

Simply Safe and the ecosystem experiment

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In 2016, Baloise launched a strategy under the name *Simply Safe*. The strategy aimed at simplifying the group, increasing profitability and preparing the company for the digital transformation of insurance. It set targets for cash generation, for the number of new customers and for the share of profits from capital-light business.¹ The second phase, announced for the years 2022 to 2025, placed greater weight on growth and on the so-called ecosystems through which Baloise hoped to reach customers before they thought of insurance.

The ecosystem concept was the most distinctive element of the Baloise strategy. Its premise was that insurance would increasingly be sold as part of broader services around the main areas of daily life, in particular housing and mobility. A customer looking for a flat, buying a car or organising a move would encounter services that Baloise or its partners offered, and the insurance would be integrated into these services.² Baloise invested in start-ups and platforms, acquired stakes in digital companies and created a corporate venture fund. It also operated FRIDAY, a digital insurer in Germany, as a laboratory for direct digital distribution.

The results of the ecosystem strategy disappointed investors. The investments generated costs and losses without producing the expected flow of insurance customers, while the core business suffered from higher claims and from losses on investments in the period of rising interest rates in 2022 and 2023. The share price of Baloise underperformed that of its Swiss competitors for several years.³ In 2024, the group changed its leadership and announced a revision of its strategy that reduced the ecosystem activities and placed the focus again on the core insurance business and on cost discipline.⁴

The ecosystem experiment holds a lesson that extends beyond Baloise. Insurers across Europe tried in the 2010s to escape the commoditisation of their products by moving closer to the customer through platforms and

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services. Few succeeded, partly because customers did not wish to buy their insurance from the same company that found them a flat, and partly because the technology companies that dominated the platforms had no interest in sharing their customer relationships with insurers. The lesson for the Basel financial centre is that the comparative advantage of an insurer lies in the pricing of risk and the management of capital, and that diversification into adjacent businesses needs a clear connection to these strengths.

1 Notes

1. On the Simply Safe strategy (2016–2021) and its successor Simply Safe: Season 2 (2022–2025), see the annual reports and investor presentations of Baloise Holding AG. To be verified. ↩
2. On the Home and Mobility ecosystems of Baloise, including investments in property platforms, mobility services and start-ups, see the annual reports and capital markets day presentations of Baloise Holding AG for 2021–2023. To be verified. ↩
3. On the share price development of Baloise relative to Swiss insurance peers in 2021–2024, see the stock market data of SIX Swiss Exchange and contemporary financial press reports. Figures to be verified. ↩
4. On the change of chief executive at Baloise in 2024 and the strategic adjustments announced in the same year, including the reduction of ecosystem activities, see the media releases of Baloise Holding AG of 2024. Status to be verified. ↩

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