

Press release of 24 May 2022

Groupe Mutuel undergoes a transformation New strategy and new brand identity

Martigny, 24 May 2022. The 2021 accounts of Groupe Mutuel closed with a positive result of CHF 33 million, before the reimbursement of CHF 111 million taken from the reserves. The multiline insurer is continuing its transformation and positioned itself as the health and pension provision partner for both private individuals and companies. Serious concerns about a very sharp increase in health costs in 2021.

In 2021, Groupe Mutuel underwent many changes as part of an in-depth transformation of the company that began seven years ago. After an initial phase of consolidation of its governance and the creation of a holding company, headed by a non-profit foundation, Groupe Mutuel has been engaged for several years in a major transformation that is now taking concrete form. This is particularly the case with the strategy focused on health and pension provision, both for private individuals and companies. Groupe Mutuel's transformation does not stop there: new values, bringing the sales network in-house, a new brand identity, innovations and partnerships with key players in the healthcare system demonstrate a genuine commitment to renewal within the Group.

"Our aim is to gradually move from being a spectator to becoming a committed player in the market. Therefore, for me, 2021 will remain a year of change, in a context marked by the pandemic. However, after two years of an acute health crisis, I believe that the end of the tunnel is in sight. Unfortunately, the lack of measures to control rising health costs and the international tensions marked by the war in Ukraine are likely to have a major impact on us in the coming months", said Karin Perraudin, President of the Board.

The President of Groupe Mutuel welcomed the measured way in which the health crisis was handled by the Swiss authorities who showed pragmatism during a complex period. Despite significant strains, the Swiss health system held up. *"I would like to take this opportunity to praise the extraordinary work achieved by the healthcare providers who did everything possible to support those affected by the pandemic, without forgetting to care for other patients."*

Strong and encouraging financial results

Against the backdrop of the global health crisis and high international tensions, Groupe Mutuel's 2021 financial results closed with a loss of around CHF 78 million, after the repayment of its reserves. Without this reimbursement of CHF 111 million, our accounts would have closed on a positive result of CHF 33 million. Groupe Mutuel has been true to its word as the reimbursement notified to insured persons is paid back to them each month.

"Reserves are essential in the event of hard times, and we have seen that this can happen with the COVID-19 crisis", said Thomas Boyer, CEO of Groupe Mutuel. *"But we have to remain cautious, because everything can change very quickly. In future, our reimbursement policy will depend on the trend in health costs and the situation on the financial markets."*

In 2021, financial investments enjoyed a successful year with the second best result in the history of Groupe Mutuel. This allowed the Group to strengthen its financial solidity, but also and above all to mitigate the increase in premiums since a significant portion of these gains was used to smooth out fluctuations.

Unfortunately, this welcome respite is coming to an end. Health costs increased significantly in 2021, by around 7%. This is much higher than expected and goes to show that the cost-cutting measures taken by the political authorities are still not sufficient. *“In short, it is as if a two-year increase had been transferred to a single year. There has obviously been a very large catch-up effect, but this does not explain everything. We must continue to do everything we can to contain the rise in health costs. A strong political will as well as effective measures are needed, for example with regard to the price of drugs or hospital planning. The financing of outpatient care, which has been discussed in the federal parliament for more than ten years now, shows that it is still difficult for politicians to reform the system”*, insisted Thomas Boyer.

Stability in the health sector and growth in corporate and pension benefits' insurance

For the number of persons insured with basic health insurance (AOS/OKP), 2021 ended with almost no change in the number of customers, which amounted to 946,500. The overall number of customers also remains stable at over 1.3 million.

The growth of the Corporate sector continued with over 27,000 insured companies, including 1,500 new corporate clients in 2021. For the first time, this sector of Groupe Mutuel has become the second largest in terms of income, ahead of supplemental insurance (LCA/VVG). The number of persons insured under LCA/VVG remains stable. However, growth in turnover in private insurance is on the rise, which is pleasing.

Groupe Mutuel Prévoyance-GMP also experienced further growth. The range of pension solutions offered by Opsion, which was bought out in May 2021, further strengthens Groupe Mutuel's new strategy of positioning itself as the only insurer in Switzerland able to offer comprehensive health and pension benefits for private and corporate clients alike.

“To support this strategy, we have strengthened our internal sales network in order to be even closer to our customers and provide them with personal advice. Every day, we are working to make our insured persons' lives easier with, for example, the introduction of a new statement of benefits' template, which is easier to understand”, added Thomas Boyer.

Outlook for 2022

The outlook for 2022 is still unclear. However, one thing seems certain. Since health costs have risen very (and even too) sharply in 2021, an increase in premiums, which are set to cover costs, seems unfortunately unavoidable.

“For Groupe Mutuel, the challenges in 2022 will clearly be to strengthen the quality of services and advice provided to our insured persons, to increase our presence in the German-speaking part of Switzerland and to launch new innovative insurance products by the end of the year”, said the CEO.

“As a health insurer, we have announced the creation of Compassana, together with two other health insurers (Helsana and Swica), Medbase (a major health provider belonging to the Migros Group) and the Hirslanden private clinics. This health ecosystem, which is based on a digital platform, will aim to improve the healthcare journey of our insured persons. I believe very strongly in this initiative and am looking forward to launching the first concrete applications this autumn,” concluded the CEO of Groupe Mutuel.



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About Groupe Mutuel

With over 2,800 employees throughout Switzerland, Groupe Mutuel is at the service of 1.3 million private customers and 27,000 companies.

As the only comprehensive insurer in Switzerland, Groupe Mutuel is the reference partner in the field of health and retirement benefits for private and corporate customers. Its turnover exceeds CHF 5.3 billion. Thanks to tailored solutions, whether in basic insurance (LAMal/KVG) or supplemental insurance (LCA/VVG), it is the third largest health insurer in Switzerland. Groupe Mutuel also offers an extensive range of products in individual retirement benefits and patrimony insurance. Based in Martigny, the insurer provides companies of all sizes solutions with loss of earnings in the event of illness, accident insurance (LAA/UVG) and occupational pension plans (LPP/BVG). In the field of health insurance for companies, Groupe Mutuel is ranked fifth nationwide.