

SRB Assekuranz Broker AG

Brokerslink Switzerland

Personal. Anytime. Anywhere
The insurance market in Switzerland
The city of Zurich, a cosmopolitan buzz

Personal. Anytime. Anywhere



Edoardo Leusciatti, a partner and member of the board of directors of SRB Assekuranz Broker AG and a Brokerslink board member, talked to FULLCOVER about the origins of the business, the scale and scope of the operations, its international programme expertise and what it means to partners and affiliates.

25
Number of
employees



180
Number of clients
(with about 1,000
subsidiaries worldwide)



€138m
Serviced
premium volume



HOW IT ALL STARTED

Founded in 1980, SRB provides insurance broking, risk management and risk engineering consultancy. At the time of its launch, this combined service approach was unique in Switzerland, so the business enjoyed rapid growth, and what started with a handful of employees partnering with insurance specialists and engineers has grown into a team of almost 30 people.

In 2003, five members of the management team undertook a management buy-out, re-structuring the business to give it greater flexibility and further growth potential. Four of the MBO team are still with SRB.

“For more than 40 years, we have been committed to meeting the individual needs of our customers. Our team of experienced insurance specialists and risk engineers has more than 250 years of combined experience in national and international insurance solutions. Service quality and personal contact are our top objectives when supporting our customers in the areas of manufacturing, trade and services”, explains Edoardo.

AREAS OF EXPERTISE

SRB services some 200 programmes representing over 1000 global subsidiaries. Predominantly manufacturing companies (with many supplying the automotive industry), the firm also supports businesses across numerous sectors including medical, pharma, biotech, machinery, retail, sales, construction and financial. Clients range in size from SMEs to multi-national groups, operating locally and internationally.

SRB's sector specialists have decades of experience of both advising clients and handing negotiations between the various parties. They actively support them in the planning and implementation of their risk and insurance policies and meet with insurers annually to exchange information about market developments as well as product optimisation. The knowledge and experience held within these core centres of excellence also flows into publications, trade groups and specialty conferences.

Every two years SRB organises a conference for clients, insurers, employees, and other stakeholders, covering topical issues such as environmental and economic developments.

Two organisations, Batisec and the USIC Foundation which represent around 500 engineering companies, have outsourced their risk and/or insurance management to SRB. For USIC this involves providing a framework contract for liability insurance. SRB provides a broad range of support and services including:

- Administration and support of 6500 member companies
- Management of insurance, premium collection, monitoring premium revision declarations

- Monitoring the claims process and providing feedback
- Developing industrial solutions and scrutinising market developments to ensure the insurance contracts meet the beneficiaries' needs
- Advice on all aspects of risk engineering and risk finance
- Audits, accounting, and tax declaration
- Updating information on websites
- Supporting the promotion of new insureds
- Organising some 70 training sessions and courses and supporting further education and information-sharing events
- Board administration

In addition, clients are also able to benefit from SRB's Environment, Health and Safety (EHS) and inhouse Risk Engineering services, supporting their security and sustainability strategies, whilst also ensuring legal compliance. Through application of the practice-proven and reliable solutions of the ASA/Risk Engineering Team, they are also able to implement highly effective loss prevention.

“Our services are not limited to those of a classic insurance broker. The risk engineering team supports the brokerage and claims management areas, helping companies plan and implement their risk management strategies. Our environment, health and safety/risk engineering team ensure clients meet their safety, security and sustainability commitments and so are legally compliant, and our ASA (OSHA)/risk engineering team offers tried-and-tested risk prevention solutions.”, comments Edoardo.

CLIENT EXPECTATIONS

SRB offers clients 24-hour emergency support. This, together with a commitment to follow ISO 9001 standards since 1995, demonstrates the quality of its customer service. In 2008, in response to increasingly stringent international compliance regulations, SRB set up a subsidiary in Lichtenstein, providing greater flexibility for servicing multi-national clients.

SRB's clients expect a neutral, objective, and highly sophisticated approach to their company's risks and its team meet these expectations

through adopting a personal approach with clients. This enables clients to focus on their core competences whilst SRB handles the risk and insurance matters. The trust in SRB's staff is based on their very high standard of insurance competence and know-how, market development insights and commitment to continual learning.

"We invest considerable money in the war for talent and in employee retention. Our office is fully digitalised. Every employee can work from home. In this field we are looking for excellence and best support in order for our employees to work efficiently. Our clients have on-line access to all information", adds Edoardo.

THE FUTURE OF INSURANCE BROKING IN SWITZERLAND

Since March 2020, there has been a worldwide focus on handling the Covid-19 pandemic. This means however that other global threats have been neglected or not had the same focus as before – most notably climate change. On the other hand, a stronger focus has been brought to bear on cyber and extortion risk due to risks associated with new working patterns. As a result, SRB has seen more demand for insurance coverage and loss prevention programmes to manage cyber threats.

Few new lines of business have been developed in recent months or are even in the pipeline to be released, according to Edoardo, who adds that in the last couple of years, it has seen a bigger demand from clients for cover of pure financial losses (such as due to product failure) and supply chain risks. M&A products have also been very popular recently.

When asked about the emerging trends or risks in Switzerland, Edoardo comments: "We have seen partially rising premiums and insurers leaving the market in areas such as accident & health and pension funds coverage. We are also seeing reducing market capacity as a result of stringent underwriting guidelines and the impact of merger and acquisition activities among insurers and brokers."

From left to right: Bettina Huber, Member of the Executive Management; Edoardo Leusciatti, Partner/Account Executive; Stephan Egli, Partner/Account Executive; Ralph Mannhart, Member of Management; Dr. Matjaz Ros, Partner/Executive Management





Brokerslink Board members @ Global Conference Bordeaux, 2019. From left to right: Stefan Müller, Patrick Verlinden, Edoardo Leusciatti, Roger Potts, Youness Rhallam, Grégory Allard, José Manuel Fonseca, Francisco Valdés, Patrick Chan, Jamie Crystal & Rohan Stewart

FUTURE CHALLENGES AND OPPORTUNITIES

“We have been in a soft insurance market since 2003. Over the last two years the market has slightly turned, and in some areas insurance capacity has increased. In the last couple of months, however, there has been a worldwide acceleration of this hardening of the insurance market. Most global players reduced their capacity due to a reduction of capitalisation as a result of negative technical results. Many insurers have recorded loss ratios around 100% or higher. “Traditionally, insurers have

been able to compensate negative technical results with earnings from the stock market. However, with today’s low interest rates and volatile stock markets, the situation has changed, and it is important for the carriers to have a robust insurance book and operate the business with positive technical results. Risk management and loss prevention programmes have become more and more important for our clients, policies with high loss frequencies and/or big losses have seen an adaption of terms and conditions which means higher deductibles and premiums, restrictions in coverage and exclusions in wordings. Keystone is to focus on loss prevention.”

BROKERSLINK, MORE THAN A BUSINESS RELATIONSHIP

“In 1983, SRB launched its international broker division and developed a network of partners. Over time, they realised that in order to survive in the international area and keep up with the larger players, they needed to expand this network. They tested a few options but were never satisfied with the concept.

“In 2007, at RIMS in New Orleans, Richard Snow, a long-time friend of mine and José Manuel Fonseca, approached SRB. We were thrilled to be involved with the Brokerslink concept – the idea of an international network,

working with the best independent brokers worldwide, was exactly what we'd been looking for", recalls Edoardo.

SRB presented its business at the conference in Athens and was accepted the same year. "We still celebrate that day and being a proud founder member of this broker organisation," adds Edoardo. "Brokerslink allows us to serve our customers worldwide, offering the same service standards we have in Switzerland, ensuring clients' expectations are met."

Since its launch, SRB's main focus has been to operate internationally. Over the years, the firm has managed more than 500 international insurance programmes for larger clients and this expertise extends to Brokerslink partners. In addition, SRB's risk engineering team can support clients in all aspects of risk management.

"Serving before earning' is our motto. It's often the case that foreign companies appear small and unattractive to third-parties. With Brokerslink however, it's possible to provide the best possible service for these companies too. We're not only a network; we're colleagues and good friends who help each other even if sometimes, there is nothing to earn for the individual. Those small customers can develop into sought-after ones", explains Edoardo.

"Being a member of Brokerslink is extremely important to us. Today a broker dealing with international domiciled companies needs a state-of-the-art worldwide presence. And given that a significant selection of our clients have subsidiaries around the world, Brokerslink facilitates SRB with all the know how it needs to give its clients and their subsidiaries the best of knowledge they deserve worldwide."

Milestones

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|------|---|
| 1980 | Establishment of SRB Schweizerische Stiftung für Risikoberatung (SRB stands for the Swiss Foundation of Risk Consulting) |
| 1983 | Establishment of SRB Assekuranz Broker AG, formation of SRB International Broker Organization and first discussions with initial network partners |
| 1995 | First certification to ISO-Standard 9001 |
| 2003 | As part of the management buyout on 1 January the members of the executive management Roland Ebert, Stephan Egli, Johann Faeh, Edoardo Leusciatti and Dr Matjaž Roš, took over SRB Assekuranz Broker AG |
| 2007 | Strategic co-operation with the broker network Brokerslink - Global Insurance Partnership in addition to the existing network SRB International Broker Organization |
| 2008 | Founding of the subsidiary in Liechtenstein |
| 2011 | Move to Luggwegstrasse 9, Zurich Altstetten |
| 2017 | Johann Faeh retires and sells his shares to partners Edoardo Leusciatti, Stephan Egli, Roland Ebert and Dr Matjaž Roš |
| 2019 | Merger with Ebert SRB Assekuranz Broker AG, Uznach |
| 2020 | SRB celebrates its 40th birthday! (Due to Covid-19 the anniversary celebrations had to be postponed.)

Roland Ebert retires and sells his shares to partners Edoardo Leusciatti, Stephan Egli and Dr Matjaž Roš |

The insurance market in Switzerland

According to the FINMA report, in 2019 the Swiss insurance sector improved its overall risk capacity. However, there are various challenges that could, in the near future, impact risk and profitability, including persistently low interest rates, increasing life expectancy and possible turbulence on the overheated real estate market for life and health insurers.

The number of life insurance providers remained the same in 2019. In the non-life insurance sector, two were granted licenses in the year, while one was released from supervision. In 2019, one professional reinsurer was granted a license for insurance activities, while two reinsurers and two reinsurance captives exited the market (partially connected to mergers).

Swiss insurance companies achieved aggregate annual profits of CHF 15.2bn in 2019, which represents a 44% increase over the previous year. Life insurers reported a moderate increase in their annual profits up 8% to CHF 1.5bn, but non-life insurers experienced a real increase in profits of CHF 3.3bn or 49% to CHF 10.1bn. Reinsurers increased their annual profits from CHF 2.4bn in 2018 to CHF 3.6bn in 2019 (a 49% increase).

Supervised insurance companies and sectors

Overview of supervised insurance companies and sectors 2018–2019

	2019	2018
Life insurers, including	19	19
insurance companies domiciled in Switzerland	16	16
branches of foreign insurance companies	3	3
Non-life insurers, including	118	114
insurance companies domiciled in Switzerland (of which 18 supplementary health insurance companies [2018: 18])	72	70
branches of foreign insurance companies (of which 2 supplementary health insurance providers [2018: 2])	46	44
Reinsurers (total)	50	54
Reinsurers	25	27
Reinsurance captives	25	27
General health insurance companies offering supplementary health cover	11	12
Total number of supervised insurance companies and general health insurance companies	198	199
Insurance groups and conglomerates	6	6

LIFE INSURANCE

Gross premium volume had a slight increase of 0.9%, while payments for insurance cases increased by 57.5%. Expenditure for insurance operations increased by 0.9% following two years of lower numbers (2018: minus 0.5%; 2017: minus 2.0%). There was a better investment income in 2019, up by 15.6%, that explains the improvement in annual profit which showed an increase of 8.6%.

Key figures of life insurers

(in CHF thousands)	2019	2018	+/- in %
Gross premiums written	32,021,906	31,733,080	0.9
Claims paid out	53,552,911	33,993,630	57.5
Cost for the change in technical liabilities	-18,586,892	-2,147,410	n/a
Cost for the change in other actuarial liabilities	1,661,206	-575,212	n/a
Costs for underwriting	2,189,347	2,169,110	0.9
Taxes	586,285	280,750	108.8
Gains/losses from investments	8,644,577	7,475,529	15.6

NON-LIFE INSURANCE

Premiums increased by 2.3% (gross) compared with 2018. Both direct and indirect business has grown. By contrast, the claims expenditure (net) remained stable in 2019, with a slight fall in payments for insurance claims of 1.2%, compensating for a lower release of provisions than in 2018.

Key figures for non-life insurance companies

in CHF thousands	2019	2018	+/- in %
Gross premiums written	45,857,578	44,825,577	2.3
Claims paid out	25,414,158	25,726,462	-1.2
Cost for the change in technical liabilities	-3,302,673	-3,344,342	-1.2
Cost for the change in other actuarial liabilities	797,990	457,412	74.5
Costs for underwriting	9,127,575	8,630,573	5.8
Taxes	790,467	623,437	26.8
Gains/losses from investments	9,550,221	5,318,343	79.6

The city of Zurich

a cosmopolitan buzz

Edoardo Leusciatti believes his country is “the best place on earth! Switzerland has the best chocolate, cheese and ski slopes – definitely worth a visit.”

SRB is located in the fast-growing trendy western section of municipal Zurich. More and more insurance companies, banks, industrial companies and start-ups are opening offices in this part of the city. The cosmopolitan and creative city of Zurich, on the shore of the lake, is abuzz with activity day and night. And for those after rest and relaxation, the Swiss mountains are less than an hour away.

HISTORY

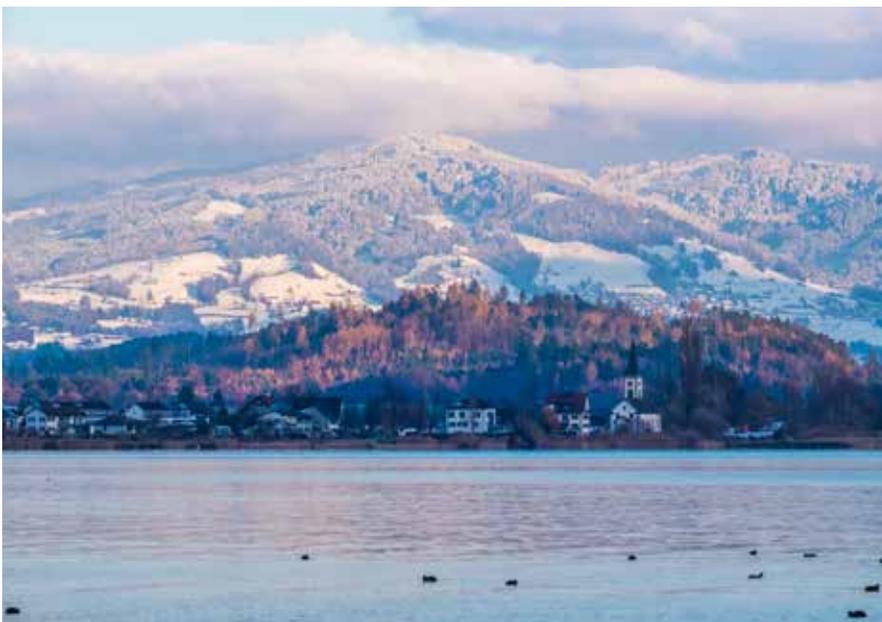
Zurich was already a prosperous centre of commerce in the Early Middle Ages. The 1519 Reformation gave the economy such a boost that the city rapidly became Switzerland’s financial centre. This has remained unchanged to the present day and is why you’ll find the Swiss National Bank in Zurich along with the world-famous Bahnhofstrasse, one of the most luxurious shopping strips around.

Nowadays, Zurich is Switzerland’s centre of economic life and education. Located in the heart of Europe, the city offers all the modern amenities of a cosmopolitan metropolis, without sacrificing its natural side. Zurich has ranked for years as one of the world’s top cities in terms of quality of life. It is a boutique city that offers everything that implies, albeit in small and exquisite format.

“ Zurich has ranked for years as one of the world’s top cities in terms of quality of life.”



View of historic Zurich city center with famous Fraumunster Church, Limmat river and Zurich lake from Grossmunster Church, Switzerland



Shores of the Upper Zurich Lake, Schwyz, Sankt Gallen, Switzerland

EDUCATION AND ARTS

Zurich is avant-garde: it was not only home to Dada¹, but also the place where the Freitag bag and world-renowned Helvetica typeface originated. Researchers at the revered Swiss Federal Institute of Technology (ETH) and companies such as Google and Disney Research produce one innovation after the next. Creativity is also in abundance thanks to one of the biggest universities in Europe devoted to the arts – Zurich University of the Arts (ZHdK) - and further establishments such as the Kunsthaus Zurich.

GASTRONOMY HIGHLIGHTS

Zurich’s inhabitants don’t just eat *Birchermuesli* and *Zueri Gschnaetzlets* (sliced beef). They are veritable cosmopolitans and love sophisticated delicacies from across the globe. They do their utmost to embrace trends immediately – with creativity and delight. And this earns them awards: Zurich has one of the highest numbers of Michelin-starred restaurants per inhabitant in Europe. The city’s rustic pubs, street food festivals and pop-up restaurants in empty factories are also enjoying a great degree of popularity. When visiting Switzerland never forget to eat the famous Cheese Fondue and Raclette.

¹ An art movement formed during the First World War in Zurich in negative reaction to the horrors and folly of the war. The art, poetry and performance produced by dada artists is often satirical and nonsensical in nature. (In <https://www.tate.org.uk/art/art-terms/d/dada>)