 mentions in the media and hosted 22 external presentations and lectures. Both existing and potential clients can also enjoy the Kessler Academy open days in German-speaking and French-speaking Switzerland.

Client satisfaction is the highest priority for our company, for every division and for every employee. Unfortunately, at 96.8%, we recorded a slightly lower customer retention rate than hoped for and so came short of our target. From now on, we want to be closer to our clients again in order to improve this important bond.

Client satisfaction is the highest priority for our company, for every division and for every employee.



## ALL SERVICES FROM A SINGLE SOURCE

### INSURANCE BROKING

Formulation of a risk and insurance policy

Development and optimum placement of tailored insurance solutions

Optimization of pension benefits solutions    Legal advice

### ADDITIONAL SERVICES ON A PROJECT BASIS

Enterprise Risk Management    Business Resilience    Alternative Risk Financing    HR Risk Management

M&A transaction-related services    Analysis of insurance portfolios    ClaimsExcellence

### MANAGEMENT AND ADMINISTRATION

Pension fund administration    Captive management

### KESSLER ACADEMY

Basic courses    In-depth specialist knowledge for CEOs, CFOs, CROs and HR managers

## EMPLOYEES

As of the end of 2023, Kessler had 350 employees, as well as several apprentices and interns. This corresponds to 315 full-time positions. Of these, 220 work in the company headquarters at Hegibachplatz or in the nearby offices at Hegibachstrasse 47, Zurich; 60 employees are based in Lausanne, 20 in Petit-Lancy/Geneva, 30 in Bern and 10 in St. Gallen. At the beginning of 2023, we opened a new office in Sion with five employees. One to five employees work in each of our other regional offices in Basel, Lucerne, Neuchâtel and Vaduz. And 220 of our

employees are listed in the FINMA register as independent insurance brokers. In the post-pandemic world, many employees have decided to work from home for up to two days a week in consultation with their supervisors.

We use the Balanced Scorecard with the four dimensions of client results and market success, employee skills, effective business processes and financial success for goal setting and performance management at overall company level and in our client-facing activities.



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We provide advice and support to our clients in all aspects of pension benefits.



Well trained, motivated and trustworthy employees are the key to success for every service provider. We draw a distinction between specialist skills, social skills and methodological skills. After all, the commitment and the reliability of our employees are the hallmarks of our client-oriented corporate culture. To foster this, we make the most of their potential, provide them with development opportunities and entrust them with responsibility. Our career model enables our top performers to fully leverage and develop their professional skills and opportunities.

In the past year, our turnover rate of over 10% was unacceptably high and above our target value. That's why we want to support younger and new colleagues on the

job in particular and closely in general, as remote working solutions make it difficult to establish a strong working relationship and corporate culture. However, we were successful in the area of personnel recruitment thanks to our digital applicant management tool and improved internal processes. Our online presence with web-based job advertisements is proving to be a worthwhile investment. As the market environment remains challenging and we have continued to grow, we increased capacity again in 2023. We are confident that we will be able to fill the newly created positions with motivated and well qualified new colleagues. Onboarding new employees and giving them positive support is the most important goal for 2024.

In Lausanne, we have moved into newly renovated offices right next to the train station. For the first time ever, we have fewer workstations than employees, thanks to the shared desk concept. Employees appreciate their new environment, with new furniture, a modern kitchen and functional meeting rooms. We are also looking into modernizing the 45-year-old premises at our headquarters.

#### ORGANIZATION

We are organized by client segments (industry practices). This structure ensures that our employees have industry-specific expertise. The Heads of Business Unit, together with their client executives and brokers, run autonomous brokerage firms for their segment and report directly to a member of the Executive Committee. In addition, the specialist units Pension Benefits, Personal Insurance and Special Risks are run for all clients. We rely on flat hierarchies with clear responsibilities and short decision-making paths.

The task of the risk practices (Specialist Responsibility) as part of a matrix organization is to keep the company's specialist expertise up to date, promote innovation and create uniform, efficient business processes. We also have a matrix function for client consulting, which ensures a common approach to risk, insurance and pension consulting.

Business development is the responsibility of sales specialists for new clients, with client advisors responsible for expansion measures with existing clients. We are a sales-driven company and aim to increase our sales ca-

capacity further. The three annual Kessler Growth Days proved successful. Marketing & Communications have made a key contribution to increasing our visibility and brand recognition. This is thanks to record-breaking articles in the media and through an increased presence on Google and LinkedIn.

Steve von Gunten, Tom Roggo, Pascal Clerc and Jean-François Léchoy recently became members of the Executive Staff. We were deeply saddened to learn of the tragic accidental death of our esteemed Business Unit Head Thomas Koller in August. Angelo De Lucia was recruited from within the company to take over his position. Sandro Quinz left us as a former member of the Executive Staff. Markus Singer and Mario Vegetti went into their well-deserved retirement. On May 1, René Fernandez was promoted to Head Business Unit Special Risks and Nathalie Hangartner, Laura Hefti and Hélène Staubli to Special Risks team leaders.

According to an unwritten rule, management tasks should be passed on at the age of 60. With this in mind, a new Head of IT, Claudio Agustoni, was appointed to replace Andreas Stocker in mid-2023. Andreas Stocker will stay with us, working on projects. Towards the end of the year, the Board of Directors decided to nominate two new members of the Executive Committee to replace the highly valued Helmut Studer and Roger Konrad as of January 1, 2024. Yves Krismer will essentially take over the tasks of Roger Konrad, and Martin Rohrbach those of Helmut Studer. We are pleased that the two former members of the Executive Committee will continue to be fully committed, both in client advisory

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We are constantly developing and actively tackling the challenges of the future.



and in their previous specialist tasks. We were also able to find internal succession solutions for the new members of the Executive Committee: as of January 1, 2024, Marc Bollag will take over as Head of the Business Unit Construction & Real Estate and Lukas Bubb will take over the Services & Consumer Goods Unit. Simon Holtz succeeds Katja Wodiunig as Head of Business Unit Retail & Hospitality.

#### **DIGITALIZATION AND IT**

Kessler has an individual and stable IT platform. The long-established IT team now has a new leader. It goes without saying that the systems will be fundamentally scrutinized on this occasion. Major changes are on the horizon.

The backbone of our information technology is the Management Information System (MIS), which includes client, policy and activity data. The electronic calculation of brokerage and fee income and services rendered is the primary management tool for control of our operating result. We are currently in the process of modernizing the MIS. The MIS is supplemented by CHAR-TAM, our digital client dossier. Towards the end of 2023, KesslerOnline, our new customer platform, entered the pilot phase with test customers.

The interest group “IG B2B for Insurers and Brokers” facilitates electronic business transactions between brokers and insurers. Practically all major insurers and the majority of brokers use the single sign-on platform,

which runs on EcoHub. In addition to IGB2B as an anchor shareholder with 30%, a total of 23 well-known insurers and brokers have a stake in EcoHub AG. Kessler is also a shareholder with a single-digit percentage stake. SOBRADO Software AG specializes in the tendering and bid comparison process, along with information services (specifically the various insurance terms and conditions), and is now also available via EcoHub.

We would like to thank our clients, partners and employees for the positive and trusting collaboration. Everyone has played their part in Kessler's success.

#### **OUTLOOK AND THANKS**

"A secure future." That is the motto of our family business. Our position as the leading Swiss company for risk, insurance and pension benefits consulting – in terms of quality and reputation and size and earnings – is well established. As the Swiss partner in the internationally active Marsh Network, we are also firmly anchored globally.

In today's hard insurance market, insurers want to improve their margins. As an insurance broker, we are under more pressure when it comes to risk placement. We have massively increased our capacity. It is essential to harness the benefits of digitalization in order to make work faster, simpler and more innovative.

We are a committed and motivated team. Thanks to the expertise and experience of our employees and to our innovative strength and market position, we are able to deliver lasting added value for our clients. Our services continue to be in demand. We can look to the future with optimism.



# Management seminar Sion 2023



**MANAGEMENT SEMINAR IN SION, SEPTEMBER 2023**  
Once a year, Kessler's executive staff meet for closed-door meeting – in 2023 at the Grande Dixence.





1 Stefanie Bigler, 2 Natalie Koch, 3 Timo Salvisberg, 4 Robert Kessler, 5 Werner Niederberger, 6 Valérie Scilipoti, 7 Kurt Vogel, 8 Kaspar Geilinger, 9 Samuel Pfister, 10 Martin Rohrbach, 11 Patrick Martinez, 12 Theo Kocher, 13 Tom Kessler, 14 Thomas Roggo, 15 Stefan Leuenberger, 16 Peter Kadar, 17 Steve von Gunten, 18 Simon Künzler, 19 Edwin Krebsler, 20 Dominik Grond, 21 Riccardo Tondo, 22 Hans-Christian Süß, 23 Christian Peters, 24 Sabrina Wicki Hildebrand, 25 Primus Berger, 26 Pascal Clerc, 27 Samuel Egger, 28 Michael Kloos, 29 Sabine Wanner, 30 Katja Wodiunig, 31 Urs Sommer, 32 Jean-François Lécho, 33 Ziliane Mariotti, 34 Roy Hildebrand, 35 Bernard Perritaz, 36 Mario Vegetti, 37 Emmanuel Anrig, 38 Pascal Praudisch, 39 Silvano di Felice, 40 Peter Dürig, 41 Patrick Concannon, 42 Sandra Müller, 43 André Scheidt, 44 Yves Krismer, 45 Andreas Stocker, 46 Nathaly Haussener (Managing Director – Head of International Property at Bowring Marsh, Europe), 47 Mélanie Coluccia, 48 Simon Holtz, 49 René Fernandez, 50 Marijana Pfeiffer, 51 Christian Kessler, 52 Helmut Studer, 53 Roger Konrad, 54 Claudio Roa, 55 Beatrix Bock, 56 Pascal Schwein-gruber. The following members are absent: Lisa Spaar, Werner Moser, Eva Holenstein, U. Ronald Flükiger.

# Customer focus

We contribute significantly to the long-term success of our clients. As a reliable partner, we inspire our clients and open up new perspectives through the safe and successful management of risks.

## YOUR ADDED VALUE

We provide comprehensive support in the areas of risk management, insurance and pension benefits.

Our team of specialists draws on their expertise in your industry to develop the best solutions and optimize your cost of risk.

You benefit from reliable advice thanks to the dedication of our employees and the stability of a family business.

Our leading position in the market enables us to achieve the best results for you and to actively support you in the event of a claim.

As the Swiss partner of Marsh, we support you worldwide.



# blue line

## Efficiency revolution with innovative solutions



**MARTIN ROHRBACH**  
Member of the Executive Committee

Kessler developed and introduced the first blue line solutions back in 2014. These ensure optimized processes for risk transfer and payment processing, as well as first-class accident and health insurance from leading insurers. We have been continuously developing the range for the past 10 years. Today, blue line solutions are a decisive factor in optimizing the processes of small and medium-sized enterprises (SMEs) in almost all areas of insurance.

### **PROCESS OPTIMIZATION FOR SMES**

In working with our clients, we have realized that the risk transfer process is too demanding, in particular for SMEs, and needs to be optimized. Traditional methods, such as time-consuming tenders and negotiations on homogeneous risks, have proved to be inefficient. They

have resulted in a limited value contribution for clients. The aim of blue line is to streamline the value chain and take advantage of synergies in order to create an attractive product range with comprehensive cover and significant premium reductions.

### **INNOVATIVE SOLUTIONS**

blue line solutions are innovative guarantees of success. They allow companies to concentrate on their key areas of expertise instead of wasting time with extensive questionnaires. We focus on efficiency and quality in processing, which underlines our commitment to meeting changing customer requirements. The latest product is the Cyber blue line, which is setting new standards for the industry in terms of efficiency and innovation – with measurable benefits for companies in almost all sectors of the economy.

As a member of the Executive Committee, I am excited about the journey ahead with Kessler. Our commitment to innovation in the insurance industry remains unwavering. In the coming years, we aim to pioneer groundbreaking solutions, expanding our product range to address evolving challenges in risk management. I am confident that our dedication to excellence will not only set new benchmarks but also redefine the landscape of insurance services. My dedicated team and I look forward to shaping the future of risk solutions and ensuring Kessler continues to be a trailblazer in the industry.

# International

## Locally anchored, globally connected



**YVES KRISMER**  
Member of the Executive Committee

The new report on global risks of the World Economic Forum (WEF) predicts an “uncertain and turbulent decade.” Aside from the ongoing conflicts in Ukraine, Israel and the Gaza Strip, there are uncertainties regarding inflation, trends in the interest rate and the US elections. These issues are a burden and, according to forecasts, contribute to deglobalization and represent a step backwards in the fight against climate change.

The global insurance markets are responding to these concerns, as well as to higher claims payments, with measures that are not in the best interest of clients. Policy renewals are taking longer and are more complex. There is sufficient capacity, but several insurers are often required. Where previously one or two insurers would underwrite an international program, currently on av-

erage five are required. Multi-year contracts are rare, which is why clients have to go through an intensive renewal process every year. The more professional the risk management, the more attractive the conditions.

### **ADDED VALUE THROUGH CONSULTING**

Our consultancy service on risks along the value chain is central. And so we are pleased about the high demand for our proven services. Together with our partners at Marsh McLennan, we provide our clients with effective added value. We are able to reliably build on this partnership despite the challenging insurance markets. In cooperation with Bowring Marsh, for example, we offer our Swiss clients additional services in markets such as Asia, the Middle East and the US. These alternatives are unique and reduce the overall risk costs for our clients in a sustainable way.

On a personal note, I am delighted with my new responsibility on the Executive Committee and the fact that I can rely on a stable and experienced team of experts. Both locally in Switzerland and globally across the world, we successfully support our clients in all risk management issues. I look forward to working on more exciting projects in these challenging times.

# Special Risks

## Innovations in cyber risk management



**PASCAL SCHWEINGRUBER**  
Member of the Executive Committee

The insurance market for cyber risks has grown up. Insurers' products have evolved in the market, as have underwriting and pricing. As a broker, we are now in a position to negotiate customized solutions for our clients. But that's not all Kessler has achieved in 2023.

What's the most important and first measure to take in the event of an IT infrastructure failure? Restoring communication. We have learned this from our clients. If your email, intranet and telephone network are down, you need outside help. This gave us the idea of providing our clients with a secure external communication platform to use in the event of a crisis. As a result, Kessler is now offering clients access to Threema's Business Messenger as a free add-on to cyber insurance.

This allows the crisis team to communicate immediately and securely in the event of cyber damage.

### **BLUE LINE SOLUTIONS FOR OUR CLIENTS**

Our plans for expanding the blue line solutions to include cyber insurance for SMEs in 2023 also went ahead successfully. Companies that qualify for blue line in terms of their risk profile can almost completely avoid the costly renewal process. This is a major efficiency gain for every insurance buyer, as the underwriters' risk questions have increased massively year on year. As with all blue line solutions, the company benefits from conditions negotiated exclusively at attractive premiums. Ask your client consultant whether your company is eligible for blue line.

Kessler will now cover these innovations, as well as facts worth knowing about cyber risks and insurance, in the new report Cyber Message. This publication has a similar structure to the D&O Message that our clients have benefited from reading for more than 20 years. With the new Cyber Message report, Kessler is bringing useful insider knowledge on current cyber topics and trends in risk management to organizations – in a way that is informative and to the point.



# French-speaking Switzerland

## Client-driven, reliable and committed employees aged 20 to 70



**BERNARD PERRITAZ**  
Member of the Executive Committee

Almost all our clients have been faced with the challenge of a shortage of qualified workers and our industry has not been immune either. Against this backdrop, the gains that Kessler has made in French-speaking Switzerland in recent years is striking.

### **INTERNSHIPS PROVE THEIR WORTH**

Many young people have joined us, most of them coming from internships they completed after the academic matura. These internships comprise 18 months of company training and external courses, which are completed with an official “Young Insurance Professional” certificate. This training is an excellent alternative to vocational training (dual training), which is becoming less attractive in French-speaking Switzerland in favor of the secondary school route. Interns are able to famil-

iarize themselves with a profession that they did not know existed before. After completing their internship, interns can be considered for a permanent position. Since 2021, half of all our interns have continued their training directly at Kessler and we have gained two more in 2024, which has been a welcome boost to the workforce. We also offer an internship in actuarial mathematics for master’s program graduates. One of our specialists in Pension Benefits has taken this path. Why did these young people choose Kessler and why have they decided to stay with us? The following three factors are cited the most: flexibility, atmosphere and the job itself. Today, the average age of employees in French-speaking Switzerland is 43, and 20% are younger than 33.

### **EXPERIENCED EMPLOYEES STAY ON**

At the other end of the age scale, we are pleased to see a trend towards an extension beyond the standard retirement age. This is accompanied by a reduction in the level of employment, sometimes in several stages. In this way, we continue to benefit from the skills and experience of valuable colleagues, which our clients appreciate too. We pay particular attention to the transfer of skills. A few years ago, I personally would neither have expected nor wished for a development like this. But today I am very happy about it, as everyone involved reaps the benefits.

# Health & Benefits

## Political challenges – understanding the changes



**STEFAN LEUENBERGER**  
Member of the Executive Committee

The Credit Suisse Worry Barometer 2023 shows that the healthcare system and health insurance premiums are the biggest concerns for the Swiss population. In light of the fact that average health insurance premiums will rise by almost 9% in 2024, this is not surprising. This, on top of higher energy prices, is putting a considerable strain on household budgets.

Worries about the environment came in second place, followed by worries about the future of pension provision. The most comprehensive OASI reform in decades was introduced in January 2024. This includes a gradual increase in the retirement age for women to 65, as well as greater flexibility in drawing pensions, with reductions or supplements. Retirement is now more flexible, thanks to gradual transitions from working life through partial retirement steps.

### OASI STIRS UP MINDS

In March, two initiatives and referendums brought OASI back into focus once again. While the 13th OASI pension was accepted, the question of sustainable financing is still unanswered. The Young Liberals unsuccessfully campaigned for the linking of the retirement age to increasing life expectancy. They argued for a gradual increase in the retirement age to 66. A popular referendum has been called against the occupational pension reform passed by Parliament in March 2023. As citizens, we have the opportunity to vote in September or November 2024 on the bill, which has been controversially discussed by experts.

### TRUST IN PENSION PROVISION IS CRUMBLING

The AXA Pension Study 2023 shows that just over half of those surveyed are convinced that they will be able to maintain their standard of living in old age. The study also shows that only about 30% of participants have a high to very high level of trust in the 1st pillar (OASI). In the case of occupational pension provision, the figure is just under 40% in German-speaking Switzerland and only 27% in French-speaking Switzerland.

Information and expertise are key to successful progress. Our aim is to eliminate ambiguity, promote understanding and build trust by providing transparent information. Our consultants do everything they can to ensure that you are well informed and can thus make well-founded decisions about pensions and insurance.

# Pension fund administration

## Implementation of ESG criteria by Kessler Benefits



**NATALIE KOCH**  
Director Kessler Benefits Inc.

In December 2022, the Swiss Association of Pension Funds (ASIP) recommended that pension funds should prepare an ESG report. According to ASIP, the aim is to “increase transparency with regard to implementation of these criteria through regular and comprehensive reporting.” The reporting recommended by ASIP relates exclusively to information connected with the investment of the insured persons’ assets.

### **WE PROMOTE TRANSPARENCY**

As a reliable partner to its clients, Kessler Benefits is actively involved in increasing transparency. This is not only through communication, but very specifically by introducing add-ons to pension fund financial reports. Kessler Benefits supports its clients by providing useful information for insured persons on the ESG measures

taken by their pension fund. For example, this can take the form of a newsletter or information events for staff.

### **WORKING TOWARDS SUSTAINABILITY**

Within our company, we have set ourselves sustainability goals and are actively pursuing them (<https://www.kessler.ch/en/about-kessler/sustainability>). We regularly train and familiarize our colleagues on this issue. Kessler Benefits has recently introduced the concept of sustainability into its product range. We believe that ensuring transparency and pursuing ESG goals is essential in the pension fund sector. We are confident that this vision also applies to other providers that work with pension funds.

The reinsurance tenders conducted by our colleagues at Kessler are in line with this approach, in particular by taking into account the ESG ratings of insurers. This current topic is extensive, yet nevertheless very interesting. However, I take a skeptical view of the introduction of additional reports, as pension funds are already subject to a restrictive legal and regulatory framework. Care must be taken here to ensure that we are not unnecessarily adding to the administrative burden. For this reason, Kessler Benefits is focused on taking specific actions that genuinely add value.

# Risk Consulting

## Solutions for business continuation after an extraordinary event



**SIMON KÜNZLER**  
Director of Kessler Consulting Inc.

How can companies successfully adapt in an environment that's becoming more and more competitive? By developing a keen sense for negative external or internal developments and events. A professional risk consultant with in-depth expertise by your side will help you to anticipate risks at an early stage and overcome risk-related challenges. Using practical examples from recent years, I show here how my team can increase the resilience of companies and thus generate added value.

In recent years, high inflation has had a worldwide impact. We have implemented projects to update the values in the business interruption insurance policies. In this way, we guarantee that the loss of income is properly compensated after events such as fire or natural disasters. This ensures that our clients' liquidity remains secure. These projects are limited to scenarios specific to

insurance. However, they often result in our clients taking far-reaching operational and strategic measures to improve the supply chain.

### **SYSTEM FOR SUSTAINABLE BUSINESS SUCCESS**

Focusing the project on the insured event is one thing. However, it is well known that various incidents can lead to downtimes that threaten the existence of the company and are only partially insurable or not insurable at all. We take this comprehensive approach in business continuity management (BCM) projects. BCM is a management system with comprehensible structures and specific strategic and operational instructions. It guarantees business as usual in the best possible way in the event of a crisis. A practiced BCM with its preventive and reactive tasks ensures the sustainable success of the company.

Due to the topicality of this consulting service, I have been able to add an experienced BCM expert to my team. Thanks to this reinforcement, we will be able to meet our high standards more effectively.

# Sites

## For you on site

AT HOME IN SWITZERLAND – CONNECTED TO THE WHOLE WORLD





## OUR SITES

### ZURICH (HEAD OFFICE)

Forchstrasse 95  
P.O. Box  
CH-8032 Zurich  
T +41 44 387 87 11

### BASEL

Freie Strasse 35  
CH-4001 Basel  
T +41 61 263 20 01

### BERN

Talstrasse 7  
CH-3053 Münchenbuchsee  
T +41 31 858 30 30

### GENEVA

Avenue des Morgines 8  
CH-1213 Petit-Lancy  
T +41 22 707 45 00

### LAUSANNE

Avenue de la Gare 44  
P.O. Box 950  
CH-1001 Lausanne  
T +41 21 321 60 30

### LUCERNE

Habsburgerstrasse 12  
CH-6003 Lucerne  
T +41 41 410 96 66

### NEUCHÂTEL

Rue J.-L.-Pourtalès 1  
CH-2000 Neuchâtel  
T +41 32 724 83 50

### ST. GALLEN

Fürstenlandstrasse 101  
CH-9014 St. Gallen  
T +41 71 224 92 24

### SION

Place du Midi 24  
CH-1950 Sion  
T +41 27 566 55 11

### VADUZ

Josef Rheinberger Strasse 6  
LI-9490 Vaduz  
T +423 231 32 32

# Imprint

## **PUBLISHER**

Kessler & Co Inc.

## **EDITOR**

Natalie Kolb

## **REVISION**

René Moor, Aarau

## **CONCEPT AND DESIGN**

Martin Tuch, Berlin

## **PHOTOGRAPHY**

Christian Ammann, Zurich

Manuel Rickenbacher, Zurich

Mathis Hudovernik, Lausanne

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**KESSLER & CO Inc.**  
Forchstrasse 95  
P.O. Box  
CH-8032 Zurich  
T +41 44 387 87 11  
[www.kessler.ch](http://www.kessler.ch)