

Synopsis of the most important regulatory developments

Swiss insurance industry – what counts

Status: 1 October 2020



Contents

1. Introduction	4
1.1. Your contact persons	4
<hr/>	
2. Chronological project overview	5
2.1. Interdisciplinary projects	5
2.2. Insurance	7
<hr/>	
3. Interdisciplinary projects	8
3.1. Anti-money laundering/compliance	8
Federal Act on Combating Money Laundering and Terrorist Financing (Anti-Money Laundering Act, AMLA)	8
Federal Act to Implement the Recommendations of the Global Forum on the Transparency of Legal Entities and the Exchange of Information for Tax Purposes	9
FINMA circular 16/7 'Video and online identification'	9
3.2. Organisation of financial market	10
Financial Services Act (FinSA)	10
Financial Services Ordinance (FinSO)	10
Financial Market Infrastructure Act (FMIA) Assessment of the regulation	11
Financial Market Infrastructure Ordinance (FMIO) extended transitional period for small non-financial counterparties	11
Ordinance to the Financial Market Supervision Act (FINMASA)	11
FINMA circular 13/8 'Market conduct rules' Extension of scope of application	11
FINMA circular 13/9 'Distribution of collective investment schemes' Repeal	11
FINMA circular 17/6 'Direct transmission' Partial revision	12
FINMA guidance 04/2019 Extension of transition period	12
FINMA guidance 01/2020 Financial Market Infrastructure Act and Ordinance: derivatives trading	12
3.3. Other topics	13
Code of Obligations Amendment to the Law on companies limited by shares (gender quota and transparency rules for the commodity trading sector)	13
Code of Obligations Amendment to the Law on companies limited by shares (overall revision of company law)	13
Code of Obligations Indirect counterproposal to the 'Responsible Business Initiative'	14
Gender Equality Act (EqA) Introduction of regular pay analyses	14
Ordinance on the Equal Pay Analysis Review	14
Federal Act on Data Protection (FADP) total revision	15
FINMA guidance 03/2018 LIBOR: risks of potential replacement	15
Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology	16
Ordinance on the implementing regulations relating to the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology	16
Sustainability in the Swiss financial sector	16
<hr/>	
4. Insurance	17
4.1. Changes in laws	17
Partial revision Insurance Contract Act (ICA)	17
Insurance Supervision Act (ISA)	17

4.2. In force circular letters of FINMA	18
FINMA Circular 18/03 'Outsourcing at banks and insurers'	18
4.3. In force amendments to existing circular letters of FINMA	18
FINMA Circular 2017/03 'SST'	18
FINMA Circular 2018/4 'Tarifizierung – berufliche Vorsorge'	19
4.4. Hearing of FINMA Circulars	19
FINMA Circular 2010/3 «Krankenversicherung nach VVG»	19

1. Introduction

As a financial market participant in Switzerland the comprehensive implementation of legal regulations is of great importance. Accordingly, it is important to always have an overview of relevant regulatory changes for Insurance. To help you with this task, we have prepared the brochure “**Synopsis of the most important regulatory developments for Insurance**”, which contains an introductory graphical presentation and a brief description of selected projects in the area of financial market regulation and other areas. The projects are structured according to the addressees and are presented in the chapters “Interdisciplinary projects” and “Insurance”.

On 19 June 2020 the parliament has approved the partial revision of the Insurance Contract Act (ICA). It is expected in November 2020 that the Federal Council will set the date of entry into force on 1 January 2022. The law shall include measures to facilitate electronic transactions. In addition, matters such as the right of cancellation, temporary cover during a limited period, protection of policyholders in the event of large risks resp. professional clients and the termination of the insurance contract shall be adapted resp. newly regulated.

The Federal Council published the dispatch for the Insurance Supervision Act (ISA) on 21 October 2020. The law is to include new provisions on restructuring with the aim to be able to restructure insurance companies in the event of a crisis. In addition, a new client categorization and regulatory alleviations for insurance companies with certain business models (e.g. insurers with “professional clients” only or captives) will be introduced as well as conduct obligations for the insurance industry and the distribution of qualified life insurance products, equivalent to those for financial service providers under the Financial Services Act (FinSA).

We would be pleased to support you with your projects and developing further insights in the area of supervisory regulation.

PwC Switzerland - Insurance Technical Office and PwC Legal Switzerland

1.1. Your contact persons

Michael Stämpfli | Leader Insurance Technical Office

Birchstrasse 160, 8050 Zurich
+41 58 792 24 21
michael.staempfli@ch.pwc.com

Dr. Mirjam Meyer | Senior Manager PwC Legal Switzerland

Birchstrasse 160, 8050 Zurich
+41 58 792 12 19
mirjam.meyer@ch.pwc.com

2. Chronological project overview

2.1. Interdisciplinary projects










	2020			2021												2022					2023	2024	2025	2026	2027				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar					
Anti-money laundering/compliance																													
Federal Act to Increase the Effectiveness of AMLO-FINMA (adjustments resulting from FinSA/FinIA)	9.						n		n																				
Federal Act to Implement the Recommendations of the Global Forum on the Transparency of Legal Entities and the Exchange of Information for Tax Purposes													30.	1.															
FINMA circ. 16/7 'Video and online identification' (adoption of technological developments)							n	n																					
Organisation of financial market																													
Financial Services Act (FinSA)																													
FMIA (assessment of the regulation)														n															
FMIO (extended transitional period for small non-financial counterparties)																													
Ord. to the Financial Market Supervision Act (FINMASA)																													
FINMA circ. 13/8 'Market conduct rules' (extension of scope of application)	9.						n																						
FINMA circ. 13/9 'Distribution of collective investment schemes' (repeal)	9.						n																						
FINMA circ. 17/6 'Direct transmission' (partial revision)				20.			15.																						
FINMA guidance 04/2019 (Extension of transition period)									4.																				
FINMA guidance 01/2020 (FMA/FMIO: derivatives trading)																													
FINMA guidance 04/2020 (Extension of deadline for first margin payments of certain OTC derivatives)	14.																												
Other topics																													
SCO (gender quota and transparency rules for the commodity trading sector)																													
SCO (overall revision of company law)																													
SCO (indirect counter-proposal to the 'Responsible Business' initiative)																													
Gender Equality Act (EqA)(introduction of regular pay analyses)							1.																						
Ord. on the Equal Pay Analysis Review							1.																						
Federal Act on Data Protection (FADP) (total revision)							25.	n	n				n																
FINMA guidance 03/2018 (LIBOR: risks of potential replacement)																													

	2020									2021									2022										
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2022	2023	2024	2025	2026
FINMA guidance 05/2020 (duty to report cyber attacks)		7.																											
Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology			17.			25.	n			n						n													
Ord. on the implementing regulations relating to the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology							n			n																			
Sustainability in the Swiss financial sector									n																				

	Development		Consideration by Parliament		In force, end of final transition period
	Hearing/consultation		Publication of final regulation		Full application
≈	Estimated/approximately		Referendum deadline		Publication results of hearing/consultation/dispatch

2.2. Insurance

	2020								2021								2022					2023	2024	2025	2026	2027			
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb					
Partial Revision Insurance Contract Law (ICA)				19.																									
Federal Insurance Supervision Act (ISA)							21.	1.																					
FINMA circ. 18/3 "Outsourcing at banks and insurers"																													
FINMA Circular 17/3 "SST"																													
FINMA circ. 18/4 "Tarifierung - berufliche Vorsorge"																													
FINMA circ. 10/3 "Krankenversicherung nach VVG"								2.				31.																	

	Development		Consideration by Parliament		In force, end of final transition period
	Hearing/consultation		Publication of final regulation		Full application
	Estimated/approximately		Referendum deadline		Publication results of hearing/consultation/dispatch

3. Interdisciplinary projects

3.1. Anti-money laundering/compliance

Federal Act on Combating Money Laundering and Terrorist Financing (Anti-Money Laundering Act, AMLA)

- Status:**
- Federal Dispatch to Parliament published on 26 June 2019
 - Non-approval of introduction resolved by National Council on 2 March 2020, considered by the Council of States on 10 September 2020
 - Expected entry into force as of beginning of 2021, at the earliest

-
- Stipulates the explicit duty of financial intermediaries to check the details of the beneficial owner.
 - Duty to perform a regular risk-based review of whether the client documentation is up to date.
 - Advisory services (foundation, acquisition, disposal, administration and funding) of
 - domiciliary companies with registered offices in Switzerland, and
 - trustsare subject to the requirements of the ALMA, and introduction of the duty of due diligence, auditing and reporting obligations for advisors.
 - Extension of the duty of due diligence for traders to cover traders in precious metals and precious stones for transactions above CHF 15,000.
 - Associations that collect or distribute assets abroad for charitable purposes must be entered in the commercial register.
 - The subjection of advisers (such as lawyers or trustees) strongly contested in Parliament.

FINMA Anti-Money Laundering Ordinance (AMLO-FINMA) □ Adjustments resulting from FinSA/FinIA

- Status:**
- Hearing expected: pending
 - Expected entry into force as of Q4 2020

-
- Repeal of the status of directly subordinated financial intermediary (DSFI).
 - Threshold for cash transactions requiring identification of the customer in spot transactions lowered from CHF 5,000 to CHF 1,000.
 - Simplification of the due diligence requirements for granting consumer credit.
 - Obligation for asset managers to make enquiries about the identity of the policyholder or the actual premium payer in the case of life insurance policies with separate account or custody account management (insurance wrapper).

Federal Act to Implement the Recommendations of the Global Forum on the Transparency of Legal Entities and the Exchange of Information for Tax Purposes

- Status:**
- Entry into force as of 1 November 2019
 - Transitional period for conversion to registered shares: 1 May 2021

-
- Conversion of bearer shares into registered shares for non-listed companies and companies that do not issue shares as intermediated securities.
 - Introduction of a system of sanctions for breaches of the following duties:
 - Reporting by the shareholders of the beneficial owners; and
 - Keeping registers of shareholders and beneficial owners.
 - Right of inspection of authorities and financial intermediaries.
 - Amendments to various laws: Code of Obligations, Criminal Code, Tax Administrative Assistance Act and Intermediated Securities Act.

FINMA circular 16/7 'Video and online identification'

- Status:**
- Hearing expected in Q4 2020
 - Expected entry into force: second half of 2021

-
- Adoption of technological developments

3.2. Organisation of financial market

Financial Services Act (FinSA)

- Status:**
- In force since 1 January 2020
 - Transition periods up to 2 years after entry into force
-
- Adjustment of code of conduct and product rules in the customer segment concerned (private customers/professional customers):
 - Information on financial services provider, service and product, incl. by means of a key information document;
 - Suitability check before transactions involving financial instruments (except 'execution-only');
 - Suitability check for advisory and asset management services.
 - Guidelines regarding the organisation of financial services providers and the avoidance of conflicts of interest.
 - Duty to inform about accepting compensation from third parties or obligation to pass on compensation from third parties.
 - Obligation to enter client advisers in the register of client advisers if financial service providers are not supervised in accordance with FINMASA, and to engage in continuing professional education and training.
 - Extension of legal means in favour of customers, including the right to demand the issuance of documents.
 - Transitional periods after entry into force:
 - 6 months for the registration of client advisers and affiliation of financial services providers with an ombudsman;
 - 2 years for the introduction of the duties relating to the provision of financial services (e.g. duty to publish a prospectus for securities, key information document for financial instruments, publication).
 - According to art. 2 paragraph 2 lit. d FinSA companies are not subject to the act as far as their operation is subject to the Insurance Supervision Act dated 17 December 2004 (ISA). Accordingly, insurance companies do not have to apply the provisions in relation to the FinSA (and related provisions). Certain aspects of the FinSA will be implemented in the Insurance Supervision Act (ISA) to be revised (see chapter 4.1). As the provisions are material for the financial market industry, the provisions are listed for the sake of completeness.

Financial Services Ordinance (FinSO)

- Status:**
- In force since 1 January 2020
 - Transitional period until 31 December 2021 to comply with the duties regarding client segmentation, expertise, code of conduct, organisation
 - Various other transitional periods for the publication of prospectuses and key information documents
-
- Specification of financial service providers' duties to provide advice and information.
 - Implementing regulations for the provisions of the FinSA:
 - Organisation of financial services providers;
 - New register of client advisers;
 - Client documentation;
 - Ombudsman services;
 - Prospectus when offering securities;
 - Key information document
 - If a financial service provider wants to comply with the requirements for the organisation and rules of conduct before the expiry of the transitional period of two years, it must irrevocably notify its auditor of the selected transition date. Until then, the previous regulations of the Stock Exchange Act (SESTA) or the Collective Investment Schemes Act (CISA) shall continue to apply.

Financial Market Infrastructure Act (FMIA) | Assessment of the regulation

Status: • Carried out by the Federal Department of Finance

- Assessment of FMIA as of 2019 in light of international and technological developments.

Financial Market Infrastructure Ordinance (FMIO) | extended transitional period for small non-financial counterparties

Status: • In force since: 1 January 2019
• Transitional period until 1 January 2024

- Extension of transitional period to 1 January 2024 for small non-financial counterparties to report derivatives transactions.
- No change in transitional deadlines for financial counterparties and for non-financial counterparties which are not small.
- Review of FMIO to be initiated as of 2019 in light of international and technological developments.

Ordinance to the Financial Market Supervision Act (FINMASA)

Status: • Entry into force as of 1 February 2020
• Transitional period for adjustment of regulation not applicable at all levels until 31 January 2025

- Specification of the role and competences of the financial market authorities with regard to regulation and international standard setting.
- Regulation of the cooperation between the FDF and FINMA.
- Specification of the requirements, principles and process for FINMA regulations.
- Check all regulations in terms of their fairness at all levels and make any necessary adjustments within 5 years of their entry into force.

FINMA circular 13/8 'Market conduct rules' | Extension of scope of application

Status: • Hearing until 9 April 2020
• Expected entry into force: Q4 2020

- Extension of the scope of application to include asset managers and trustees.
- Addition to examples of market manipulation of 'painting the tape' involving sell-side and buy-side.

FINMA circular 13/9 'Distribution of collective investment schemes' | Repeal

Status: • Hearing until 9 April 2020
• Repeal expected Q4 2020

- Repeal of the circular, as the offering of financial instruments is regulated definitively by the Financial Services Act (FinSA).

FINMA circular 17/6 'Direct transmission' | Partial revision

Status: • Hearing until 15 October 2020

- Specific amendments to the circular based on the ex-post evaluation carried out.
- Extension of the list of foreign authorities qualifying for treaty assistance.
- Details of the reporting process for planned exchanges of information with foreign authorities.

FINMA guidance 04/2019 | Extension of transition period

Status: • Published 13 December 2019
• Extension of transition period until 4 January 2021

- Basic obligation, as of 4 January 2020, in accordance with the transitional provisions set out in art. 131 para. 5^{bis} FMIO for the exchange of securities relating to OTC derivative transactions that are not settled centrally, which involve share options, index options or similar equity derivatives, such as derivatives based on a basket of shares.
- FINMA guidance 4/2019 extends the transitional period to 4 January 2021.

FINMA guidance 01/2020 | Financial Market Infrastructure Act and Ordinance: derivatives trading

Status: • Published 20 March 2020

- Clarifications by FINMA of the application in Switzerland of the joint statement of the Basel Committee on Banking Supervision (BCBS) and the International Organisation of Securities Commissions (IOSCO) dated 5 March 2020:
 - Amendments to derivative contracts due to interest rate benchmark reforms do not require the application of the margin requirements;
 - Regulation of potential documentation, custodial or operational requirements.
- Derivatives contracts not previously subject to a clearing obligation should not be subject to such an obligation even if fallback clauses are introduced.
- Postponement of decision on naming the derivatives that must be traded on a platform until the current review of the FMIA, started in 2019, is completed.

FINMA guidance 04/2020 | Extension of the timeframe to exchange initial margins for certain OTC derivatives

Status: • In force since 14 April 2020
• Extension of transitional period until 1 September 2022

- Extension of the deadlines according to art. 131 para. 5 lit. d^{bis} and lit. e FMIO for completing the final two implementation phases of the margin requirements for non-centrally cleared OTC derivatives by one year.
- Duty to exchange initial margins applies to counterparties whose aggregated month-end average gross position of non-centrally cleared OTC derivatives at group or financial or insurance group level:
 - is greater than CHF 50 billion for each of the months of March, April and May 2021: from 1 September 2021;
 - is greater than CHF 8 billion for each of the months of March, April and May 2022: from 1 September 2022.

3.3. Other topics

Code of Obligations | Amendment to the Law on companies limited by shares (gender quota and transparency rules for the commodity trading sector)

- Status:**
- Adopted by Parliament on 19 June 2020
 - Revisions to the Law published on 30 June 2020
 - Referendum deadline: 8 October 2020
 - Entry into force: 1 January 2021
-
- Gender quotas for the Board of Directors (min. 30 % each) and Executive Board (min. 20 %) of large listed companies (>250 employees), 'comply or explain' clause.
 - Increased transparency requirements applicable to the commodities sector through the disclosure of payments to state-owned entities.

Code of Obligations | Amendment to the Law on companies limited by shares (overall revision of company law)

- Status:**
- Adopted by Parliament on 19 June 2020
 - Revisions to the Law published on 30 June 2020
 - Referendum deadline: 8 October 2020
 - Expected entry into force: 2022
-
- Implementation of the provisions of the Ordinance against excessive remuneration in listed companies limited by shares (ERCO) in federal law.
 - Establishes guidelines for signing-on bonuses and compensation for prohibition of competition.
 - Liberalisation of the incorporation and capital provisions.
 - Better alignment of the law on companies limited by shares (Company Law) to the new Accounting Law, e.g. regarding a company's own shares and the use of foreign currencies in accounting and financial reporting.
 - Proposed solutions with regard to shares held that are not recorded in the stock register (so-called 'dispo shares').
 - More flexibility for conducting general meetings by electronic means.

Code of Obligations | Indirect counterproposal to the 'Responsible Business Initiative'

Status: • Adopted by Parliament on 19 June 2020

- Obligation to publish a report on non-financial matters, in particular on CO₂ objectives, social issues, human rights, employee concerns and the fight against corruption, applicable to:
 - Public Interest Entities,
 - with at least 500 full-time positions on an annual average on a group basis, and
 - which exceed one of the following criteria in two consecutive financial years:
 - Total assets: CHF 20 million,
 - Turnover: CHF 40 million.
- Introduction of due diligence and transparency requirements in relation to minerals and metals from conflict zones and to child labour
 - Compliance with duties of due diligence regarding the supply arising from the trade and processing of specified metals from conflict zones and high-risk areas;
 - Compliance with duties of due diligence when offering products or services that are under reasonable suspicion of being produced or supplied using child labour.
 - Reporting on the fulfilment of the duties of due diligence.

Gender Equality Act (EqA) | Introduction of regular pay analyses

Status: • Entry into force: 1 July 2020

- Employers must conduct a pay analysis every 4 years if they have more than 100 employees.
- Employer is exempted if the analysis shows pay is equal.
- Pay analyses performed using a standard analysis tool provided by the Federal Government or using a scientific and legally compliant method.
- Review of internal pay analysis by an independent body:
 - Authorised audit firm; or
 - Organisations for the representation of employees or the promotion of gender equality.
- Duty to provide information about the results of the equal pay analysis
 - to the shareholders of listed companies in the notes to the financial statements, and
 - to the employees.
- Measures limited to a period of 12 years until 30 June 2032.

Ordinance on the Equal Pay Analysis Review

Status: • Entry into force: 1 July 2020
• First equal pay analysis for companies with at least 100 employees to be carried out by 30 June 2021, at the latest.

- Regulation of the training of lead auditors who carry out equal pay analyses on behalf of employers.
- Determining the subject of the audit.
- Limitation of the period of application of the Ordinance until 30 June 2032.

Federal Act on Data Protection (FADP) | total revision

- Status:**
- Adopted by Parliament on 25 September 2020
 - Expected entry into force: 2021

-
- Extended duties to provide information and keep records.
 - Strengthening of the supervisory body and tighter sanctions.
 - Takes into consideration the EU's General Data Protection Regulation (EU-GDPR), which applies as of 25 May 2018, and the Council of Europe's Convention for the Protection of Individuals with regard to the Automatic Processing of Personal Data (ETS 108).
 - Companies that have cross-border business in the EU must observe the provisions of EU-GDPR.
 - In September 2018, Parliament approved a phased approach to the bill
 - 1. Implementation of EU Directive 2016/680 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties (further development of the Schengen acquis);
 - 2. Total revision of the Federal Data Protection Act (FDPA) by approx. end of 2019.

FINMA guidance 03/2018 | LIBOR: risks of potential replacement

- Status:**
- Replacement of LIBOR by the end of 2021 at the latest

-
- Banks currently participating in fixing the LIBOR no longer compelled to contribute rates from 2021 onwards.
 - The National Working Group on Swiss Franc Reference Rates (NWG) is developing reform proposals to replace LIBOR.
 - Established a basis for replacing the CHF LIBOR with the introduction of the Swiss Average Rate Overnight (SARON).
 - Risks for the institutions:
 - Legal risks relating to contracts for financial products that have a final maturity date after 2021;
 - Valuation risks relating to derivatives and lending contracts that reference LIBOR;
 - Operational readiness.
 - FINMA recommends that the supervised institutions address the challenges of a potential replacement of LIBOR in good time.

FINMA guidance 05/2020 | Duty to report cyber attacks

- Status:**
- Published on 7 May 2020

-
- Reminder of the legal requirement to report cyber-attacks of substantial importance to the supervision.
 - Report an initial assessment within 24 hours.
 - Report should be submitted within 72 hours in accordance with a list included in the FINMA guidance.

Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology

- Status:**
- Adopted by Parliament on 25 September 2020
 - Expected entry into force: 2021

Legal framework for the amendments to several laws in connection with blockchain/distributed ledger technology (DLT):

- In the Code of Obligations: Increase legal certainty for the transfer of DLT-based assets by creating the possibility of digital registers of rights, which can guarantee the functions of securities.
- In the Federal Act on Debt Collection and Bankruptcy: Increase legal certainty by explicitly regulating the segregation of crypto-based assets in the event of bankruptcy.
- In the Banking Act: Regulation of the treatment of crypto-based assets as custodial assets and on the segregation of public deposits.
- In the Financial Market Infrastructure Act: Create a new authorisation category for DLT-based trading systems.
- In the Financial Institutions Act: Create the possibility of authorisation as a securities house for the operation of a trading system.

Ordinance on the implementing regulations relating to the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology

- Status:**
- Consultation expected in October 2020

- Implementation of the adaptations of the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology in relevant ordinances and implementing decrees.

Sustainability in the Swiss financial sector

- Status:**
- Publication of the report of the Federal Council of 24 June 2020 on sustainability in the financial sector
 - More in-depth analysis expected by the end of 2020

- Review of the financial market regulation on behalf of the Federal Council as to whether adjustments are necessary with regard to transparency and risk analysis.
- Create a framework to increase the competitiveness of the Swiss financial centre.
- In-depth review of the following points:
 - The obligation to disclose systematically relevant and comparable information to customers, owners and investors;
 - Strengthening legal certainty in connection with due diligence;
 - Consideration of climate and environmental risks and their effects on financial stability issues.

4. Insurance

4.1. Changes in laws

Partial revision Insurance Contract Act (ICA)

- Status:**
- Federal Dispatch published on 28 June 2017
 - Approval of parliament on 19 June 2020
 - Expected entry into force: 1 January 2022
-
- Draft included measures to facilitate electronic transactions.
 - Other changes include:
 - Introduction of a right of withdrawal for the policyholder within 14 days
 - Provisional cover
 - Ordinary right to terminate the contract of both parties after 3 years; right to terminate the contract at any time for important reasons
 - Waiver of termination of health insurers
 - Prolongation of the period of limitation for claims arising out of insurance contracts from two to five years
 - Introduction of a general direct claim of the injured for all liability insurances
 - Limited protection of policyholders in the event of large risks resp. professional clients
-

Insurance Supervision Act (ISA)

- Status:**
- Consultation period ended on 28 February 2019
 - Federal Dispatch: 21 October 2020
 - Expected entry into force: open
-
- Introduction of a customer protection focused regulatory and supervisory concept.
 - Expansion of conduct and due diligence obligations when providing financial services analogue to FinSA and FinIA
 - Introduction of a recapitalisation concept for insurance companies
 - Insurance companies domiciled abroad with a Swiss branch underwriting reinsurance will be new in scope of ISA
 - Selective adjustments e.g. consideration of innovative business models or provisions for group supervision

4.2. In force circular letters of FINMA

FINMA Circular 18/03 'Outsourcing at banks and insurers'

- Status:**
- Applicable as of 1 April 2018
 - After entry into force: Immediate application to new or amended outsourcings
 - Transition period of five years to amend pre-existing outsourcing arrangements
 - Hearing until 12 July 2019 for adjustments regarding the regime for small banks
 - Entry into force of adjustments regarding the regime for small banks: 31 October 2019
-
- Modifications to the circular with respect to adjustments to the regime for small banks in particular provide for taking into consideration the size, complexity, structure and risk profile of the financial institution.
 - Applicable to insurance companies subject to ISA, as well as branches of foreign insurances (and also banks as well as securities dealers).
 - Stipulates some of the practices already applied and simplifies some of them, but also introduces some additional requirements.
 - Outlines regulatory framework and requirements of outsourcing arrangements (i.a. with respect to content).
 - Duty to maintain an inventory of outsourced services (for insurance companies: form J for business plans)
 - Requirements of the circular apply to intra-group outsourcing. However, rules may be relaxed if risks are proven not to exist or requirements are not relevant.
 - For outsourcings abroad access to all relevant information, which is necessary in the event of restructuring, resolution and liquidation, must be guaranteed at all times in Switzerland.
 - Further the insurance company has to guarantee the right to inspect and audit information in case of outsourcing abroad.

4.3. In force amendments to existing circular letters of FINMA

FINMA Circular 2017/03 'SST'

- Status:**
- Implementation of the required changes until 1 January 2020.
-
- Applicable to all insurance companies subject to the ISA.
 - Calculation of SST also applicable to Captives.
 - New interpretation of the run-off perspective in the SST leads to an amended implementation of the run-off principle.
 - Calculation of SST no longer considers expected contract renewals or new business.

FINMA Circular 2018/4 'Tarifizierung – berufliche Vorsorge'

- Status:**
- Hearing in 2nd Quarter 2018
 - Expected entry into force: 1 December 2018
 - Applicable for all rates as of 1 January 2020
 - Transition period for conversion rates until 1 January 2024 and for discounts not justifiable on an actuarial basis until 1 January 2022
 - Ex-post evaluation expected in 2022
-
- Update and compilation of FINMA Circular 2008/12 'Drehtürprinzip berufliche Vorsorge' and FINMA Circular 2008/13 'Tarifizierung Risikoversicherung berufliche Vorsorge' in only one circular
 - Abolishment of limits respectively of the ratio between highest and lowest premium applying experience rating
 - Application of discounts, strictly only if these can be justified on an actuarial basis.

4.4. Hearing of FINMA Circulars

FINMA Circular 2010/3 «Krankenversicherung nach VVG»

- Status:**
- Hearing closed in 3rd quarter 2020
 - Dispatch expected in the 1st quarter 2021
 - Expected entry into force: 2nd quarter 2021
-
- Intergration of existing FINMA-practice for the supplementary health insurance concerning protection of policyholders from abusive premiums and unequal treatment as well as acceptable profit margins for insurance companies.