



Health Insurance Switzerland 2024 Current Situation & Outlook

June 2024

Introduction



Dear readers

Thank you for your interest in our **series of publications on the Swiss health insurance sector**. In this study – the first part of our annual publications – we analyse the **current situation facing the industry** and provide an **outlook of things to come**. The study is split into three chapters:

Chapter

1

explains the findings from a **representative survey of around 1,250 consumers** on topical issues connected with health insurance and health care.

Chapter

2

shines a spotlight on **longevity** and **cyber-security and data protection**, two strategic concerns that we expect to become much more relevant in the future also for health insurers.

Chapter

3

contains **facts and figures** and the most important background analyses of the Swiss health insurance market.

Our **next publication** is planned for **autumn 2024** and will cover the premium situation, along with analyses of the autumn business.

If you have any **questions** about our publication or **would like to discuss particular elements of it with us in greater depth**, we look forward to **hearing from you**. We would be more than happy to arrange a meeting.

Enjoy the reading!



Current topics in the Swiss health insurance market

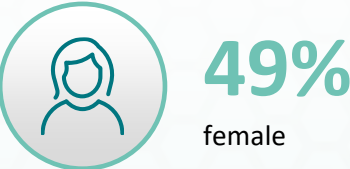
Health insurance market 2024
Unified health insurance fund
Positioning

Deloitte's consumer survey 2024: Objectives and background information

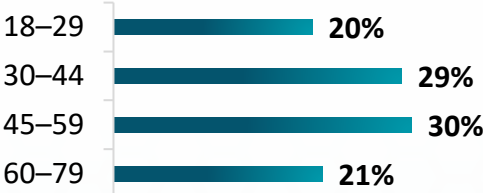
Objectives: This representative survey of consumers identifies relevant trends. Health insurers can derive insights from this for their strategic orientation and for predicting future developments. The Deloitte Health Insurance team is on hand to discuss these topics with you at any time.



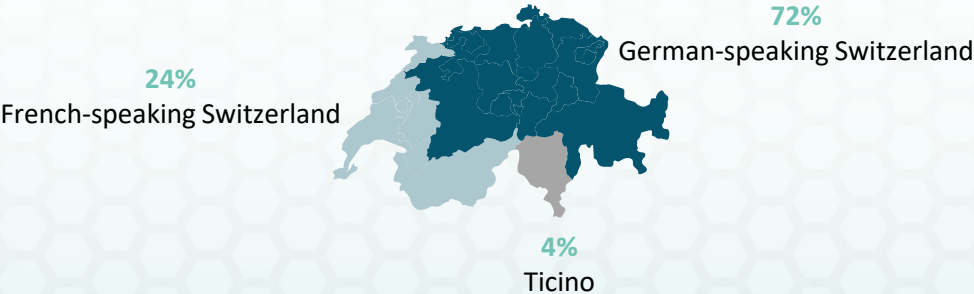
Population



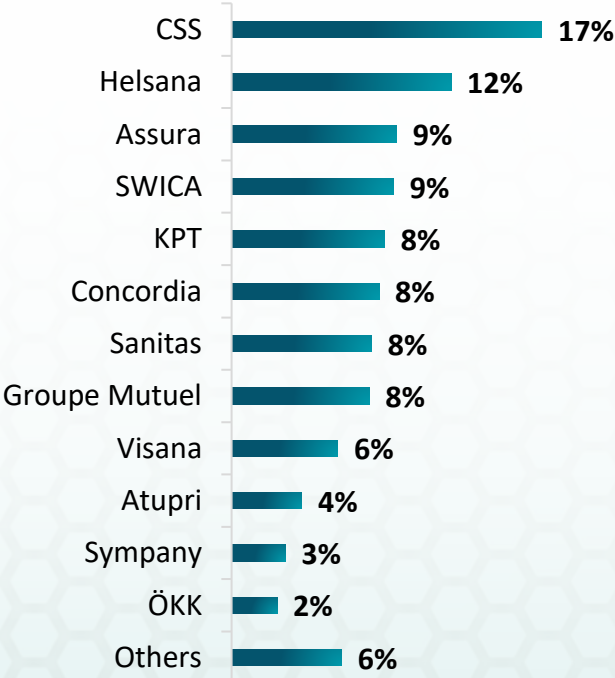
Age distribution



Language region



Current health insurer



The survey is representative of the Swiss population and was conducted by YouGov.

Consumer survey: Key findings

Health insurance market 2024



- 1 Almost **30%** of people in Switzerland have switched or adjusted their basic health insurance as of 1 January 2024. p. 8
- 2 The **splitting rate** is continuing to rise and is currently at **24%**. p. 9
- 3 **One in two people** involve someone else in their decision on health insurance. p. 10
- 4 **44%** of people in Switzerland plan to compare their premiums again this year. p. 11

Unified health insurance fund



- 5 Backing for a unified health insurance fund has continuously increased in the past 30 years. p. 13
- 6 The general public are **expecting more than just lower premiums** from a unified fund. p. 14
- 7 The **savings that people are hoping for** from a unified fund range from **0% to over 50%**. p. 15

Positioning



- 8 **Opinions vary** on positioning as a health care partner. p. 17
- 9 Customers **trust health insurers** to play a role in various other markets too. p. 18
- 10 **43%** of respondents would like their health insurer to deliver attractive, digital services, but there is a **zero-tolerance attitude** when it comes to data protection and security p. 19
- 11 When it comes to working with **health care platforms**, **private ones** are still **less widely accepted** than **state-backed solutions** at present. p. 20

The findings are set out in more detail on the next few pages.
We will be glad to address these and other issues with you – we look forward to hearing from you!



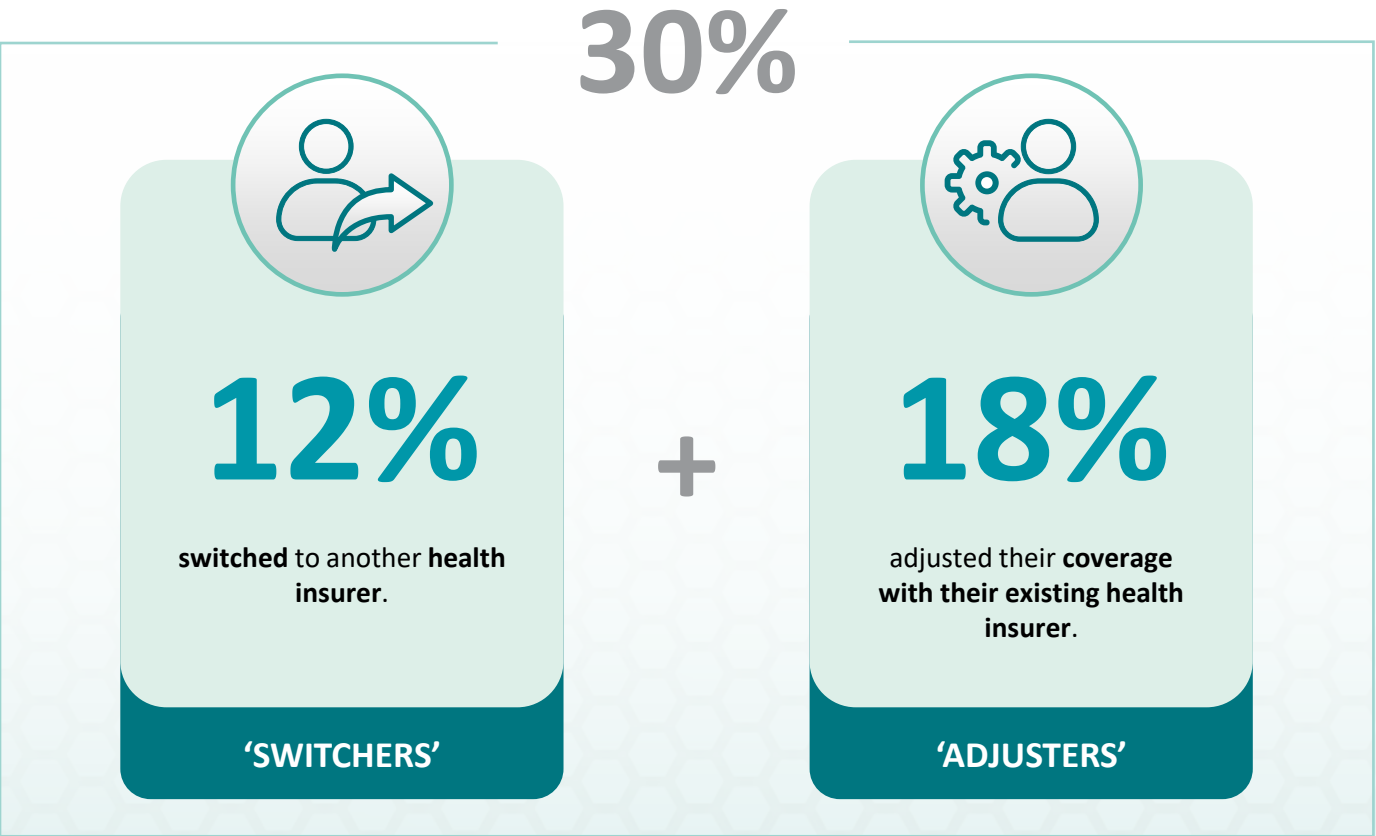
Current topics in the Swiss health insurance market


Health insurance market 2024


Unified health insurance fund

Positioning

Almost 30% of people in Switzerland have switched or adjusted their basic health insurance as of 1 January 2024



 **Question:** Did you switch your health insurance 1 January 2024?

 **Question:** Did you optimise your health insurance 1 January 2024 without switching provider?

 **Further Deloitte findings**
(some are not visible in the chart)

'Switchers'

- The **switching rate is high** compared with previous years, due to the sharp rise in premiums (see also the Deloitte premiums publication).
- The **switching rate** was highest in **western Switzerland**.
- **Around a quarter of all 'switchers' switched their supplementary insurance** in addition to their basic insurance.

'Adjusters'

- The **basic insurance** and the **deductible** saw the most adjustments. There were far fewer adjustments to **supplementary insurance**.

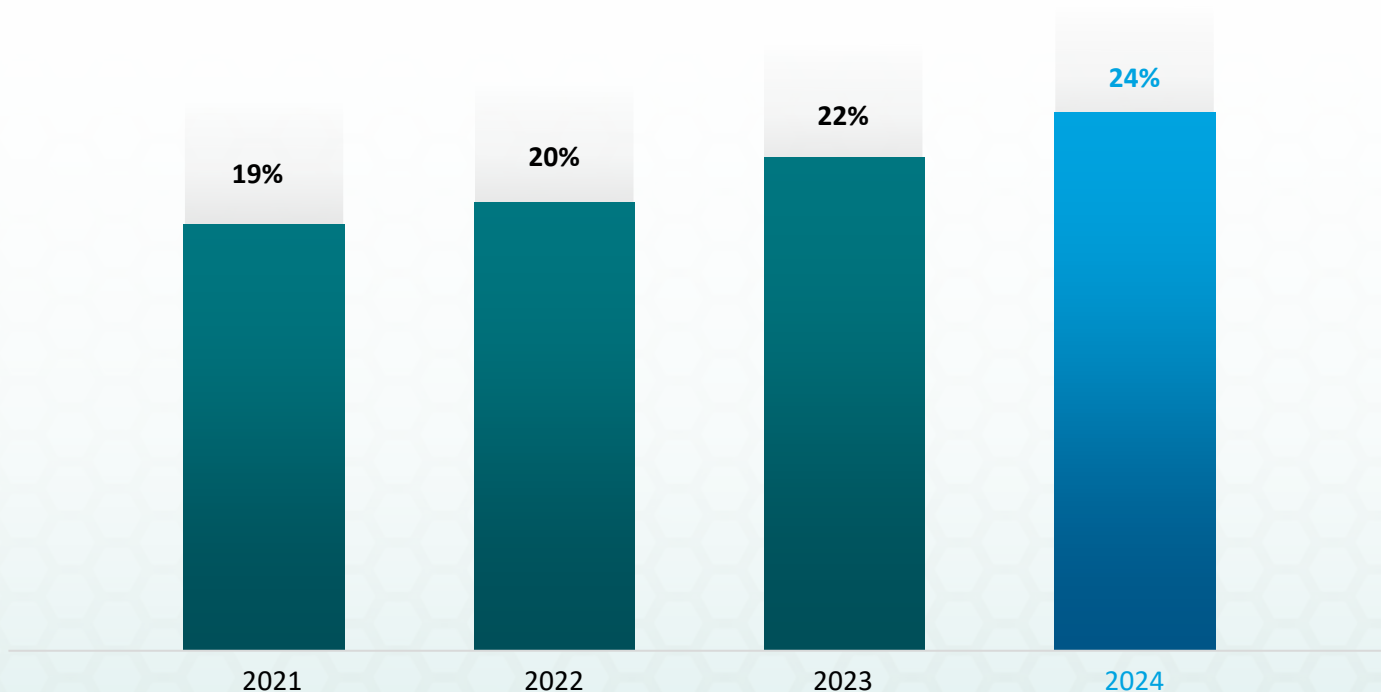
 **Relevant questions for health insurers**

- What **analytical levers** enable us to identify potential switchers and adjusters as early as possible?
- What **measures** are we taking, and how are we assessing their success?
- What **non-insurance-related measures** can we use to ensure long-term customer retention?

The splitting rate is continuing to rise and is currently at 24%

Splitting rate

Proportion of customers who have basic and supplementary insurance with different providers



Question: Do you have basic and supplementary insurance with different providers?



Further Deloitte findings

(some are not visible in the chart)

Development

- The proportion of ‘splitting customers’ has **continuously increased** in the past four years.

Details for 2024

- **Splitting customers:** it is mostly middle-income households that split, probably because premiums are very expensive for them, and they are not entitled to premium reductions. Splitting is most common in French-speaking Switzerland and Ticino.
- **Differences between health insurers:** the splitting rate for an individual insurer ranges from 8 to 44 per cent depending on their positioning on compulsory health insurance premiums, their penetration of the voluntary health insurance market and their overarching strategy.

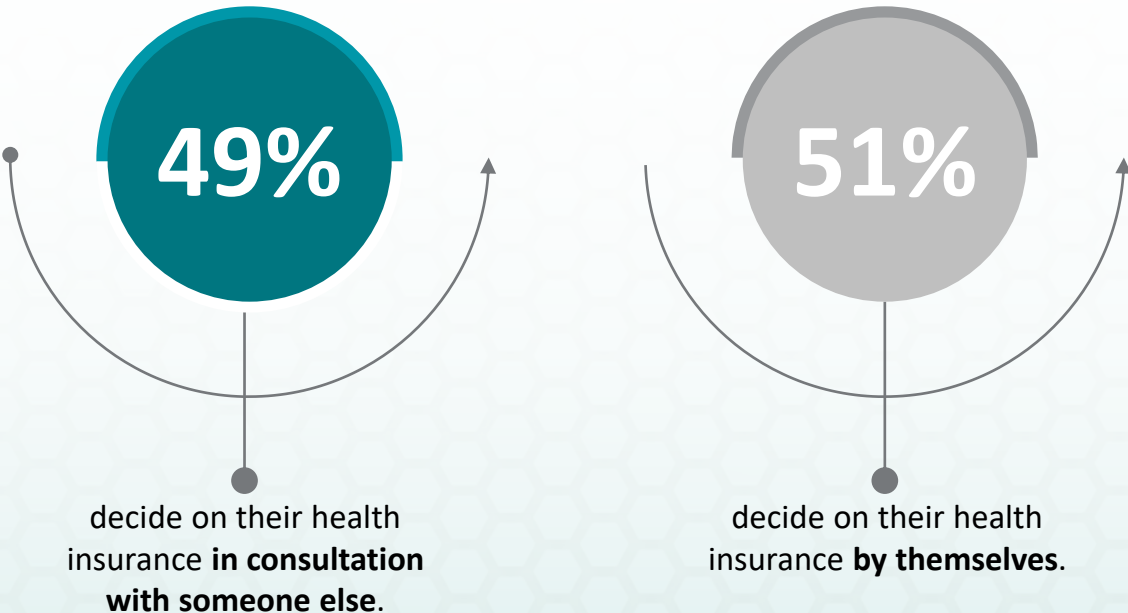



Relevant questions for health insurers

- How can **splitting customers in the existing customer base** be identified reliably?
- How are **these customers dealt with** in terms of customer service, sales measures, etc.?
- Could it even be worth **considering an active splitting service** as a new offering for certain customer segments?

One in two people involve someone else in their decision on health insurance

Decision-making behaviour regarding health insurance



 **Question:** In your household, who decides on matters relating to health insurance?



Further Deloitte findings *(some are not visible in the chart)*

Differences by segment

- A large proportion of people involve someone else in their decisions, particularly in **high-income households**.
- Additional factors such as **gender and age** play a **lesser role** here.

Other relevant factors in decision-making

- **Advice from family and friends** plays a major role in decisions on health insurance. One in five people consult them.

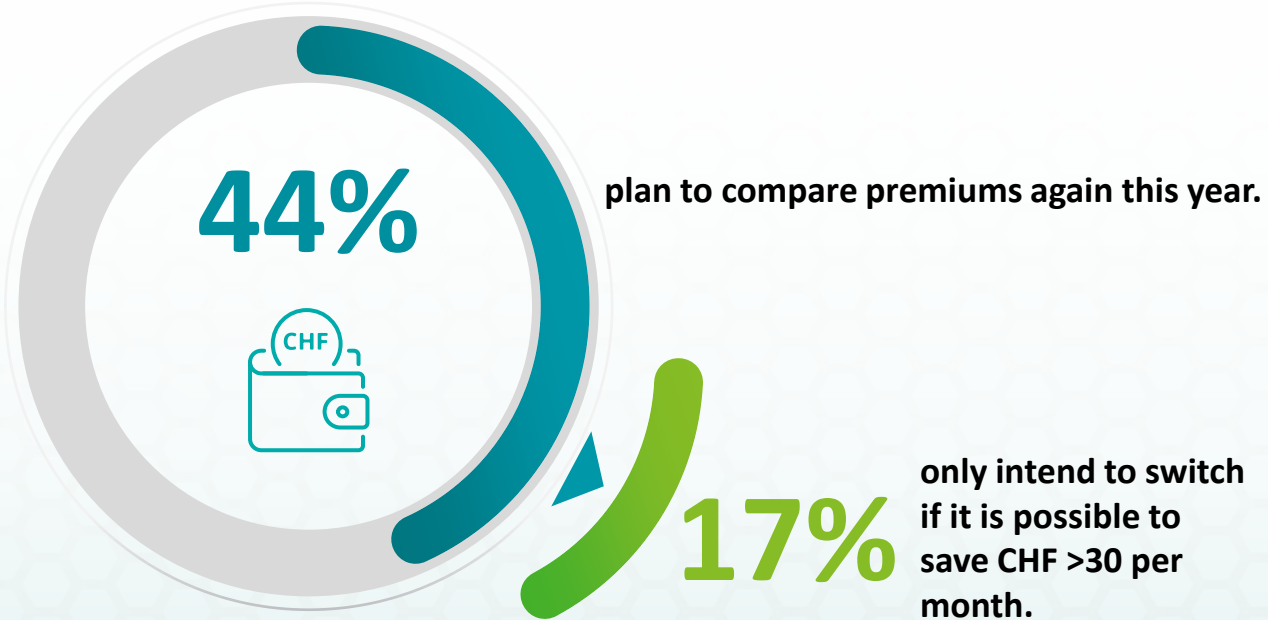


Relevant questions for health insurers

- Does our **sales approach** consider the fact that many decisions are taken jointly?
- How can **personal networks** of customers (and employees) be used even more effectively?

44% of Swiss people plan to compare their premiums again this year

Intention to switch this year



Question: Do you plan to compare health insurance premiums this year? What increase in the monthly premium per person would prompt you to consider switching?



Further Deloitte findings *(some are not visible in the chart)*

- Despite a **high level of interest** in **comparing premiums** again this year, a significant proportion of customers will only **switch** if they can **save more than CHF 30 per person per month**.
- Of all the language regions, **French-speaking Switzerland** shows the **strongest intention** to compare and to switch.
- **Two-thirds** of the population can envisage **switching** to a **small/unknown health insurer**.



Relevant questions for health insurers

- What analytical tools can we use to **forecast competitors' premiums** in order to align our own premium strategy accordingly?

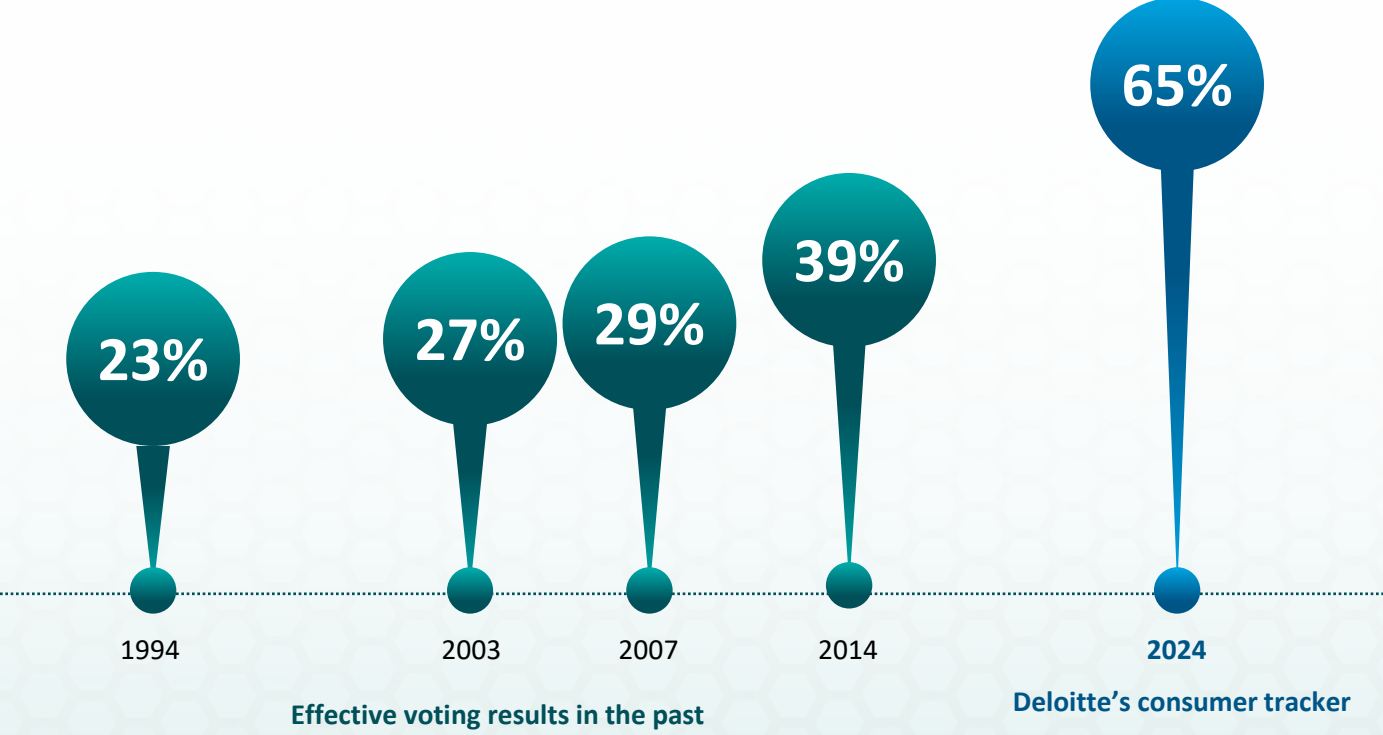


Current topics in the Swiss health insurance market

Health insurance market 2024
Unified health insurance fund
Positioning

Backing for a unified health insurance fund has continuously increased in the past 30 years

Approval of the unified health insurance fund



Further Deloitte findings *(some are not visible in the chart)*

- **Backing for the idea of a state fund has gradually increased** since the first vote on a unified health insurance fund and particularly since 2014.
- Approval is currently **highest among 30- to 44-year-olds** with over 70 per cent – presumably, these are **families** that are feeling the pinch of high premiums.
- The idea is much more popular in **French-speaking Switzerland** (73 per cent) and **Ticino** (74 per cent) than in German-speaking Switzerland (61 per cent), with the canton of Vaud showing the highest approval rating.
- Nevertheless, **hardly anyone considers health insurers to be the main cause of rising health care costs** (they are only in sixth place*). Rather, it is mainly the pharmaceutical industry and patients themselves that are seen as chiefly responsible.



Relevant questions for health insurers

- What **strategic scenarios** regarding a unified health insurance fund must we anticipate, and what positioning options do we have in these scenarios?
- What would represent **'critical mass'** for our organisation?
- Has the time come to **diversify into other lines of business?**



Question: Would you vote in favour of the 'unified health insurance fund'? (That is, in favour of abolishing the current health insurance funds and replacing them with a state fund.)

©2024 Deloitte AG. All rights reserved. Source: parlament.ch (1994–2014)
 *The results in detail: 63 per cent of respondents believe the pharmaceutical industry is responsible for rising health care costs, 59 per cent the patients, 46 per cent the ageing population, 43 per cent treatments getting more and more expensive, 43 per cent doctors and hospitals, 36 per cent health insurers, 22 per cent federal and cantonal governments, 9 per cent someone else (multiple answers possible)

The general public are expecting more than just lower premiums from a unified fund

Main reasons for approval of the unified health insurance fund



83%

More affordable premium



42%

Prevention of advertising



28%

Lower effort



22%

Better medical care



Question: What advantages do you expect a 'unified health insurance fund' to deliver? (multiple answers possible; question only asked to those who back the idea of a unified fund)



Further Deloitte findings *(some are not visible in the chart)*

- Expectations of a **more affordable premium** are very high across the board, regardless of age, gender or region.
- For the other reasons, it is apparent that the **younger generation** (under-30s) in particular **would expect a lower effort** (40 per cent approval) **and better medical care** (34 per cent approval) from a unified health insurance fund.
- There are **hardly any relevant differences between the individual health insurers** on this matter – the issue applies to the sector as a whole.
- **Paradoxically**, a unified health insurance fund would probably mainly address the issues of 'advertising' and 'time cost'. By contrast, a unified fund would hardly bring any improvements at all to 'premiums' and 'medical care'. Thus the public debate seems partially misguided.

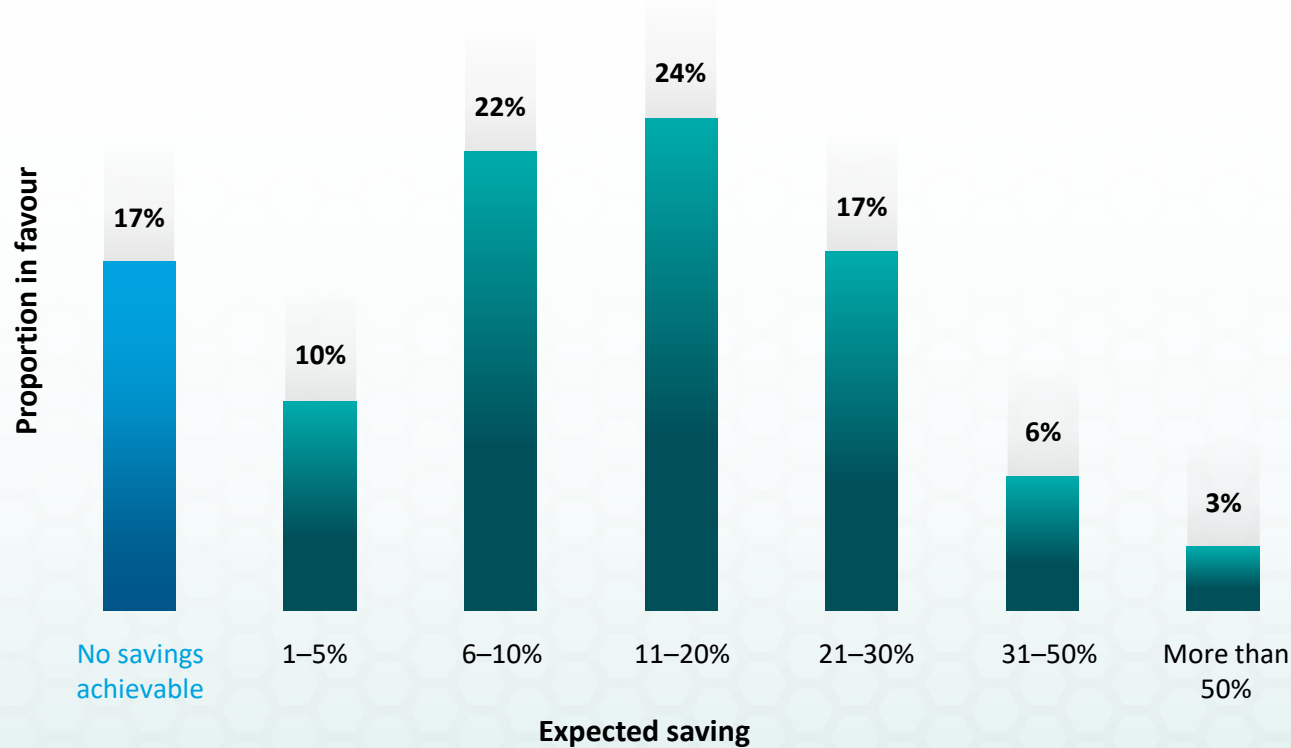


Relevant questions for health insurers

- How can the public debate on the unified health insurance fund be made more **objective** and bolstered with transparency/facts?

The savings that people are hoping for from a unified fund range from 0% to over 50%

Expected saving on basic insurance premiums as a result of the unified health insurance fund



Question: What saving on your basic insurance premium do you think can be attained by introducing a unified health insurance fund?



Further Deloitte findings

(some are not visible in the chart)

- **72% of the population** expect a **premium saving of over 6%**, and a **quarter expect savings of over 20 per cent**.
- **Administration** makes up **around 5%** of total costs in basic health insurance. Even an ultra-efficient unified fund is thus unlikely to achieve cost savings of more than 5% – suggesting that **the public’s expectations** seem **unrealistic**.
- Younger respondents (18- to 44-year-olds) in particular hold **health insurers responsible for rising health care costs**.



Relevant questions for health insurers

- How can we **raise awareness** more effectively to inform the population of the reasons for high premiums?
- Would it be worthwhile for us to engage in the debate **beyond the associations with new faces, facts and positions?**



Current topics in the Swiss health insurance market

Health insurance market 2024
Unified health insurance fund
Positioning

Opinions vary on positioning as a health care partner



Only **40%** of respondents regard their health insurer as a health care partner.

Question: Do you agree with the following statement? "My health insurer is my health care partner."



Further Deloitte findings *(some are not visible in the chart)*

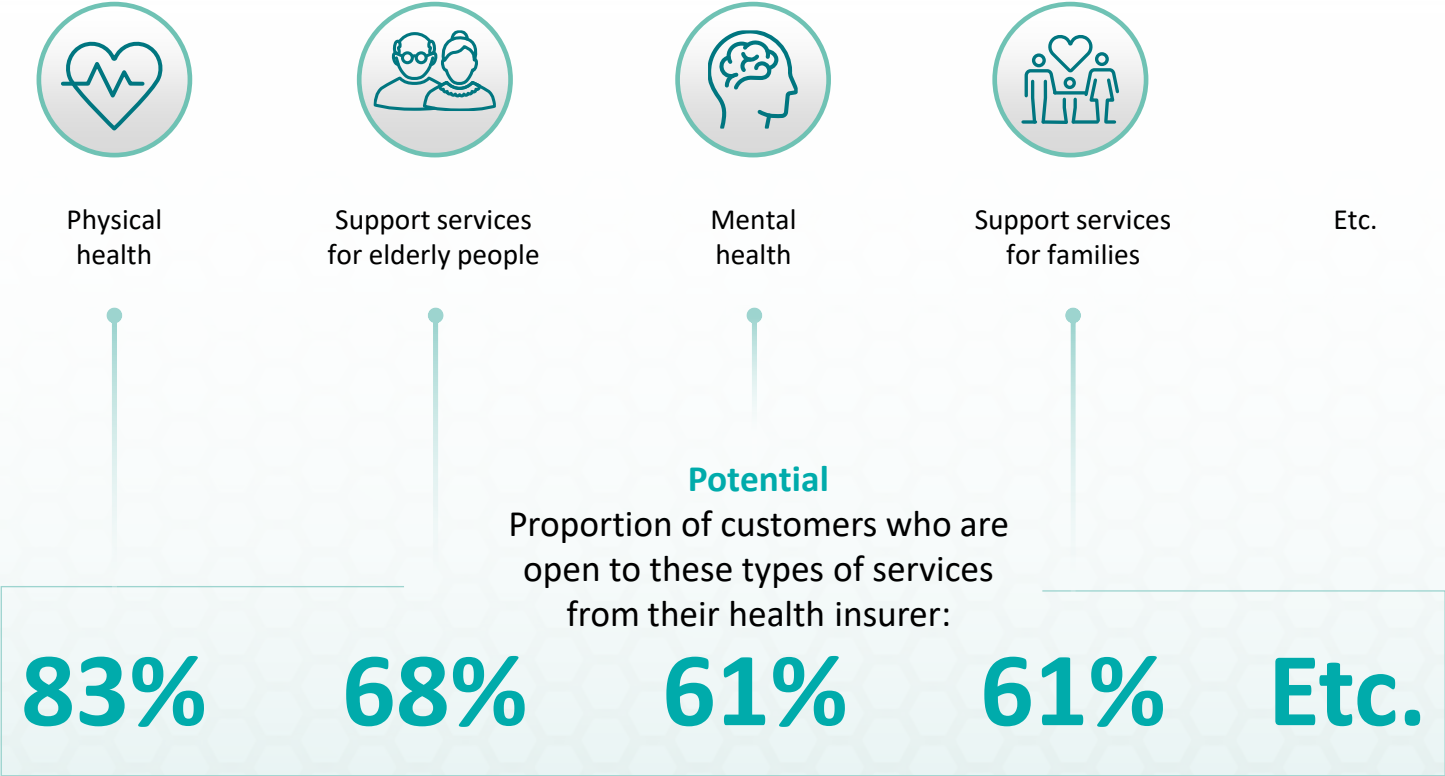
- In recent years, many health insurers have **invested heavily in their positioning as a health care partner**, in some cases with expensive **marketing campaigns**.
- Despite this, **only 40% of the population currently regard their health insurer as a health care partner**.
- **Younger people in particular** regard their health insurer **less as a health care partner** than the older generation (over-60s) do.



Relevant questions for health insurers

- How can the intended role as health care partner be **demonstrated clearly and credibly** ('proof of the pudding')?
- What **alternative positioning options** are available to us, for instance on issues such as sustainability?

Customers trust health insurers to play a role in various other markets too



Question: Would you use the following health care services if they were offered through your health insurer?

Further Deloitte findings *(some are not visible in the chart)*

- Services relating to **physical and mental health** are **already used by respectively 23% and 10%** of respondents. However, our evaluation shows that there is still **significant potential for expansion** here.
- Elements that are still less common nowadays, such as services for elderly people and families, are also widely accepted. Approval ratings are particularly high among the respective target groups for these services: **87% of over-60s would be interested in services for elderly people**, and **69 per cent of 30- to 45-year-olds would be interested in services for families**.

Relevant questions for health insurers

- What **markets/segments** are worth considering for a possible positioning for us?
- What **role** could we take on in these markets/segments?
- What **objectives** do we aim to achieve by doing this? Should we focus on synergies within our core business or on new sources of revenue and profit?

43% of respondents would like their health insurer to deliver attractive, digital services, but there is a zero-tolerance attitude when it comes to data protection and security

Innovation
(43% of customers)



Data protection and data security
(84% of customers)



Question: How important are the following aspects to you regarding your health insurer? Innovative digital services. Maximum data protection and a high level of data security.



Further Deloitte findings *(some are not visible in the chart)*

- **Innovative digital services** are of fundamental importance to customers. This is apparent **across all age groups**, meaning that the over-60s also expect digital services these days.
- However, customers are **unwilling to make any compromises in terms of data protection and data security**: 84% regard these issues as very important or important, and only 4% state that they matter little to them. There are **hardly any differences between the age groups** here either.



Relevant questions for health insurers

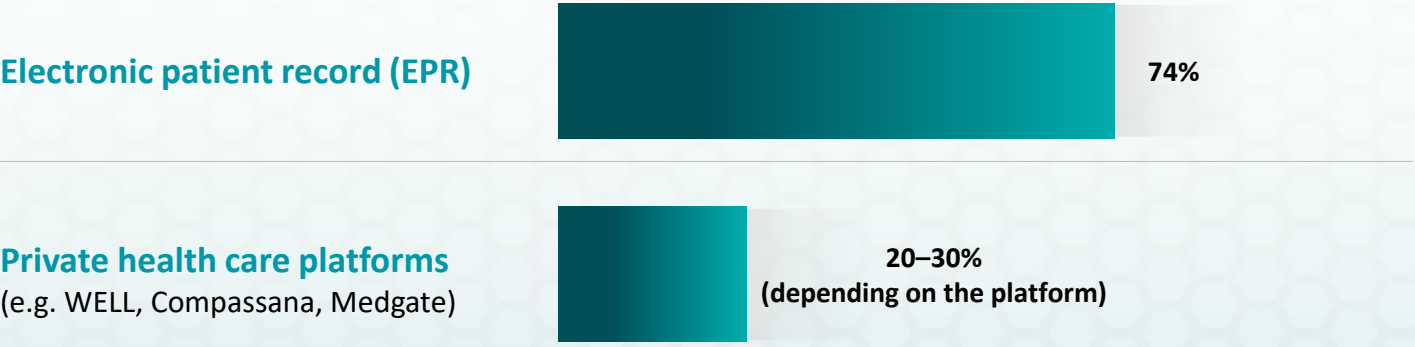
- Are we aware of our **risks in relation to data protection and security**? Are we doing enough to manage them actively? (Please also see the spotlight topic cyber-security and data protection for health insurers.)
- Do we keep our **promises on privacy and data protection** that we communicate to our customers?
- How can we **nevertheless remain innovative** and continuously enhance our digital services?

When it comes to working with health care platforms, private ones are less widely accepted than state-backed solutions at present

Acceptance of digital health care solutions



Already use solutions of this kind or can envisage using them



Question: Do you use one of the following services to manage your personal health data digitally and receive additional health care services?



Further Deloitte findings *(some are not visible in the chart)*

- **Despite criticism in the press** and the slow pace of its progress, the electronic patient record (EPR) **can be seen to enjoy a surprisingly high degree of acceptance largely across the board** – in other words, there are hardly any outliers in terms of language region, gender or age.
- However, it appears to be a **challenge for private health care platforms to establish their market presence** beyond a small group of ‘early adopters’ amounting to 20 to 30%.
- Around 60 to 70% state that, additionally to not using the **private health care platforms**, they are totally **unfamiliar with them**.



Relevant questions for health insurers

- What **position on the EPR** are we to adopt in view of the high level of acceptance among customers? What strategic opportunities could arise from this?

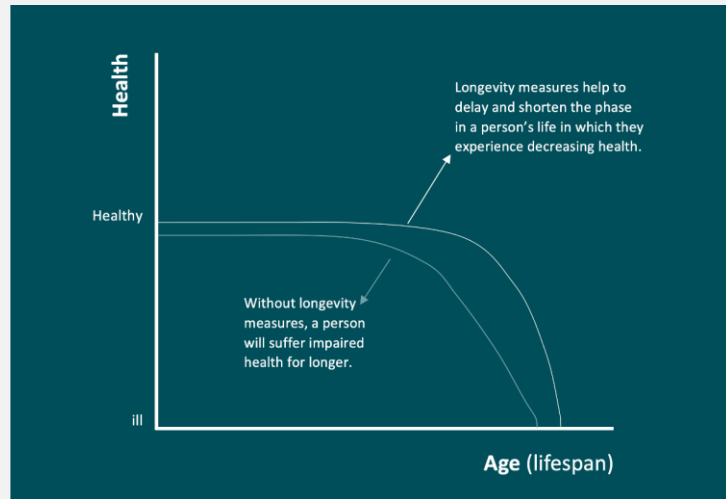


Selected spotlight topics

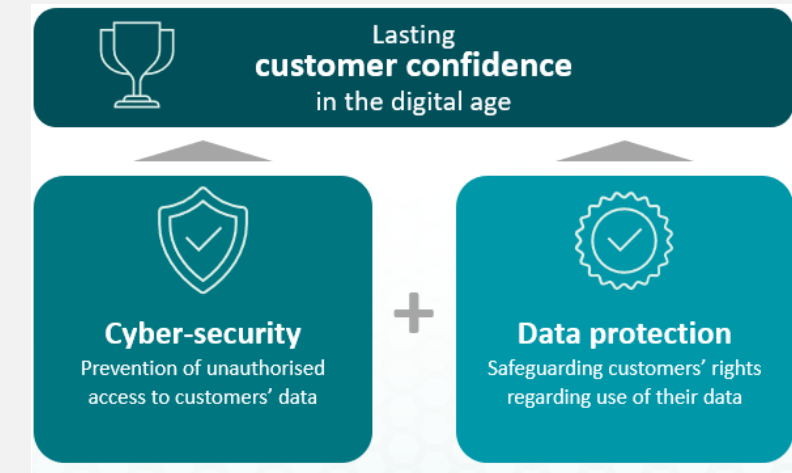
Longevity

Cyber-security and data protection for health insurers

These two selected spotlight topics have the potential to play a relevant role for Swiss health insurance providers



Longevity



Cyber-security and data protection

- This chapter in the study **explores two strategic issues** that we believe have the **potential** to play a **key role for Swiss health insurers** in the near future: **'Longevity' and 'cyber-security and data protection'**.
- Even at this early stage, we would advise **management bodies** to hold **initial discussions** on these topics and come up with a clear approach for tackling them.
- The **complexity** of the two issues must not be underestimated. Rather than **acting impulsively**, therefore, we think that the situation calls for an **appropriate amount of preparation time**.



Selected spotlight topics

Longevity

Cyber-security and data protection for health insurers

Longevity as a topic is attracting a great deal of attention and raising expectations for growth, even though our desire to live a long and healthy life is nothing new

Advances in medicine, venture capital investment and demographic trends are fuelling a new 'longevity market' that is currently booming.

We have identified three main reasons for the current hype surrounding longevity

INVESTOR IN REJUVENATION MEDICINE

"This extends your lifespan by 20 to 40 per cent."

Researchers from Harvard have reportedly discovered the 'elixir of life'.

The longevity frenzy

How the tech elite is trying to become immortal.

Living healthier for longer – and what this has to do with our own behaviour.

Venture capital heavyweights seek opportunities worth billions from longevity breakthroughs

New **longevity foundation in Switzerland invests CHF 1 billion** in enabling humans to live for 120+ years

On the supply side – highly promising research findings

Scientific **breakthroughs** have brought **new products and services onto the market** that claim to be able to evidence based **extend the healthy human lifespan**. These range from genetic and blood tests and new drugs through to cryogenic chambers and food supplements.

On the demand side – longevity sells!

The promise of a long and healthy life feeds an old **human need** that is being amplified further as the **population gets older and wealthier**. More and more people are realising that **age-related non-communicable diseases** can be **delayed or even avoided entirely** with targeted preventive measures and early detection.

Financing – a 'gold rush' mentality

Investments in longevity start-ups have **increased** significantly in recent years, and new longevity-focused venture capital firms have joined the market.

Longevity is a very broad topic – we recommend defining it as ‘bringing a person’s health span closer to their lifespan’

Our definition of longevity

‘Longevity’ means much more – and is much more specific – than simply ‘living longer’.

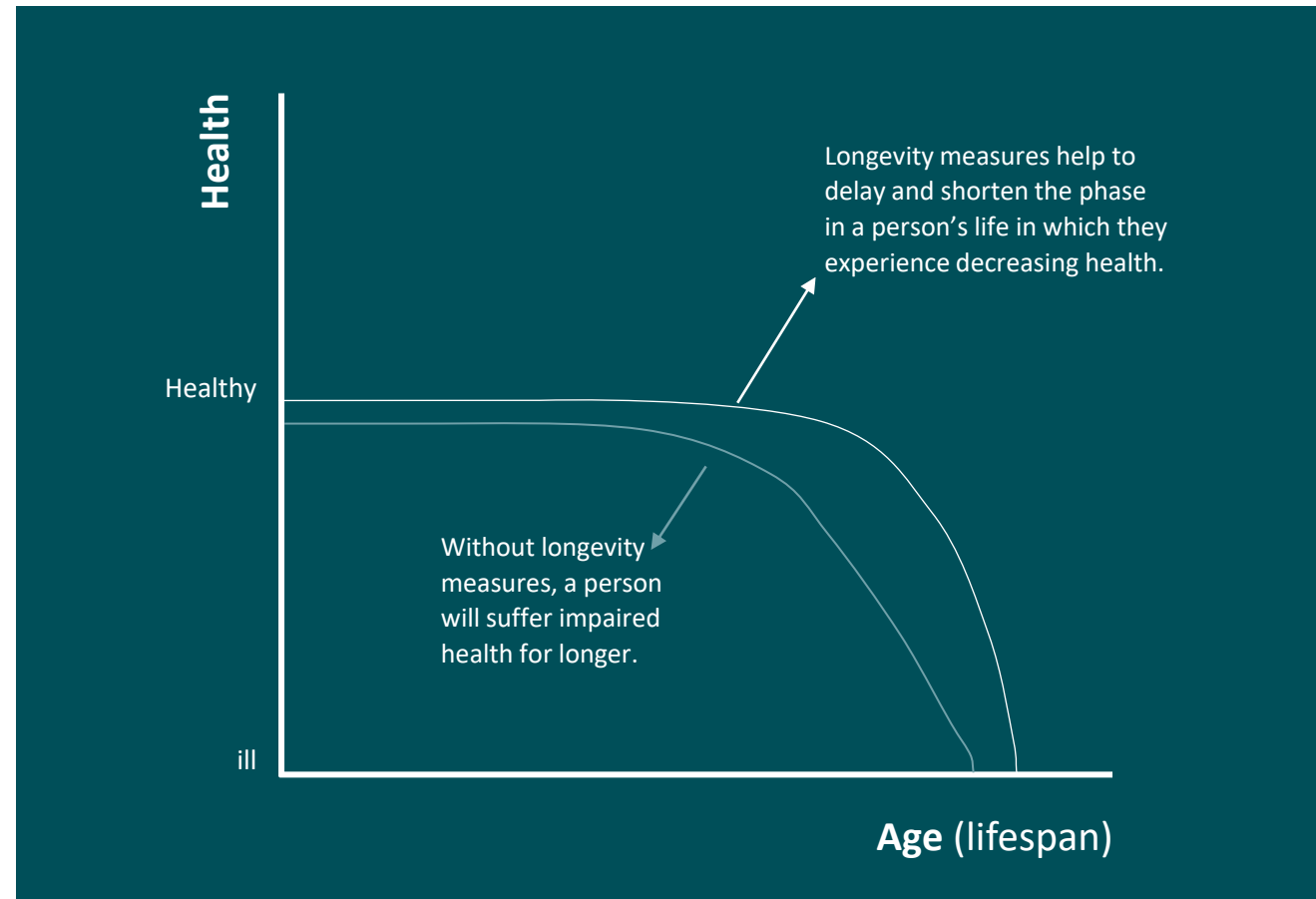
The longevity trend is about bringing a person’s **health span** (how many years they live in good health) as close as possible to their **lifespan** (how many years they live in total) – in other words, **allowing them to live a healthy life for as long as they can**.

We would therefore define longevity as follows:

▶ **‘Extending a person’s health span and reducing the gap between it and their lifespan’**

This poses a number of **challenges** to health insurers:

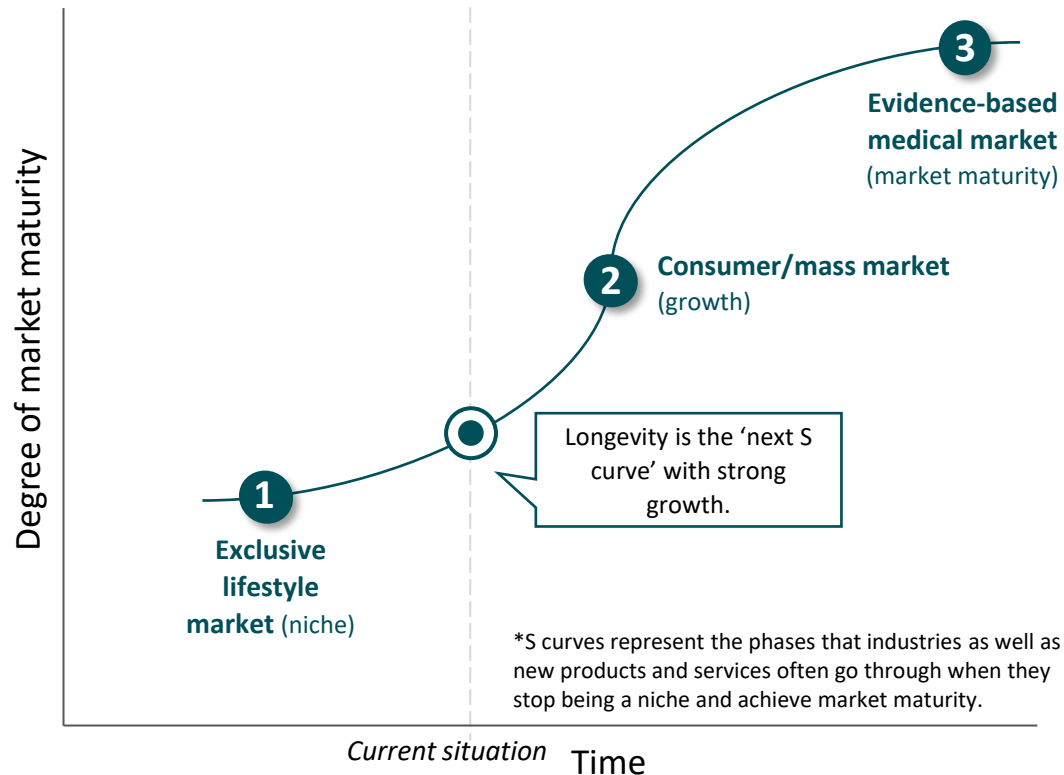
- **Careful product planning** is required, because longevity services can include new consumption elements (thus increasing costs) but also have a positive impact on health (thus reducing costs).
- In the medium term, customers **living longer** could **push costs up**, particularly if one side-effect of longevity measures will be to extend (slightly) the length of time they spend living with impaired health or illness.



Although longevity is still something of a niche, it looks set to grow into a mass market over the next five to ten years



The longevity market: from the preserve of the elite to a mass-market phenomenon



- 1 Longevity began life as a **high-priced niche market** targeting a **small elite** of health-conscious top earners based on initial research findings that offered promise.
- 2 However, it now has the **potential to grow into a market worth billions** in which large swathes of the population will be able to benefit from longevity services at affordable prices. At the same time, efforts are under way to find more evidence for the effectiveness of the various measures.
- 3 Over the long term, longevity could grow into a **fully evidence-based medical market** with far-reaching implications for the economy and society.

With longevity set to become much more important in the coming years, **health insurers should act early to build up expertise in this area in order to benefit from the mass market** looming on the horizon.

As well as analysing Longevity from an insurance perspective (for Switzerland and internationally), Deloitte has also discussed the issue of longevity with key players from other industries and can thus draw on extensive experience in the matter. This enables the company to offer customers in-depth insights into the topic by giving keynote speeches or moderating debates.



Selected spotlight topics

Longevity

Cyber-security & data protection for health insurers

Customer confidence is the most important currency for health insurers – cyber-security and data protection are key factors here



- **84%** of customers rate **data protection and data security** at their health insurer as **important or very important**.
- **80%** of customers **value data protection and data security more important than** (or at least as much as) the availability of **innovative services**.

Commitments of Swiss health insurers

Extract: Privacy policies of three large Swiss health insurers

“Outstanding when it comes to data protection as well!

Customers can rest assured that their data is safe and secure with us.”

“Data privacy and data security are a top priority for us. We therefore **place great emphasis on the protection of personal details in all business processes.**”

“Data protection and information security are of paramount importance to us and form an **integral part of our corporate responsibility** at every level.”

In practice, there are three key challenges when implementing cyber-security and data protection



Heightened threats

- In recent years, at least **two Swiss health insurers** have been **hit by a cyber-attack**, and some personal data has been lost as a result.
- International incidents such as UnitedHealth (US, March 2024)¹ show that the **financial damage** and **loss of confidence** can be substantial.
- Most Swiss health insurers expect further, **serious cyber-attacks**.

Health insurers should be aware of their vulnerabilities, systematically reduce them and ensure their readiness to react.



Growing complexity

- An IT landscape with numerous (ageing) systems and interfaces makes it challenging to **keep an eye on data** and **ensure data protection**.
- Sensitive **customer data** is often **scattered around the IT landscape** and not routinely deleted.
- The growing **integration of the health care system** increases the level of complexity.

Health insurers should devise and systematically implement a uniform data management and data deletion concept.



High customer expectations

- Our surveys show that **customers value innovation highly**.
- This puts pressure on health insurers to **become more technologically advanced** – such as by using the **cloud**, including the latest services such as cloud-based GenAI.
- However, this also raises **new questions** regarding data protection and security.

Health insurers should establish data security as a fixed component of their development processes.

The management team and board of directors should have **full transparency of the internal situation** with regard to data protection and security, including possible **conflicts with new regulations**², as this field often involves risks.

As a leading provider in the cyber-security and data protection sector, Deloitte is always on hand to address this sensitive issue in face-to-face discussions.



Facts and figures for the Swiss health insurance market

Overall market

Compulsory & voluntary health insurance

Top 12 health insurers



Facts and figures for the Swiss health insurance market

Overall market

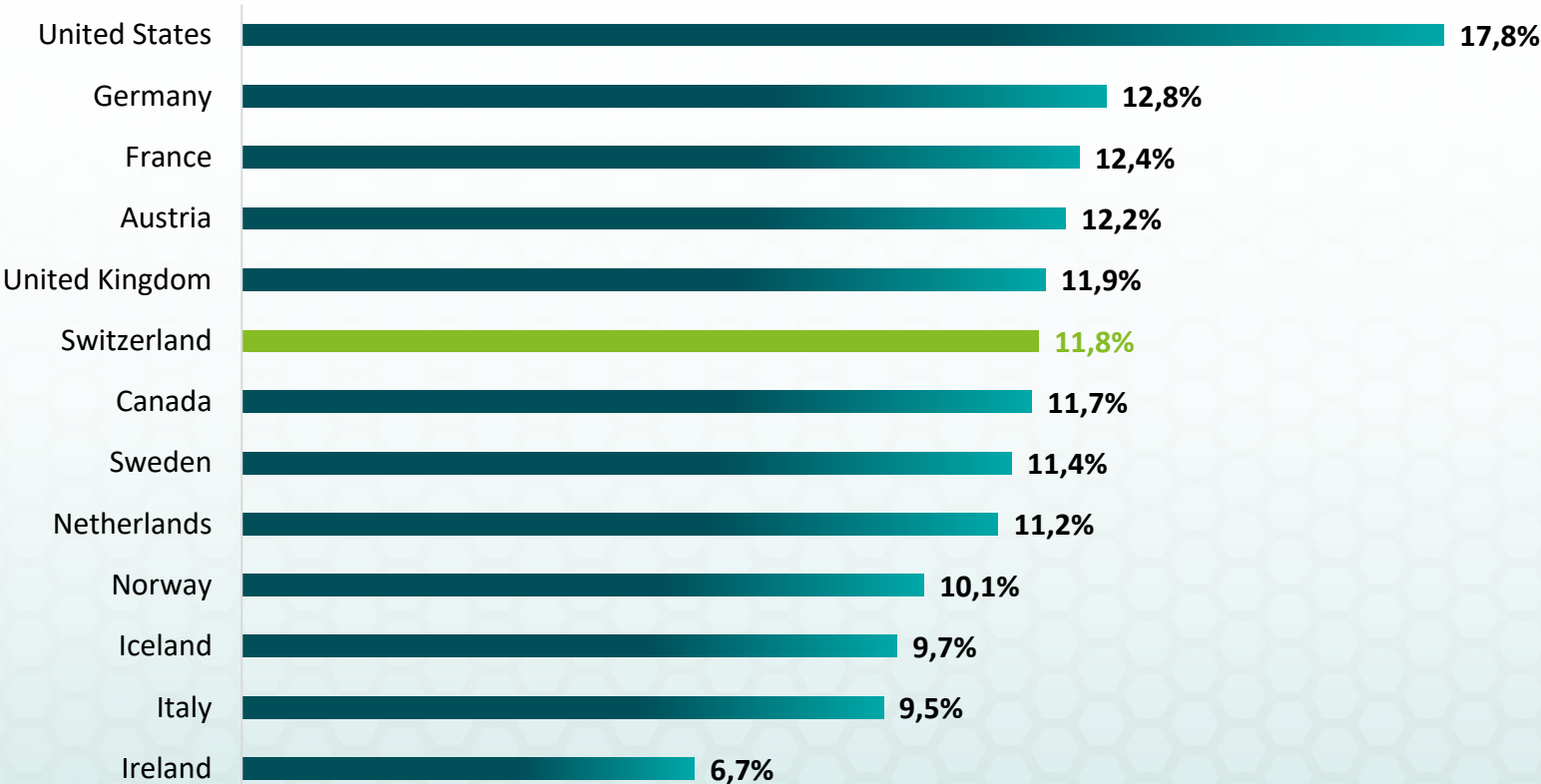
Compulsory & voluntary health insurance

Top 12 health insurers

Costs in our health care sector are similar to those in other western European countries – however, consumers perceive things differently due to the per-capita premium

Health care expenditure in OECD countries

Health care expenditure as a ratio of gross domestic product (2021), most recent available data



Findings

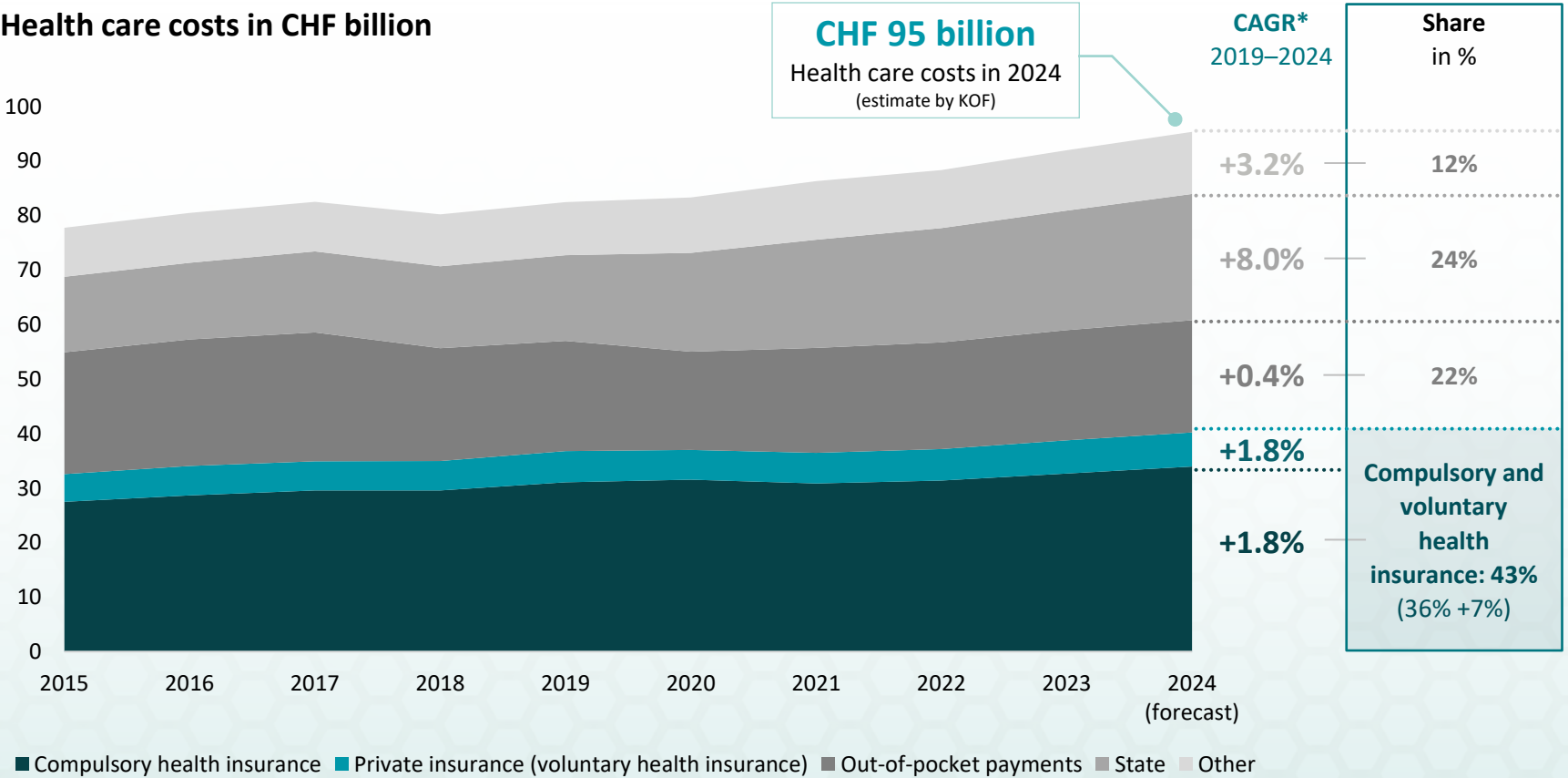
- As a ratio of economic output, **Switzerland has high health care costs** compared with other OECD countries.
- Our **neighbours** Germany, France and Austria **actually have slightly higher relative costs**.
- Since the Health Insurance Act (HIA) was introduced in 1996, health care costs as a share of GDP have risen significantly **from 8.6 per cent to the current level of 11.8 per cent** (not visible in the chart).
- The system of **per-capita premiums** in basic health insurance means that costs are **more noticeable to consumers** than in other European countries, where health care costs are often funded by taxes.

Source: Swiss Federal Statistical Office – Health Care Costs and Financing (COU), OECD, Health Statistics 2023

Compulsory and voluntary health insurance fund approx. 43 per cent of the CHF 95 billion health care costs

Development of funding of the health care system

Health care costs in CHF billion






Findings

- Health care costs total CHF 95 billion per year, equivalent to more than CHF 10,000 per person per year.
- **Approx. CHF 41 billion** of this (CHF 4,500 per person) is funded by the **health insurers**, with basic insurance accounting for the majority.
- In particular, **state-funded costs have risen** in recent years. This is largely due to the COVID-19 pandemic (in particular covering most of the diagnostic tests and the supply of vaccines).
- **Out-of-pocket payments** are very high in comparison with other countries, although they have stagnated in recent years. They include dental treatments, nursing care and deductibles/excess.

The overall health insurance market with private and corporate insurance amounts to approx. CHF 50 billion

Overall health insurance market

Segments	 Premiums in 2022		 Growth	 Profitability
	Overall market (CHF billion)	Share of health insurers	CAGR* of overall market 2012–2022	Loss ratio of overall market
Compulsory health insurance ¹	~33.1	100%	3.1% p.a.	99%
Voluntary HI for treatment costs ²	~7.1	99%	1.0% p.a.	67%
Compulsory accident insurance ³	~3.3	25%	1.5% p.a.	70%
Loss of earnings ⁴	~5.1	52%	5.3% p.a.	85%
Total	~48.6	90%	2.8% p.a.	91%



Findings

- Health insurers operate in an **overall market of CHF ~48.6 billion** with four main segments.
- The **fastest-growing segments**, compulsory health insurance and loss of earnings, are also those with the **highest loss ratio**. Typically, insurers regard these segments as a **doorway to upselling** to the more profitable voluntary health insurance and compulsory accident insurance segments.
- However, **business involving voluntary health insurance for treatment costs** in particular remains under pressure with regard to customer expectations and regulations (FINMA). In addition, the **continuously expanded list of eligible benefits for compulsory health insurance** is increasingly undermining this segment.

Source: Federal Office of Public Health – Statistics on Compulsory Health Insurance 2022; FINMA – Insurer’s reporting portal

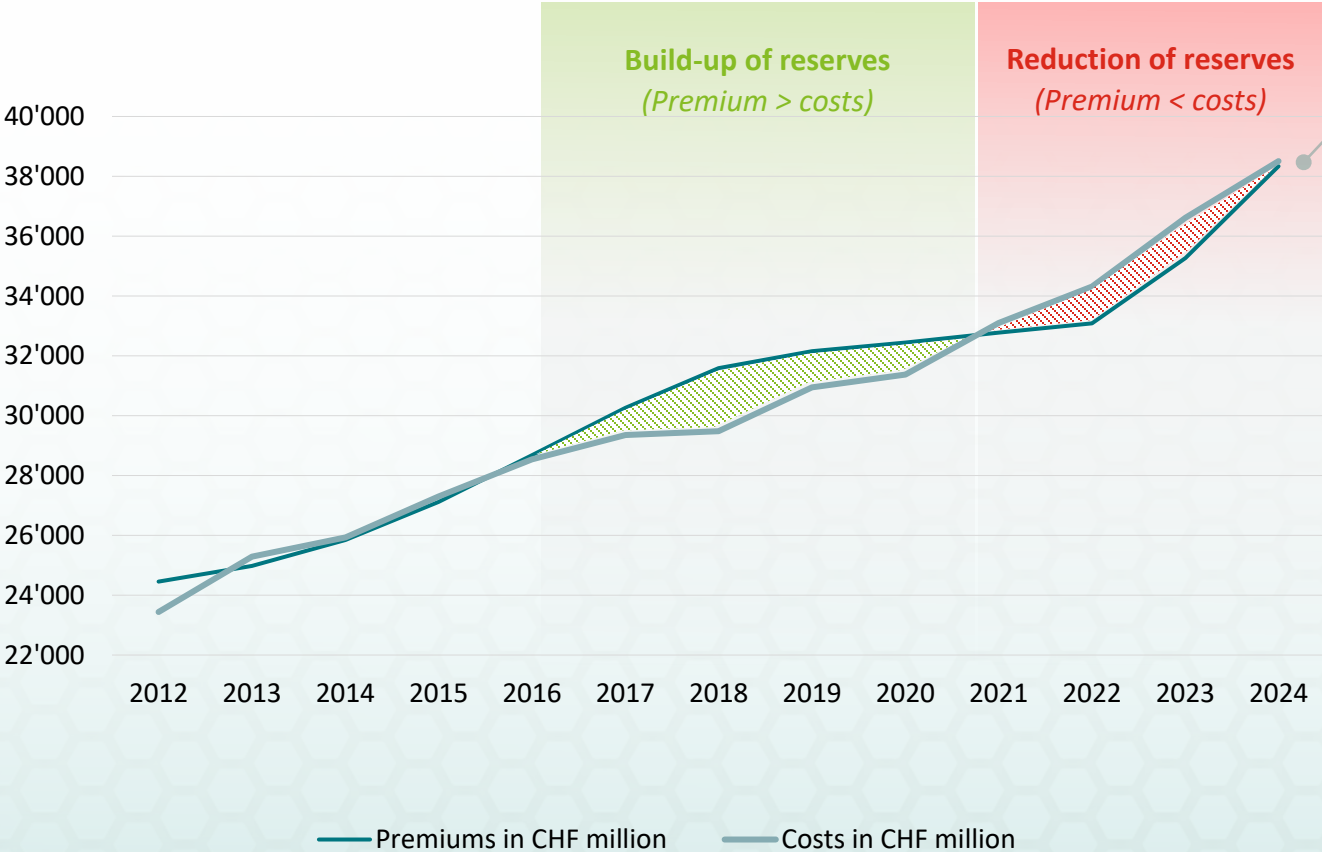
* CAGR: Compound annual growth rate

1) Compulsory health insurance premium income, 2) Comprises inpatient and outpatient treatment costs as well as nursing care, 3) Comprises individual accident, supplementary compulsory accident insurance, other group accident insurance, voluntary accident insurance, occupational accident insurance, non-occupational accident insurance (comprises only premium income as per the Accident Insurance Act), 4) Comprises individual and group loss of earnings

If claims costs were to rise by approx. 5 per cent in 2024, premiums would roughly cover costs – a higher rise in costs would result in pent-up demand

Comparison of cost and premium development

Premiums and costs in CHF million



Based on premiums for 2024, a claims cost increase of max. +5.0% is covered.

Please note that capital market performance and changes in provisions are not taken into account here.



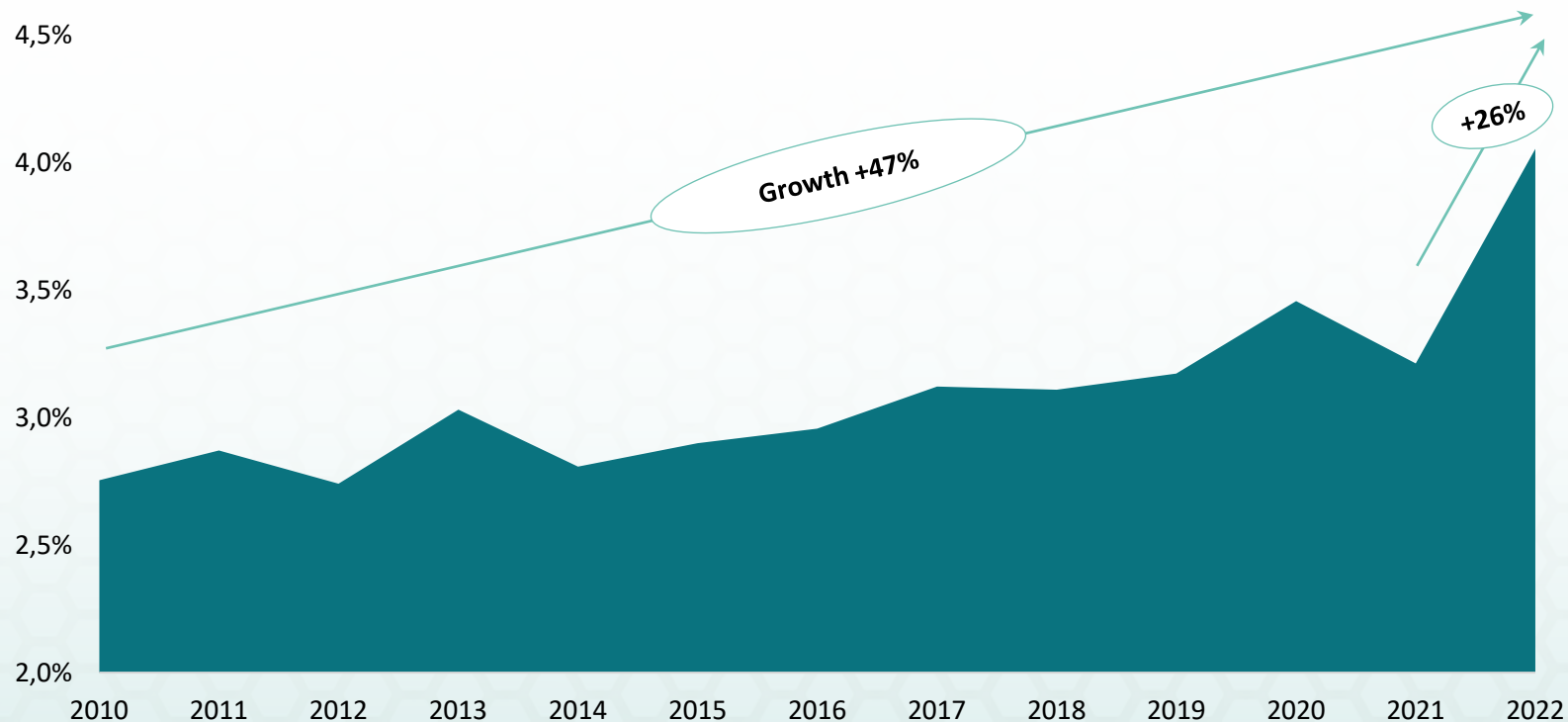
Findings

- In 2021–2023, health insurers **reduced their reserves significantly** by offering ‘too inexpensive’ (in other words **non cost-covering**) premiums.
- This was a **political objective**, but it has led to sharp falls in solvency ratios and therefore, from 2023, to clearly above-average rises in premiums.
- In some cases, **premiums were also increased significantly in 2024**. Our analysis shows that this income could **fund a cost increase of 5 per cent at most**. If costs rise more sharply, reserves will be reduced further this year.

The rate of health-related absences has risen by nearly 50 per cent in the past 12 years

Annual absences for health reasons compared with normal working hours

Rate* of health-related absences (sickness/accident) of full-time workers
(permanent resident population, in % 2022)



Findings

- In 2022, full-time workers in Switzerland missed **9.3 working days on average** (4.1 per cent of working hours), with a noteworthy **sharp rise between 2021 and 2022** (+26 per cent).
- Across the entire period **since 2010**, it is **technical careers and office-based jobs** rather than physically demanding careers that have seen the **biggest increase**, at +69 per cent to 75 per cent. In addition, the rate is above average for **younger employees** (15- to 24-year-olds).
- It is **not possible to draw clear conclusions** as to the reasons. However, factors such as the rise in absences for mental health-related reasons are gaining in prominence.
- This trend presents a **major challenge to employers and daily allowance insurers** alike. New solutions are required – from prevention and early detection to fast reintegration.



Facts and figures for the Swiss health insurance market

Overall market

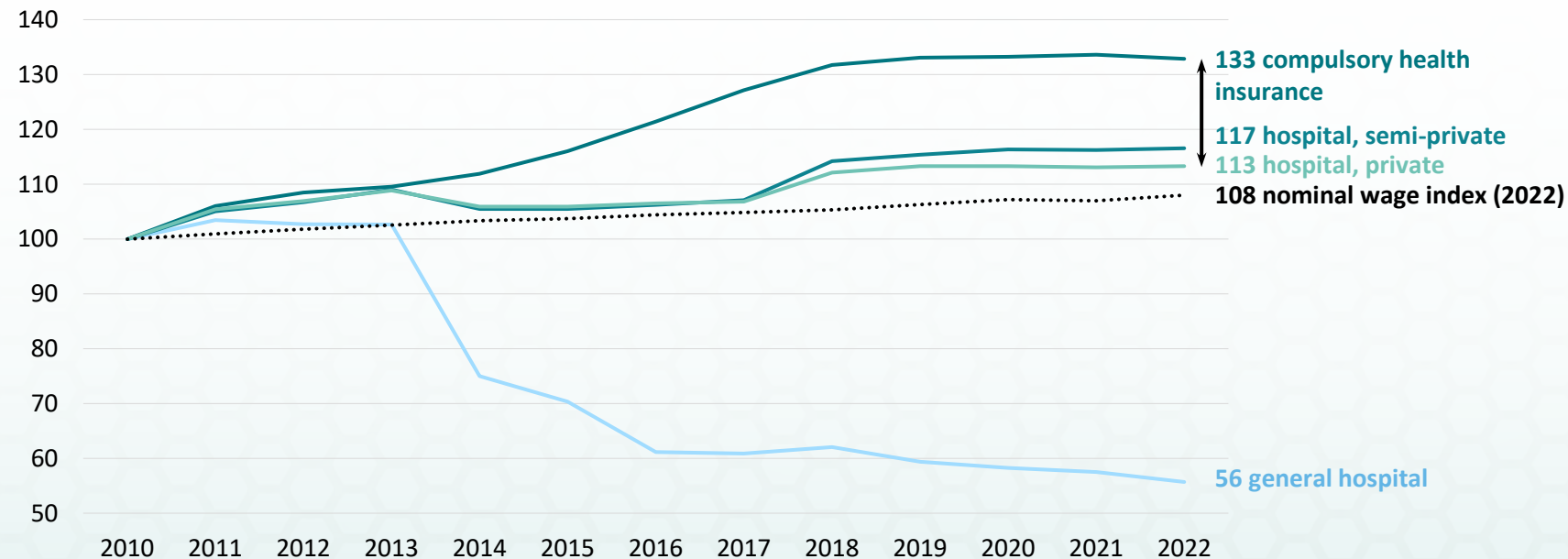
Compulsory & voluntary health insurance

Top 12 health insurers

The premium index of compulsory health insurance has risen much more sharply than the nominal wage index

Development of the premium index for compulsory health insurance and supplementary hospital insurance compared to nominal wage

Wage index and premium index for compulsory health insurance and supplementary health insurance (2010 = 100)



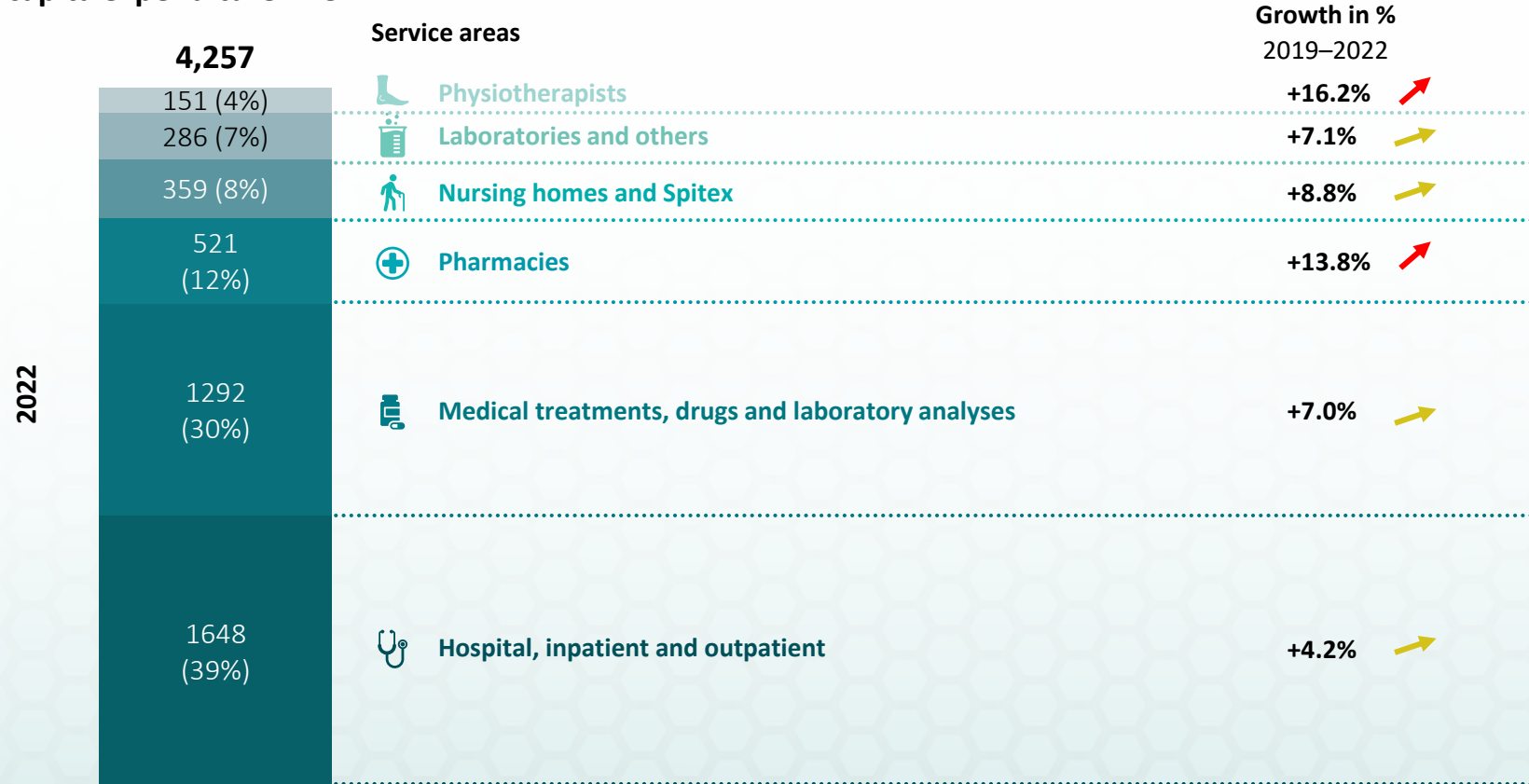
Findings

- Between 2010 and 2022, **compulsory health insurance premiums** rose by **+33 per cent**, representing **annual growth of +2.4 per cent**.
- Consequently, premiums rose more sharply than **wages**, which only increased by **+0.6 per cent per year**.
- With regard to **hospital insurance**, the effect is less pronounced. The **intervention by FINMA** has had an effect and led to price reductions in some cases.

Among pharmacies and physiotherapists, costs have risen most sharply in recent years

Compulsory health insurance expenditure of selected medical areas in Switzerland in 2022

Per-capita expenditure in CHF



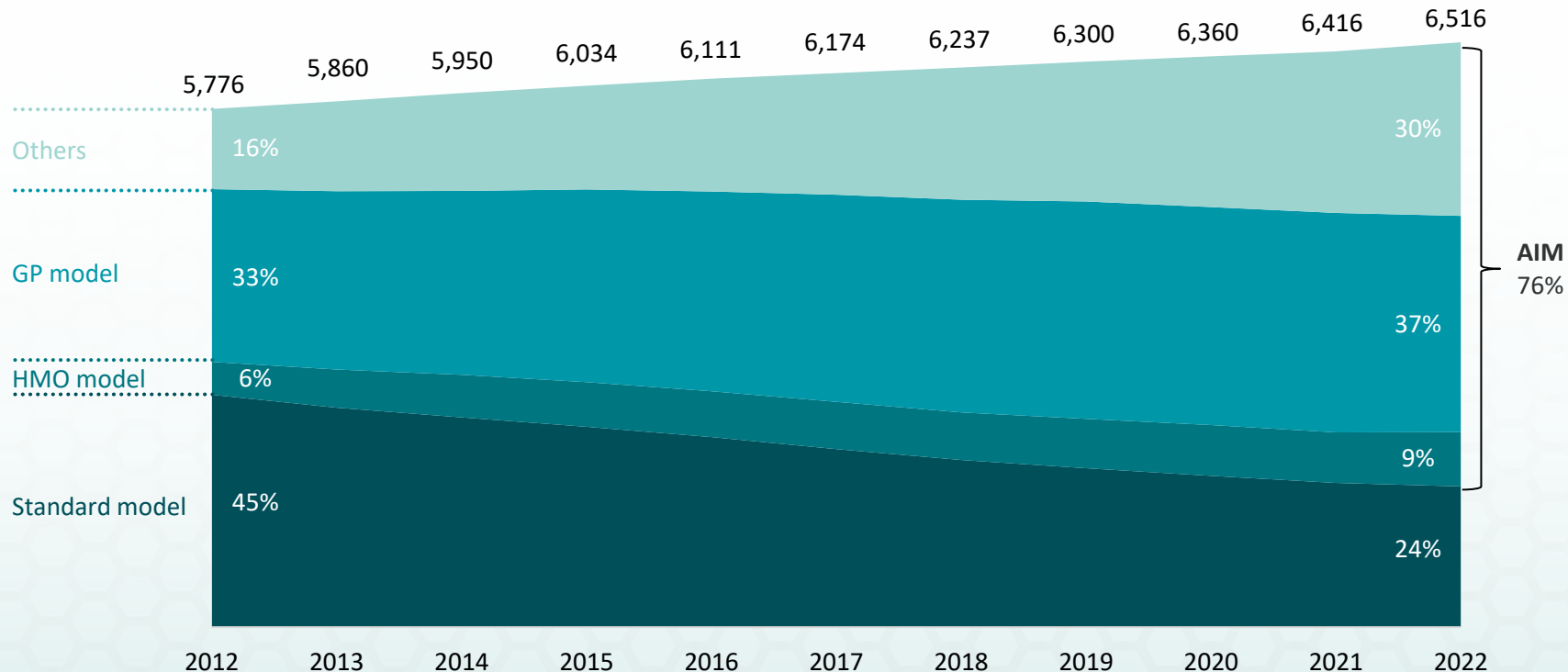
Findings

- **Hospitals (39 per cent), medical treatments, drugs and laboratories (30 per cent)** account for the majority of compulsory health insurance costs.
- By contrast, **physiotherapists** and **pharmacies** have seen the **biggest growth** since 2019, for reasons that are unclear.
- With regard to **physiotherapy**, the explanation seems to be a rise in volumes. In addition to the long-term trend towards conservative treatments, growing demand from society is leading to more prescriptions, for instance.
- By contrast, **prices** seem to be the main issue for pharmacies – growing numbers of new drugs are leading to rising prices and margins for retailers.
- In the years ahead, **further cost increases** are also expected in the **psychotherapy field**, as the list of eligible benefits for compulsory health insurance was expanded accordingly in 2023.

There has been a constant increase in alternative insurance models in the last ten years

Number of policyholders by insurance model

Number of policyholders in thousands, share per model in %, adults only



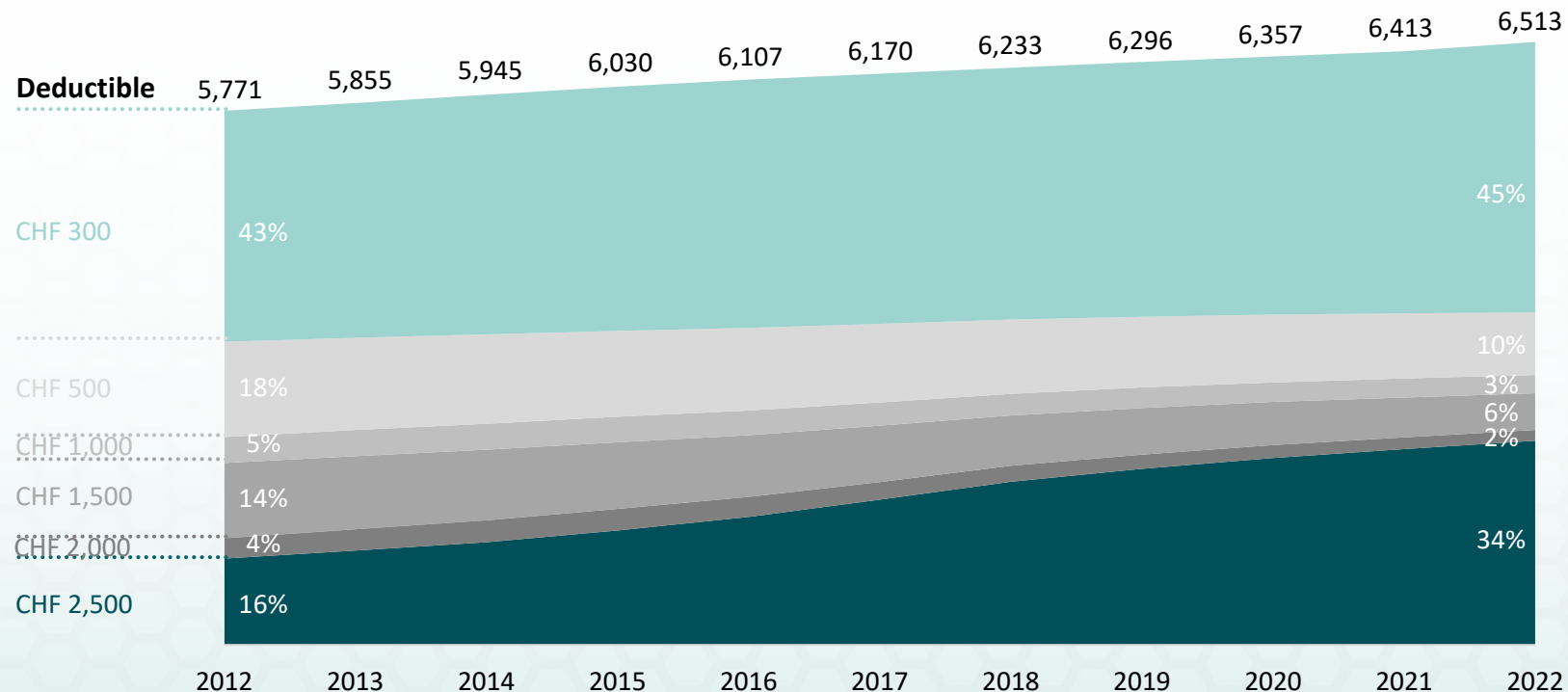
Findings

- In 2022, **76 per cent of adults** chose an **alternative insurance model (AIM)**. This share has risen constantly over ten years, with the result that **only a small minority now have the standard model**.
- **The boundaries are blurred with AIMS** – these days, hybrid models that combine multiple gatekeepers such as GPs, remote medicine or pharmacists are the standard. These do not fit into the traditional categories, which explains the growth of the ‘Other’ category.
- The shift also has impacts on **policy**. The **development of the standard premium** is often used as the **indicator** for premium growth or the impact on households. However, this **no longer reflects the reality** of most of the population. At times, this has **contorted the debate** in the run-up to the vote on 9 June 2024.

There has been a sharp rise in the maximum deductible in the last ten years – this now stands at around 34 per cent

Number of policyholders by deductible

Number of policyholders in thousands, share per deductible in %, adults only



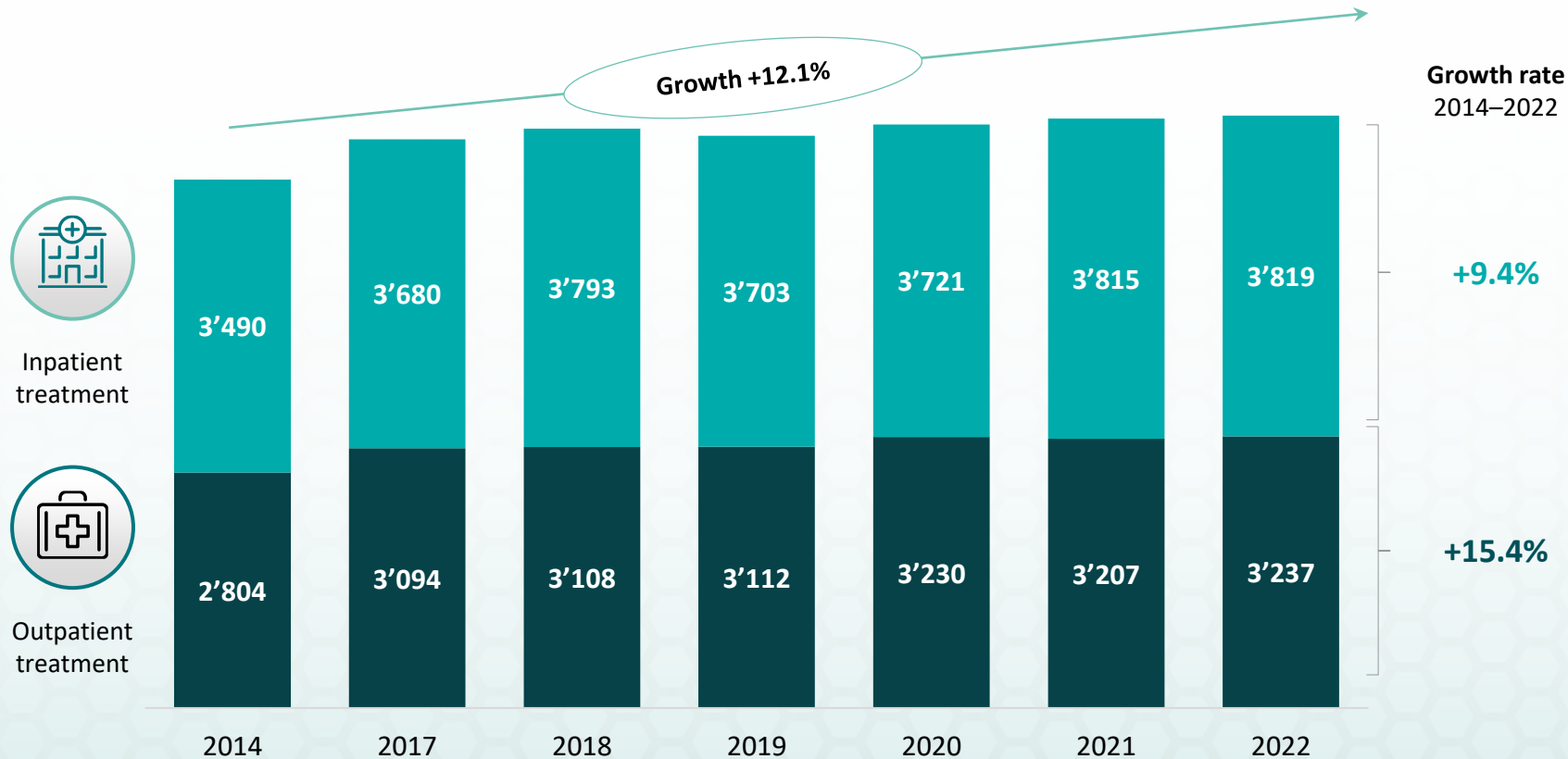
Findings

- **‘Intermediate deductibles’ of CHF 500–2,000 have become much less common** since 2012.
- Presumably, this is because policyholders **understand the system better** and therefore choose the **optimum deductible** for them (in objective terms). This is usually the **CHF 300 or CHF 2,500 deductible**, depending on the expected health care costs. With deductibles between the minimum and maximum deductible, the discount is often too low to be financially worthwhile.
- In addition, there is rising **pressure to save on account of high premiums**. Therefore, policyholders are increasingly choosing a CHF 2,500 deductible, often in combination with an alternative insurance model.

The shift from inpatient to outpatient is slightly reflected in the voluntary health insurance premium volume

Development of voluntary health insurance premium volume with inpatient/outpatient split

Written premiums in CHF million



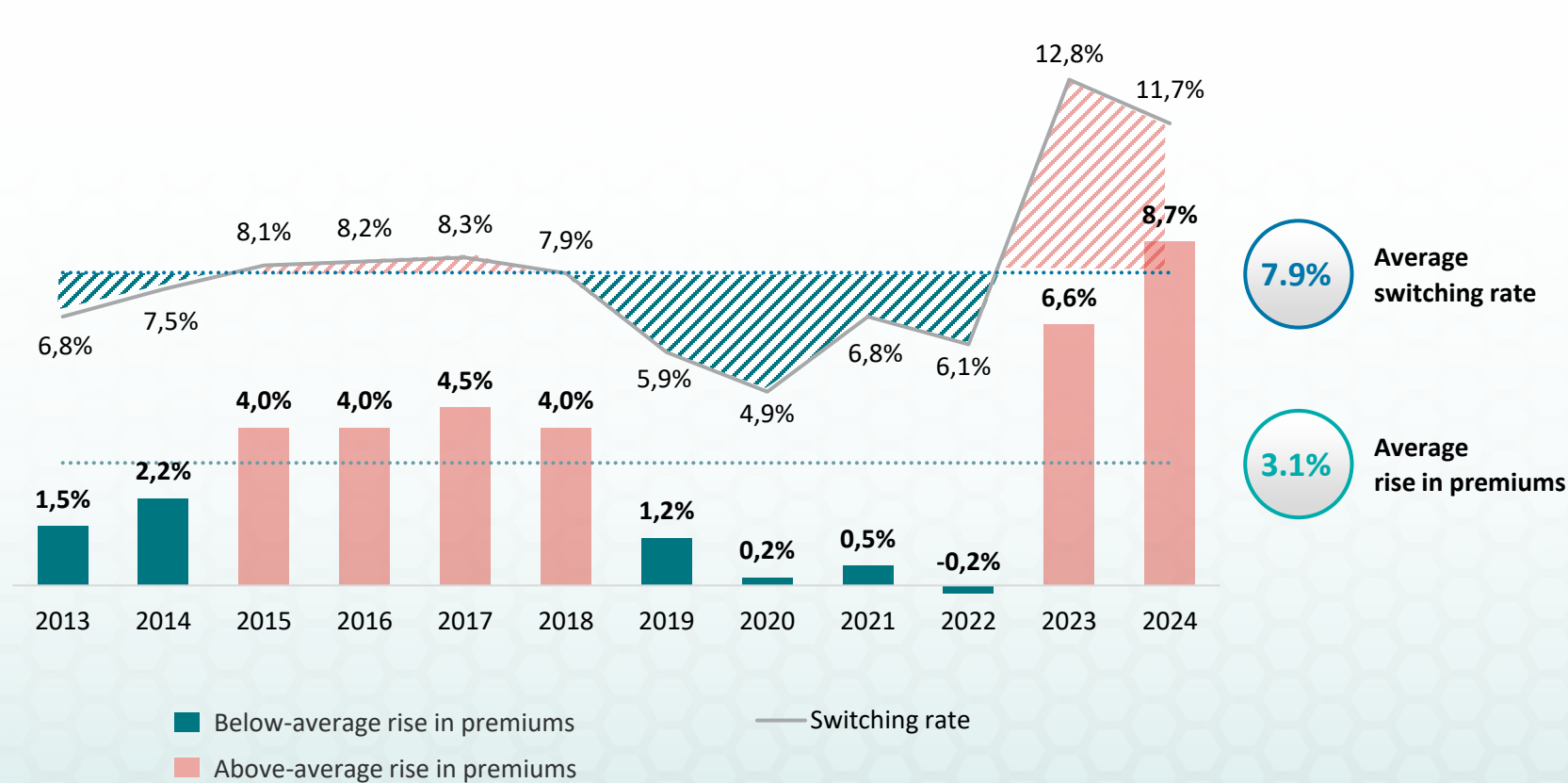
Findings

- The emphasis on **outpatient over inpatient** has been policy-driven for several years.
- However, this is **only slightly perceptible** in the figures for **supplementary insurance** (outpatient treatments still only account for around 45 to 46 per cent). Outpatient costs have risen only slightly more than inpatient costs.
- The **reasons** for this are **unclear**. The **high density of hospitals** due to a closure policy that is barely viable could be one reason. In addition, the **funding imbalance between outpatient and inpatient services** creates certain disincentives.
- The latter point now appears to be changing: the **uniform funding of outpatient and inpatient treatment (EFAS)** went through Parliament after a process lasting around ten years. This could accelerate the shift toward outpatient treatment.

The switching rate is down slightly as of 1 January 2024 despite further rises in premiums

Switching rate of health insurance policyholders in recent years

Rise in average premium and switching rate of policyholders in %



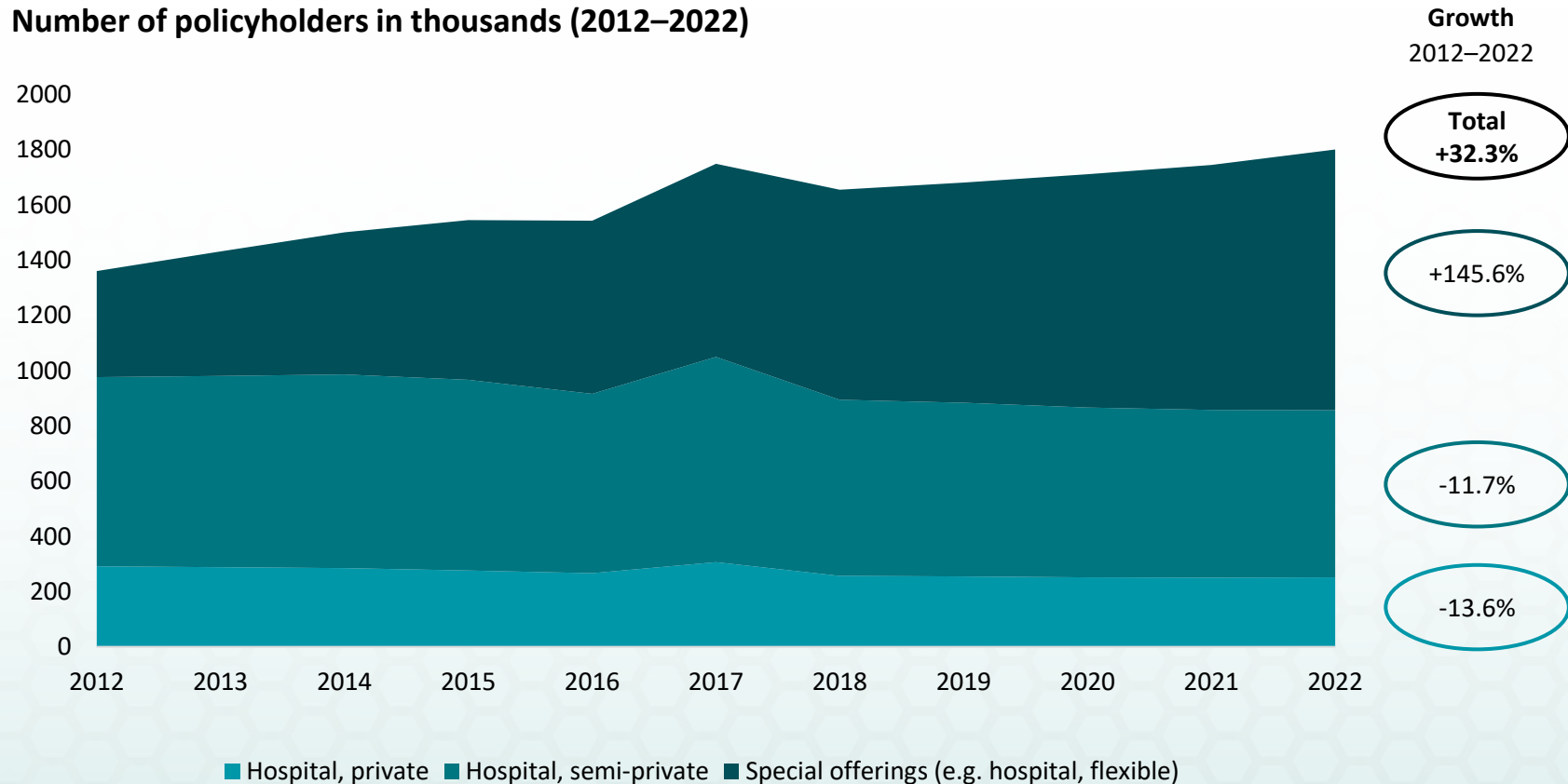
Findings

- Over the last ten-plus years, there is a **strong correlation between rises in premiums and the switching rate of policyholders.**
- 2024 is not entirely in line with this trend:** although premiums rose even more sharply than in 2023, the switching rate fell slightly – however, it remains well above the historical average.
- One possible reason is that many policy holders **optimised their situation in 2023** and therefore had **less savings potential** in 2024. In addition, KPT, which had very attractive pricing in 2023, retained many of its newly gained policyholders, as it was attractively positioned again in 2024.

The annual increase in hospital insurance policies is attributable to flexible products

Policyholders with (semi-)private supplementary hospital insurance

Number of policyholders in thousands (2012–2022)



Findings

- In 2022, around **1.8 million customers** (approx. 20 per cent of all compulsory health insurance policyholders) had **semi-private, private or flexible supplementary hospital insurance**.
- Consequently, there are around **500,000 more people** with supplementary hospital insurance **than there were ten years ago**.
- This growth is **almost entirely attributable to flexible products**, which are **less expensive** and also provide **flexibility**.
- The trend shows no sign of slowing down. As a result, **traditional semi-private and private cover** is gradually becoming **less relevant**.



Facts and figures for the Swiss health insurance market

Overall market

Compulsory & voluntary health insurance

Top 12 health insurers

Over the last four years, KPT has posted the biggest absolute increase in customers, while Assura has seen the biggest loss

Change in basic insurance customer base as at 1 January (see p.52 for supplementary insurance)

Change in compulsory health insurance customer base in absolute terms (in thousands)

	CSS	Helsana	groupe mutuel	assura.	SWICA	VISANA	CONCORDIA	sanitas	kpt:	atupri	ÖKK	sympany
2021	+64	+75	-21	-52	+18	-5	-6	+4	-15	+13	0	-6
2022	+65	+43	-9	-41	+7	+3	-5	+1	+14	-2	+10	0
2023	-11	-100	+64	-92	+30	+14	+2	+4	+204	-41	+6	+27
2024	+30	+1	+63	-115	-45	+11	+71	+40	-7	-2	+1	+8
Total 21–24	+147 (+11%)	+19 (+1%)	+97 (+10%)	-301 (-30%)	+9 (+1%)	+23 (+4%)	+61 (+10%)	+49 (+8%)	+196 (+55%)	-31 (-17%)	+17 (+11%)	+28 (+15%)



Findings

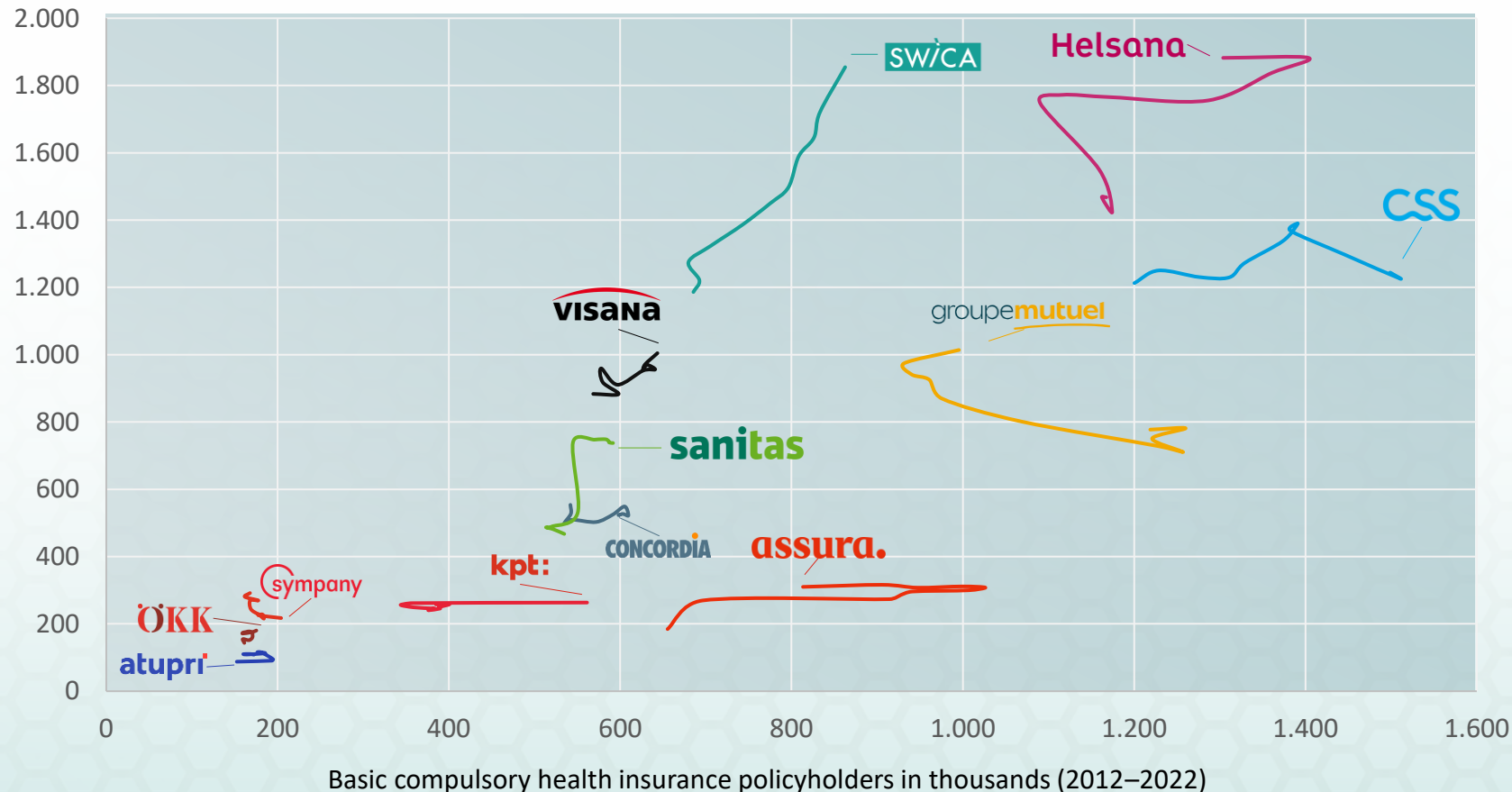
- In 2024, **Concordia** posted the biggest growth at +71,000 compulsory health insurance customers.
- **Assura** saw by far the **heaviest loss**. It has lost around 300,000 compulsory health insurance customers in the last four years.
- **Stability** over the years is particularly apparent at **Sanitas**, which has consistently gained customers, including an above-average number in 2024.
- In addition to quantity, the **'quality' of the customers gained** is a key factor, in terms of their state of health as well as their preferences (e.g. price sensitivity). The figures only reflect part of the true picture here.

Important note: The 2021 – 2023 figures only reflect the business within Switzerland (source: BAG). For some insurers, the foreign business makes a significant difference. For example, Helsana only lost -84k customers in 2023 when foreign customers are included (instead of -100k as shown in the graph). The 2024 figures are based on annual reports and media publications, as BAG-data for 2024 are not yet available.

The performance of the top 12 health insurers in the compulsory and voluntary health insurance business develops differently

Number of compulsory health insurance policyholders (x-axis) and voluntary health insurance business volume (y-axis)

Voluntary health insurance premium volume in CHF million (2012–2022 – private customer & corporate business)



Findings

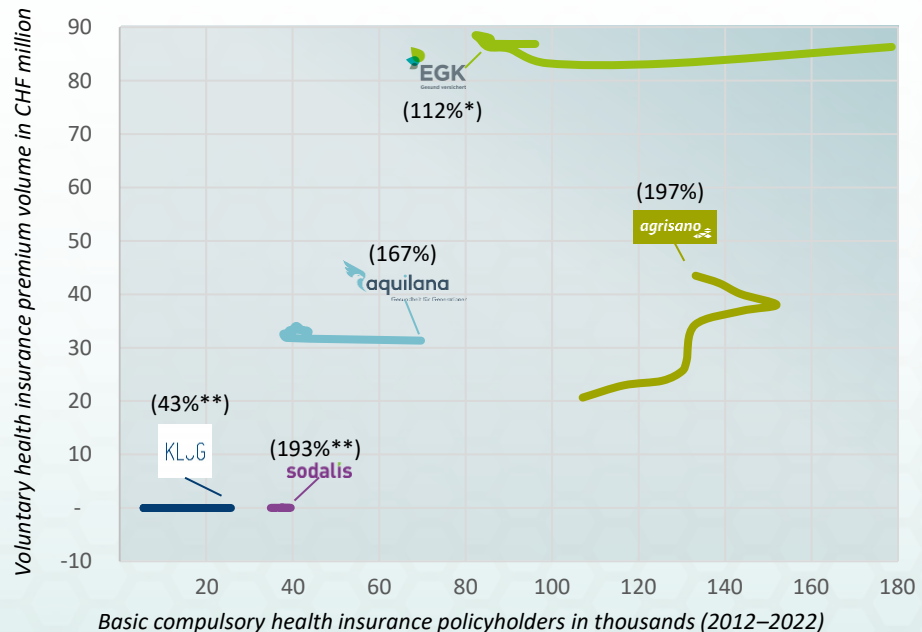
- In recent years, the **top 12 health insurers** have consistently had a cumulative **market share of around 93%**.
- However, the market environment has **evolved at a considerable pace** within the **top 12**.
- **CSS and Helsana** have **extended their market leadership**, with SWICA keeping pace in the supplementary insurance business.
- **Groupe Mutuel and Assura** have **lost** compulsory health insurance customers over the last ten years, with only Groupe Mutuel managing to reverse this trend in recent years. Both have made gains in voluntary health insurance, albeit only very slightly in Assura's case.
- Among **smaller insurers**, **KPT** stands out with huge compulsory health insurance growth from 2022 to 2023. This enabled it to make up ground on Visana, Sanitas and Concordia.

The small, unknown health insurers remain active and have a high level of customer acceptance

There is also dynamic market development among small health insurers.

Representation of small health insurers in the compulsory and voluntary health insurance market

(Top 13–17 in compulsory health insurance)

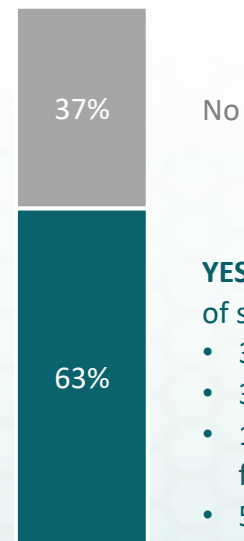


Please note:

- Axes: X = no. of compulsory health insurance policyholders in thousands., Y = voluntary health insurance business volume in CHF million (2012–2022)
- (x%) = solvency ratio in 2023

The Swiss population has a positive attitude towards small health insurers.

Would you switch to a smaller health insurer, and if so, why? (Multiple answers possible)



YES: Reasons for the attractiveness of smaller health insurers

- 35% lower price
- 31% more attractive products
- 12% recommendation by family/friends
- 5% other reasons




Findings

- The smaller, lesser known health insurers remain **present on the market and attractive**. However, they also have to **contend with challenges**.
- **In the short term**, premium fluctuations and, in some cases, a large number of new customers in the autumn season lead to challenges with the solvency ratio as well as scarce resources (human, financial and technical).
- **In the long term**, regulatory requirements, essential IT investment and policy discussions regarding a reduction in the number of health insurers pose challenges for the small players.

The premium ranking can change very quickly

Average premium ranking of the health insurance groups 2015–2024 for the lowest premium for adults

Average premium ranking based on the lowest premium for adults by insurance group
(weighted with the adult resident population by premium region)

Top 12 health insurers	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 	Change 2023–2024
CONCORDIA	14	14	13	13	12	12	13	12	9	5	↑
CSS	5	5	6	4	4	6	3	4	7	6	→
sanitas	9	8	7	10	11	7	9	11	10	8	↑
kpt:	10	13	12	8	8	12	12	7	5	8	→
groupemutuel	6	4	4	11	11	8	10	11	9	9	→
assura.	1	2	2	1	2	2	2	3	6	10	→
Helsana	10	13	14	7	6	4	5	6	13	10	↑
sympany	12	14	11	9	8	8	9	8	8	11	→
atupri	8	8	5	6	6	6	6	4	12	11	→
visana	10	9	8	9	10	11	10	10	10	11	→
ÖKK	11	8	8	10	9	12	12	10	12	12	→
SWICA	14	9	6	6	7	7	6	9	7	16	↓



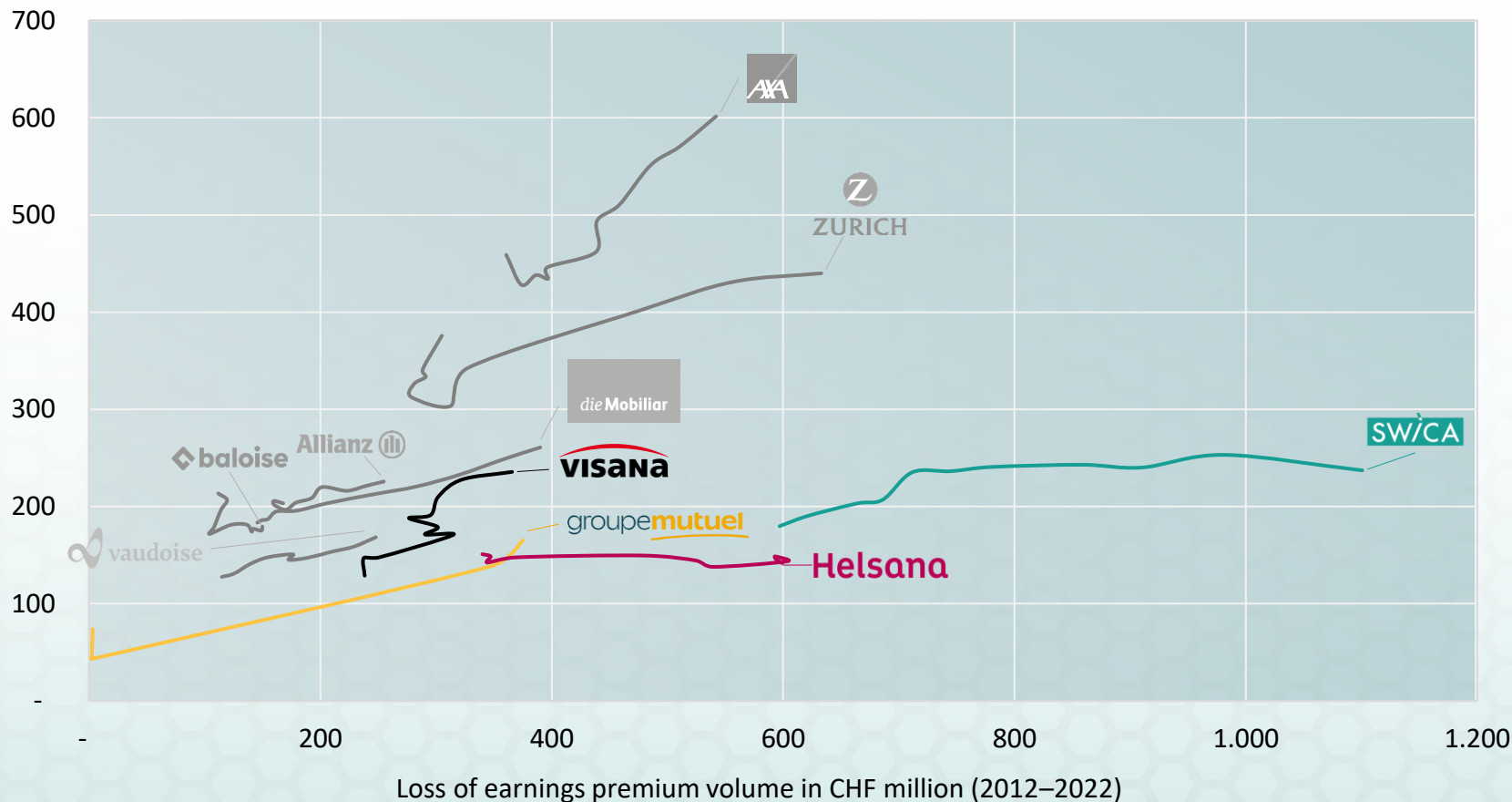
Findings

- With regard to the **lowest premium for adults**, the average rankings of health insurers have changed significantly, particularly since **2021**.
- **Two health insurers, Swica and Assura, have seen their position fall sharply.**
- **Swica**, which had an average ranking of sixth as recently as 2021, **has fallen ten places.**
- **Assura**, the former price leader, has **dropped to an average position of tenth.**
- By contrast, **Concordia** turns out to be the **winner**, having risen by **around eight places** compared with 2021.

Only a few health insurers are active in the loss of earnings and compulsory accident insurance business segments

Loss of earnings insurance premium volume (x-axis) and compulsory accident insurance premium volume (y-axis)

Compulsory accident insurance premium volume in CHF million (2012–2022)



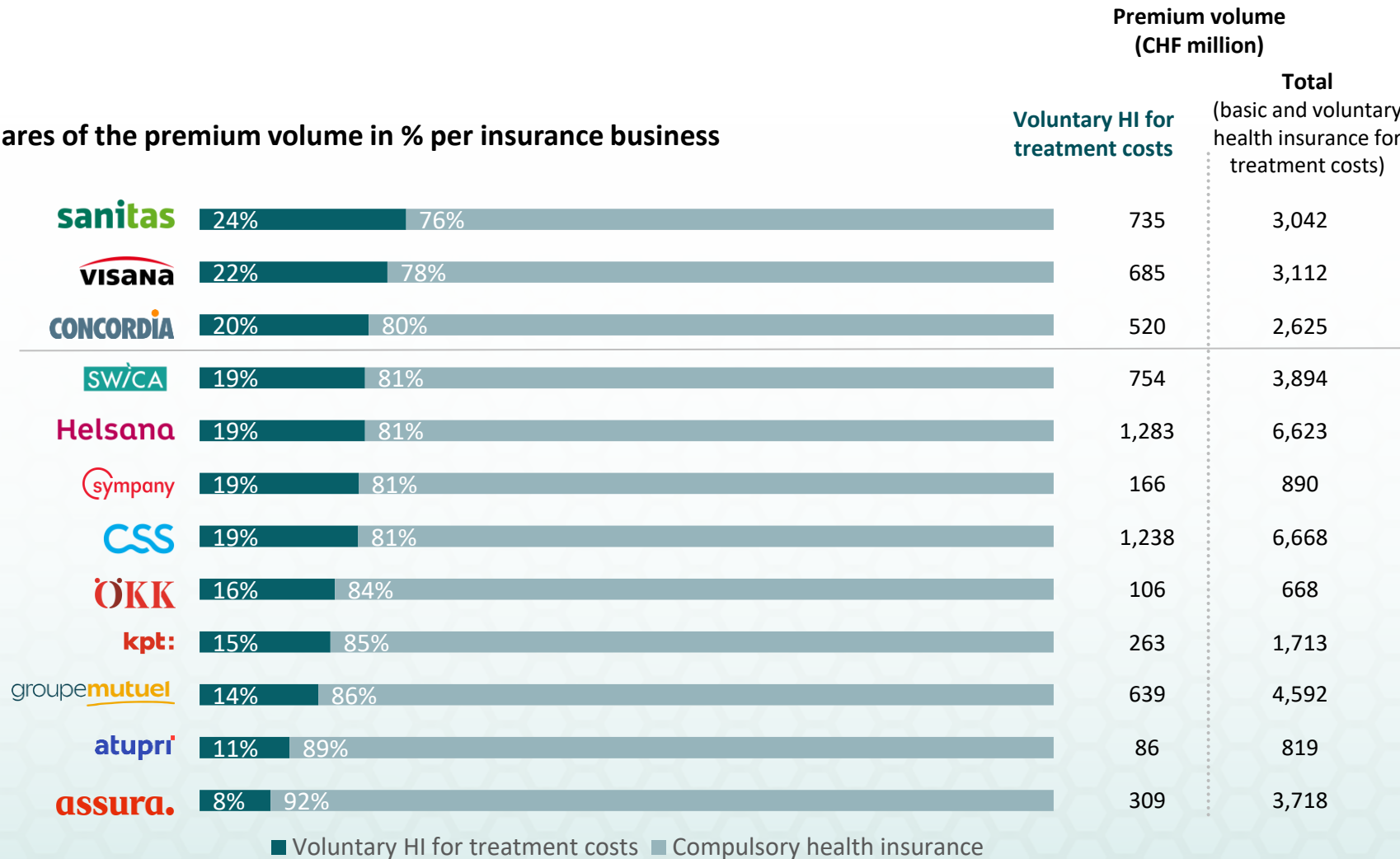
Findings

- Compared to private insurers, **health insurers are particularly strong in the loss of earnings insurance business.**
- By contrast, **private insurers are much more successful in the more profitable accident insurance business.**
- **With a view to the future**, health insurers must ask themselves:
 - ... whether they should strive for further growth in the loss of earnings insurance business despite rising levels of sick leave and lower margins
 - ... what USP they can provide in the loss of earnings insurance business market apart from price
 - ... and how they could strategically gain market share in the accident insurance business

Only three health insurers attain a voluntary health insurance share of over 20%

Premium volume by basic and supplementary insurance

Shares of the premium volume in % per insurance business



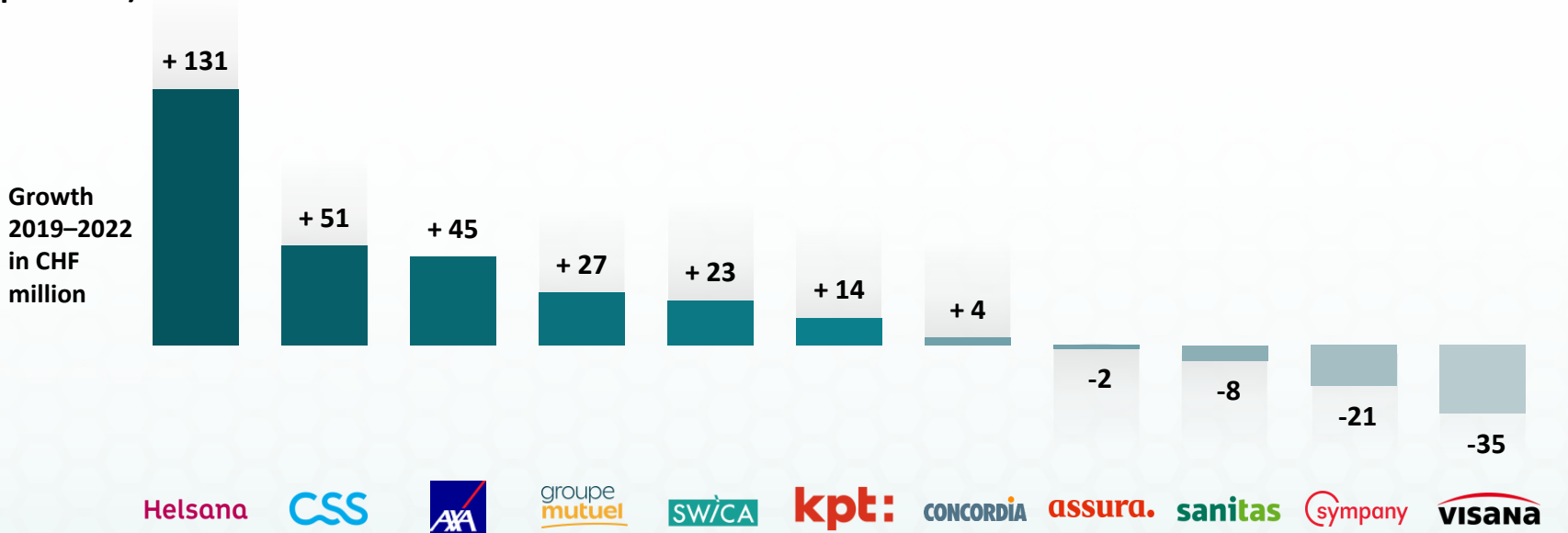
Findings

- On average, **voluntary health insurance for treatment costs business accounts for just under 20% of the premium volume.** However, there are significant differences between the health insurers.
- After **Sanitas**, the main companies heavily involved in the **supplementary insurance business** are **Visana, Concordia** and **SWICA**.
- Atupri** and **Assura** are focused on the **basic insurance business**. However, Atupri could gain access to the attractive voluntary health insurance products of Visana in the future as a result of the Atusana merger.

Helsana has achieved the biggest growth in voluntary health insurance for treatment costs since 2019 – AXA boasts the most impressive performance in percentage terms

Premiums for voluntary Health Insurance for treatment costs: Top ten health insurers and AXA

Premium growth for voluntary Health Insurance (HI) for treatment costs in CHF million (top ten health insurers plus AXA)



	Helsana	CSS	AXA	groupe mutuel	SWICA	kpt:	CONCORDIA	assura.	sanitas	sympany	VISANA
CAGR* 2019–2022 in %	+4%	+1%	+53%	+1%	+1%	+2%	+0%	-0%	-0%	-4%	-2%
Premium for voluntary HI for treatment costs in CHF million (2022)	1,283	1,238	62	639	754	263	520	309	735	166	685



Findings

- **Helsana** has achieved **impressive growth in voluntary health insurance** in recent years, moving far ahead of its competitors.
- However, **AXA’s growth** of over 50% since 2019 also stands out. AXA has been present in the supplementary health insurance market with the familiar USP ‘switching service’ since 2017.
- This offering appears to have been successful so far and has gained **AXA almost as high a premium volume as CSS**.
- In the next few years, there is a question as to whether AXA can **maintain this growth trend** or whether the USP of the switching service will reach its limits.
- In any case, AXA’s offering presents **challenges** for the traditional health insurers and relates to an interesting segment with splitting (see slide 9).

You are welcome to contact us if you have any questions or concerns

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Thank you!

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