

SWITZERLAND

1. Organisation of Consulting Actuaries

The Chamber of the Independent Consulting Actuaries in Switzerland has 30 members, 11 of whom are members of IACA.

During the last two years many meetings have been held, concerning the principles of elaborating expert actuarial opinions, on vesting and portability, and the Compulsory Occupational Benefit Plan. Many members of the Chamber were active on several government committees.

In 1977 the Chamber fixed a *fee regulation* for their members.

The Association of Swiss Actuaries and the Chamber of Consulting Actuaries hold the first final *examinations* for the Federal Diploma of Consulting Actuaries. In fall 1977 the test (the questions were published) was passed by 12 candidates who are now qualified to work as Consulting Actuaries with regard to the Compulsory Occupational Benefit Plan. Additionally, 92 experts came within the scope of the transitional regulations and were acknowledged without examination.

In addition to the bulletin "The Valuation of the Assets of a Pension Fund", a second bulletin was issued entitled "The Calculation of Investment Performance of Pension Funds" (published in French and German). Treatment of this second topic is even more sophisticated than the first one. However, in these matters Switzerland is really a developing country; nevertheless we had to start somewhere.

2. Social Security

In the Federal Old Age and Survivor's Insurance the 9th revision since 1948 was passed by plebiscite in February 1978. The most important change is the indexation of pensions. The index is the arithmetical mean between the rise in consumer prices and the rise in salaries.

On April 1st, 1977, compulsory unemployment insurance was introduced. It is financed by a premium of 0.8% of the salary up to 3,900 Swiss Francs a month.

3. Occupational Benefit Plan

a) The expected regulations of the Compulsory Occupational Benefit Plan have not yet been passed by law. On the contrary, opposition has become stronger and new laws have been drafted. The official version of the law might be the subject of a referendum, the outcome of which is open and the date of a possible

implementation cannot be yet foreseen. Just to reflect the mood of the plebiscite, the following have been rejected in recent years:

- the introduction of value added tax
- the introduction of a special tax on high incomes
- the coordination of the 26 different Swiss tax systems and tax territories.

Nevertheless, independent pension funds are prospering.

b) A new supervisory law for private insurance companies has passed parliament. Under it even pension funds covering a union or an association of independent companies come within the provisions of the law.

4. Economic situation

The inflation rate is stable: 1.7% in 1976 and 1.3% in 1977. New bond issues have a very low interest level of 3¼%, but which is still 2% higher than the inflation rate. The unemployment rate came down to 0.4% at the end of 1977.

The problems facing the pension funds are no longer inflation and increasing wages but the very high value of the Swiss Franc and a very high liquidity at our money markets. This means a falling interest rate and very few possibilities for new investments.

5. 21st International Congress of Actuaries in Zurich and Lausanne, 1980

The next ICA will take place in Switzerland. The preparations have already started and are in full swing. The topics of the congress are as follows:

- National Report: The training of Actuaries
- Generalized models of the insurance business (life and/or non-life insurance)
- Testing hypothesis by statistical investigations (life and/or non-life insurance)
- Statistical bases and experience in disability, sickness and accident insurance
- Estimating the value of insurance companies and portfolios
- Inter-relations between demographic and economical development and social security (including occupational and private insurance).