

Press release of 11 May 2020

Strong results for Groupe Mutuel Groupe Mutuel announces promising financial results for 2019.

Martigny, 11th May 2020. Excellent financial health. A payment of CHF 100 million to policyholders and historically low premiums for 75 % of our customers. The 2019 results are resolutely in the black. Reserves are sufficient to withstand the pandemic.

“The 2019 financial results are very positive”, said Thomas Boyer, CEO of Groupe Mutuel. In this time of pandemic and crisis, a positive financial result as well as solid reserves are a token of security for the entire Swiss health system and for our insured persons. *“Sound finances make it possible for us to strengthen the company’s positioning. On the other hand, reserves must comply with legal requirements and allow us to meet our financial commitments in case of exceptional events such as COVID-19”,* he continued.

Positive impact of investments

Groupe Mutuel Holding SA has replaced the former legal structure since 1 January 2018. For the second financial year in its new form, Groupe Mutuel reported a turnover of over CHF 5.4 billion, which is a slight decline of 3.6% compared to 2018. The results, which encompass the activities of all companies of Groupe Mutuel Holding SA, go to show that the Group is in excellent financial form, with a consolidated income of CHF 485 million, that is an increase of 36.7% compared to 2018. *“We consider that any overpaid premiums must benefit our policyholders and the families whose financial burden increases each year. For this reason, and subject to the approval of the Federal Office of Public Health (FOPH), we intend to redistribute an amount of CHF 100 million to our compulsory health insurance policyholders (AOS/OKP) by the end of 2020. Thanks to these strong financial foundations, we are therefore able to meet our social and economic responsibilities”,* said Thomas Boyer.

The very positive situation on financial markets in 2019 had an impact on the performance of our capital investments, generating a net positive result of CHF 262 million, which largely explains the excellent consolidated result. *“Future investments will be affected by the COVID-19 crisis even though it is impossible, today, to predict the human and financial consequences. In this area too, the outlook for 2020 will depend on the coronavirus crisis. However, this crisis should not have any impact on the 2021 premiums since financial reserves are intended to offset this kind of exceptional and unique event”,* concluded Thomas Boyer reassuringly.

Health costs have increased only slightly

In recent years, health costs in Switzerland have generally increased only slightly. Our 2020 premiums, announced in September 2019, came therefore as a pleasant surprise since we were able to offer, for the first time, an average reduction of 1.6% for close to 75% of our customers. Groupe Mutuel is the health insurer that reduced its premiums the most in 2019 for 2020. *“Any efforts already made to contain the rise in costs must continue”,* stressed Thomas Boyer. This unprecedented situation, which is particularly encouraging for Swiss citizens, also partly explains the excellent results announced today.

Over 1.3 million customers

The health sector, which is the main activity of Groupe Mutuel Holding SA, counts over 1.3 individual policyholders (a slight increase compared to 2018) for a turnover of CHF 4.6 billion. More specifically, Groupe Mutuel lost around 10,000 compulsory health insurance policyholders (AOS/OKP), which is less than 1%. However, the Group acquired over 15,000 new policyholders for supplemental insurance. Therefore, 2019 remains encouraging in terms of the total number of insured persons. With over 1.3 million customers,

Groupe Mutuel was able to consolidate its position as one of the leading insurance companies in Switzerland. It is even the largest insurer with headquarters in French-speaking Switzerland.

Corporate insurance continues to grow

The corporate insurance sector continued to grow. Groupe Mutuel now has over 24,000 corporate clients, which is 1,000 companies more in relation to the previous year. The overall turnover for loss of earnings' insurance in the event of illness (daily allowance benefits) and accident insurance increased by CHF 60 million to over CHF 528 million, that is an increase of 12% compared to 2018. Thanks to this encouraging development, Groupe Mutuel is among the leading insurers for loss of earnings insurance ("IPG"), ranking fourth at national level. The Group is also an increasingly important player in the accident insurance sector (LAA/UVG), as the seventh largest Swiss insurer, and in the occupational pension benefits' sector. In these fields, Groupe Mutuel counts among its clients companies ranging from SMEs to large businesses of national importance.

A diversification strategy that is paying off

The life insurance sector experienced a year marked by interest rates that were detrimental to the industry as a whole. However, Groupe Mutuel managed to stabilise its portfolio in a difficult market since the premium volume amounted to CHF 85.2 million (CHF 87.2 million in 2018). In the patrimony insurance sector, the premium volume amounted to CHF 20.2 million, which is a slight increase compared to 2018. These two sectors, which are the most recent in the company, reflect the Group's successful strategy to become a global insurer.

Looking towards the future and its customers

Groupe Mutuel Holding SA employs over 2,300 employees who are at the service of private individuals and companies on a daily basis. Groupe Mutuel's added value lies in its employees' human and technical skills. Every day, they fulfil their role and invest themselves fully. This has been shown once again during the recent COVID-19 crisis.

With solid financial foundations, Groupe Mutuel can look to the future with confidence. The role of insurers will certainly change in the years to come. This is why Groupe Mutuel is also investing in innovation and digital transformation, with the aim of supporting customers throughout their lives.

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About Groupe Mutuel

Over 1.3 million private customers as well as some 24,000 corporate clients have placed their trust in Groupe Mutuel. Its overall turnover exceeds CHF 5.4 billion.

In addition to compulsory health insurance (LAMal/KVG) and supplemental insurance (LCA/VVG), customers can choose from an extensive range of life insurance plans to cover risks and provide for their retirement, as well as from a range of patrimony insurance solutions (legal protection, private liability insurance and household contents insurance).

For companies, Groupe Mutuel offers daily allowance insurance, pursuant to LAMal/KVG and LCA/VVG, as well as compulsory accident insurance (LAA/UVG). Furthermore, the pension fund Groupe Mutuel Prévoyance (LPP/BVG) has entrusted its management to the leading French-speaking health insurer based in Martigny.