

Market View 2025

Current Insurance Market Perspectives





Eddie Keller
Head Placement

Finding a focus in turbulent times

The risk landscape is being shaped in 2025 by climate change, the digital transformation, volatile financial markets and geopolitical tensions. For companies, this translates into greater uncertainty, more complex decision-making processes and rising risk management requirements. While some risks are already covered by established insurance solutions, there is still scope for development when it comes to new or rapidly growing risks, and the market is characterized by intense competition. Market View offers guidance in the form of assessments by our Risk Practice Leaders, and highlights the trends in the insurance markets for this year and the next.

Liability Insurance

Risk exposure in line with the insurance solution

Rising claims costs and limited insured sums are putting pressure on many companies. What's needed is an insurance solution that's tailored to the actual exposure – while still being financially viable.

General liability insurance is crucial for dealing with business-related risks. However, the trend in claims costs and limits on the sums covered by supplementary insurance pose significant challenges for companies. Claims costs have risen sharply in recent years. The significant influencing factors were the inflation of repair costs, changed legal provisions, geopolitical uncertainties and the growth of the claims asserted by injured parties. The increase can be attributed to a general rise in the number of claims, as well as higher individual claims (major claims).

LIMITS ON INSURED SUMS

Companies typically have a limit on their total insured sum that corresponds to their risk exposure. However, sublimits in particular areas may be inadequate to cover substantial losses in the event of a major claim. Extended cover with deductibles can become expensive for

companies and should be limited to the actual transfer of risk as much as possible.

ADJUSTING INSURANCE WHILE KEEPING AN EYE ON COSTS

Dealing proactively with risks is becoming increasingly important – for example with regard to the environment, product defects or complex projects – to ensure tailored insurance solutions and limits. This analysis also facilitates the optimization of risk transfer costs by limiting overinsurance.

DEVELOPMENT OF PREMIUMS	National International	
Liability insurance	↗	↗



**Andreas Spälti and
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Practice Leaders
Liability Insurance

Property Insurance

Artificial and human intelligence: a winning combination

Artificial intelligence is changing the world of property insurance – from the conclusion of contracts to claims processing. But without human judgment, it will only ever be a tool and nothing more. It's all about how the two interact.

Artificial intelligence (AI) is increasingly playing a key role in modernizing the property insurance sector. Insurers have already automated procedures such as claims processing – for example, through the use of chatbots, the automated analysis of claim reports, fraud detection and the conclusion of standard risks. Parametric insurance also makes use of data-based mechanisms, with compensation automatically being triggered as soon as a threshold for rainfall, wind strength or temperature is exceeded. Although this principle mainly relies on predefined rules, AI can provide support, for example by analyzing historical weather data, modeling event scenarios and optimizing threshold parameters.

GREATER EFFICIENCY, BUT NEW QUESTIONS TOO

When it comes to risk modeling, AI is used wherever statistical processes reach their limits – for example, when processing large, unstructured quantities of data or recognizing patterns in satellite images or sensor data. This allows risk models to be refined even further, and even complex supply chains to be included in the risk assessment. The data must be of a good quality, but provided it is, AI can enhance efficiency and facilitate a more precise, customized risk analysis.

This trend raises fundamental questions. If risks are analyzed and managed at an increasingly personal level, this poses a challenge to the principle of collective risk distribution in the insurance business. The insurer's role is shifting from the payment of benefits to that of a risk management partner that takes corresponding preventive measures.

IT'S ALL ABOUT THE MIX

AI provides objective bases for decision-making, for example in the form of data-based analyses of risk, exposure and potential loss amounts. But not everything can be automated. Subjective factors such as a company's reputation, its risk culture and the extent to which its management team is involved in managing risk can only be determined through direct dialog.

DEVELOPMENT OF PREMIUMS	National	International
Property insurance	↗	↘
Technical insurance	↗	↗



Pascal Schneider
Practice Leader
Property Insurance

Pension Benefits

Continued insurance: an opportunity for everyone

Holding on to experienced employees is becoming increasingly important. Continuing insurance beyond normal retirement age creates new opportunities – for both sides.

People born in the year when Switzerland's birth rate peaked are set to reach normal retirement age in 2029, and specialist personnel are in increasingly short supply. Although Switzerland's population passed the nine million mark on December 31, 2024, positions are remaining vacant for longer than average. Younger cohorts and high levels of immigration have been unable to make up

for the shortage of specialists, giving companies an even greater incentive to keep employing baby boomers beyond normal retirement age.

TAKING ADVANTAGE OF FLEXIBILITY AT RETIREMENT AGE

Article 33b of the Federal Act on Occupational Old-Age, Survivors' and Invalidity Pension Provision (BVG) allows pension funds to stipulate in their regulations that policyholders may request for cover to be extended until they stop working (but not past the age of 70). This means that both the employee and the employer contin-

ue to pay into the pension. It is also possible to take partial retirement and continue working in a reduced capacity. This facilitates a gradual transition to retirement, while also ensuring transfer of knowledge within the company at the same time. Old-age and survivor's insurance (OASI) contributions above and beyond the voluntary monthly allowance of CHF 1,400 can close any gaps in contributions and cover.

EXPERIENCE NEEDN'T COST A LOT

Higher BVG contributions make older employees fundamentally more expensive and therefore less financially appealing for companies. Based on the current median salary of CHF 81,600, however, the statutory surplus costs that an employer incurs for a 55-year-old employee compared to a 45-year-old only amount to just under CHF 70 per month. And even if the salary is slightly higher, continuing insurance is worthwhile – for em-

ployers, for older employees, and also for the team and the customers, who benefit from the older employees' experience.

DEVELOPMENT OF PREMIUMS	National
Affiliation contracts with a collective foundation	→
Risk insurance for foundations	→



Cédric Deprez
Practice Leader
Pension Benefits

Personal Insurance
Reducing benefit ratios in a targeted manner – with clear processes and strong collaboration

Rising insurance costs are increasingly making managing benefit ratios a business necessity. In this regard, it is evident that, apart from the choice of insurer, one crucial lever is the quality of internal processes as well as the collaboration between the company and the insurer.

SWIFT ACTION PAYS OFF

Every day counts when it comes to processing benefits. The sooner a case is reported, the more proactive the insurer can be – and the better the chances are that the employee will be able to return to work within a reasonable period of time. A well-structured process facilitates rapid reporting of absences, ensures efficient processing and relieves the strain on the HR department. Knowledge of the tools available to insurers also helps with pulling the right levers at the right time – with the right contacts.

ORGANIZING THE COLLABORATION WITH INSURERS

Regular monitoring of ongoing cases, smooth communications and clearly defined roles facilitate processing and prevent cases from getting snarled up. Good coordination makes it possible to take action at an early stage, respond faster and maintain an overview at all times.

PREVENTION THROUGH ANALYSIS

Data relating to absences due to illness offers valuable insights. Analyzing it reveals patterns such as stress, posture and workload, allowing targeted preventive measures to be taken. Companies that follow this approach and actively structure their processes transform their claims ratios from a burden into a manageable indicator – positively impacting their internal costs, efficiency and health.

DEVELOPMENT OF PREMIUMS	National	International
Daily sickness benefits insurance	↗	↗
Accident insurance	→	→
Supplementary accident insurance	↗	↗
Corporate travel insurance	→	→



Thomas Roggo
Practice Leader
Personal Insurance

Special risks under pressure – taking opportunities and managing risks

SPECIAL RISKS

This presents challenges but also unique opportunities for the special risks market. The more companies prioritize protecting their assets, the greater the need for specific insurance solutions becomes. Fraudulent activity is still on the rise too, fueling demand for crime insurance. Most sectors have sufficient capacity and providers, which has a beneficial effect on conditions. Insurance for employment-related claims (EPL) and crime insurance, not to mention the risks associated with exposed business activities, remain challenging, however.

CYBER

New providers have added to the range of cyber insurance products on offer, which has boosted competition and reduced premiums. Despite a rising number of claims, the average amount claimed fell in the past year, improving the claims ratio and making competitive premiums possible. The trend has now become so pronounced that experts have had to downgrade their forecasts for the growth of the cyber insurance market, which clearly indicates the positive momentum brought about by the competition.

BLUE LINE FINANCIAL SERVICE PROVIDER (FSP) FACILITY

With the ongoing development of our FSP blue line facility, we have optimized the placement process for investment management insurance (financial loss liability insurance for financial service providers), with CHF 7.5 billion of assets under management. The simplified onboarding process means it is now possible to offer broad cover, either individually or as tailored packages, with appealing premiums.

A professional headshot of two individuals, a man and a woman, standing side-by-side and smiling. The man on the left has short, light brown hair and is wearing a white collared shirt under a dark blue textured blazer. The woman on the right has dark, curly hair and is wearing a white collared shirt under a dark blue blazer. They are positioned in front of a large window with a view of a green landscape, creating a bright and airy atmosphere.

**Steven Strausak
and Hélène Staubli**
Practice Leaders
Special Risks and
Cyber

Insurance for Transport and Logistics

Movement in the market, reticence among insurers

Technology, price pressure and geopolitical risks are changing the insurability of marine transportation, vehicles and aviation. Insurers are responding in a differentiated manner – with the targeted selection of risks and tailored policies.

MARINE INSURANCE

The trend for road transport poses a challenge in terms of exposure to and acceptance of risks. Despite new technologies and the improvement of processes at transportation companies, the market is still particularly vulnerable to certain negative consequences. Express courier services are increasingly being used, competing with traditional transportation companies due to rising demand for the optimization of costs and delivery lead times. Traditional transportation companies are responding to this competition by lowering their prices, although this is actually impacting quality of service and security. Despite changing needs, new habits and strong demand among customers, insurers are following a restrictive acceptance policy and limiting the insured amounts for these consignments. There are no signs that insurers will change course any time soon.

MOTOR VEHICLE INSURANCE

The cyber risks associated with vehicles are constantly rising in Switzerland. As vehicles become increasingly connected, they are vulnerable to attack by hackers, which can result in data misuse, tampering with the vehicle control system or even theft of the vehicle. Potential scenarios include unauthorized access to personal data, taking control of the vehicle or disabling certain vehicle functions. Vehicle owners should consider taking out special cyber insurance to protect themselves. These policies cover the financial consequences of cyberattacks, including the costs of data recovery and liability claims. It is also advisable to carry out regular software updates and follow the security protocols to minimize the risks. A combination of technical prevention and suitable insurance solutions can help to improve the security of connected vehicles in Switzerland.

AVIATION

The insurance market is performing well, and there is sufficient capacity available. The appetite for risk is still highly selective, however. The geopolitical situation is still an important factor and makes it difficult for insurers to calculate risks and assess the associated uncertainties. Multiple major aviation accidents are also impacting insurers' current claims histories.

The helicopter insurance segment remains much more volatile than the rest of the market. More and more people are traveling, increasing the significance of airplanes and helicopters as means of transport and deployment.

DEVELOPMENT OF PREMIUMS	National International	
Marine insurance	→	→
Motor vehicle insurance	↑	↑
Aviation insurance	→	→



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Aviation, Motor Vehicle
Insurance and
Marine Insurance

International Employee Benefits

Global benefits management: a strategy that has a real impact

Successfully retaining employees around the world requires global solutions with a local touch. Global benefits management creates clarity, cuts costs and boosts an employer’s brand.




In the field of employee benefits, global benefits management (GBM) has established itself as a strategic tool for many multinational companies. Rising costs, global standards for cover and a desire for coordination between different countries are making GBM a focus for many international corporations. Companies are often put off developing a global strategy due to country-specific requirements, cultural differences, and the complexity and sensitivity of the issue. GBM helps to overcome these obstacles. There’s no such thing as “one size fits all” in this case. The core issues, many of which are complex, must be taken into account both before and during the crucial implementation phase.

GLOBAL BENEFITS – LOCAL EFFECTS

By putting a benefits system in place that is standardized but also flexible, companies can not only boost employee satisfaction, but also improve their position in a competitive global environment. GBMs offer a wide range of advantages and benefits for both companies and their employees. Global policies and standardized processes create greater transparency, comparability and efficiency. Centrally negotiated conditions and pooled resources noticeably cut costs. Clear procedures ensure compliance with statutory requirements, and reduce legal and financial risks.

ADDED VALUE FOR COMPANIES AND THEIR EMPLOYEES

Globally managed benefits can be adapted at a local level, and support strategic goals such as diversity, equality and inclusion. A sophisticated benefits program boosts your brand as an employer, in addition to increasing your appeal to qualified specialists. Centralized data analytics allow informed decision-making and support the targeted improvement of programs. Digital tools and automated processes enhance efficiency and reduce the administrative workload.

DEVELOPMENT OF PREMIUMS	International
International medical plans	
International risk plans	
International saving plans	



**Pascal Dudli
and Olivier Tobler**
Sales Leader International Employee
Benefits and
Personal Insurance
Broker

ABOUT KESSLER

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