

PRESS RELEASE

ANNUAL REVIEW 2020

Zurich, 21 April 2021 – Kessler, the leading Swiss enterprise specializing in comprehensive risk, insurance and pension benefits consulting, looks back on a challenging year. Despite the difficult environment, the company achieved a customer retention rate of 97% and continued to grow in the market segment.

Kessler looks back on a challenging year. Despite the difficult environment, the company achieved a customer retention rate of 97% and continued to grow in the market segment. It has maintained its well-established position as the leading Swiss company for risk, insurance and pension fund consulting. Kessler works with around 1,250 of the 5,000 leading Swiss companies, which puts the market penetration at 25%.

Insurance market

The incidence of major natural disasters increased in 2020. According to estimates by reinsurers, the global insurance industry will incur insured claims in excess of a good USD 80 billion (previous year USD 55 billion). Losses resulting from the coronavirus pandemic are estimated to total over USD 30 billion. While these losses were manageable for life and health insurers, property insurers were hit unexpectedly hard by event cancellations and business interruption cases.

The insurance market in Switzerland has generally become tougher. After accident and health insurance, we are witnessing capacity and coverage restrictions as well as premium surcharges in the property insurance segment. Considerable increases were seen in premiums for executive and professional liability risks, misappropriation and cyber risks. National risks can still be placed with reasonably moderate adjustments. Multinational clients with poor claims histories are forced to accept much poorer terms when they renew their policies.

Cyber Risk

Increasing reliance on the internet, new data protection legislation, a growing Internet of Things (IoT) and the trend towards mobile working and working from home mean that cyber risks are without a doubt a central issue. The WEF Global Risks Report has been highlighting the importance of these risks for years now. Cyber risks have actually been the most important issue in Switzerland for the last two years and have come to the attention of companies' boards of directors. The number of attacks is increasing rapidly and it seems as though the attackers always manage to stay one step ahead of those providing protection. The number of claims made by our clients has also risen sharply. The demand for cyber insurance has markedly increased.

Digitalization

The interest group IG B2B for Insurers + Brokers facilitates automated business transactions between brokers and insurers. Virtually all major insurers and most brokers use the platform, which is currently being taken to a new level with EcoHub. Sobrado Software AG specializes in the tendering and bid



comparison process along with information services and will offer these services via EcoHub in the future. Kessler was in favor of a cooperation agreement between the two organizations, in which data sovereignty would remain with IG B2B: data must be transferred directly from the broker to the insurer and vice versa and may not be stored with third parties.

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Kessler is the leading Swiss enterprise specializing in comprehensive risk, insurance and pension benefits consulting. We advise over 1,000 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 sectors, our highly qualified staff and our leading market position, 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. Founded in 1915, Kessler has 300 employees working at its headquarters in Zurich and its other sites in Basel, Bern, Geneva, Lausanne, Lucerne, Neuchâtel, St. Gallen and Vaduz. As the Swiss partner of Marsh since 1998, we are part of a network with specialists in all areas of risk management and great experience in handling global insurance programs. Marsh, the world's leading insurance broker and risk advisor, operates in more than 130 countries and is part of Marsh McLennan (NYSE: MMC). Further information can be found at www.kessler.ch, www.marsh.com, www.mmc.com.