

FINMA and integrated supervision since 2009

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The Federal Office of Private Insurance did not survive the reform decade as an independent body. The Federal Act of 22 June 2007 on the Swiss Financial Market Supervisory Authority (Finanzmarktaufsichtsgesetz, FINMAG) merged it with the Federal Banking Commission and the Anti-Money Laundering Control Authority. FINMA began operations on 1 January 2009 as an institution with institutional, functional and financial independence. It is financed by levies and fees charged to the supervised institutions and has its head office in Bern. For insurance supervision, the integration brought access to the enforcement toolkit of the FINMAG, including declaratory rulings, the confiscation of profits, industry bans on individuals and the publication of supervisory rulings.¹

The integrated authority also brought banking-style tools to insurance supervision. In December 2016 FINMA published four insurance circulars that entered into force on 1 January 2017: Circular 2017/2 on corporate governance of insurers, Circular 2017/3 on the SST, Circular 2017/4 on the responsible actuary and Circular 2017/5 on business plans. Circular 2017/2 laid down corporate governance principles for the organisation, management and control of insurers, including requirements on the composition, size and independence of the board of directors. Circular 2016/2 on disclosure introduced the annual financial condition report, which insurers must publish and submit to FINMA by 30 April. The report covers business activities, performance, risk management, risk profile, valuation, capital management and solvency, with the declared aim to “increase market discipline and, as a result, improve policyholder protection”.²

FINMA applies a principles-based and risk-oriented approach in which “the greater the risk potential of an insurance company, the more intensive the supervision”. Supervised insurers are assigned to five supervisory categories according to the risk they pose to creditors, investors, insured

persons, the system as a whole and the reputation of the Swiss financial centre. Category 1 is reserved for extremely large, complex companies with very high risks. FINMA states that no insurer is currently in category 1.³ Even the largest Zurich groups are therefore supervised outside the top category, which distinguishes insurance from banking, where the largest bank has long been placed in category 1. The difference reflects the widely shared view that traditional insurance, with its long-term liabilities and limited liquidity risk, rarely produces the kind of run that endangers a bank.

The scale of the sector supervised from Bern and, in practice, from the offices of the large groups in Zurich remains considerable. According to FINMA's insurance market report for 2025, published on 20 August 2026, the Swiss insurance industry earned aggregate profits of 24.4 billion francs in 2025, with gross premium volume of 149 billion francs. The authority concluded that insurance companies had significantly increased their equity and continued to maintain a high level of solvency.⁴

1 Notes

1. Bundesgesetz vom 22. Juni 2007 über die Eidgenössische Finanzmarktaufsicht (Finanzmarktaufsichtsgesetz, FINMAG), SR 956.1, bilingual edition at [droit-bilingue.ch](https://www.droit-bilingue.ch), <https://www.droit-bilingue.ch/de-fr/9/95/956.1-index.html>. FINMA, "FINMA – an overview", <https://www.finma.ch/en/finma/finma-an-overview/>. FINMAG (cited above), Art. 31 (restoration of compliance with the law), Art. 33 (prohibition from practising a profession), Art. 34 (publication of supervisory rulings), Art. 35 (confiscation) and Art. 36 (investigating agents). ↩
2. FINMA, press release "FINMA veröffentlicht Versicherungs-Rundschreiben", 15 December 2016, <https://www.finma.ch/de/news/2016/12/20161215---mm---rs-versicherungsbereich/>. The release notes that the former circular 2008/35 on internal audit was repealed and integrated into the governance framework. FINMA, "Financial condition report", <https://www.finma.ch/en/supervision/insurers/cross-sectoral-tools/bericht-ueber-die-finanzlage/>. A revised version of Circular 2016/2 has applied since 1 September 2024. ↩
3. FINMA, "Insurers", <https://www.finma.ch/en/supervision/insurers/>. FINMA, "Categorisation", <https://www.finma.ch/en/supervision/insurers/categorisation/>. ↩

4. FINMA, press release “Swiss insurance sector continues to strengthen its resilience”, 20 August 2026, <https://www.finma.ch/en/news/2026/08/20260820-mm-versicherungsmarktbericht-2025/>. The release attributes the decline in reinsurers’ premiums to the appreciation of the Swiss franc against the US dollar, the euro and the pound sterling. ↩

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.

Online version: helveticaregister.com/zurich-finma-and-integrated-supervision-since-2009