



# Federal Council adopts dispatch on partial revision of Insurance Oversight Act

**Bern, 21.10.2020 - On 21 October 2020, the Federal Council adopted the dispatch on a partial revision of the Insurance Oversight Act (IOA). The Act regulates the supervision of insurance undertakings and insurance intermediaries. In particular, it protects insured parties from the risks of insurer insolvency and from abuses. During the consultation, the bill met with a positive response overall.**

The partial revision of the IOA takes account of insurance market developments and implements parliamentary proposals arising from the deliberations on the Financial Services Act (FinSA). In addition, the bill contains specific amendments aimed at bringing the protection of insured parties into line with international developments. The overall objective is to create a nuanced regulatory and supervisory framework which simultaneously improves both the competitiveness of the Swiss insurance sector and consumer protection. The partial revision covers the following areas:

- **Right to restructure:** Currently applicable insurance law obliges the Swiss Financial Market Supervisory Authority (FINMA) to order bankruptcy proceedings as soon as an insurance undertaking gets into financial difficulty. However, restructuring would often be better from the insured parties' standpoint, as they generally have an interest in seeing their insurance policies continue. The proposed right to restructure closes this gap, thereby strengthening consumer protection.
- **Consumer protection-based regulatory and supervisory concept:** The bill proposes the introduction of client categorisation. Insurance undertakings should benefit from relaxed supervisory requirements if they deal solely with professional clients (e.g. large companies that do not have a special need for protection). Moreover, there is the possibility for small insurance undertakings with innovative business models to be either wholly or partly exempted from supervision.
- **Insurance intermediation:** The legislation on intermediation should be modernised and

insurance intermediation, the regulation on intermediation should be modernised and consumer protection strengthened, in particular by introducing a general requirement to affiliate to an ombudsman. In addition, there are to be new special requirements on avoiding conflicts of interest, and, for independent insurance intermediaries, on disclosing compensation from insurance undertakings or third parties. As regards the sale of certain insurance-based investment products, special conduct rules and a duty to provide information will be introduced – as has already been done for financial instruments under the FinSA.

The bill also contains other amendments to the IOA, such as the streamlining of criminal provisions, the strengthening of group supervision and the better formal anchoring of the Swiss solvency test. Moreover, the special provision allowing FINMA to exempt insurance undertakings from the requirement to perform internal audits is to be repealed.


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## Documents

 [Botschaft](#) (PDF, 1 MB).

 [Versicherungsaufsichtsgesetz](#) (PDF, 646 kB).

 [Ergebnisbericht](#) (PDF, 675 kB).

 [Internationaler Vergleich und Regulierungsfolgenabschätzung](#) (PDF, 718 kB).

## Publisher

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