

## The natural hazards pool

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In the cantons without a public monopoly, private insurers cover buildings and contents against natural hazards under a regime defined by federal law. The Insurance Supervision Ordinance requires that fire insurance for buildings and contents must include cover against natural hazards such as floods, storms, hail, avalanches, snow pressure, rockfall and landslides. The Ordinance also fixes the premium rates and the limits of cover.<sup>1</sup> Earthquakes are explicitly excluded from this compulsory cover.

To carry the natural hazard risks, the private insurers have created a pool, the Elementarschadenpool, through which they share large losses according to their market shares.<sup>2</sup> The pool combines the solidarity among policyholders that the uniform premium rates impose with solidarity among insurers. It reflects the Swiss preference for solutions in which private institutions take on public tasks under a framework that the state defines.

The two systems, public monopolies and private insurers in a pool, together achieve near-universal cover of buildings against natural hazards other than earthquakes. Switzerland is in this respect better protected than most European countries, where cover against floods and storms is often voluntary and many property owners remain uninsured. The floods of 2005 and the storms of the past decades were absorbed by these systems without major disruption.<sup>3</sup> The exception of earthquakes, however, leaves the country with a significant gap in its protection, which is particularly relevant for Basel.

### 1 Notes

1. See Articles 171 et seq. ISO on the compulsory inclusion of natural hazard cover in fire insurance by private insurers and the uniform premium rates and limits. To be verified. ↩

## *The natural hazards pool*

2. On the Schweizerischer Elementarschaden-Pool (ES-Pool) of the private insurers, see the publications of the Swiss Insurance Association. To be verified. ↩
3. On the floods of August 2005 in Switzerland and the claims borne by the cantonal building insurers and the private insurers, see the publications of the VKF and the Swiss Insurance Association. Figures to be verified. ↩

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*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

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