

Zurich as a reinsurance centre

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Swiss Re is the anchor of a reinsurance centre that comprises many other companies. The Swiss Insurance Association counted 50 reinsurance companies supervised by FINMA in 2022, half of them captives, with worldwide gross premiums of 51 billion francs in 2019 and around 2,500 highly qualified employees in the professional reinsurers. A study by BAK Economics commissioned by the association in 2023 found that Switzerland ranked third in the world as a reinsurance location by net premiums, after the United States and Germany, with 45 reinsurers under FINMA supervision. Reinsurers generated about 18 per cent of the value added of the insurance industry with only three per cent of its workforce, and insurance services, mainly reinsurance, made up nearly six per cent of Swiss service exports in 2021. The study identified open access to reinsurance markets, regulation appropriate to the business model and the availability of skilled workers as the critical factors for the location.¹

Several foreign groups have established their reinsurance hubs in Zurich. The history of Converium shows both the attraction of the location and the risks of the business. Converium was the former reinsurance arm of Zurich Financial Services, spun off through an initial public offering in December 2001. In 2008 the United States Securities and Exchange Commission settled charges against Zurich Financial Services and Converium concerning three finite reinsurance transactions structured from 1999 onwards, which, according to the SEC, created the appearance of risk transfer without transferring risk and understated Converium's loss before taxes for 2000 by about 100 million dollars. Zurich paid a penalty of 25 million dollars. By then Converium had become SCOR Holding (Switzerland) AG. The French reinsurer SCOR, which had acquired Converium, set up its Zurich hub in January 2009 to manage its life and non-life business in Switzerland, its non-life treaty business in Austria and Central and Eastern Europe and several global specialty lines. Other international reinsurers and the global reinsurance brokers maintain

offices in Zurich and in the neighbouring cantons, notably Zug. The region also hosts a large number of captive reinsurers of multinational companies, which are discussed in Chapter V of this Part.²

The comparison with other reinsurance centres brings out Zurich's particular profile. Munich is the closest parallel. Like Zurich, it is home to one of the two largest reinsurers in the world, and like Swiss Re, Munich Re grew from a nineteenth-century foundation into a global group whose history is intertwined with that of its city. The difference lies mainly in the regulatory environment. Munich Re operates within the European Union and under Solvency II, whereas Swiss Re operates under Swiss law with a recognised equivalent regime, a combination that offers regulatory independence with market access. London is organised differently. Its reinsurance market is centred on Lloyd's and on the company market around it, which works through syndicates, brokers and a subscription system in which many carriers share each risk. The AM Best ranking of 2026 placed Lloyd's first among reinsurers not reporting under IFRS 17, a reminder of the scale of the London market.³

Bermuda represents the capital markets model of reinsurance. Its rise began after Hurricane Andrew, when the companies of the "class of 1993", among them RenaissanceRe and PartnerRe, raised 4.8 billion dollars of new capital. After 11 September 2001 the "class of 2001" raised 8.5 billion dollars, and after the hurricanes of 2005 new companies and sidecars attracted 13.3 billion. By the end of 2019 about 85 per cent of the world's outstanding insurance-linked securities were listed on the Bermuda Stock Exchange.⁴ Bermuda's strengths are speed, a favourable tax and regulatory regime for new capital and proximity to the American market. Zurich's strengths lie elsewhere: in a long history, in the diversity of its portfolios across property, casualty, life and health, in a deep pool of specialised staff and in the research capacity of Swiss Re and the universities. Swiss Re itself has linked both worlds since its investment in PartnerRe after Hurricane Andrew. Its capital markets activities give Zurich a role in the Bermuda-centred market for insurance-linked securities as well.

1 Notes

1. Schweizerischer Versicherungsverband (SVV), "Zürich als führender Hub der Rückversicherung", 21 February 2022, <https://svv.ch/de/hintergruende/kontext/zuerich-als-fuehrender-hub-der-rueckversicherung>. "BAK-Studie zeigt: Die Schweiz ist weltweit der drittgrösste Rückversicherungsstandort", HZ Insurance, 8

- February 2023, <https://www.hzinsurance.ch/bak-studie-zeigt-die-schweiz-ist-weltweit-der-drittgroesste/cq12g3k>. ↩
2. US Securities and Exchange Commission, “Zurich Financial Services, Converium Holding AG Settle Reinsurance Fraud Charges”, press release 2008-292, 11 December 2008, <https://www.sec.gov/newsroom/press-releases/2008-292-zurich-financial-services-converium-holding-ag-settle-reinsurance-fraud-charges>. SCOR, “SCOR sets up Zurich Hub”, press release, 27 January 2009, <https://www.scor.com/en/press-release/scor-sets-zurich-hub>. ↩
 3. “Munich Re, Lloyd’s Top List of 50 Largest Global Reinsurers: AM Best”, Carrier Management, 19 August 2026, <https://www.carriermanagement.com/news/2026/08/19/291177.htm>. ↩
 4. ABIR, “World’s climate risk capital: a natural progression for Bermuda”, 22 June 2020, <https://business.abir.bm/news/Details/world-s-climate-risk-capital-a-natural-progression-for-bermuda-26274>. ↩

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