

swiss life

150 years of Swiss Life. The anniversary magazine.



150
Jahre · Ans · Years

The anniversary magazine.


SwissLife
Prepared for the future.

The first policy. Page 4

Insured with Swiss Life. Page 5

Time warp. From page 6
150 years. This is how long Swiss Life has been around. What happened during this time? Short stories are scattered throughout the magazine like a multicoloured mosaic – travelling back over the past 150 years.

Life's journeys. From page 7
Switzerland is a small but very diverse country, as confirmed by these 16 life stories. Some look back, some live completely in the here and now, and some look to the future. Life stories from Switzerland.

Securing people's future for 150 years. Page 8
Bruno Gehrig is the Chairman of the Board of Directors of Swiss Life. He focuses on solving the medium- and long-term problems facing the Swiss pension system, but still finds time to criticise unfavourable developments in the system.

Working after retirement keeps you happy. Page 16
Life expectancy is constantly on the rise. These days, many seniors stay fit and healthy until they are very old. Four examples of people who didn't want to stop working at 65. And what scientists think of working after retirement age.

The leader in Switzerland, strong in Europe. Page 28
The insurance market has changed greatly during the past few years. Competition has become fiercer, both in Switzerland and abroad. How is Swiss Life facing up to the challenges?

Correspondence. Page 36

Searching for clues at Lake Constance. Page 42
Conrad Widmer was born in Altnau on Lake Constance in 1818. He worked in Thurgau as a journalist, lawyer and assistant public prosecutor. He then moved to Zurich where he worked as the director of a prison before founding Swiss Life. The life of an outsider.

Grounds for hope. Page 56
The economist and journalist Beat Kappeler has been studying the security of pension systems for many years. His analysis exposes the blind spots of the Swiss politicians.

Employed at Swiss Life. Page 62

Swiss Life's commitment. From page 66
Swiss Life is supporting many projects during its anniversary year, such as a living space competition for Swiss schools. Other projects focus on education, sports and games.

What type of investor are you? Page 73

Advertising throughout the ages. Page 80

150 years of Swiss Life. The company's history. Page 89
As with every business venture, Swiss Life started out as an idea. Then Conrad Widmer provided the brains and teamed up with a number of people who supported the creation of the first Swiss life insurance company. And a great number of foreign companies who didn't like the newcomer. But the liberal spirit established in the first decades injected the start-up company with enough momentum to ensure that there was only one way to go during the next years and decades: onward and upward.



Working after retirement keeps you happy. Page 16.



Swiss Life's commitment. Kids Festival for the football stars of tomorrow. Page 66.



1910.



1973.



1992.



Head office of Rentenanstalt in Zurich from 1899 - 1940. Right: Conrad Widmer, founder of Rentenanstalt.



150
Jahre · Ans · Years

Dear Readers Geographically speaking, Switzerland is a small country. But thanks to its astonishing variety, it is more than that – it is a world in miniature. And when we consider the country’s economic strengths and long democratic tradition, Switzerland may, without exaggeration, count itself among the larger nations.

How does such a finely tuned entity such as Switzerland come into being? How does it keep going? How can it be strengthened? This requires the convergence of many factors working together: initiative, endurance, talent, competitive ability, a receptive attitude towards the new. All of which give rise to values and achievements that endure. Much of what we take for granted today emerged in the 19th century: Major railroad networks, long Alpine tunnels, the first hydroelectric power stations, suspension bridges, but also many of the internationally active companies that still shape the image of Switzerland today.

Swiss Life is also a part of the economic picture of Switzerland. Even when we were still called “Schweizerische Rentenanstalt”, we always paid homage to our origins. Our company was then and is now a part of Switzerland’s diversity and makes its own contribution to spreading the good name of Switzerland throughout the world. Our home is Switzerland and we are at home in the world.

From the modest origins of Rentenanstalt, which in 1857 opened its doors in a small, tucked-away building near Zurich’s Paradeplatz (and employed a grand total of five people) has emerged Swiss Life – an internationally active company. Day after day, our 9,000 employees make it possible for us to offer quality, remain competitive, and thereby gain the trust of customers. And it is your loyalty to Swiss Life as our customer, that has confirmed our leading role in the retirement provision business. Just as before you, the customers of the 19th and 20th centuries entrusted us with their confidence. We owe all of you our thanks.

Swiss Life can look back on 150 successful years. The next years and decades are still ahead of us and we enter the future guided by our basic principles: We rise to meet the challenges of the future. We strive for reliable retirement solutions for our customers. We are guided – and measured – by our clear values.



Bruno Gehrig
Chairman of the Board of Directors

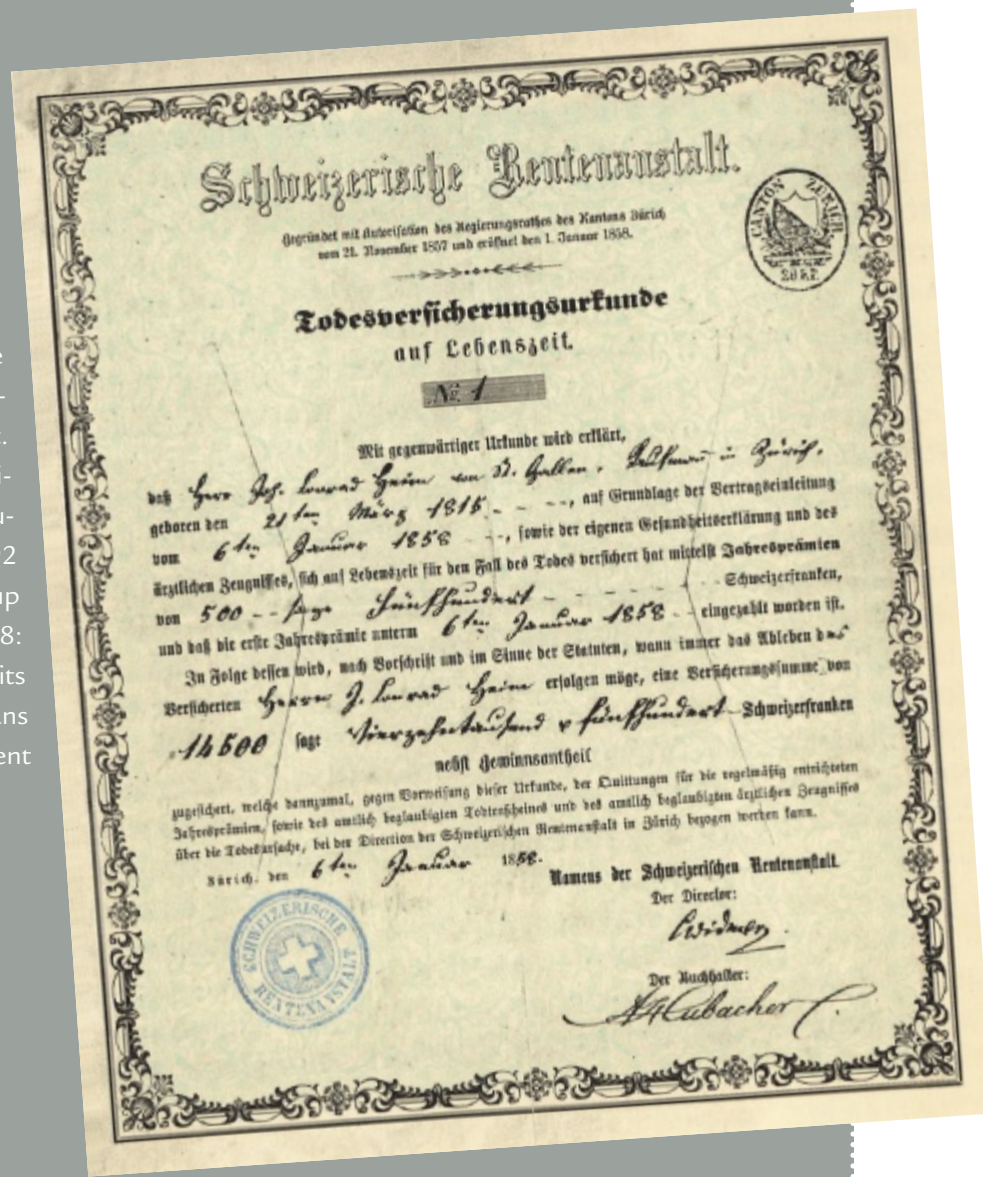


Rolf Dörig
Group CEO

The first insurance policy

Rentenanstalt was founded in 1857. Before the company could actually start operations, however, dozens of permits had to be obtained – from every canton. The company was also organising its sales force, drawing up a schedule of premiums, establishing internal procedures. Then it went before the public. And shortly after the turn of the year the first insurance policy was signed.

It was dated 6 January 1858. Johann Conrad Heim, a merchant from St. Gallen, concluded a whole life policy with CHF 14,500 of cover, which was a substantial sum in those days. Rentenanstalt's founder Conrad Widmer did not turn down the opportunity to write up the company's very first insurance contract. This was followed by many other policies the same year: 16 old-age annuities, 242 endowment policies and 192 whole life contracts. The first group insurance policy also dates from 1858: the canton of Zurich insured benefits for the surviving widows and orphans of its public school teachers in the event of death.





Head office of Schweizerische Rentenanstalt from 1876 – 1899. «Chamhaus», Obere Zäune in Zurich.



Head office of Schweizerische Rentenanstalt from 1899 – 1938. Alpenquai 40 in Zurich.

Insured with Swiss Life

Almost one million people in Switzerland are currently insured with Swiss Life. Half of these have taken out third pillar life insurance as a form of private pension provision. The rest are insured through their employer for second pillar benefits – more than 40,000 companies hold contracts with Swiss Life for occupational pension provision. A Federal Council decision of 1916 paved the way for such corporate contracts in Switzerland by promising employers tax rebates on the provision of employee benefits, which were purely voluntary at the time. The oldest corporate clients date back to 1918, when contracts were signed with the PKZ Group and Mägerle AG Maschinenfabrik, an engineering company.

PKZ: Innovative management

The PKZ Group, which has now been in business for 126 years, was founded by Paul Kehl in Winterthur in 1881 when he opened the very first clothing factory in Switzerland. The company moved to Zurich in 1891 and the PKZ brand (Paul Kehl Zurich) was entered in the commercial register. In 1918, Karl Burger, Kehl's son-in-law, took the innovative step of setting up the PKZ Wohlfahrtsfonds, a voluntary pension fund for members of its workforce. Around 1,000 of the company's employees were insured with Swiss Life up to 1970. When PKZ subsequently stopped producing its own clothes, the headcount fell to around 600.

A loyal customer: In 1918 Mägerle Maschinenfabrik concluded its first policies with Swiss Life. The company, headquartered in Fehraltorf, manufactures high-powered grinding systems.

Mägerle: Expansion from four to 120 employees

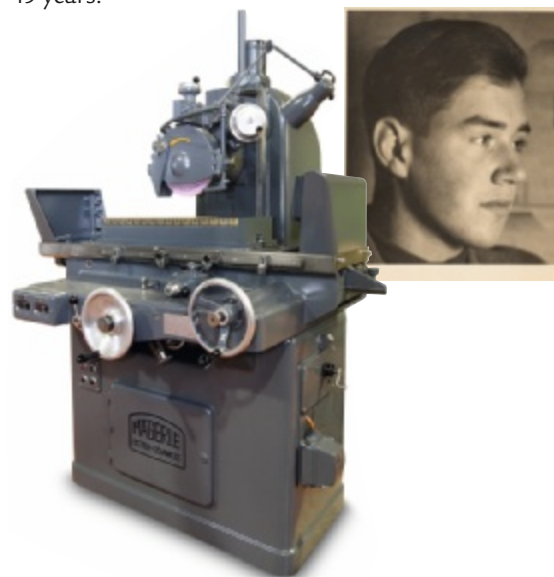
The foundations for occupational provision were likewise laid at Mägerle AG Maschinenfabrik in 1918, when the company was still known as Maschinenfabrik Uster. Back then only four policies were involved. Today, all 120 or so of the Mägerle AG Maschinenfabrik and Schleifring AG workforce are insured with Swiss Life.

Hans Kurt Knecht: Private customer of longest standing

The oldest contract still in existence with a private customer dates back to 8 February 1918. The grandfather of Hans Kurt Knecht, a district councillor and factory owner from Uster, took out the insurance for his grandson, who was then only nine months old. Mr Knecht is now 89 and has been receiving annuity payments from Swiss Life since 1958, i.e. every year for the past 49 years.



PKZ – insured with Swiss Life since 1918. Poster from 1934.



Hans Kurt Knecht has received annuity payments from Swiss Life for 49 years.

1857-1872



The most North American city in Switzerland. La Chaux-de-Fonds, rebuilt in a geometric design after a devastating fire, was considered **the most modern city in Switzerland** in the mid-nineteenth century. The city absorbed many immigrants from other cantons and countries. Like cities in North America, La Chaux-de-Fonds was a social melting pot. Its inhabitants were very active politically. In 1870 more than half of the city's workers were employed in the **watchmaking** industry. This city, in the Jura hills in the canton of Neuchâtel, even attracted the attention of **Karl Marx**, who described it as one big watchmaking factory. In praise? Probably not.

Grasshoppers in Switzerland.

The Football Association (FA) was founded in London in 1863 and a comprehensive set of rules was drawn up for the first time. British students brought football to Zurich: the Grasshopper-Club Zürich was founded in 1886. Tom E. Griffith was its first president and team captain. The bill for a genuine leather football and blue and white jerseys and caps totalled 20 Swiss francs. These items also came from England, the "home of football". Club members initially paid an annual fee of three francs. The Grasshoppers played their first league match against the Federal Polytechnic Institute (today's ETH) on 18 November 1888, a good two years after the club was founded. It ended in a 0-0 draw. Three players were injured and one goal post was damaged. But the club's fortunes rose from then on. Incidentally, Rolf Dörig, Swiss Life CEO, was elected club president in 2004.



Brass bands flourish.

People don't live just to work. They also need fellowship, song and music. The brass band movement flourished in the 19th century and bands were formed in many Swiss towns and cities. The music society in Niederwil, in the eastern canton of St. Gallen, was established in the very same year as Rentenanstalt. Farmers, day labourers and wage earners were among the founding members. There was no money for uniforms, which remained a distant dream for years. The oldest picture from the Niederwil Music Society's archives shows that they did manage to purchase hats. But – much more importantly – they had horns, tubas and a euphonium.



Zurich glows. Lamps began to light up public streets and squares in the 19th century. The city of Zurich privatised this in 1856, when it granted a German engineer a permit. He lit up the city on the Limmat with gaslight for the next three decades. Then the city itself took over and replaced the gas with electrical lighting. And where does the electricity come from? The canton of Graubünden, where the city of Zurich obtains most of its power.



International expansion begins. Rentenanstalt began its expansion into foreign markets at a surprisingly early date. The Swiss life insurer received its first business permit for Germany in 1866. It was valid only in Prussia, though. The German Confederation of the time was broken up into numerous kingdoms, grand duchies and the like, all of which zealously guarded their sovereign rights. A separate business permit was needed from each.



An advertising star

Fabian Bräm (10), Zurich ZH

“To play for Real Madrid.” Finally, a boy who could say “Real Madrid” without hesitancy, not nervous and stiff, a boy who was able to say “am liebschte bi Real Madrid schpile” (“I’d like to play for Real Madrid”) straight from the heart. Fabian Bräm was fourth or fifth in line at the casting. The sentence was now on tape. And Fabian had become an advertising star. Swiss Life commercials with Fabian’s voice ran a whole summer. In the television commercial, saying “am liebschte bi Real Madrid schpile”, while viewers saw Ricardo Cabanas of the Swiss national football team. Fabian is a Cabanas fan “because

he’s cool.” Fabian doesn’t mind that he didn’t get his pen back when he went for an autograph. But he hasn’t forgotten, either. Fabian is ten years old. Uninhibited and a bit mischievous. In the third grade. Favourite activity: swimming. He earned CHF 250 for his advertising debut and was also given a complete national team uniform. Fabian is on the SV Höngg football squad. Juniors, E level. His second season. They have practice on Wednesdays and games on Saturdays. He would like to play forward but is usually in goal. He doesn’t grumble though. A girl, the best player, scores most of the team’s goals. Fabian

has also started to play the drums. The advertising stint didn’t change Fabian one bit. His relatives know about it, of course. And his best friend. A couple of people recognised his voice. But he doesn’t brag about it, doesn’t think it was anything special. “Bragging is dumb,” he says with conviction. Fabian, would you really like to play for Real Madrid someday? “No. I’d like to be a referee. Or an oceanologist”

Fabian Bräm played a part in a Swiss Life commercial.

Securing people's



Bruno Gehrig, Chairman of the Board of Swiss Life.

future for 150 years

150 years of Swiss Life. Bruno Gehrig, Chairman of the Board of Directors, first takes a look at the past and then into the future, since the future is what pensions are all about. Providing for the future means taking future generations into account and striking a fair bargain for all stakeholders. Which Gehrig says is the only route to sustainable solutions.

As we know, everyone can make a wish on their birthday. Bruno Gehrig, what's your wish for Swiss Life's 150th birthday? (Laughs) My wish is that Swiss Life will continue to grow and thrive in all its markets for the next 50 years. Our goal is to be an excellent provider for the persons insured, while generating a fair return for the people and institutions who invest in our company.

Is the anniversary year a year like any other or will it be very special for the company? 2007 will be a special year for us, and we intend to celebrate it in a special way. An anniversary like this is a time for reflection, a time to look back on your own history. That is part of the anniversary celebration. But we plan to look ahead, too.

What is more important – looking back or looking ahead? Looking back comes first when celebrating a 150-year anniversary, for the simple reason that those who came before us deserve to be commemorated for their effort and dedication in building the company. One person I'd like to draw special attention to is Conrad Widmer of Thurgau.

He developed the initial business concepts for the Rentenanstalt and headed the company for the first 35 years. That, for me, is the greatest individual achievement in the history of Swiss Life.

But shouldn't a company look more towards the future and address the challenges ahead, rather than celebrate the past? Of course it's important to look ahead, and we're doing that, too. Our line of business, pension and savings plans, is definitely about the future. That's one reason we chose "perspectives for people" as the recurrent theme of our anniversary year. But if there weren't any past, there wouldn't be a future. And no chance for us to grow the company for the next generation and beyond. That's why a look at our past is important to me in our anniversary year.

Are there any events or turning points in the company's history that made a lasting impression on you? (Contemplates for a while) What impresses me the most is not an event but the fact that insurance actuaries, investment specialists and customer advisors – the key functions in our

«Nothing is certain» Bruno Gehrig



Bruno Gehrig has been Chairman of the Board of Directors of Swiss Life since 2003. He was previously a Member of the Governing Board of the Swiss National Bank and a Professor of Business Administration at the University of St Gallen. He is 60 years old, married and father of three grown-up children.

line of business – have worked together so well for 150 years. There were times when the company did what the actuaries said and phases when asset management or the sales side was in the driver's seat. The influence of these three groups has shifted over time, but the fact remains that our company history is the result of continual interaction between these functions. I find this interplay between specialists who think and act in entirely different ways fascinating.

Swiss Life was a mutual company for all but 10 of the past 150 years. Did the decision to become a public company listed on the stock exchange pay off? The step from a mutually owned company to a public limited company was a big one but it did not cause us to lose our balance. For many people in the company not much has changed. A mutual ownership structure was the most common form for life insurers for a good many years. But the capital markets have changed. A mutual company can't raise capital

by issuing stock. And our recent past has demonstrated how important access to the capital market can be. Rentenanstalt would not have survived the past four or five years if it had been unable to raise urgently needed capital from its shareholders. By the way, our demutualisation was part of an industry-wide trend. All large, internationally active insurers today are PLCs.

The company's name was changed, too, from Rentenanstalt to Swiss Life. But I notice you used the old German name yourself, although the official name has been Swiss Life since 2004. Why is that? Yes, I know. I use Rentenanstalt time and again but it's not something I'm ashamed of. The name Rentenanstalt is part of who we are. It was used throughout most of our history. The names of the holding company's subsidiaries still include the word Rentenanstalt, as does the name of our large BVG collective foundation. Obviously, though, I should use Swiss Life instead of Rentenanstalt.

“The BVG is a compulsory savings plan. It is odd that transparency was hardly an issue for such a long time.” Bruno Gehrig

equality. That creates tensions. What’s Swiss Life’s position here? Just business? Or social as well? Anybody who thinks only in numbers doesn’t have a chance of success in this discussion. All parties involved with this issue also have social responsibilities to uphold.

And how do you or Swiss Life uphold these responsibilities? The pension sector is a highly regulated area, be it the second pillar with its forced savings or the third pillar with tax incentives. Business and political leaders have almost no other option than to work together constructively for sustainable solutions. As I see it, our role is that of a specialist who briefs policymakers and sheds light on the complex world of insurance and actuarial techniques. Our primary aim is furnishing information that is understandable, transparent and credible. We need to be credible in our efforts to accommodate the differing interests of the insured and the shareholders. We are not yet quite where we would like to be in this regard.

The credibility of a company rests, to a large extent, on the credibility of the people at the top. How do you, as Chairman of the Board of Directors, contribute to this? Above all, by insisting on good corporate governance. Effective management and control processes are crucial for the credibility of a company and its sustained success in the long term.

Some people are asking whether the three-pillar system will work in future. There have been calls for sweeping reforms. What’s your opinion? Switzerland’s three-pillar system still has a future. Compared to other countries, the Swiss combination of occupational and personal pension plans, of mandatory and voluntary savings programs and of pay-as-you-go and fully-funded plans is a remarkable achievement. Other countries are trying to get to the point where we are already. I don’t think fundamental reforms are necessary, but we can’t allow false expectations to take hold

and we must make sure that later generations are not asked to pay for the debts of the current generation of pensioners.

Swiss Life championing the interests of the young? No, we’re not representing young people’s interests. But we do support our young and future generations because they will be increasingly outnumbered by older people. That’s why the redistribution from young to old is no longer viable as it stands today. We’re putting our social system at risk if nothing is done. To me, it’s more important to raise young people’s awareness of this issue. When I was younger, for example, I never gave a thought to my occupational pension fund when I changed jobs: You can’t do that nowadays. You need to ask about the company pension fund before starting a new job. More personal responsibility is called for. This is also true for private voluntary savings plans. I always recommend young people to start saving as soon as possible. People who don’t think about retirement until they’re 45 or 50 are starting pretty late, and it’ll be hard for them to reach their savings targets. Time is of the essence in the pension equation.

You’re 60 years old and you don’t really need to think about the issues facing the young. Don’t forget that I’m in the pensions business. Demographic trends are an integral issue in our sector. A sustainable and financially sound social security system also interests me because of my three children. I think this is something that will interest me all my life.

One last question, Mr Gehrig. Will Swiss Life still be the largest life insurance company in Switzerland 25 years from now – and will it still be independent? I hope that Swiss Life can continue to create value for its customers and shareholders as an independent company. But we can’t deny that nothing is certain. The world is constantly changing, and sometimes in ways that were inconceivable beforehand. That said, Swiss Life clearly intends to continue along the same successful path we are taking today.



An Alpine valley. A man's life.

Armand Genoud (77), Zinal, VS

"I'm a mountain person." Armand Genoud lives in Zinal, in the Anniviers valley. He grew up in Mission, a village near the valley. Parents: Alpine farmers, nine children. A hard life, "but it taught me a lot." The family was always on the move, between vineyards in Sierre, low-lying meadows and pastures high in the Alps. School was wherever they were; teacher and pastor followed along. Armand, the eldest child, helped the family make ends meet after completing his compulsory schooling, and later went out in search of work. He moved to the flatlands and joined the police in Sion, where he served with

heart and soul. "That broadened my horizons," he says. But he didn't forget his roots. In 1966 he moved with his wife (from the same valley) and five children to Zinal, which he helped to develop as a winter resort. He was in charge of safety issues, including avalanche security, and the local tourist office. He and his wife opened a sports store as a sideline, now run by their children. Plus, he was a mountain guide and ardent cross-country skier. His comment: "You've got to be versatile." Cross-country skiing – a means of getting around as a child – took him to the 1956 Winter Olympics in Cortina. He remembers tears in his eyes

as they entered the stadium. A bout of flu prevented a top performance. He was exhausted at the finish, but he made it. Now he takes a more leisurely pace. His other passion is the Herens breed of cattle, named after the Val d'Hérens region. He always has a few cows in the traditional autumn procession down from the Alps, and among the "reines" – the best "fighting cows" (or the queens, in French). He says this with pride, and his eyes light up. "I've had a happy life."

Armand Genoud is a Swiss Life customer.

1873 - 1887

WORLD FASHION CENTRE PARIS

In 1858, the Englishman Charles Frederick Worth established a firm on the then tranquil Rue de la Paix and ushered in the industrialisation of haute couture. Worth's customers included Napoleon III's wife, the entire French court and just about everyone else of rank and standing. For almost 40 years, from the days of hoopskirts to bustles, Worth was the unrivalled king of Paris fashion.



A sign of progress.

On 14 November 1881, a silk-weaving school opened in Zurich with an enrolment of 21. Students learned the trade on three mechanical and 13 hand looms. At the end of the 19th century, the Adliswil Mechanische Seidenweberei had 1,300 looms in operation and was the largest weaving mill in Switzerland.

A Swiss cliché is born. 1875 marked the beginning of a sweet success story. After many years of research, Daniel Peter, son-in-law of chocolate pioneer François-Louis Cailler, finally succeeded in creating a stable end-product from a mixture of cacao, sugar and condensed milk: the first bars of Switzerland's famous milk chocolate. Adding milk neutralised the bitter chocolate taste, making it suitable for the mass market.



Daniel Peter.

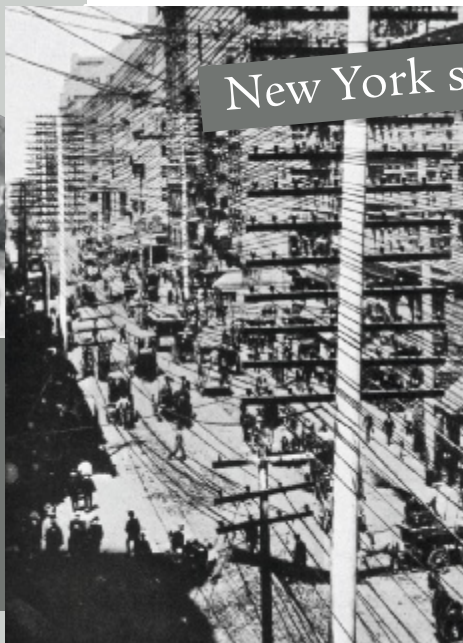


The oldest Swiss bestseller. "From the pleasant village of Mayenfeld a path leads through green fields, richly covered with trees, to the foot of the mountain, which from this side overhangs the valley with grave and solemn aspect. Where the path begins to grow steeper, begins also the heath with its short grass; and the perfume of sweet mountain plants seems to advance as if welcoming the traveller. From this spot the footpath rises almost perpendicularly to the summit."

These are the opening sentences of "Heidi" by Johanna Spyri, which was published for the first time in 1880. Ever since, children all over the world have immersed themselves in Heidi's adventures, were frightened of her grandfather, and were secretly on the side of the jealous Peter. In 1891 at the age of 64, Johanna Spyri took out insurance from Rentenanstalt. Ten years later she died a natural death.



New York starts twittering.



Alexander Graham Bell tested the first telephone in the US in 1876 but it took a few years to achieve a breakthrough. Phone companies initially installed the wires above ground in the cities - it was faster and cheaper than underground. In New York back in 1887, houses and streets were hardly visible through all the cables. Up to 150 were suspended along lower Broadway on 20-meter poles. New York was twittering away.



Welcome to Ca' Serafina

Alexa Thio (52), Lodano TI

A white cat and a black cat play on the grass in the well-tended garden of a house in Ticino. This idyllic spot against a sun-drenched slope in the Maggia valley is the kingdom of Alexa Thio. She came to this lovely Ticino town to realise her fondest dream, and has been managing Ca' Serafina, probably the "smallest three-star establishment in Switzerland" for the past seven years. This attractive, bubbly woman with a Ticino accent is clearly in love with life: "I work seven days a week, but I love this job." She describes the day on which her family came to own this 19th-century building

as a very lucky day. Alexa Thio is a hostess with all her heart, and wants her guests to feel at home. Harmony is important to her, not only in her beautiful house, where the tastefully appointed rooms are a testimony to this. "I really enjoy serving a table where the guests can spontaneously become friends," says Alexa. She grew up in Locarno as the daughter of a Dutch mother and an Indonesian father, and is multilingual, well-versed in the ways of the world and above all a woman of deeds: from making tiramisù to doing the accounts, this mother of three grown-up children believes in get-

ting things right by doing them herself: everything is home-made. Doesn't she sometimes find that it gets too much? Aren't the guests sometimes a nuisance? "Luckily I've never had such guests," she says with a smile, refusing to let anyone doubt their character. These days, the messages in her guest book bring tears to her eyes. She recently acquired a stable very close to Ca' Serafina, which she plans to convert into a home for herself. She wants to move there soon, preferably with the small white cat who is still playing in the garden.

Alexa Thio is a Swiss Life customer.

Working after retirement keeps you happy

Yes, they exist – people over the age of 65 who continue to work as if there is no AHV retirement age. Take the author Marcella Meier (87), the dentist Charles Eugster (87), the building contractor Luciano Poncetta (75), and the shoemaker Sigi Steck (67), for example. Working keeps them fit and active. Four reports, and the scientist François Höpflinger’s assessment of active seniors and working past retirement age.

Experts at the Max Planck Institute estimate that, by the year 2060 we will live until the age of 100 on average. If this happens, people would be retired for 35 years if the retirement age stayed the same.

But healthy seniors are less and less inclined to stop working at the age of 65. The Ticino-based building contractor Luciano Poncetta (75) thinks that the current retirement age is already too low: “It’s better to keep working when you’re older. You keep active and feel useful.” The 87-year-old author from St Moritz, Marcella Maier, underlines the social aspects of working: “For me, the contact with other people is very important. As long as I’m working, I automatically have contact with other people,” she says. And the 87-year-old Charles Eugster goes even further: “The worst thing for me would be to be forced to enjoy a ‘well-earned rest’.”

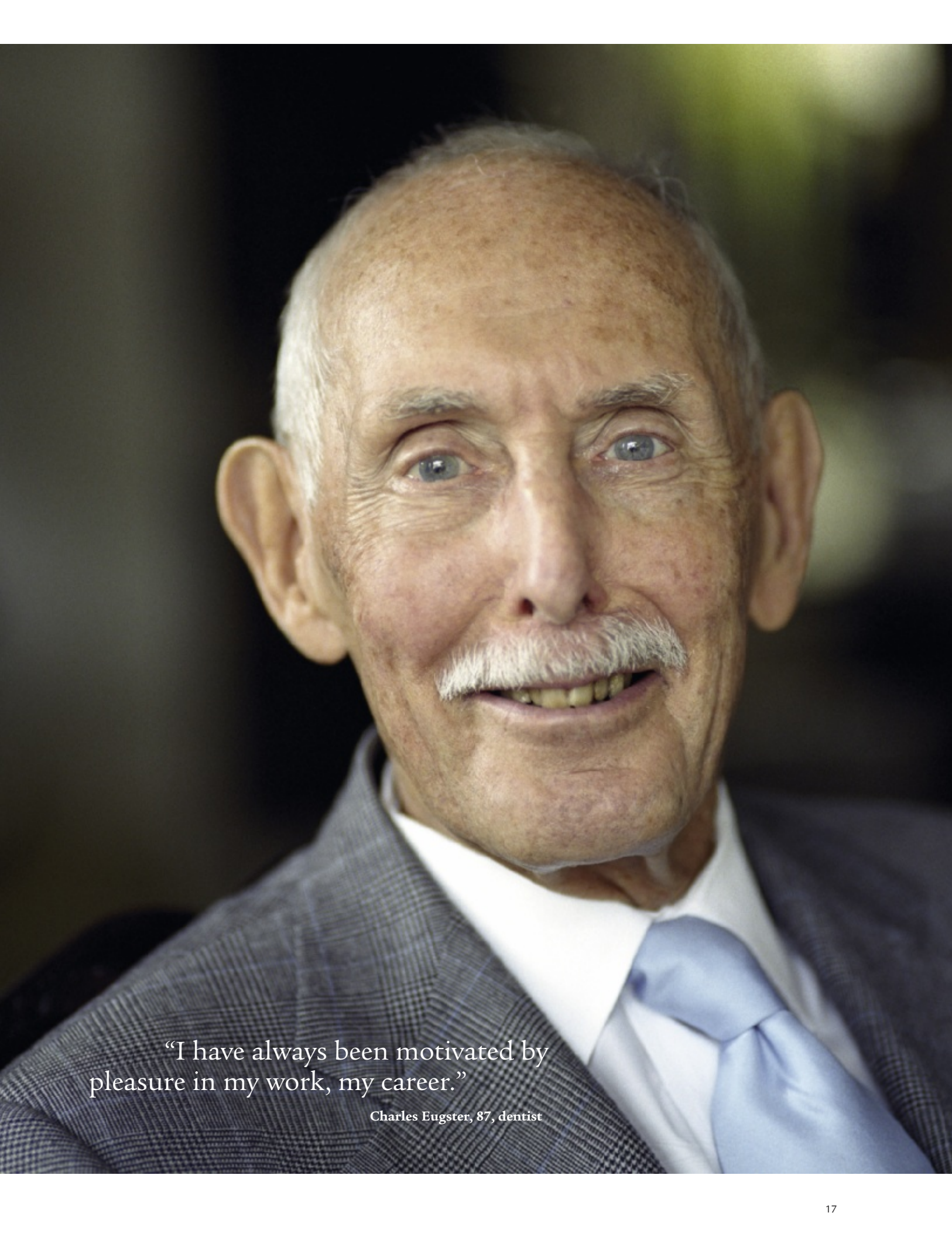
Charles Eugster (87) ran a dental practice in Zurich until he was 75 years old. Until five years ago he also published a multi-lingual monthly magazine for dentists. Today he is studying on his own to become a geriatrics expert. He also takes part in rowing regattas and does bodybuilding every day.

“In my life, work was always the most important thing. If you take away someone’s right to work, you also take away his dignity as a human being. As I got older, the value of working increased even more. I don’t want to be dependent on my pension. Retirement, whether voluntary or involuntary, is nothing but voluntary or involuntary unemployment. Research has shown that 40% of people above the age of 65 would prefer to continue working. But, there are just not enough continuing education opportunities and jobs for these people.

There comes this critical point in life between 55 and 65 when we have to decide if we want to keep working, and if yes, whether we want to do something quite different. Our cognitive abilities decline only very little as we age, but our dexterity decreases rapidly. When I was 75, I decided that I was no longer dexterous enough to practice as a dentist. However, this did not prevent me from continuing to use my brain.

In Europe we have to force people to work longer, especially women. Women represent our greatest hope. We are living longer and longer so it should be possible for a woman to have children first and then concentrate on her professional career.

I’ll keep working as long as I can. As soon as I have reached my next objective, I’ll look for a new one. The worst thing for me would be to be forced to enjoy a ‘well-earned rest’.”

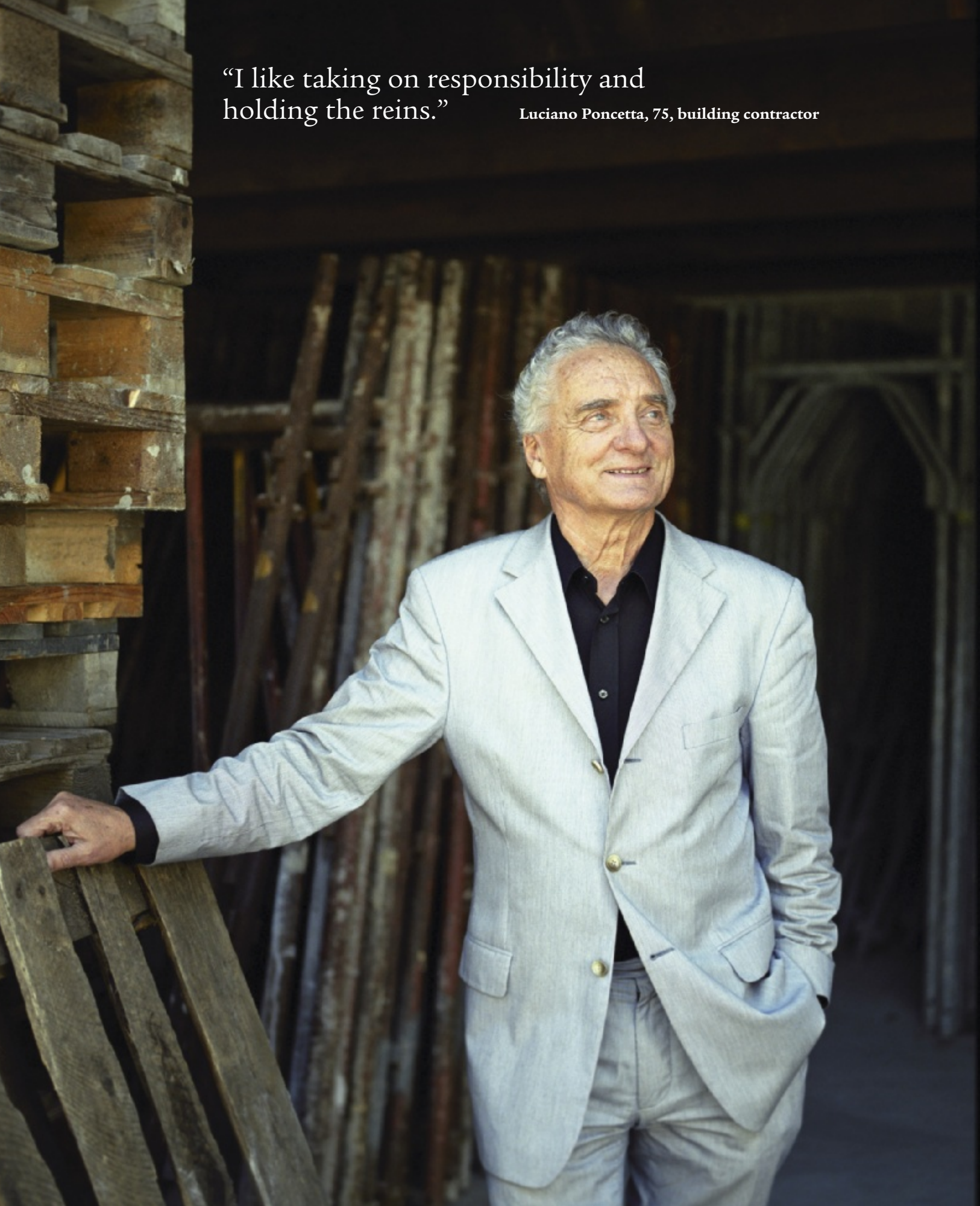


“I have always been motivated by pleasure in my work, my career.”

Charles Eugster, 87, dentist

“I like taking on responsibility and holding the reins.”

Luciano Poncetta, 75, building contractor



Sigi Steck (67), a shoemaker from Altdorf, is more ambivalent: “I always feel torn. On the one hand I don’t need to work any more, but on the other I always say to myself I can’t just go for a walk every day”.

Background

When the Federal Old Age and Survivors’ Insurance (AHV) was introduced in 1948, life expectancy in Switzerland was much lower than today. The 1939/44 mortality table gives an average life expectancy for men of 63 and for women of 67. It is only in the past three decades that people have begun to look forward to a long life after retirement. Older people

In Bignasca in the Maggia valley, Luciano Poncetta (75) is still managing the construction company he founded almost 50 years ago.

“I still work seven days a week. In any case, my mind is always on my business. I only take two weeks holiday in January and two weeks in August.

If I had done what my father wanted, I would have become a businessman, but even when I was a child I was always building walls and things. I just like building. I started the company from scratch. After finishing my training as a building contractor I worked for different hydropower plants. In 1960 my wife helped me to start my own business. Today I have 40 employees. I really appreciate their work. If you give something, you also get something back. I always trained apprentices, and I still act as an expert consultant for final apprenticeship examinations. Thanks to this involvement I have been able to continue my own education. Oh yes, and as a sideline I was also the mayor of Bignasco for 20 years.

I put my family first, and then my work. It’s better to continue to work, as this keeps you active and makes you feel useful. Some of my friends used to say that they would stop working at 65, but all of them are still working. Financially it was also not possible for me to retire at 65. I invested all my savings in the company and the house.

My two daughters are not currently working for the company. I will continue to work for as long as I’m healthy. We’ll see what happens if this should change. I visit some of my construction sites every day, so I keep in touch with what happens on the sites. It makes me very happy to watch new buildings go up.”

today also have more handicap-free years to enjoy. But what are we doing with all the time we suddenly have on our hands after retirement?

Many enjoy their retirement and finally get to do everything they never had time for. For others, retirement is a problem. Badly paid workers or those with physically demanding jobs really blossom after retirement, but the same can’t be said for people in more intellectual careers, as they often experience a serious crisis after the age of 65.

More and more healthy seniors

These days, seniors are more active and remain healthy for longer than before. In addition to the demographic ageing of the population, the gerontologist François Höpflinger of the University of Zurich also sees a socio-cultural rejuvenation. The values and conduct of older people have undergone a significant change. Today’s seniors are significantly better educated than earlier generations of pensioners, and their lifestyles have also changed. “Today’s pensioners take part in sports, wear fashionable clothes, are more mobile and love travelling,” says Höpflinger. On the one hand, this development can be traced back to our greater prosperity, and on the other, the current generation of pensioners grew up with an active, performance-oriented and physical culture. “They learned how to remain relatively youthful until late in life,” explains Höpflinger.

Freedom to choose to work is good

This “rejuvenation” also has an impact on retirement. Many pensioners these days want to continue to make some sort of active contribution to society. The number of older men and women who remain professionally competent and motivated as they grow older is increasing, and many of them are interested in working at least part-time when they are older. As a result, retirement could be a process introduced in stages, rather than a sudden change in lifestyle. This is mainly motivated by professional and

social reasons, and not by income. These people have experience of life and know that work can keep you satisfied and happy.

Satisfaction and health do indeed go hand in hand with work: numerous studies have confirmed that physical and intellectual activity contribute significantly to maintaining productivity until long after retirement age. The activity level of older people basically depends on earlier habits: “People who are active and committed to their work are happiest when they can still be active after retirement,” says Höpflinger. “More passive people, on the other hand, are most satisfied if they can enjoy their retirement quietly and without any excitement.”

In Switzerland today, around 11% of men over the age of 65 and nearly 5% of women of the same age continue to work. Many of them are self-employed. A different picture results if we also include volunteer work, housework and family work, because retired women spend a large part of their day performing this kind of work. Whether they are looking after their grandchildren or nursing family members, these activities also mean that they remain integrated in society and continue to come into contact with other people.

No recognition for older working people

Given the positive impact on older people of remaining active, many gerontologists are lobbying for more flexibility or even for an increase in the retirement age. It is no coincidence that self-employed people in particular work longer these days, as many private-sector and government employees are not given this opportunity. Most companies prefer to employ younger people. Older people are often forced to retire early. Prejudice against older employees is persistent, although research shows that they are just as productive on average as younger people. Older people’s ability to learn and store knowledge is also significantly greater than generally accepted.

But the biggest points in favour of older people are clearly their experience, their wealth of knowledge and their network of contacts. “Older workers are often more responsible and more conscientious,” says Höpflinger, “and they are, for example, better equipped to cope with crises or dif-

Marcella Maier (87) has been living in St Moritz since the day she was born. She is a journalist and a writer. Her last book was published two years ago.

“After my husband’s death in 1979 after a long period of illness, I was all alone. I was 59 at the time and I had four daughters and a house with a roof that needed complete renovation. My first reaction was fear. But then I told myself: “Pull yourself together.” I started working 50% as a journalist for a local newspaper and for the “Bündner Zeitung” and I also worked 40% as a school secretary. This meant that I was able to keep the house and pay for the renovations. Two of my four daughters are still living in the house with me. My daughters have since started their own families, and I now have five grandchildren.

I have been receiving my AHV pension since 1982, but otherwise little has changed since my retirement, as I am still working today. If I didn’t have anything to do, I would be bored. I believe in keeping busy. What has changed? These days I work for the fun of it. I’m chairman of the Mili Weber Foundation. Mili Weber, who died in 1978, was an artist and a friend. We organise guided tours and many other things. Of course, this isn’t a full-time job, but I still have something to do every day. I resigned from the cantonal parliament of the Canton of Graubünden because I was getting old, and I now write books instead. ‘Das grüne Seidentuch’ was published in 2005, and it has been reprinted three times since.

It’s funny how long it took me to finally find a permanent job. Although I was actually well educated, it took me no less than seven years after school to find a permanent position. After surviving the war with occasional jobs and farm work, I finally found a job in 1944 at the age of 24 as a secretary for the St Moritz tourist office. My first monthly salary was CHF 50.”

ficult customers.” It certainly makes no sense to employ older people in a job that requires fast reaction times and physical power, but companies will be doing themselves a favour by employing them as representatives or advisors. In particular they could coach and support young people who are just starting their careers.

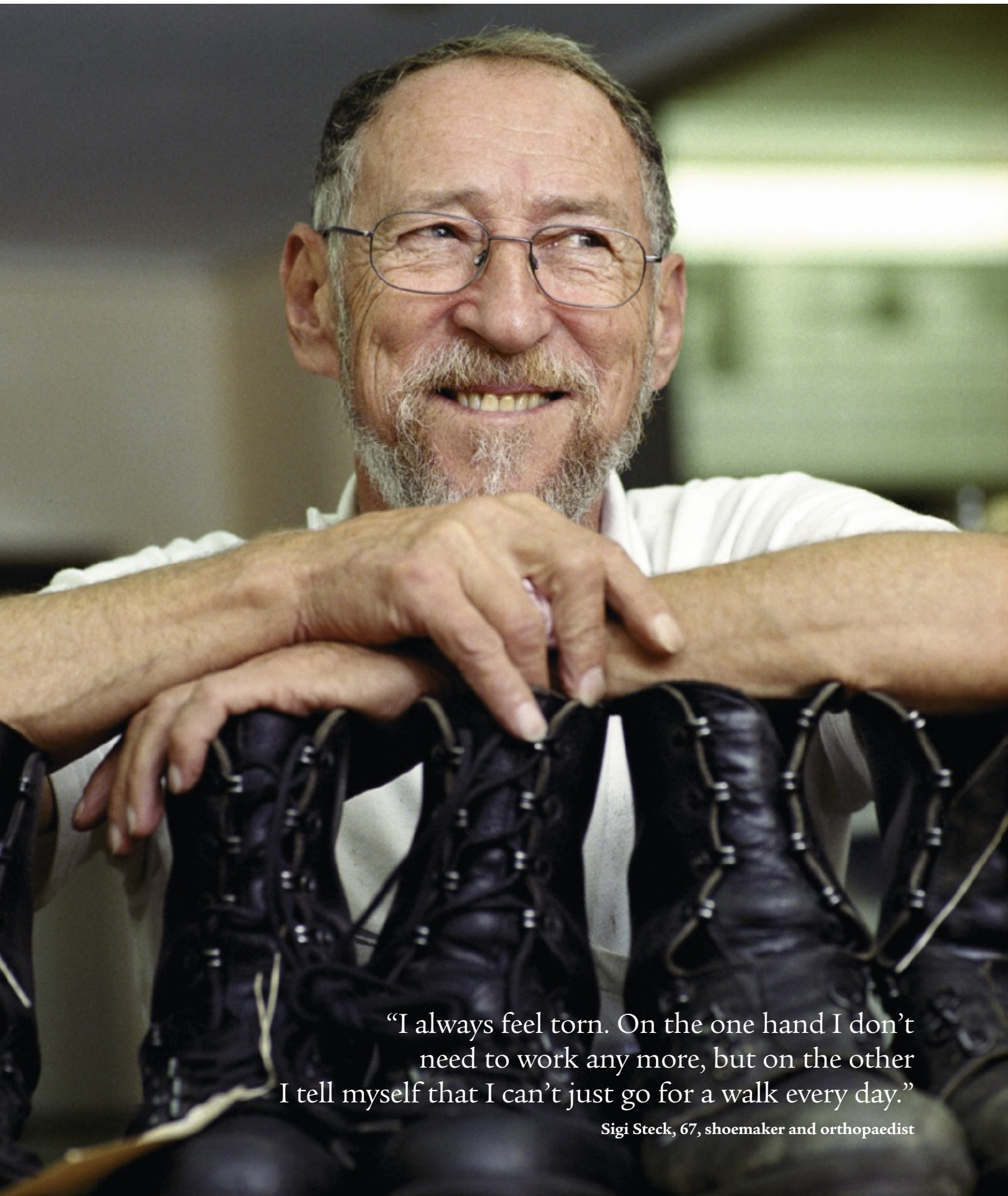
Use the know-how of older people

Former management experts come together in model organisations such as Adlatus. They make their know-how and experience available to young start-ups as well as established companies. “The skills of older people lie not only in their specialist competence and management experi-



“These days I find it very easy to say no to things that I don’t like doing. Young people should take care of those things.”

Marcella Maier, 86, author



“I always feel torn. On the one hand I don’t need to work any more, but on the other I tell myself that I can’t just go for a walk every day.”

Sigi Steck, 67, shoemaker and orthopaedist

ence, but also in their ability to judge themselves realistically and to listen well,” says Rolf Schneider. He is the regional head of Adlatus for the city and conurbation of Zurich and knows what is important to people working past retirement age: “Older people need to keep their work-life balance.” Part-time jobs and temporary jobs are very popular, and suitable positions include temporary management jobs, project management, coaching and mentoring. This is exactly what Adlatus offers: expert know-how available for a specific time to young com-

Siegfried (Sigi) Steck (67) works part-time as shoemaker and orthopaedist at Studio Steck in Altdorf.

“Yes, it was a bit like a retirement shock. All of a sudden you’re as free as a bird and you don’t really know what to do with this freedom. Even now I still feel slightly unsettled. I now work for my successor, Armin Gerbing. I’ll do this for as long as I’m healthy and he still needs me, but also for financial reasons. If there’s work, I’m there to do it - now, while the trade fair is on, at least three or four days a week. I have a wonderful job. As a shoemaker I was an established part of the community from the start - contact with people is extremely important.

I always make my own shoes. I actually wanted to work for the shoe designer Ferragamo in Milan after my apprenticeship in Stuttgart, but things worked out differently. I had the opportunity to take over a business in Altdorf. I had my own business here for many years. When I retired in 2005, I looked for someone to take it over, as I felt I owed it to my customers. When Armin Gerbing contacted me, it was as if my prayers had been answered. He first worked for me, and then we moved to a new workshop which he now manages. We now have all the electronic gadgets that I didn’t want to use before.

It’s really not easy to give it all up, but I try to take a positive approach. I can open doors for Armin and show that I am behind him all the way. Now I’m trying to restructure my life. One’s private life also changes suddenly, and you fluctuate between happiness and anxiety. But happiness wins out.”

panies and firms going through a difficult period. However, Schneider says that volunteer work, neighbourhood watch schemes or providing family support are also important jobs and suited to the need of retired people to feel a part of society.

Changing our views requires time - and creativity

In order for more retired people to remain active in the workplace, we need to change our views. And we need a new approach: “The classic three-phase model - being educated while we’re young, working in the middle phase of our lives, and then retiring - is working less and less well. In future, training, work and relaxation will take place parallel to all phases of our lives,” says gerontologist François Höpflinger. Continuing education programmes for people from the age of 50 should be just as natural as sabbaticals for 40-year-olds.

Rolf Schneider also has ideas on creating suitable positions for older people who are still motivated: “More project teams with internal and external staff could be set up,” he says. “And it should not only be possible to develop vertically in a company, but also horizontally.”

The Zurich-based economist Heidi Schelbert goes even further. She believes that instead of fixing a regular retirement age, it would make sense to fix a regular working period, for example 42 years. This would take account of the needs of people doing physically demanding work, as they often start working at the age of 16, as well as those of university-educated people who start their professional lives later. But above all, society’s fixation on a specific retirement age would be removed, not only in reality, but, even more important, also in our heads.

Changing our views requires time, but also stimuli - whether from the business world or from politicians. The seniors are already motivated. The next step is to grab the opportunity that they represent.

1888-1902

A warning call. Edouard Rod (1857-1910) is a renowned Swiss author from the French-speaking town of Nyon. His books are translated into German, his voice is heard in France. The great Marcel Proust was known to admire Rod's descriptions of nature. Like many intellectuals, Edouard Rod was critical of contemporary developments and the direction that technology was taking. In 1900 he wrote: **"But if railway tracks run parallel with every mountain stream one day, and train stations are perched on every mountain peak, noisy factories stand in front of every waterfall, electricity lines encircle every forest, and the superb glacial air, the scent of Alpine flowers, are one day permeated with black clouds of steam, coal smoke and petrol fumes, and the whistle of locomotives, the ringing of railway bells, and the wailing of machines drown out the heavenly repose of every mountain valley - what, for God's sake, will remain of our mountains?"**

DRINKING UP.

In 1890 per capita beer consumption in Switzerland was 39.5 litres. Ten years later it was 67 litres and the thirst for beer was still unquenched. Per capita beer consumption stood at 82 litres in 1910. But as the 20th century came to an end, the trend reversal began. Per capita consumption was down to 58.9 litres in the year 2000 and an even lower 54.8 litres of beer in 2005.



This budget doesn't balance.

The annual expenses of a working family of five in Zurich before 1900 are listed below:

	francs/rappen
■ 1 1/2 pounds of meat a day	465.37
■ 4 pounds of bread a day	321.20
■ Potatoes	50.-
■ Milk	153.30
■ Butter	75.-
■ Coffee and chicory	39.-
■ Flour	20.50
■ Vegetables	53.75
■ Wine	100.-
■ Rent	350.-
■ Shoes	100.-
■ Clothing	100.-
■ Linen/bedding	50.-
■ Doctor bills/medicine	50.-
■ School materials for children	6.50
■ Fuel for cooking, heating	100.-
■ Lighting	18.75
■ Military service (lost pay)	50.-
■ Expenses for births/deaths	40.-
■ Taxes	28.-
■ Health insurance, etc.	40.80
Total	2212.17

Expenditure is greater than income: The worker earns CHF 1,200 p.a., his wife CHF 300. The shortfall can only be made up by cutting consumption or dipping into savings. Hard times.



Andrea Bischofberger (35), Weissbad/Al

A “Biber” a day

This young woman from Appenzell really has her hands full. Andrea Bischofberger is 35, head of marketing at Bischofberger AG, the first and only woman in the canton on the board of the Hoher Kasten aerial cableway, member of the Junior Chamber of Commerce association and mother of Yara (4) and Tim (2). A qualified marketing communications planner, she decided to work in the Bischofberger family business when she married Urs Bischofberger in 1999. Her own choice, she emphasises. But she knew that a family business only thrives when husband and wife put in the same

effort. Three generations of Bischofbergers are devoting their skills to the production of the “Appenzeller Bärli-Biber” – a gingerbread pastry with a nut filling. The youngest generation is very active as tasters. Yara and Tim eat at least one pastry a day, but would eat a lot more if their mother allowed. Andrea Bischofberger makes sure she spends time with her children outside the business too. She grew up in a pub and had most of her contact with her parents in the restaurant. She wants it to be different for her children. And when they’re both grown up, she’d like to have more

time for herself. And travel. For instance, to Mongolia: This dynamic woman never runs out of ideas. As a young girl she already knew she didn’t want to run a public house like her parents. However, in the meantime she is planning the construction of a revolving restaurant on the Hoher Kasten. Bärli-Biber will certainly also be available for guests who feel like a snack.

Bischofberger AG and the Bischofberger families are Swiss Life customers.

1888-1902



**SPORT
CREATES
NEW
FASHIONS**

France's first bicycle race took place in Paris in 1893 and afterwards the number of avid cyclists steadily grew. The bloomers - loose, puffed out pants - introduced by fashion makers for women cyclists caused a big stir. Like many other new creations, they soon found their way across the French border and into other countries - including Switzerland.



“When will you marry” is the name of this painting that Paul Gauguin painted in 1892 in Tahiti, where he spent many years of his life.



Basel bakers work long hours.

In 1901 a baker journeyman at the most progressive bakery in Basel worked 60 hours a week. Journeymen working for the least progressive bakery had to work almost twice as long: 114 hours a week.

The colorful history of the company logo.

During its 150-year history, the logo used by Swiss Life has evolved with the times and undergone various changes. The current company logo has been in use Group-wide since 2004.



1857



1903



1907



1917



1920



1957



1978



1992



SwissLife

2004



Exact and functional. At the end of the 19th century Karl Elsener opened his own cutler's business, later to become Victorinox, and from then on provided the Swiss army and its soldiers with knives. By order of the army Elsener manufactured a multi-tool knife that would be useful at meal times and could also be used to clean and repair guns.



Railway employee wages.

The Swiss Federal Railways (SBB) paid the following annual wages in 1898:

Train driver.....	CHF 2,290
Fireman.....	CHF 1,603
Switchman.....	CHF 1,536
Conductor.....	CHF 1,454
Workshop worker.....	CHF 1,375

PROTECTION AGAINST OCCUPATIONAL DISABILITY. In 1894 Rentenanstalt became one of the first insurance companies in Germany to offer occupational disability insurance. This proved to be a popular insurance product and is still being offered more than 100 years later.



First international motor race, Schindellegi 1902.

Swiss Life in Europe

Leadership in Switzerland,



In the past few years the European pension market has changed enormously, as have the pension providers. Swiss Life has successfully expanded its traditionally strong position. An overview of the European activities of the oldest Swiss life insurer.

“Save when you can so that you have something for a rainy day” – many of today’s pensioners grew up, worked and retired with this motto. If we’re talking about their purchasing power, we no longer refer to them as senior citizens and certainly not as old people – no, they are “generation gold”, “best agers” or “master consumers”. Thanks to them, the much-hyped age burden hasn’t left much of a mark, at least not in the cities. Many people older than 65 have a considerable asset base and very decent pensions, with

the result that in cities such as Basel they pay more tax per capita than people between the ages of 20 and 65.

Times have changed, and with them our attitudes: conspicuous consumption is the order of the day, the importance attached to status drives entire industries, and saving for the future is less popular than ever before. So far, this attitude has not been changed by the statistics, which show that people who don’t start saving voluntarily for their retirement between the ages of 25 and 30 will never be able



strong in Europe

to maintain their high standard of living. Specifically: at the moment, 3.3 working people finance one pensioner, but in 25 years the ratio will have dropped to 2.5 working people.

The reasons for this trend include the falling birth rate, rising life expectancy, and the fact that young people are studying longer and entering professional life later. These factors have a long-term effect on the financing of pension systems.

According to the Federal Constitution, the first and second pillars together should cover 60 percent of a pensioner's last salary, thereby enabling pensioners to maintain their normal standard of living after retirement. But rising affluence goes hand in hand with higher expectations. Today, many insured past retirement age need their income to remain at the same level in order to live comfortably, and 60 percent of the last salary is no longer enough. In most cases, this only covers the pensioner's fixed monthly expenses.

These expectations collide with economic reality, which is putting pension systems under enormous pressure to change. This is true for both the first and second pillars. With the occupational benefits insurance, the brunt of the change will be borne by future pensioners: on the one hand, the pension conversion rate is reduced, and on the other, the minimum interest rate on accrued savings capital has been cut from 4% to 2.5% in the past few years in an attempt

to neutralise future fluctuations on the capital markets.

Individuals must accept more responsibility

In short: the state and occupational pension schemes cannot fully guarantee our financial security after retirement, but cover only a (significant) part of our financial needs. Statutory pension schemes cover our basic needs, but don't allow us to maintain the lifestyle to which we have become accustomed. Those who want to enjoy their retirement must make early provision for the future.

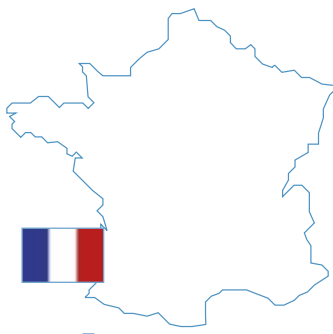
The facts are depressing, the political debate is fierce, and media headlines ensure that even very young people are familiar with terms such as the "greying of the population", "uncertain pensions" and "pillar 3a". However, a growing awareness of these problems provides companies such as Swiss Life with promising perspectives for growth: market observers believe that European pension assets will double by the year 2015. But until this time a lot more convincing will be needed.

How can the subject of pension provision be made attractive to a 25-year-old? And to a young family? "Everybody thinks they still have a lot of time," says Paul Müller, CEO Switzerland at Swiss Life, "and many people don't want their money to be blocked for decades." Also, young people have very little of their salaries left

by the end of the month. Thanks to the well-known phenomenon that expectations rise in line with income, this is just as true for people who earn CHF 120,000 a year as for those who earn CHF 60,000 a year.

Swiss Life uses the "gotcha" effect to make potential customers aware of the importance of pension provision. A glance at its marketing material confirms this: "Ready for the future" appears below the Swiss Life logo. The future cannot be foreseen, it is unpredictable. Being prepared for the future is the basic premise of pension provision, as providing for the future means nothing else but being ready for anything that might come. We should all be able to realise our dreams, even when we are older.

In Switzerland, Swiss Life is the market leader in pension provision. More than a million people have already taken out private or occupational pension cover from Swiss Life. In Europe, Swiss Life is one of the ten leading providers of pension products. Swiss Life's six foreign markets, France, Germany, the Netherlands, Belgium, Luxembourg and Liechtenstein, contribute more than half of the company's gross premium volume, and this is trending upwards. Swiss Life focuses on life insurance and pension provision, and aims to generate more than 60% of its premium volume in its international markets by 2008.



France:
A growth pension market

Outside of Switzerland, fantasy and reality in the world of state pension schemes are also poles apart. In France, the statistics office Insee is predicting population growth, and by 2050 the country should have 64 million inhabitants, 5 million more than in 2000. But the ratio of pensioners to 1,000 working people will double by this time, and the number of people older than 75 will triple. These trends will become noticeable by 2011: according to statistics, the number of workers between the ages of 20 and 65 will have shrunk rapidly by then. The topics most discussed by the French include the retirement age, pension payments and pension fund contributions.

Swiss Life has been established in France for more than 100 years. A life insurance branch office was opened in Paris in 1898, and today more than one million French are insured with Swiss Life, either privately or through their employers. The French branch occupies a top position in the fields of pensions and health insurance. Self-employed individuals with an above-average income and small and medium-sized enterprises present the best opportunities for growth. Life insurance is the preferred investment vehicle of the French. Thanks to the record-breaking performance of the stock markets, unit-linked life insurance is becoming ever more popular. In 2005, unit-linked products grew by 45% and traditional life insurance products by 8%.



Germany:
Focus on specific target groups

The Germans also know that they cannot afford to continue trusting the state to provide them with retirement pensions, and must start taking matters into their own hands. Before industrialisation fundamentally changed the way of life and the social system in Germany, retirement provision was a purely private affair. The extended family was the accepted way of life, and having many children meant that you could look forward to a carefree old age – materially, at least.

In Germany, the family structure as a social safety net started crumbling towards the end of the 19th century. In reaction to this, Bismarck introduced a state retirement pension financed by level premiums. Two world wars, galloping inflation and an economic crisis or two steadily whittled away the accumulated capital, and in the 1950s the state pension system was converted into a pay-as-you-go scheme where the working population finances the pensioners. This structure is known as the intergenerational contract, and is threatening to crush the younger generations unless corrective measures are taken. The first proposed measure is to raise the retirement age to 67.

For Swiss Life, this presents an opportunity to raise its profile as a pensions specialist by increasing our focus on specific target groups. For the 50 plus generation, Swiss Life is developing customised pension products and solutions designed to close the growing gaps in insurance cover. For self-employed individuals, Swiss Life is launching products that offer tax benefits (Rürup pension products). These products are sold via brokers and agents. The forward strategy also includes the development of our own financial services provider, Swiss Life Partner AG.



The Netherlands:
Ahead of the crowd thanks to innovation

When competition intensifies, providers become more customer-friendly. Catchwords such as customer proximity and service are changing the business landscape. For decades, Zwitserleven, as Swiss Life is known in the Netherlands, used only brokers to distribute its products. This practice was relegated to history in 2005, and the Dutch can now buy simple Swiss Life products via the internet. Using the internet as a distribution channel means that consumers find it ever easier to compare and buy products on the web. Using a franchising approach, Zwitserleven also recently opened two agencies. Both innovations touch the nerve of the market: those who make sacrifices to ensure financial provision for their retirement want to know who is looking after their money, and they want direct and personal contact with their advisors.

Zwitserleven wants to move ahead to become the number one provider of pension products in the Netherlands. To this end it set up three customer teams, one each for private individuals, for small and medium-sized enterprises, and for large corporates. As a result of increased regulation and higher costs, company-owned pension funds are starting to think of liquidation or affiliation with an insurance company. Zwitserleven has also identified high potential for growth in the field of individual pension products. As in other countries, the greying of the Dutch population is bringing the government to its knees and is forcing individuals to take care of themselves.



Belgium: Keeping a finger on the pulse of the population

Swiss Life wanted to know exactly what people think of when they hear the words “retirement provision”, and a questionnaire was published in all the Belgian daily newspapers in February 2005. More than 25,000 readers completed the survey. The results confirmed that the Belgian people know that in future they will have to accept personal responsibility for their pension provision, but this doesn’t change the fact that all of them take an optimistic view of the time after their retirement. Most of them don’t see this phase of life as the beginning of the end, but rather the beginning of an independent life free of stress. They also don’t have any clear idea how they will finance this carefree life. As a result, Swiss Life in Belgium has its work cut out.

To date, Swiss Life in Belgium channelled the lion’s share of its customer acquisition through agents, but it is actively looking for new distribution channels and partners. The keywords are bancassurance and increasingly also IT. The “My Workplace” platform gives corporate customers online access to their data and customer advisors at all times. Other Swiss Life activities are also attracting the attention of the Belgian public, such as the “National Pension Day”. This successful initiative catapults Swiss Life to the forefront of the Belgian media every year.



Luxembourg: Nerve centre of European business

Luxembourg is a small country and a small market, but the perfect nerve centre from which to manage cross-border insurance business. There is no difference between group products and private lines – Swiss Life’s subsidiary in Luxembourg always takes a two-pronged view: national and international transactions, whereby policy sales to foreigners clearly dominate the business.

With regard to private insurance lines, Swiss Life in Luxembourg specialises in affluent private customers (also known as high-net-worth individuals) in the Belgian, French, Italian, German, UK and Spanish markets. In these countries, standard products and personalised solutions are sold via private banks, family offices, fund managers, brokers and asset managers.

The development of niche markets with great potential is a key element of the Luxembourg business model. For example, foreign owners of real estate in Spain can incorporate their mortgages into a life insurance policy in Luxembourg in order to gain tax benefits, or unlisted companies are consolidated under a life insurance contract used for detailed inheritance planning. Swiss Life in Luxembourg has ambitious goals: the company aims to be one of the top five life insurance companies in Luxembourg by 2010.



Liechtenstein: Youngest team member

Liechtenstein is Swiss Life’s youngest market, but has very high growth potential. The Swiss Life Group established a subsidiary in 2004 and successfully entered the market for structured life insurance products for affluent private customers. The acquisition of CapitalLeben announced in December 2006 made Swiss Life one of the leading providers of pension planning for this customer segment. The Liechtenstein policies called Life Asset Portfolios allow high-net-worth individuals to transfer some of their assets to a life insurance policy in order to benefit from the advantages offered by Liechtenstein. Swiss Life successfully distributes these products in collaboration with Banca del Gottardo and other banks and brokers focusing on this discerning customer segment. Assets managed by a bank can be brought into the insurance portfolio as a contribution in kind. Previously, the company’s customer base primarily comprised private individuals from Germany, Italy and Scandinavia. In order to keep up with growing demand on the part of wealthy private clients, the company is constantly looking into the development of products for additional countries.

1916

Optimistic into the future

Europe's pension market has a promising future, which is why it is much in demand and fiercely competitive. Swiss Life's goals are ambitious: by 2008 it wants to generate a net profit of CHF 1 billion. "To remain the best in Switzerland, to become the best in Europe," says Paul Müller, summarising these goals. It is in the nature of leadership that even the number one in the market must continue to improve. Appropriately, the primary corporate objective for the Swiss market is to increase profitability. Our current market positions in Belgium, Germany, France, Liechtenstein, Luxembourg and the Netherlands should be improved constantly through profitable growth. The target is to grow one percent more than the competition every year. Distribution in the individual markets is also being diversified, which means that it will become easier to obtain Swiss Life products.

Swiss Life's chances of establishing itself as the long-term market leader in pension products in Switzerland and abroad are excellent, but the challenges are also considerable. Customers' needs are becoming more complex, pension products more sophisticated, and the task of advising customers more challenging than ever before.

But even if the pension world is becoming more complex and international, the motivation of Swiss Life's employees has not changed: we want to offer our customers first-class products and services.

Pensions leadership – we are committed to this goal. Since 1857 – and in the future.



Hans Arp (1886–1966).

Dadaism. In 1916 a group of young emigrés opened a literary cabaret called Cabaret Voltaire in a tavern in one of the darkest streets in Zurich. Any contribution was welcome, regardless of artistic or literary genre. What began as a protest against the First World War soon became the most famous artistic expression of modernism. The revolution against all received art and literary concepts that began in Zurich soon spread to New York, Berlin and Paris. The Dadaists satirized the war and the bourgeoisie by celebrating unreason and banality and lampooning modern society.



"Small Dada soirée" poster from 1922.



Sculpture from the exhibition "Hans Arp – Metamorphosen 1915–1965", which shows 100 works of art created by the Swiss artist over a 50-year period.



The best sausages in the world

Walter Kast (45), Berneck SG

Walter Kast makes sausages: the best in Switzerland, possibly the world. His quality butcher shop, started by his parents, sells fine meats and other delicacies in Berneck, a village at the foot of terraced vineyards in St. Gallen's Rhine valley. A real family operation to this day. Award certificates line the shop's white-tiled walls. Last year, he entered eight of his specialities for the quality awards of the Association of Swiss Master Butchers. And won eight golds. How does he do it? Walter says it's a feeling, and, he reiterates, exacting attention to detail. Walter Kast also needs to be precise

and exact as a marksman. At last year's shooting competition he won the 300-meter category. Shooting requires great concentration and quickly helps him forget the hard working day, frees up his head again, he says. Walter Kast is a master butcher with heart and soul. As a child he packaged the sausages for sale. Now he is in his shop at five a.m. every day. For breakfast he has a sausage fresh from the pot. Many of his recipes go back for generations and are prepared with meat from the region. But Walter's favourite duty is manning the barbecue. Together with his brother Peter, who

owns the nearby Ochsen restaurant, Walter runs a catering service. Walter Kast is always busy fulfilling his dreams. Soon he will be travelling to Scandinavia with his family. Walter visits all the butcher shops he can on his travels and tries out almost every sausage there is. All his ideas go into a special notebook. Sometimes he adds a new delicacy to his counters. Such as the Nürenbergli sausages. His personal favourite remains the "Wy Burre Pantli", a Rhine valley speciality. One of the best sausages in the world.

Walter Kast is a Swiss Life customer.

1903–1917



Expensive telephone.

In 1909, many small towns in Switzerland had very few telephones. A three-minute call cost a lot. Just how much depended on the distance: 30 centimes for up to 50 km, 50 centimes for up to 100 km and 75 centimes for longer distances. In 1909, an employee of the Rhaetian Railway in Thuisis who wanted to talk to someone in Zurich for five minutes would have to work two and a half hours to pay for the call.

Natural prudence – how animals plan for the future. Humans aren't the only ones who take measures against future risks. So do animals. Not with insurance policies, but with precautions appropriate to their species. Take the magpie: the bird with the distinctive black and white feathers said to be fond of stealing shiny objects. Recent research has shown, however, that the magpie's reputation as a thief is pure fantasy.

The magpie's planning takes another form: marriage. Magpies form pairs at the age of one – for life. The young couple establishes a territory of four to six hectares, and every spring it will build a new, safe nest in lofty treetops. Magpies remain true not only to their partner but also to their territory. This shrewd species has also succeeded in steadfastly resisting centuries of eradication efforts. If an adult magpie is killed, for example, the “widowed” bird will manage to find a new partner, often within a matter of hours, and continue to breed more offspring in its established territory.

In 1915, the canton of Ticino did succeed in eradicating the magpie. But not permanently. The magpie has steadily reconquered its former nesting territories – in Uri, Valais, Graubünden. And has recently been sighted in Ticino again. Which all goes to show that a sound strategy providing for the future pays off in the end.

EMIGRATION.

On 8 April 1910, the Le Pays newspaper published an article on the steady exodus of villagers from Cornol, a village in the Porrentruy district in northwestern Switzerland, reporting that 12 inhabitants had left the village for the United States the day before. A week earlier, 18 villagers had packed up and left to seek their fortunes elsewhere. Within a short space of time, this little town in the heart of the Ajoie saw its population shrink by more than 100. Most of them were young and they took with them hopes of a better life on the other side of the Atlantic.



Emigration. The village of Cornol lost its inhabitants to the United States.

Occupational pension plans. In 1913, 14 of the 107 machine-manufacturing companies in Switzerland offered their employees old-age annuities. Among the pioneers of occupational pension plans are Sulzer (since 1871), SIG (1873), von Roll (1893), and Georg Fischer (1900).



Circus child

Mike Wipf (40), at home all over Switzerland

As a child, he dreamed of the circus. He was still in school when his father bought the first. Imported from the USA, where his aunt had emigrated. Since then Mike Wipf has travelled all the Swiss mountain passes and many abroad with his father. At first he had to go in the sidecar, but later he had his own bike – a Harley Davidson. Mike Wipf's afternoons are devoted to the mountain passes. But evenings find him serving sausages, popcorn, chips, beer and wine to circus-goers at Circus Knie. And after the performance, the knife-thrower, the diabolo artists and the Knie family

sit together at his counter. Often late into the night. It's always good company when this cheerful conversationalist is around. Mike Wipf is a circus child. He was three when his father took over the Buffet Knie. As a child, he and his sister presented the elephants in the children's circus and played the clown. He had to go to school in Wetzikon and saw his parents only on weekends. A hard time. After commercial school and stints in the catering and hotel industry, it was only a few years before he returned to Circus Knie. So strong was his feeling for the

colourful, international family that makes up a circus, the constant travel and the magic of the ring. Today he has a staff of 22. He always enjoyed making people feel good, creating a feeling of companionship. He even found love in the circus. And 3½ years ago they were blessed with a circus child of their own – their daughter Leila. "I've got travelling in my blood," he says. "I get edgy in the winter months." Is there life beyond the circus? Mike Wipf shakes his head firmly. "Not for me. I just can't imagine anything else."

Swiss Life is a partner of Circus Knie.

Archive stories

If you wanted to walk past all the files in Swiss Life's main archive, you would have to walk nine kilometres. What is hidden in these more than 800,000 files? Not only figures, but also interesting stories from the lives of our customers. A life insurer insures lives, and lives are not always lived in accordance with the provisions of the contract.

1867. The longest running pension In 1867 the parents of Ernst Hopfer* took out a life annuity for their son for CHF 140. For its part, Swiss Life undertook to pay the six-month-old child a lifelong annuity of CHF 10 per year. This was not a good business deal on the part of Swiss Life: Hopfer lived to the ripe old age of 85 and died in 1951. The final annuity for the year of his death of CHF 0.65 was paid to his wife in the form of stamps.

1904. How old is the lady? For a while, Swiss Life also had a representative office in Constantinople, now Istanbul. There, in 1904, Elisa Savafian paid CHF 12,000 for a quarterly life annuity of CHF 300. To this day, one of the most important factors influencing the price of a life insurance policy is the age of the insured person. As there were no corroborating documents, Elisa Savafian was estimated to be at least 64 years old. After issuing the policy, Swiss Life asked for documents that confirmed her age. Elisa Savafian submitted a confirmation issued by her church to the representative in Constantinople. According to this document, she was born in 1832 and was therefore 73 years old when the policy was issued. The representative did not believe this, and did some research himself. He found discrepancies and tried to work out her age based on the age of her deceased son. Once again he arrived at about 64 years of age. This was followed by a great number of letters, wild speculation and more research. To this day, nobody knows the real age of Elisa Savafian.

* All names have been changed

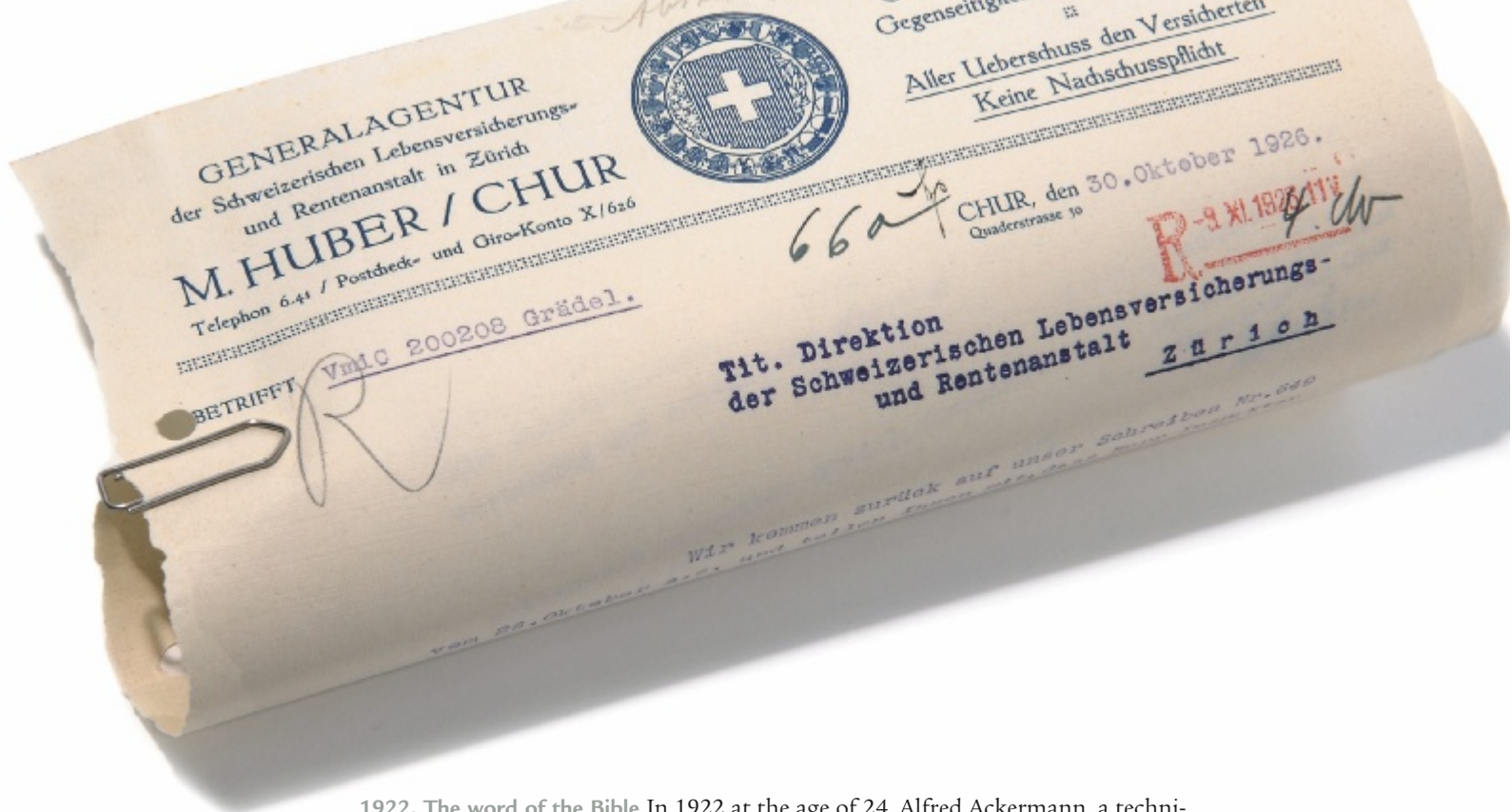
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Emmetbühl, 13. Nov. 1924.

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Schweiz. Lebensversicherungs- & Rentenanstalt in Zürich.

Ihr Inspektor, Herr Wilhelm Fähr in Lichtensteig, hat mich heute aufgesucht & mit etwas auffallender Art probiert mich (natürlich aus reiner Nächstenliebe!) für die Versicherung Zürichzugewinnen. Ich habe Ihnen schon gesagt, dass ich die Mitgliedschaft bei einem nach meiner Ansicht völlig materiell orientierten Unternehmen nicht länger bezeugen kann. Ich wäre natürlich gut, dass etliche meiner Kollegen mit Ihnen übereinstimmen. Jedoch bin ich gewiss, dass sich im Pfarrerstand wie in anderen Ständen Leute finden, die mit ihrem Gottesdien-
en Ernst machen und es nicht nur als Anhängerschuld miss-
brauchen, um damit die so schmachlich erwarteten, gemeinen,
bürgerlichen Ehren einzuhändigen. Entweder glaube ich an
den lebendigen Gott, und dann traue ich ihm zu, dass er mei-



1922. **The word of the Bible** In 1922 at the age of 24, Alfred Ackermann, a technician, took out a 30-year insurance policy. However, only four years later the technician wanted to terminate his insurance policy as it had become redundant after his rebirth and his renewed faith in a “living God”. In his letter of termination he quotes from the Bible: “If you return, I will restore you”. Swiss Life was not prepared to just accept this, and instructed Inspector Hubacher to convince Mr Ackermann otherwise. Hubacher wrote him a letter and also quoted from the Bible: “The Apostle Paul wrote [...]: But should anyone not provide for his relatives, and especially for members of his household, he has denied the faith and is worse than an unbeliever.” But to no avail. Ackermann insisted on terminating his insurance policy and gave his life into the “hands of God”. The amount of CHF 1,073.75 was paid out to him.

1952. **Missing abroad – the Zittger case** “In a few weeks’ time I shall emigrate to Australia, and would like to know [...] how this will affect my life insurance,” wrote André Zittger from Schaffhausen in a letter in 1952. He had taken out a life insurance policy three years previously. Swiss Life informed the 29-year-old that nothing would change, and wished him all the best for his future abroad. In 1953 Zittger moved to Sydney, followed some time later by his wife. And this is when the trouble started. At first, there were problems paying the premiums. In May 1956 the Zittger family moved to the Netherlands for reasons unknown. From 1961 the premiums were no longer paid at all, and Swiss Life could not locate Mr Zittger. When Swiss Life contacted the Amsterdam city council, it found out that Mr Zittger was divorced and living in a sanatorium where he was undergoing psychiatric treatment. His representative did not react to any of the letters sent by Swiss Life, and the file was closed in 1979.



In the service of humanity

Claudia Grassi (42), Begnins VD

“It’s important to me that my work makes a difference.” Claudia Grassi from Ticino moved to Berne at the age of 19 to study economics and to prepare herself for humanitarian work. Among other things, her father had established a foundation for development aid. “This encouraged me to discover the world,” says Claudia. The International Committee of the Red Cross (ICRC) was impressed by her motivation. In 1990, in the middle of the Gulf crisis, she was sent to Jerusalem, and suddenly found herself caught up in the Gulf War. Wailing sirens, visits to Palestinian prisoners and

negotiations with the Israeli authorities became part of her everyday life. After that, Claudia Grassi was one of the first ICRC delegates to be sent to ex-Yugoslavia to help the victims of the conflict there. A difficult task. “It was very difficult having to watch neighbours fighting neighbours. This conflict also took us back to some of Europe’s darkest times.” After a further humanitarian stint in Liberia, Claudia Grassi returned to Switzerland where she first worked at the ICRC headquarters and then for the psychiatric service of the Canton of Vaud. She then moved to the education department of the Canton

of Geneva, where she started as head of human resources and was then promoted to director general. Since 2006 she has been managing Foyer Handicap, a foundation that aims to improve the quality of life of handicapped people by providing them with residential facilities and work. “I’m very happy that I can use my management skills at a social institution.” After her experiences abroad, Claudia Grassi found a new home in Geneva and a place where she can work to help people who are less fortunate.

Claudia Grassi is a Swiss Life customer.

SWITZERLAND: A FOOTBALL POWERHOUSE



In the 1924 Olympic Games, the Swiss national football team reached the final, which it lost 3-0 to Uruguay. Winning the Olympic silver medal in Paris was a remarkable achievement. On its way to the final, the Swiss team had knocked the Italian, Czech and other teams out of the competition. **Max Abegglen**, the team captain, scored 34 goals for the Swiss national team and remains to this very day one of the top three scorers in the history of Olympic football.



Chanel – prototype of a new era.

In 1918, Gabrielle “Coco” Chanel revolutionized the world of female fashion when she created the “garçonne” look. In 1926, she introduced her signature “little black dress”. In 1930, the French designer’s fashion company employed 2,400 people.

RENTENANSTALT IN WORLD LITERATURE

Alfred Döblin’s great expressionist novel, *Berlin Alexanderplatz*, was published in 1929. It was filmed fifty years later by Rainer Werner Fassbinder. *Berlin Alexanderplatz* is a masterly depiction of the economic, social and political upheaval that marked the Weimar Republic. A major theme of the novel is the deep yearning of commonplace people for some small happiness in life. Yet, in those days, happiness and peace of mind seemed completely out of reach. For most people, life insurance was merely a wishful dream. In the 1920s, Rentenanstalt used an advertising poster in Germany that made a lasting impression on many people. Including Alfred Döblin. At any rate, he used the slogan on the Swiss insurance company’s poster word-for-word in his novel when he wrote: “**Safeguard your children and your family with a Swiss life insurance policy, Rentenanstalt Zurich.**” Thus securing a modest place in an internationally acclaimed novel for this Swiss institution.



Looking for work when work is scarce. Hugo Portmann grew up in humble circumstances in an industrial quarter of Zurich. In 1928, having recently graduated from a school of commerce, he applied for a job as a correspondence clerk at Rentenanstalt. More than 200 other people had also applied for one of the four vacant positions. Hugo Portmann recalls how uneasy he felt; after all, everyone there knew that they were all competing for the same job. In 1928, many job seekers were not yet able to type, or could only use the two-finger hunt-and-peck method. The person interviewing Hugo Portmann didn’t believe him when he said that he was able to touch type, using all ten fingers. So Hugo Portmann demonstrated his typing skills. And was promptly offered a job at Rentenanstalt. In 1974, Hugo Portmann retired as a Second Vice President – from Rentenanstalt. His entire professional life was literally spent in the service of the company.





A handicap of 14.5

Raphael Weibel (43), Oberburg BE

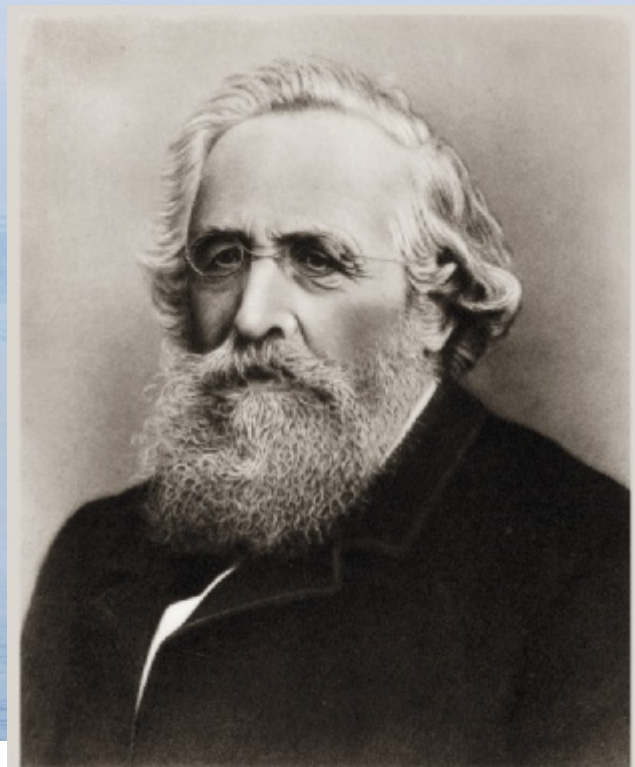
“We sell happiness”, Raphael Weibel says, referring to his golf facility in Oberburg in Emmental. And you believe him. The 43-year-old exudes optimism. A resolute man, good-natured, open to unconventional ideas – those are some of the qualities he radiates. Without this positive attitude he probably wouldn't be where he is today. Well, maybe in the same place, but probably not doing what he does. Perhaps he would have become an engineer, like his father, and be in charge of the brick plant in Oberburg, like six generations before him. But that's not what happened. And optimism was defi-

nately needed along the way. At 17, just as Raphael Weibel was completing upper secondary school, his father died in an accident. Leaving him a brick-making company without a director, three farms under lease plus a vast expanse of land. This crisis galvanized his entrepreneurial creativity and led to an unconventional idea: a golf school for the general public, a golf course in a pastoral setting. And it worked. Opening nine years ago, the facility has since grown to an area of 35 hectares. A stylish restaurant occupies one former factory building; the golf course meanders across what used to be

farmland and pastures, harmoniously integrated into the rolling hills and meadows of the Bernese Emmental valley. At 34, Raphael Weibel became the youngest person in Switzerland to own a golf course, and the youngest golf club president. He was often the youngest in other respects, too, for example, the youngest general staff officer in the army. His credo? “Look to the future, find good solutions fast, do things that make me happy.” A man with an entrepreneurial passion. Of that there's no doubt.

Raphael Weibel is a Swiss Life customer.

Searching for clues at Lake Constance



Conrad Widmer was born in Altnau
on Lake Constance in 1818
where he also spent his childhood.

At not yet 40 years of age, Conrad Widmer, who moved to Zurich from Thurgau shortly before, founded Swiss Life in 1857. The search for clues thus takes us to the east of Switzerland, to Altnau on Lake Constance where everything began in 1818.





A few pointers seem to indicate that Conrad Widmer spent his first years in the doctor's house next to the reformed church.

Altnau around 1910 with a view of the church and the doctor's house (left, partially obscured).

Is it possible for us these days to imagine what life was like for the Swiss after 1800? – Not really. With some effort we can just manage to remember that everything was different when we were young. Some remember that Migros sold a slab of milk chocolate for the paltry sum of 30 cents 40 years ago, while others think of those big black wall-mounted telephones with a dial plate and a jarring tone that alarmed even those who were hard of hearing. And some others again remember a frozen Lake Constance in 1963, at the time something that really only happened once every century. The ice was so thick that you could drive across the lake in an Opel Captain, but in those days most people didn't have an Opel Captain, just a ladies' bicycle (for mum) and a men's bicycle (for dad) with a child's seat mounted on the handle bars.

Remembering the past

All of us have memories, and our own memories are often jumbled together with those of our parents and our grandparents. But even their memories seldom go back further than the world wars. And that's where it ends. The Altnau notary public, Hansjörg Widmer, is in the same

situation. Although his father was alive at the time that Conrad Widmer died in Zurich in 1903, he and Conrad weren't acquainted. "My father often told me stories of what it was like in Thurgau at that time, but he never mentioned Conrad Widmer," says the notary. No wonder: Widmer is a very common family name in Altnau, and not all Widmers are related. However, Hansjörg Widmer cannot entirely discount a distant family relationship with the founder of Swiss Life. He simply doesn't know anything about it, although he's aware of the fact that the founder of Swiss Life was a citizen of Altnau. He has heard this. The mayor of Altnau, Beat Pretali, and the deputy mayor Rita Barth also know that the prominent founder of our company spent his childhood and youth at Lake Constance in the early 19th century.

They consult the building register in an effort to pinpoint the house where Conrad Widmer might have lived. A difficult task, and they can't positively identify the house with the help of the town documents. Many registers were only started decades after 1818. A few sparse pointers seem to indicate that Conrad Widmer spent his first years in the doc-



Altnau has 250,000 apple trees and a few lovely old guesthouses such as the “Schiff”.

tor’s house next to the reformed church. This is without a doubt one of the most beautiful spots to spend your childhood – on a slight incline with an awesome view over the blue expanses of Lake Constance. Many Altnau doctors have managed their practices from this old doctor’s house, which was built prior to 1800, among them quite possibly also Conrad Widmer’s father and grandfather, who both practiced as country doctors in Altnau.

Around 1820

The years before and after the birth of Conrad Widmer were difficult years in Thurgau, Switzerland and the rest of Europe. It was a time of hunger, outrageous inflation, heavy taxes, and mountains of debts. This also had an impact on the country people around Lake Constance. In those days the towns and cities looked very different from today. Handicapped people were a common sight on the streets and byways, some of them cross-eyed, others hunchbacked or clubfooted. An uncommon number of people had goitres, tumours or badly healed scars. The world was overrun with all the diseases for which modern medicine found cures in the 20th century. It wasn’t always a blessing to have a doc-

tor in town, because you needed money to pay the doctor. The bad times were hard for the sick, but also for the doctor, who didn’t have any patients if the patients couldn’t pay him. Yes, even doctors could face poverty. This was also true for Conrad Widmer’s father. He had to close his practice several times for economic reasons. He seems to have left Altnau for the same reasons, and spent some time in Neukirch on the River Thur before he moved to Schönengrund in Appenzell. Schönengrund was the neighbouring town to St. Peterzell, where Elisabeth Näf, Conrad’s mother, grew up. The move to his mother’s country did not bring the family any luck: in 1831 when Conrad was twelve, his mother died at the age of 52, almost 14 years older than her husband, Jakob Widmer. Conrad was their only child. Did his mother die an early death? No, not really. In those years 739 people out of 1,000 died before the age of 60. But this statistical fact would not have made the sorrow of father and son easier to bear.

The widower Jakob Widmer remarried the next year and moved back to Thurgau, to Mattwil close to Altnau. For young Conrad this meant a return to the vistas of Lake Con-

In 1830 there were no senior high schools in Thurgau that prepared children for university entrance. Those who wanted to go to senior high school had to go to Constance, St. Gallen or Zurich.



A farmer with his freshly shorn sheep.

stance and Altnau, and it also meant the birth of four half-siblings in the following years. His brothers and sisters were much younger than him, 14 years or more, and he had little contact with them.

The young Conrad Widmer, a bright and independent lad, continued his schooling at the private school run by Reverend Steiger in Altnau and the junior high schools in Arbon and Constance. The building that housed the school in Altnau in the 19th century is still standing, a charming half-timbered building at Kaffeegasse 7.

In 1830 there were no senior high schools in Thurgau that prepared children for university entrance. Those who wanted to go to senior high school had to go to Constance, St. Gallen or Zurich. This is what Conrad wanted to do. As the doctor's practice in Mattwil did not bring in enough money to send his eldest son to such a school, a scholarship from the council of the reformed church of the canton of Thurgau was requested. The church authorities examined the young man's skills in Latin, Greek, mathematics, geometry and history. He passed this examination and left Lake Constance for Zurich – on foot, as there was no railway yet and the stagecoach was too expensive. At the senior high school in Zurich Conrad had to take another exam, and in

late autumn 1835 he entered the school's second class. One of the other scholars was Alfred Escher, the son of a rich upper-class family in Zurich. These two were fated to cross paths several times in later life, especially at the time that Swiss Life was founded and built.

The learning and travelling years

In spring 1836 the 17-year-old Conrad Widmer finished school and entered the theological faculty of the University of Zurich. The university was even younger than the young man from Thurgau. Founded in 1833, the university boasted a total of 185 students during Widmer's third semester. Most of them were registered with the medical faculty (88), while the theological faculty had the fewest students (30). But with 31 students, the legal faculty from which Alfred Escher graduated wasn't much bigger.

We don't know why Conrad Widmer decided to study theology. It's possible, of course, that the financial support received from the reformed church influenced his choice of subject. In any case, in 1836 the young student received 16 gold thalers, 8 as a gift and the rest as a repayable loan. He finished three semesters of theology before he finally realised that he was going in the wrong direction. So he decided to change universities and subjects and moved to Basel.



The main street is very lively. Altnau around 1900.



The notary public Hansjörg Widmer outside his parents' house in Altnau. This farmhouse was already standing in the time of Conrad Widmer.

In the city on the Rhine Conrad Widmer registered for a degree in law, but first he had an unpleasant duty: as a scholarship student he had to inform the Thurgau authorities of any changes in his study plans. In summer 1836 he sent a polite letter to the government council, thanking them for their support to date. He apologised for giving up his study of theology and waxed lyrical about the advantages of studying law. This would pave the way for him “to serve his country some time in the future”.

But before this day could come, the young man from Thurgau had to struggle to make ends meet. After he changed the direction of his studies, his canton of origin stopped all financial support, and as his father Jakob did not approve of his decision, he could also not expect any help from this quarter. In Basel, Conrad Widmer was forced to become a working student. He kept his head above water by giving private lessons and worked as a supply teacher. Sometimes he received some money from one of the foundations set up to help underprivileged students at the University of Basel. Travelling or spending one or two semesters abroad was not on the cards for the young Widmer.

But his difficult financial situation did not dampen the young man's ambition and eagerness to learn. On the contrary: he

soon passed his law exam in Basel. Surprisingly, the energetic Conrad found time while studying to take an active part in the Zofingia students' society, where he started many friendships that would last for decades. The most important of these was probably his friendship with Jacob Burckhardt, who would later become the most famous cultural historian in Europe.

Widmer and Burckhardt were the same age, both came from academic families and dropped out of their theological studies before finding their vocation. The professor from Basel and the company founder from Thurgau remained friends until the end of their lives. Widmer visited Burckhardt whenever he was in Basel, and vice versa. This close friendship left little behind in the way of correspondence, as they seem to have preferred direct personal contact.

The start of a career

After graduating in Basel, Conrad Widmer returned to Thurgau where he passed the bar exam and opened his own law office in Frauenfeld in 1839 at the age of 21, just a few days after marrying Margaretha Bohny from Frenkendorf in Basel-Land, who was the same age as Conrad.

Frauenfeld in those years was a very interesting place in political terms. The years prior to the establishment of the



The "Schiff" guesthouse – a tranquil spot on Lake Constance for the past few centuries.

Confederation were rich in heated debate and disputes. In Thurgau, experienced political leaders such as Johann Conrad Kern set the tone. The old guard of men around the age of 40 was joined by the 20-year-olds, who wanted to accelerate and radicalise the process of progress in the canton. Conrad Widmer was one of this group of fierce young men.

As a lawyer he soon made a name for himself in the law courts. He was known as a good speaker who knew how to use humour and wit to best effect. He once even pleaded before the district court in verse form. The court slapped an administrative fine on him, but the young lawyer nevertheless won the bet he accepted the previous day. His friends never believed that he would dare plead his case in verse form.

It didn't take long before the young lawyer from Frauenfeld needed a larger stage. In February 1844 he joined the editorial team of the "Thurgauer Zeitung". The 26-year-old Widmer hoped that his position as a journalist and editor would soon catapult him to the centre of the political stage. He kicked off his career as a publicist with an article attacking the programmes of the political parties in Switzerland, accusing them of tactical manoeuvring and making enemies. The parties all wanted power, and fought for position rather than discussing the important questions of the time. He on the other hand, wrote Widmer, believed in conviction: "We speak of what we think, and we do not feign interest in the things that we do not think about. (...) Those who in their hearts believe in these same principles are welcome to join us."

But in these troubled times, not many wanted to be in league with Conrad Widmer. Politics was a rough business. In Frauenfeld, the young liberal soon realised that political idealism alone would not carry the day. He didn't like this. He also didn't want to be pulled into the world of intrigues and disparagement, and stopped working for the "Thurgauer Zeitung" at the end of that year.

And once again there were uncanny parallels between his life and that of his friend in Basel. A few months after Conrad Widmer joined the "Thurgauer Zeitung", Jacob Burckhardt in Basel took the same road and joined the editorial team of the "Basler Zeitung" in June, where he was also soon overtaken by the unsavoury reality of politics. Working on a newspaper made Burckhardt feel "as harassed as a hunting dog" and "chained to the newspaper like a night owl to a



Previously a school, this building now houses the municipal administration of Altnau.

The 26-year-old Widmer hoped that his position as a journalist and editor would soon catapult him to the centre of the political stage.

barn door". Jacob Burckhardt left the "Basler Zeitung" a year and a half later, and devoted himself entirely to science.

It was the same story for Conrad Widmer: after his short detour into journalism, he concentrated on his legal work. For almost two years he was the clerk of the higher court in Frauenfeld, and in 1847 the government of Thurgau appointed the 29-year-old Widmer as assistant public prosecutor. This subsidiary function allowed him to continue his work as a lawyer. His wife Margaretha died in the same year. Of their four children three were still alive – one child died in 1842 shortly after birth. The oldest daughter was six, and the youngest child was just two years old.

Conrad Widmer followed the example of his father, who found himself in the same position 16 years earlier: he remarried after waiting a suitable 18 months. His new wife, Virginia Rogg, came from a medical family based in Frauenfeld. Five more children were born to this marriage. Of Conrad Widmer's nine children, several died while they were children or adolescents, and only four outlived their father. In this time child mortality was extremely high, which means that Conrad's fate was not unique.

It could be that these family tragedies motivated Widmer to start thinking about relocating, but it's also possible that the small canton of Thurgau couldn't quench his thirst for action. In any case, the 32-year-old lawyer started casting his net beyond the borders of the canton.

Friends in Zurich told him that the position of director of the cantonal prison in Oetenbach was vacant. Widmer gathered information, went to Zurich, took a good look at everything, and successfully applied for the job.

With the people for the people

The grim prison which Conrad Widmer was supposed to manage was located close to Zurich main station in the building of the former Oetenbach convent. The prison held 368 male and 48 female inmates. The cells were hopelessly overcrowded, and there was always a commotion. The prison held a colourful mix of chained criminals, convicts, remand prisoners, repeat offenders, and minor first-time delinquents.

Here for the first time Conrad Widmer found enough scope for his ideas and his enormous creativity. Thanks to his organisational skills, the first improvements were implemented very quickly, but there were also problems that went beyond his jurisdiction. In these cases Widmer did not hesitate to flood his superiors with data and reports on the grievances and to propose solutions. In his fourth year as director of the prison in Zurich, Widmer published a comprehensive paper on the reforms needed in the prison system. But progress lagged behind on what Widmer saw as the main culprit for the deplorable conditions: the building of a new prison.

It's quite possible that state councillor and finance director Johann Jakob Sulzer intuitively realised that Widmer, a man of action, needed a new challenge. It's also possible that Alfred Escher brought Widmer to the attention of the finance director. Fact is, however, that Sulzer suggested to Widmer that he should establish a Swiss life insurance company in Zurich, so that the premium payments did not all go to foreign companies. The idea was planted in the mind of the right man at the right time. Widmer focused on this idea, looked at it from all sides, and was bitten by the bug. In the next decades nothing preoccupied him as much as building up Schweizerische Rentenanstalt (see the history of the company on page 89).

For the next 35 years Conrad Widmer managed Rentenanstalt prudently and firmly. At the time of its foundation, the company employed three to four staff and needed only one or two rented rooms. By the time Widmer retired in 1892, Rentenanstalt was the biggest life insurance com-



Rita Barth and Beat Pretali. Beat is Altnau's mayor, and Rita is the deputy mayor.

pany in Switzerland by far and already had several branch offices abroad.

Thoughts and insights

Conrad Widmer was 75 when he retired from his position as managing director of Rentenanstalt, but he was far from being tired. So what was to be done? Sit quietly and watch life go by? This, of course, wasn't an option for the Thurgau native. As an entrepreneur he was used to the fact that challenges usually came from outside, and that every day was a new challenge. But when your career is over, these challenges also stop, and his successor was now in charge of the challenges facing Rentenanstalt.

Without any further ado, Conrad Widmer decided to create his own challenges. He remembered his early ambitions and began to write, first a biography or two of dead friends. Five years after his retirement he surprised his small circle of friends and acquaintances with a tragedy featuring Hans Waldmann, the mayor of Zurich who was executed in the 15th century.

But Conrad Widmer's real literary legacy was his 1895 philosophical treatise on ethics, "Unser Lebensgesetz". In this work, the 77-year-old Widmer tries to provide the individual with a firm foundation for life. His treatise focused on many topics:

Conrad Widmer was 75 when he retired from his position as managing director of Rentenanstalt, but he was far from being tired.



The “Krone” in Altnau is one of the oldest guesthouses along the lake.



Apple picking in Altnau in autumn 2006.

church, school, science, art and the press. He was also interested in human sexuality: he took a liberal position and distanced himself from the narrow-minded sexual morals of his time. Widmer wouldn't have been Widmer if he failed to include ideas in his book that were far ahead of his time. He included an explosive theory on inheritance law – he believed that the practice of keeping big fortunes in the hands of certain families violated the principle of equality. He therefore proposed that relatives should only be allowed to inherit a maximum of CHF 500,000. Anything in excess of this amount should pass to the state and not to the descendants.

Widmer also thought about how the state should use this money, which would grow to a fortune in a short time. He was familiar with the fiscal authorities' greed, and the tendency of many politicians to accumulate debts, and knew that this money should not become part of the state's budget. Widmer had a different, more sustainable idea: the money should flow into a capital fund, and the state should only be allowed to use the income from this fund. “This would give the body politic access to an enormous fortune that could be used to fulfil our obligations to the sick and the poor, and in this indirect manner, the fruit of Mother Earth will also go to feed the poorest of the poor.” The founder of Swiss Life always believed steadfastly in the social obligation of companies and moneyed indi-

viduals. Nevertheless, he would never have gone so far as to restrict the freedom of the individual or a company. Freedom was necessary, because “humanity as a whole makes more progress in freedom than under tutelage.” And it would be tutelage if the state were to start interfering everywhere.

A silent farewell

In the first days of January 1903, a long life slowly drew to a close. Conrad Widmer died in Zurich at the age of 84, mentally active almost to the end. The obituary in the “Neue Zürcher Zeitung” was so small that it was easy to miss – on purpose.

Discreetly, almost unnoticed by the public, the life of a man that achieved great things in the history of the Swiss business world ended in January 1903. There is no monument in his honour, no plaque on the wall of a public building. Only the company which he founded 150 years ago pays silent homage to Conrad Widmer, who built a solid foundation in the 19th century on which Swiss Life became big and strong and from where it can continue to grow in the coming decades – and provide its customers with secure financial provision for the future.

Conrad Widmer couldn't have wanted more for his life's work.



A new life

Elsbeth Abegglen (54) and Fritz Abegglen (59), Iseltwald BE

“We tried to have courage all those years.” That is why, says Elsbeth Abegglen, she and her husband had the courage to start over two years ago. After 31 years they handed over the hotel they had managed together, Chalet Du Lac, to their son and started looking for new challenges despite the fact that Fritz Abegglen is a hotelier and an entrepreneur with all his heart. He always enjoyed the contact with his guests, and loved the freedom to be as creative as he wanted to. “Except for my wife, nobody poked their nose into my work,” says Fritz with a smile. To this day, Elsbeth

Abegglen is happy about the many interesting people they met at the Chalet Du Lac, even though she found it difficult to take care of both the business and her family. “We were always an exception as a hotel couple,” says Elsbeth, “and we made time to spend with our family.” Fritz Abegglen started thinking about passing the hotel on to the next generation at an early stage. In 2005, several years before reaching retirement age, he and his wife decided to do something new and to go their own ways professionally. Fritz now teaches at the hotel school, manages the Du Lac cam-

ping site, and works part-time in the hotel for his son. Elsbeth teaches yoga, acts as a biography advisor and sometimes writes articles for the local press. “We want to give each other freedom during our retirement,” says Fritz, to which his wife adds: “Because we aren’t working together, we enjoy our time together even more. Evenings no longer belong to our guests, but to us and our friends.”

Elsbeth and Fritz Abegglen are Swiss Life customers.

1933-1947

Einstein and Rentenanstalt



Einstein with his second wife Elsa, 1921.

Albert Einstein, the world famous physicist and Nobel Prize laureate, spent some significant years of his life in Switzerland and Germany before emigrating to the United States in 1933. His path crossed that of Rentenanstalt twice.

The first contact was less than spectacular: after years of studying and travelling, Einstein, now 30, accepted an associate professorship at the Polytechnic Institute in Zurich (today's ETH). The university offered an old-age annuity to its professors and lecturers through Rentenanstalt. Einstein was thus tied to Rentenanstalt through the group insurance policy while in Zurich.

A meteoric career. In 1917, the physicist left Zurich for Berlin, where he had been appointed director of the renowned Kaiser Wilhelm Institute for Physics. Einstein was Jewish but he was not one who regularly went to a synagogue to celebrate the Sabbath. In the 1920s and 1930s there were dozens of synagogues and prayer halls in Berlin. The largest synagogue, in the Oranienburgerstrasse, had room for 3,000 worshippers. Einstein gave a performance in this synagogue in January of 1930, an evening concert with a cantor and another professor who was also a musician. Einstein played the violin.

Otherwise, Einstein seemed to avoid the large synagogues in Berlin. Now and again he did go to a Jewish house of worship, a small community synagogue to the north of the old Tiergarten district. It was unimposing. In fact, it could not even be seen from the street because it was in a back courtyard. With 250 seats, it was not even one-tenth the size of the large synagogues in Berlin.

Thrifty Swiss. There were 4,043,500 savings books in Switzerland in 1942, representing total savings of CHF 5.6 billion. That worked out to an average of CHF 1,385 per savings account. In 1908, before the two world wars, 1,963,000 savings books had been issued in the country, and the corresponding savings amounted to CHF 1.6 billion francs, an average of CHF 815 francs for each account. In spite of war and economic crisis, the thrifty Swiss still managed to build up their savings.



In 1938, this modest house of prayer met the same fate as all the other Jewish places of worship in Berlin. It was burned, defiled and destroyed by rampaging Nazi mobs. However, a few days after the pogrom, an important detail came to light that caused the German authorities no small displeasure. It turned out that the property with the small synagogue did not belong to a Jewish congregation in Berlin but to Rentenanstalt. The insurance company had been buying real estate in Berlin and elsewhere in Germany for decades, as a means of securing its premium revenues. One of these properties happened to be the building in that back courtyard that had been rented to the local Jewish community.

Schweizerische Rentenanstalt demanded compensation from the German authorities. Eventually the insurance company was reimbursed for the damages, as were many other foreign real estate owners.

Dynamic tourist industry.

Swiss towns which boasted a thriving tourist industry installed electrical street lighting earlier than towns not frequented by tourists. The same could be said with regard to the advance of technology in the kitchen. In 1937, the **Hotel Palace in Davos** was the first hotel in Switzerland to be equipped with an all-electric kitchen.



And what about the Niederwil Music Society?



It, too, has flourished in the meantime. In 1932 the society celebrated its 75th anniversary, just like Rentenanstalt. Its membership grew between the two world wars. But things were not always harmonious within the club. It experienced some years when membership declined or conflict was rife: one conductor was sent packing in 1926, another in 1930. During World War II it was also almost impossible to hold regular practice sessions – some band members would always be absent on military duty. But the Niederwil Music Society managed to survive these years, too. In 1939, its members gathered in front of the Hirschen restaurant for a group photograph. Everyone was there – only the uniforms were missing. The club could not afford any until 1952 and the first club banner came even later – 1957, the centennial year. The first decades of the Niederwil Music Society were humble ones. But far from complaining, the musicians played their instruments with enthusiasm and dedication – making life that much better in this little St. Gallen community.

STRONG WOMEN. The Swiss Women's Auxiliary Military Service (FHD) was established on 10 April 1940, six months after the outbreak of the war. Women voluntarily work for the army in communications, logistics and as medical orderlies.



The more goods that were transported throughout the world, the more pressing the issues of rationalisation and efficiency became. The magic word is standardisation. In 1940 Malcolm P. McLean, a haulage contractor in the US, created a standard transportation box – the prototype of today's shipping containers. One of Europe's transportation pioneers was

the Deutsche Bahn (German national railway): it developed a concept for transporting **standardised containers by rail and**

road. Prior to this, transporting crates, drums and

other goods of every imaginable shape and size was not efficient, especially when loading and unloading.

Standardised containers are much more practical because they can be handled so easily. In 2004, 35 million metric tonnes of goods were transported through the Gotthard tunnel, most of this in containers.

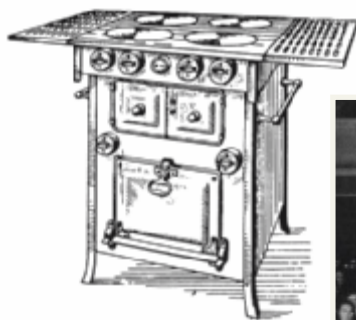


1933-1947



FAREWELL. A large family in Appenzell is bidding farewell to a young lady in this photo taken in 1946. Is she the eldest daughter, leaving home to take up work in a distant city? The young girl's clothes are conspicuously clean and proper. One also notes that only the two women and the youngest child are wearing shoes while the father and all seven

sons are barefoot. Shoes were an expensive item for large families, so in rural Switzerland during the summer months, they just didn't wear any. At least on workdays – shoes would still be worn on Sundays. And if they became too small for one child, they were passed on to the next. And the next and so on and so forth, until they were completely worn out.



The battle for the housewives.

Both the electrical power and the natural gas industry discovered housewives as a distinct customer group during the 1930s. They organised so-called cooking demonstrations in many towns. On 27 June 1935, for instance, in the Gemsli hotel in Thusis, every chair in the room was occupied when the “cooking presentation with butane gas” began. A little sidenote printed on the flyer might have helped to fill the room with so many people: it said to “please bring a plate and spoon.” Which must have sounded enticing during those lean years. Since there was no entry fee, a lot of people were probably just hoping for a hearty meal on the house. And indeed, all manner of cooking, roasting, frying and baking goes on during the cooking demonstration, to the delight of all present. The Bündner Tagblatt praised the culinary skills displayed in an article published the following day. But the newspaper also pointed out that gas was a foreign product and should be “left to those who have nothing better.” It then went on to extol the virtues of domestically produced electricity, emphasizing that it was much cleaner than butane: no smoke, no soot, no ashes, plus no danger of explosions, gas poisoning or fire. The Bündner Post countered with an article in favour of the gas industry. The battle for the housewives continued.

Grounds for hope

by Beat Kappeler

Our generation is slowly and reluctantly getting used to the idea that social insurance systems bring insecurity as well as security. After all, if your calculations no longer work out, you may find yourself at the mercy of pension cuts, tax and contribution increases, or even serious changes in the system. People's plans for their own lives can be scuppered.

The older generation had a completely different attitude. The economic growth that followed years of depression and war was accompanied by burgeoning social security systems with steadily rising benefits. With the state automatically paying old-age pensions and everybody belonging to a pension fund after 1985 (a privilege formerly reserved for public sector and large company staff), old age was free of insecurity.

The feeling of security also extended to the private and professional sphere – you lived in a small family, had children, rarely separated. You were paid for the time you spent at work, career paths were clear and jobs were secure.

Future generations will pay more than they get back.

In the meantime, this private and professional security has taken a beating. Because we are experiencing these changes very concretely in our own environment, we understand them all too well. This is not the case with the large safety nets in the social sphere. They are abstract quantities and largely beyond the horizons of personal experience. But the calculations underlying the social security systems also no longer add up.

What has changed

The generational equations in Europe's pay-as-you-go state pension systems provide a clear answer. This new technique is based on the fact that the number of pensioners is known decades in advance and the number of contribution payers is also almost as predictable. Studies then make growth assumptions about salaries and the economy, draw the

balance between pensions and contributions and discern a yawning gap. The gaps are found not only in the equilibrium of the system in the decades ahead but also between the available contributions and the pensions expected for future generations. Result: Future generations will pay more than they get back.

Part of the problem lies in the familiar demographic bottlenecks. The pampered baby boomers have raised so few children themselves that the population would decline without immigration. People are also living much longer, with more years of retirement ahead.

The other side to the problem with Europe's redistributional system is political. Political competition tempts parties and governments to promise pensions which have not been thought through and which cannot be paid from the actual contributions. In addition, the unemployed – and workers affected by company closures – are forced into early retirement, posing an external burden on the system. Moreover, responsibility for civil compensation payments by private couples was transferred to the state – attendance allowances, pensions for widows and widowers – and this even for unmarried or same-sex couples. The truth is that the politicians behind all this ought to be taken to task for digging social security's grave. But there is a warped, stereotyped way of thinking that views those calling for more redistribution as people with a "social conscience", while those advocating sustainable solutions are labelled as "dismantlers".

Some governments, however, have managed to extricate themselves – most notably in Latin America and Eastern

Political competition tempts parties and governments to promise pensions which have not been thought through.

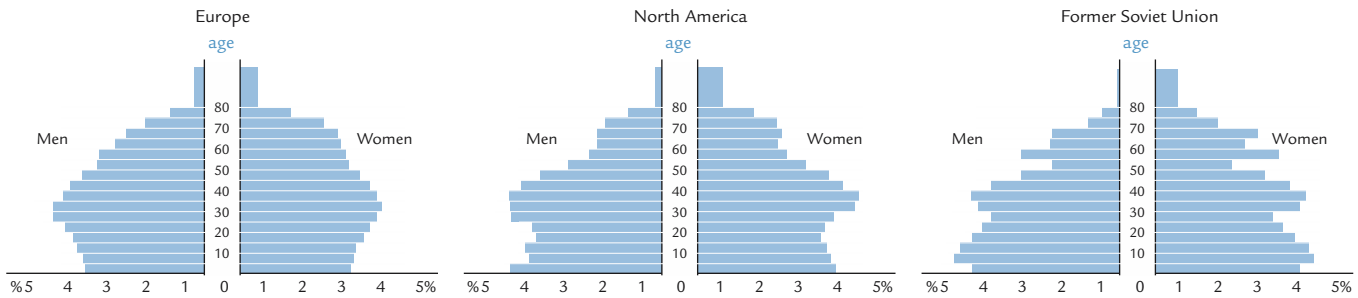
Europe: Chile and Mexico adopted funded variants, while countries in Eastern Europe drastically overhauled the old redistribution system. Britain also shifted the emphasis significantly to funded pensions. The governments of France and Germany managed to set the course for general reductions in pensions with small but cumulative changes over the last couple of years.

And Switzerland?

The Swiss pension situation is both comfortable and uncertain at the same time. Comfortable, because it is supported by two pillars, i.e. the state redistributional system (AHV) and the sound, funded system of occupational pensions. Besides the Swiss, only the Dutch have saved up a whole year's gross domestic product to finance their future pensions. Paradoxically, the insecurity in the Swiss redistribution system is external – and resides in economic growth. Because AHV pensions are only adjusted for half of the real wage growth of young contributors, the other half is used to compensate for the deteriorating imbalance between pensioners and contribution payers. But if this real annual growth is lower than 1.5%, it can hardly make up for the demographic problems.

The insecurity of occupational pensions lies elsewhere. By spreading the investments over a number of countries the demographic bottleneck at home can be circumvented. This presupposes, however, that the required yields are achieved, as well as free transfers and respect for property rights between the nations for decades to come. These pillars place

How old are people? A global comparison



The percentages on the horizontal axis refer to the total population.

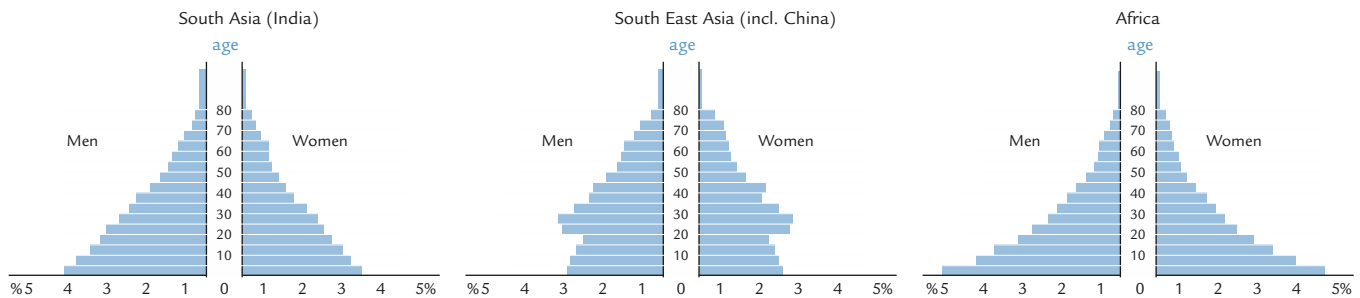
great demands on risk management, on the financial system's investment techniques and on the pension funds pension fund managers. Politicians up to now have tried to put themselves in the funds' position, with detailed rules on investment, the conversion rate and the minimum interest on retirement savings. Since 1996, however, they have made it glaringly obvious that they don't understand how insurance works. The main risk in redistributive and funded systems stems from politics.

The challenges

The future of pensions must therefore be shaped with less day-to-day political influence. Sweden, Poland and Latvia have depoliticised the issues with "notional systems" – pensions are tied to life expectancy, annual growth, the accumulated salary or the annual calculated actuarial equilibrium, using appropriate formulas. Politicians have to come up with special funds for all external burdens on the system. The upshot is a sustainable, constant equilibrium in the

redistribution, but also upward or downward fluctuations in individual pensions in any given year. The politicians can always know and their constituents sense how the balance stands.

Similarly, politicians must stop tinkering with the details of the second pillar, not by using formulas but by incorporating competitive elements. Providers should be free to select interest, conversion rates and investments. The companies, or even the persons insured, should also be free to choose. With this, the fiction of one pension fund per company gives way to a system whose performance, administrative costs and basic insurance benefits are run on a mandatory basis and for the good of all, but shaped individually. In addition, the incipient over-insurance of the citizens by the two mandatory pillars should be reversed. The first pillar is to safeguard a minimum subsistence level, the second should provide a somewhat broader cushion. "Maintenance of the accustomed standard of living", on the other hand, is a



The Swiss pension situation is both comfortable and uncertain at the same time.

moving target that increasingly goes beyond the “necessary” and therefore covers a burgeoning appetite for choices rather than needs, particularly during economic growth. However, this urge to have choices in an affluent society should remain reserved for self-insurance via a third pillar with private institutions, i.e. insurance companies and banks. The requirements in this regard are not so much for more incentives as for fewer obstacles – the solution would be to do away with taxes on wealth, capital and the rental value of real estate.

There are grounds for hope

This brings us full circle and back to what we require from the politicians. The goals of having the redistribution system governed by fixed formulas, with competitive freedom for the underlying funding and eliminating the burdens placed on private wealth formation demand an “inner agenda” for the coalition parties. They must implement these sensitive reforms in small but coherent steps. The English-speaking

countries have employed successful methods – making savings on future pensions not yet running, a coalition of winners, on the one hand, splitting the ranks of the losers’ lobbies, on the other, while enabling the association officials concerned to save face. It worked. That’s why there’s still hope for an ageing Switzerland.

Beat Kappeler Independent journalist and public speaker Beat Kappeler (60) studied political science in Geneva and economics in Berlin. From 1996 to 2000, Mr Kappeler was a professor for social policy at the University of Lausanne. This experience, as well as his work as central secretary at the Swiss Federation of Trade Unions, left him with a keen interest in the development of Swiss social institutions. Since 2002, Mr Kappeler has been a regular contributor to the “NZZ am Sonntag” newspaper. Originally from the demi-canton of Appenzell-Ausserrhodon, he is married with two sons and lives near Berne.



I want to create a dialogue

Karim Noureldin (39), Lausanne VD

Reluctant to speak about himself, he is also not a big fan of small talk. Karim Noureldin is an artist, which he says is a job like anything else. It's just creative work. He doesn't like clichés. Nor the stereotype of the artist that's established itself across the country. It rarely fits. When he's working, Karim Noureldin doesn't think about the viewer, or about his work being accepted. "Art is communication. I don't just want to be liked. I want to create a dialogue." He hardly ever gets direct feedback on his work. It's quality only becomes apparent years later. And whether the work is relevant

and makes sense, in terms of aesthetics or content, is also a long-term question. It's not easy for him to come to terms with this. But the constant doubt is also a driving force.

Karim Noureldin wants to see the everyday world. He regards himself a city-dweller, urban. "I'm definitely no hermit. I need social interaction and knowledge about other people's experience." But he doesn't want to be pinned down to a particular place. Growing up in Zurich as the son of a Swiss woman and an Egyptian man, his nomadic restlessness soon took him to Basel, Rome, New York and

Lausanne. London will follow shortly. He says that where you live is a question of the energy available. "I wouldn't want to have missed New York, even though the years there took a lot out of me."

Karim Noureldin is ambitious. "If you want something, you've got to really want it. You've got to make the effort." Where will he be in 10 years? He has a few dreams already. And so far, he's always achieved what he set out to do.

Karim Noureldin created murals for the Swiss Life Head Office.

1948-1962

Arnold Odermatt, © Urs Odermatt, Windisch.



WAITING FOR THE TOUR DE SUISSE. Spectators and passers-by wait at the top of the Grimsel Pass for the cyclists of the 1957 Tour de Suisse to arrive.



EXPANSION IN BELGIUM. RENTENANSTALT STRENGTHENED ITS PRESENCE ABROAD IN 1956 WHEN IT ESTABLISHED A SUBSIDIARY IN BELGIUM.

Purchasing power rises. Purchasing power is one way of determining whether workers are better or worse off than preceding generations. How long did a worker in Switzerland have to work to buy food and other items of daily use in 1995 compared to 1905? The answer:

Item	1955	1905
1 kg bread	18 minutes	1 hour 21 minutes
1 kg beef	3 hours 36 minutes	7 hours 15 minutes
1 kg butter	3 hours 24 minutes	12 hours 45 minutes
1 pair of shoes	20 hours	113 hours 30 minutes
1 suit	80 hours	227 hours
1 bicycle	100 hours	1135 hours



Child's shoes, 1905.

The Swiss bikini girl from Ostermundigen

In 1962 Ursula Andress, the young actress who played the shell diver Honey Ryder in "Dr. No", made film history when she emerged from the sea wearing an unforgettable white bikini.



Head office on General-Guisan-Quai, around 1940.



Binz Center administration building, 2006.



The old head office on Genferstrasse, about 1980.

Employed at Swiss Life

From the middle of the 20th century the workplace and the working environment have changed greatly for employees. The spirit of the times is reflected in details such as the furnishings, the technical equipment, and the colour scheme. These photos were all taken in Zurich, home to Swiss Life's administrative and executive headquarters from the very beginning.



Head office on General-Guisan-Quai, 2006.



Verena Tanner (65), Zurich ZH

Happiness is...

It's the twinkle in her eyes. You can't miss it. They probably sparkle like they did on her first day of work in April 1957, when Verena Tanner walked through the doors of the Rentenanstalt head office for the first time. All of 15 years old and one of four young girls starting as apprentices.

Things might be different if her neighbour's brother had not been a Second Vice President with Rentenanstalt. She probably would have been a nurse or a teacher. But she became an insurance professional – partly thanks to a parson's recommendation. For "Miss Tanner's" application, he wrote that this

young lady enjoyed his utmost faith and confidence.

Verena stayed on after her apprenticeship. Her job was the administration of key customer contracts – and without the aid of an electric typewriter everything was still done by hand. But times change. Saturday soon became a day off. Computers replaced punch-cards. Rentenanstalt became Swiss Life.

Regardless of how great the changes were, one thing remained the same: Verena Tanner's unflinching curiosity and enthusiasm for her work. She never has lost this, as a secretary or later, as one of the first women promoted to Second Vice

President. "It's the most beautiful thing when you really enjoy your calling in life!" The words of the great Swiss author Gotthelf are echoed in Verena's strong Christian faith: not a single day without purpose. Sometimes she even found herself sorry that the day's work was over. Fondly known as "Goldvreneli", she has been working part-time at Swiss Life since 1998. But not to ward off boredom. On the contrary: Verena is very active in community life and adores hiking. But she still loves her work. In fact, as much as the first day.

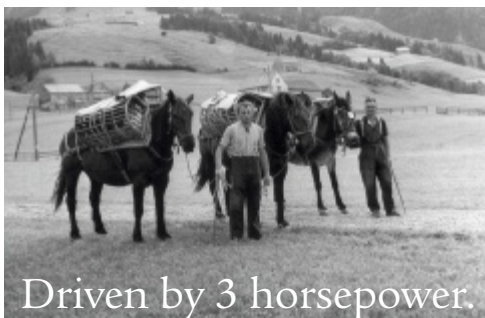
Verena Tanner has been working at Swiss Life for 50 years.

1948-1962

A MODEL FOR THE PERFECT TOWN

A Swiss national exhibition is organised about every 25 years. Planning for the Expo 64 in Lausanne began in the mid-1950s. Swiss architect and writer **Max Frisch** wanted to put a special stamp on the event. In 1955, with Lucius Burckhardt, Markus Kutter and five other authors, he published a thin, red booklet called "**achtung: die Schweiz**". In deliberately provocative terms the authors called on public officials and the public to **avoid a conventional national exhibition**. They didn't want to showcase the country in the typical homespun pavilions; they wanted a grand experiment. They proposed building **a model town**, in the Bernese lake district or the Rhone delta, along a pristine stretch of the Sarine river or on a large patch of undeveloped land in Aargau, several square kilometres in size.

What did this alternative intellectual proposal envisage? The model town would hold 15,000 inhabitants and all the roads would be wide because "nobody in Switzerland wants to spend an hour a day in a traffic jam." **Zippering across town in a car would be a delight**. So they planned 20,000 parking spots in underground and above-ground parking garages. Unrestricted mobility was of paramount importance in this utopian town. Thus the town would have its own airport. What else? The planners thought that prototypical barracks, bakeries, and swimming pools should be built for the Swiss model town, and even a prototypical slaughterhouse. **And who would live there?** Max Frisch and the others had the following in mind: traffic police, merchants, architects, public servants, engineers, farmers, fathers, grandfathers. No women, children or families. The utopia described by Max Frisch and his fellow authors in 1955 was a technocratic proposal for a new kind of town. It was not to be. After a brief, heated discussion, this vision faded into obscurity. The official Expo 64 did become a reality, however, and attracted throngs of visitors. For many of them it remains a lasting memory to this day.



Driven by 3 horsepower.

Railway tracks, streets, cars and trucks were just about everywhere in Switzerland at this time. But in Brülisau, canton Appenzell, two teamsters still brought basic goods up to the mountain guesthouses the old-fashioned way: with pack animals.

A MAID OF COTTON.

On 15 June 1957 the Maid of Cotton made an appearance at a fashion show organised by Grieder les Boutiques in Zurich. The Maid of Cotton was acted by Helen Landon, a 20-year-old student from Huntingdon, Tennessee. The marketing campaign launched by US cotton farmers and the cotton exchanges in Memphis, New Orleans and New York received rave reviews in the Swiss press, impressed by both the young maid and the versatility of cotton. In the immediate post-war years cotton had mainly been used for household purposes but was now beginning its triumphant advance in the clothing industry.



Kids take centre stage at festival

As far as football is concerned, we Swiss are back in business. The 2006 World Cup was a success and soon the 2008 European Cup will bring the football highlights to our own country, our own stadiums and our own fans. At the Kids Festival the spotlight is on the young players, for a change: after all, they are the stars of tomorrow.

The Kids Festival is a project organised by Swiss Life together with the Swiss Football Association (SFV) and Ochsner Sport. In the past few years a number of young players have brought new energy into the national football team. This is the best proof that the promotion of young talent is worthwhile. So what makes more sense than to support the very young players - who, after all, will be tomorrow's big players? And thus the Kids Festival was born. The Kids Festival is a



new football tournament for children, the first of its kind in Switzerland. Swiss Life is already very experienced in promoting football – we have been sponsoring the Swiss Football Association and the Swiss national teams, i.e. the senior national team and the U15 and U21 junior national teams, since 2004.

So how does the Kids Festival work?

Between May and October 2006, boys and girls between the ages of 6 and 10 played in 20 tournaments throughout Switzerland. In 2007, the tournaments will continue from the beginning of May until Euro 08 in June. A total of 15,000 kids can take part in the tournaments and show what they can do. So, it is indeed possible that the talent scouts will find the Senderos, Barnettas and Behramis of tomorrow here.

The tournaments will take place on a Saturday or a Sunday, with 16 teams playing in four groups. A game will last 12 or 15 minutes. The tournament winner will be announced after three hours. And to make sure that the young kids feel just as important as their adult counterparts, the playing fields will look like Champions League stadiums and the young players will all receive Champions League uniforms.

A day for the whole family

However, football isn't football without fans. The fan is the twelfth player on the team. The young footballers will bring their fans - their family and friends – with them. There will also be activities for the fans at the stadiums, consisting of games, an agility trail and other attractions. The tournaments are sure to be an unforgettable experience for everybody. We are ready for Euro 08!



Swiss Life – always on the ball

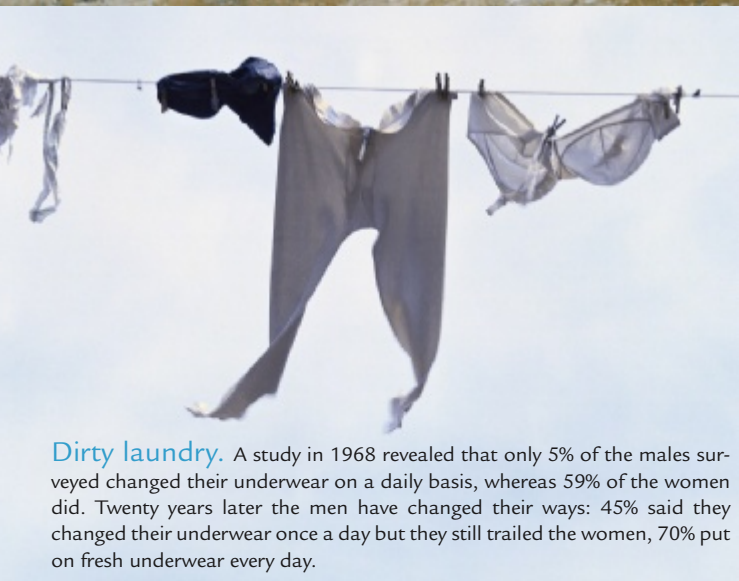
Sponsorship of Swiss football is important at Swiss Life. The company sees its commitment as both supporting the professional players of today and promoting the stars of tomorrow.

Swiss Life has been the official sponsor of the Swiss Football Association and the Swiss national teams (the senior national team and the U15 and U21 junior national teams) since 2004. We took on this commitment after the European Championships in Portugal in July 2004, and experienced the first highlights during the World Cup last summer. Swiss Life attaches key importance to the promotion of talented young players. With events such as the Kids' Festival, the company hopes to make an important contribution to building up future national teams. For Rolf Dörig, CEO of the Swiss Life Group, the national team is the showcase of Swiss football: "Many people in our country from the most diverse social groups support the team. As a pension provider with strong Swiss roots, we share this enthusiasm and the demand for top-class performances in the international competitive arena."



Arnold Odermatt, © Urs Odermatt, Windisch.

Vehicles fleet of the Nidwalden cantonal police. Stans, 1964.



Dirty laundry. A study in 1968 revealed that only 5% of the males surveyed changed their underwear on a daily basis, whereas 59% of the women did. Twenty years later the men have changed their ways: 45% said they changed their underwear once a day but they still trailed the women, 70% put on fresh underwear every day.



Nabholz brings gold, silver and bronze.

In 1896 Hans Nabholz bought a sportswear firm in Schönenwerd, a town in Solothurn, and gave the company his own name. By 1960 the Nabholz brand was an industry leader and its classic training outfits were internationally acclaimed. In 1968 eleven national Olympic teams were outfitted with Nabholz sportswear – including the US team, that year’s most successful with a total of 107 medals. In 1992 Nabholz had to declare bankruptcy after a long struggle to remain in business. Dalbotex, a company that markets sporting goods, later bought the rights to the Nabholz name and relaunched the brand with a lifestyle label in 2003. Will there be a successful comeback?

1963-1977



Living in sin.

The ban on unmarried couples living together in canton Zurich was not lifted until 1972.

A similar ban remained in force even longer in Valais.

There, unmarried couples could not live together legally until 1995.

Storming the hit parade. The Beatles were top of the pops on the Swiss hit parade twice in 1968. "Lady Madonna" led the list for four weeks while "Hey Jude" was top for six. Only "Delilah" by Tom Jones beat the Beatles. This song by the son of a Welsh coal miner was no.1 for eight weeks. However, the annual hit parade of 1968 was dominated not by the British but by a one-hit wonder from Germany, Roland W., who enjoyed brief success with "Monja".

Swiss favour individual responsibility. On 3 December 1972 the Swiss voted on the country's old-age pension system. While left-leaning politicians proposed a national pension system, a multi-party initiative advocated a three-pillar system. The latter was endorsed by 74% of the votes. The three pillars consisting of the state AHV system, occupational pension plans and voluntary personal savings plans has proven to be a sound concept and has attracted much attention in other countries.



Bravo "Bravo".

The German journalist Peter Boenisch created what would eventually become the most popular teen magazine in German-speaking countries when he launched the first issue of Bravo on 26 August 1956. It sold for 50 pfennig.

In the mid-1970s Bravo's circulation passed the one-million mark for the first time.

In 1996 each issue sold an average of 1.4 million copies. Sales soon plunged, however: only about 600,000 copies were sold in the first quarter of 2006.

150 YOUNG IDEAS FOR SWITZERLAND

A village as a bedroom community? Shopping, school, work and culture only in the city? Is this the Switzerland of the future? Young people taking part in the national competition “Young people design living space” spent some time thinking about their world and its future.

Where we live and work has a great impact on the way we live our lives. We influence our world by using, changing and structuring our living space to meet our needs. Young people from all over Switzerland analysed the situation in their region, developed spatial concepts and formulated specific measures. These projects were entered into the “Young people design living space” competition.

Spatial planners from all over Switzerland

Entries were solicited from students in grade 7 and above, vocational colleges and members of youth groups between the ages of 12 and 20 years. Project groups must consist of at least five participants. The deadline for submitting the spatial planning projects was the end of February 2007. This allowed a period of four months for them to give their imagination and creativity free reins. More than 150 school classes and groups of young people from all language regions in Switzerland took part in the competition.

The national “Living space” competition was launched by the University of Applied Sciences in Rapperswil with the support of Swiss Life as its exclusive partner from the business world. A jury will assess the projects, first at a regional level and then at a national level, by summer 2007. The winners will receive prizes totalling CHF 40,000. The young talents with the best concepts will also be given the opportunity to develop their ideas further, assisted by a group of experts, and present them to the authorities and other interested parties.

A website as hub

A special website was set up with all the information about the competition. Visitors to www.jgl-wettbewerb.ch can access information on the programme, deadlines, conditions and presentation guidelines, and download supporting documents and project examples. These documents will continue to be available after the closing date, and can be used by teachers to prepare interesting lessons related to everyday life.

The best entries and the prize winners will also be presented on the website. The site will follow the development of these young visionaries, note which ideas receive further attention, and inform visitors to the site which specific measures will be implemented. A quick visit is definitely worth the while.

The activities of Swiss Life and the objective of the competition share many similarities and interfaces. Like spatial planning, Swiss Life is also concerned with the future. Living space and financial provisions for the future are both topics that are very relevant to society, and both have a long-term focus.

Rolf Dörig, CEO of Swiss Life Group and a member of the committee of patrons says: “Making financial provision means acting with foresight. The “Young people design living space” project has the same focus. We are supporting this competition because it provides young people with a platform for taking an active part in shaping the future in Switzerland. This project involves several generations, an approach that matches our business philosophy.”



www.jgl-wettbewerb.ch





From good to great

Edgar Schafer (51), Freiburg FR

How do you acquire your own vineyards in Bordeaux? Certainly not by travelling to Uzbekistan. Or maybe so? It all began with a teenager's dream: Edgar Schafer wanted to be a tour guide. Now an insurance broker, he never lost the old wanderlust – on the contrary. At age 20, Edgar had already travelled Europe by train and crossed the Sahara. Since then he has visited over 80 countries. Edgar is an explorer who wants to discover other cultures. His curiosity has led him into the jungle, deserts and crisis areas. And 25 years ago, to Uzbekistan. He came back with an invitation from a French guide he met there to go to Bor-

deaux. And the guide specialised in wine tours. Little did Edgar suspect that wine was to become one of his greatest passions. Or did he? Edgar is an all or nothing man. So he gave it his all. Today, Edgar Schafer visits France several times a year. Together with a friend, he owns a wine estate in Côtes de Castillon. When he's there he takes care of business and tastes the new wines. In fact, wine tasting is what matters most. Because, as the experienced broker points out, you can't really tell how good or bad a wine is without tasting and comparing. And he should know, because comparing things is his profession and

his favourite hobby. His wine cellar has grown and grown and grown over the years. Several thousand bottles are now stored there, but only Bordeaux wines, he'll have you know. Many of them are virtual treasures. Edgar often organizes wine-tasting events for experienced and aspiring wine connoisseurs. His greatest wish is to find the perfect wine. Where will he find it? Edgar doesn't have an answer to that question. But some day he will – and then he'll have found the wine as well.

Edgar Schafer owns an insurance brokerage firm and offers Swiss Life products.

What type of investor are you?

Do you like taking risks? Or are you cautious and focused on security? Security and risk are important factors for deciding whether you are looking at the right investment for retirement savings, for example. Where one investor attaches more importance to a capital guarantee, others are prepared to accept a greater degree of risk in order to earn a higher return.

Answer the following questions to find out if you prefer a higher return or more security when you invest your money. Every answer earns a certain number of points. Write the points for the answer you chose in the right-hand column.

	True	Partially true	Not true	Points
1 A higher return is much more important to me than total security.	3	2	1	<input type="text"/>
2 I want to increase my capital in order to have an extra pension when I retire. This will help me to maintain my standard of living.	1	2	3	<input type="text"/>
3 I certainly won't need the money that I invest during the next few years. This money is at my disposal, and I can use it any way I like.	3	2	1	<input type="text"/>
4 I invested CHF 10,000 in shares. The price suddenly falls by 20%. I sell the shares in order to avoid further losses.	1	2	3	<input type="text"/>
5 I have already invested in equities and/or funds and would like to invest part of my money in a more speculative vehicle (e.g.derivatives).	3	2	1	<input type="text"/>
6 I would only invest in something where I know exactly how much will be paid out on maturity.	1	2	3	<input type="text"/>
7 I invested CHF 15,000 in shares. The price of the shares falls by 20%. I buy more shares as I believe that I will make a profit in the long term and that this is a good opportunity.	3	2	1	<input type="text"/>
8 I prefer a savings account with a fixed interest rate rather than a higher but uncertain return.	1	2	3	<input type="text"/>
9 I am prepared to accept a higher risk if I have a chance to earn an above-average return.	3	2	1	<input type="text"/>
10 The risk that I could lose part of my assets on the stock exchange would give me sleepless nights.	1	2	3	<input type="text"/>
11 I am very interested in equities and have already invested part of my money in equities.	3	2	1	<input type="text"/>
12 I want a guarantee that I will reach my savings goal and that I will be able to fulfil a big dream one day.	1	2	3	<input type="text"/>
				Total points: <input type="text"/>

When you have answered all the questions, add up the points in the right-hand column. Turn to the next page to see what type of investor you are.



“C’est la vie!”

Playing is fun and puts you in a good mood. Winning or losing is a matter of luck, but skill or the right answer can help. Skill, knowledge and some luck are also required to play our game ‘C’est la vie!’. As in real life, this board game involves making suitable financial provisions at the right time. If you bet on the right cards from the start, the ‘fate cards’ will bring you luck. Brainwaves, fitness tests, family questions and guesses make for a very interesting game and earn all players lucky points. The player with most lucky points wins. All players, both big and small, are guaranteed to have loads of fun with this game.

Order the game at www.swisslife.ch/cestlavie

Assessment pension check-up

25 to 36 points

Return-oriented investor

You are prepared to accept a high degree of risk as the chance to earn a maximum return is important to you. However, you are aware that opportunities for maximum returns go hand in hand with a higher risk of loss. If you are willing to accept a high degree of risk, you should also be in a position to bear this risk financially. As far as money is concerned, your risk tolerance is fairly high. Pension products that invest your capital in equity funds are suitable investment vehicles for you.

13 to 24 points

Investor prepared to accept a limited degree of risk

You have a comparatively high expectation of return, but are only willing to accept a limited degree of risk. Although you are prepared to accept a certain degree of risk in order to improve your chances of an attractive return, you are aware of the fact that this goes hand in hand with a risk of loss. Investments that promise price gains and also provide a certain degree of security and a guarantee are the best investment vehicles for you.

12 to 23 points

Security-oriented investor

You are not prepared to accept a high degree of risk when you invest. You prefer investments that guarantee you savings of a specific amount. Your capital should be protected. The security of your capital is more important to you than any return expectations. Traditional life insurance products with guaranteed capital protection are the best option for you.

If you want to know more... In analysing your profile as an investor, Swiss Life takes account of your investment horizon, your risk tolerance and your risk capacity. Your risk capacity depends on your financial independence and the extent to which you are dependent on the invested capital. Your personal circumstances, such as your age, income and marital status, also play a role. In this way we can guarantee a comprehensive analysis of the individual investor profile. If you wish us to make an indepth analysis of your situation, please contact our advisors via our internet site or via e-mail to marketing.privatkunden@swisslife.ch. We would be delighted to help you.



The right balance

Reto Rutz (39), Kreuzlingen TG

Reto Rutz walks briskly through the grounds of MOWAG in Kreuzlingen, with a friendly greeting here, a few words there. You see immediately that this man is familiar with the company and its employees. After all, he's been one of them for 16 years. He started on the internal sales force, and quickly rose to the top. Today, the Thurgau-based Rutz is head of HR at this company with 600 employees. Is there a secret recipe behind this success? The 39-year-old Reto Rutz is very down-to-earth about his career. "The secret is to go forward

one small step at a time, to test your own limits and to communicate openly," says this man from Altnau. But it is just as important to keep the right balance, something which the father of three seems to manage just fine. Rutz seems well-balanced and satisfied. Family, career, friends and his hobby as a football referee – these are the elements that form the foundation of his active lifestyle. A very solid foundation, indeed. Reto Rutz sees himself as a straightforward person with both feet on the ground. Security, clear values and prag-

matic solutions are important to this major in the Swiss army. His decisions prove this. The risks he sometimes takes are always calculated. He never acts impulsively, not even when he referees a game in the top Swiss league and needs to act quickly with split-second decisions. In such situations Reto Rutz knows what it means to accept responsibility, something which he does very well – whether on the football field or in real life.

Reto Rutz is Head of HR at MOWAG, a Swiss Life corporate customer.

Making young people aware of retirement planning

Young people rarely think about retirement planning. This is no surprise. For them retirement is a long way off. However, the laws that will affect their retirement pensions are made today. Together with the association "Jugend und Wirtschaft" (young people and the economy), Swiss Life is producing a course that aims to make young people aware of the importance of retirement planning.

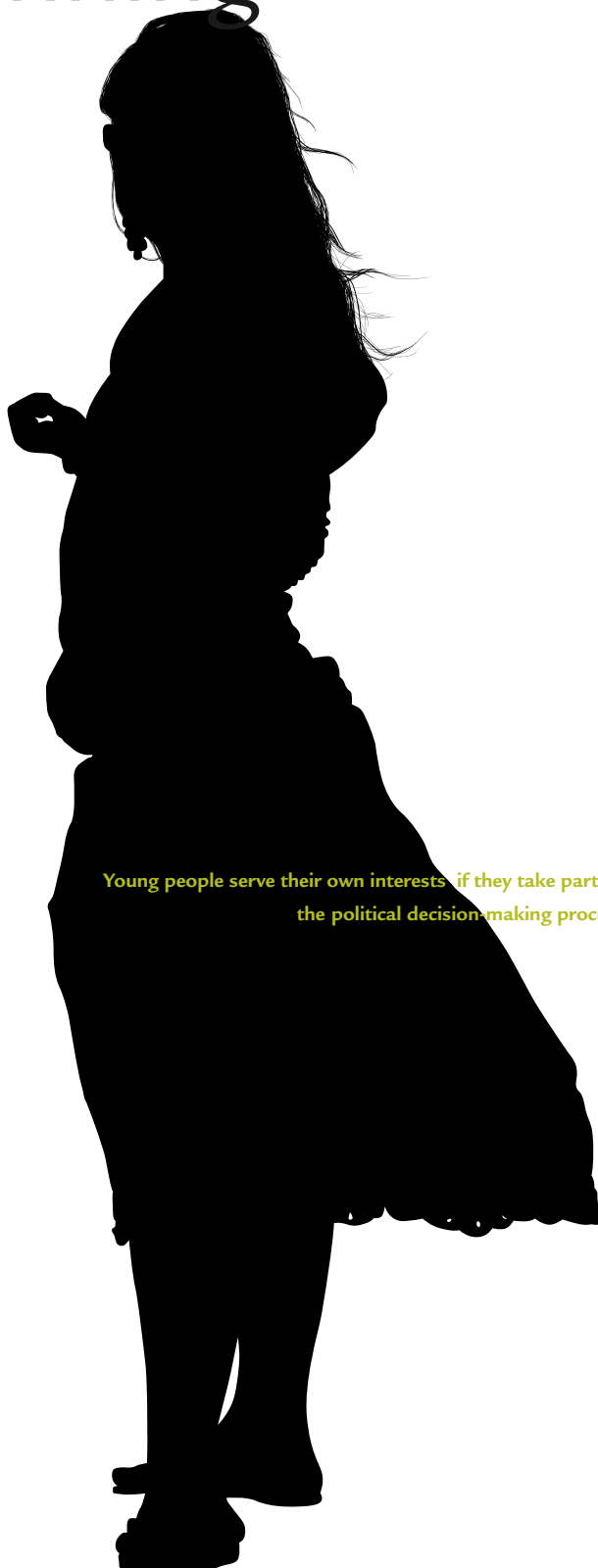
If we want to have a sustainable retirement savings system, we need the input of young people. However, older people are more likely to vote in referendums than young people. This could be fatal for our system of retirement benefits as older people are less interested in a sustainable pension system than in keeping the status quo.

Course material and project weeks

Young people between the ages of 16 and 20 represent our future and are also the politicians of tomorrow. And as voters they can already help shape our national policies, also with regard to retirement savings. Together with the association "Jugend und Wirtschaft" (young people and the economy), Swiss Life is producing a course that will sharpen awareness of the importance of retirement planning among high school and vocational school students and open a dialogue on this topic.

The course will be available in March 2007. It comprises a school book, a teacher commentary and five e-learning modules. Seminars where teachers can learn everything they need to know about the retirement provision system are also planned. At the same time, Swiss Life will support project weeks for school classes that will take place from autumn 2007. This will give students an opportunity to study the topic of "getting older" in depth.

Young people serve their own interests if they take part in the political decision-making process.





The future pensions of young people are determined today.

Swiss Life opens up new perspectives

Swiss Life established the foundation “Perspectives” to commemorate its 150th anniversary. With this foundation it is expanding its tradition of social commitment and offering new perspectives to many.

What do you think you’ll be doing in ten years? Hardly anybody will be able to answer this question with conviction, but most of us more or less know how we want our professional and private lives to develop. We all need dreams – to motivate us, to give us security and to allow us to go forward with confidence.

Offering and improving perspectives – this is the goal of Swiss Life’s new foundation. Its purpose is to promote social, charitable, scientific and sport projects that promote the welfare of the Swiss. The foundation is an expression of Swiss Life’s commitment to society, which is based on values such as solidarity and humanity. Swiss Life supports socially disadvantaged people and fosters social and cultural creativity. In this way Swiss Life, a company rich in tradition and firmly rooted in Switzerland, moves beyond the confines of its operational business to meet its obligations to society.

The foundation’s board of trustees chaired by Bruno Gehrig, Chairman of the Board of Directors of Swiss Life, has elected to focus on integration and education during the next two to three years. The “Zürich-Jobs” foundation is one of the first projects that will be supported by Swiss Life. “Zürich-Jobs”, a joint initiative of the City of Zurich and the business community, promotes innovative solutions designed to reintegrate the unemployed, and particularly young adults, into the workforce.



A versatile Ticino doctor

Sebastiano Martinoli (63), Lugano TI

His CV reads like a who's who in medicine. But Professore Martinoli has slowed his pace in the past two years, giving up many of his former positions, including that of Chief Physician and head of the Department of Surgery at the regional hospital in Lugano. Sebastiano Martinoli never wanted to be a hospital manager examining patient files on the computer instead of healing patients. Today he works as an accredited physician at a private clinic: "Some days I feel like my father must have – a surgeon at a little hospital in Acquarossa who pulled teeth if need be." Sebastiano didn't plan to go into medicine. In his

youth he was fascinated by the construction going on at nearby power stations, where he earned some spending money while completing secondary school in the Blenio valley. He went to Zurich in the early 1960s, to study architecture at the ETH. However, when he saw students cutting out little paper houses for small-scale models he promptly gave up that idea. And studied medicine instead. He became a surgeon, an occupation he pursued with passion. He is also a passionate advocate of organ donation and transplantation. He was tirelessly engaged in awareness-raising activities on behalf of the organisation

Swisstransplant. And it paid off – organ donation rates in Ticino are well above the Swiss average. Today Sebastiano Martinoli has more peace and quiet to pursue other interests. Such as tomato breeding, contemporary Ticino art and historical literature. He also has more time to go wind surfing or sailing with friends. "But they only take me along because I'm a good cook", he says with a wink of his eye. And, of course, he has more time for unhurried conversations with his patients. These moments are particularly important to him.

Sebastiano Martinoli is a Swiss Life customer.

1978-1992



Swiss voters reject EEA.

On 6 December 1992 Swiss participation in the European Economic Area (EEA) was rejected by a razor-thin majority of 50.3%. The issue sparked one of the most heated referendums in Switzerland in 50 years.

Techno. In the early 1990s, electronic music gave birth to a separate youth culture, the so-called techno scene.

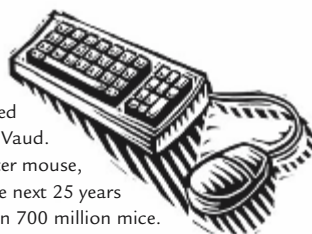


The first Street Parade in 1992 was attended by around 1,000 ravers. Today the parade attracts almost 1 million visitors, and the event has become a major event.

700 million mice.

Almost everyone uses them daily but almost nobody knows their history: On 2 October 1981 a company named Logitech was founded in Apples, near Morges in the canton of Vaud.

In 1982 Logitech launched the world's first computer mouse, the P4. About 500 a month were sold at USD 99 each. In the next 25 years the company sold more than 700 million mice.



<http://www>

In 1991 Tim Berners-Lee, a scientist at the European Organization for Nuclear Research (CERN) in Geneva, invented the World Wide Web. In the meantime the internet has become an indispensable information and communication tool – for private individuals, companies, public officials. In short: for everybody.

High above the clouds.



A traffic accident threatened to bring his career as a pilot to a premature end. Claude Nicollier nevertheless went on to become the first Swiss astronaut in outer space: the Vevey native orbited the Earth 126 times from 31 July to 8 August 1992 on board the space shuttle Atlantis. He travelled on three more space flights after that, including a space walk to service the Hubble Space Telescope.



“Nobody intends to build a wall.” Notwithstanding these words of Walter Ullbricht, Chairman of the Council of States, in 1961 the GDR regime built its “anti-fascist wall of protection” through the middle of Berlin as part of the border between the two Germanies. Almost 200 people died trying to escape over this wall. Hungary and Czechoslovakia opened their borders to the GDR in 1989, and the wall came down in November of the same year. On 3 October 1990, the people of East and West Berlin celebrated German reunification.

Advertising through the ages: From Rentenanstalt to Swiss Life

around 1900



1894



1894



1940



1958

wir
begleiten
sie...

 **RENTENANSTALT**
Schweizerische Lebensversicherungs-
und Rentenanstalt
alle Personenversicherungen


1982

Bannwald
Rentenanstalt 
Eerstarkt in 125 Jahren

2006

www.rentenlife.ch

Get the Swiss Life Feeling

 
Versorge macht unabhängig

1998

I never thought my husband would
leave me for an older woman.

Life doesn't always go according to plan, so you need the right provisions at the right time. Whatever surprises may be in store: if you're prepared for the future, you're prepared for anything. For example by investing in life insurance tailored to your needs and combining risk protection with savings. And it even helps you save taxes. Have a talk with one of our experts. Tel. 0043 841 000 www.swisslife.ch


SwissLife
Prepared for the future.

Strong nerves necessary.

The Swiss national football team was eliminated from the Euro 2004 championship in Portugal during the group stage. But they were more successful two years later at the 2006 World Cup in Germany. The young team coached by Köbi Kuhn made it to the last 16, only to lose in a penalty shoot-out, defeated by the Ukrainian team and their own frayed nerves. Will the national side have more luck at Euro 2008? It's possible, since the Swiss will be playing in front of a hometown crowd. Swiss Life will be cheering them on, too. Switzerland's largest life insurer has been a sponsor of the national squad since 2004.



Switzerland is not amused. In 2002 Ovomaltine and the company that makes it, Wander AG in Berne, passed to British hands. Novartis, the previous owner, sold the company to Associated British Foods, thereby closing the book on a nearly 100-year Swiss success story: "Ovo", as most Swiss call it, was introduced as a breakfast drink way back in 1904. The malt extract powder mixed with milk eventually became a national Swiss beverage and was also well established in export markets. On the British Isles and in non-European markets the instant product is marketed under the name Ovaltine and with a different recipe. A sugar-free mix is available only in Switzerland. Even after the company was sold to the British. At least that.



Thirst for adventure. On 1 March 1999 Bertrand Piccard started out on his greatest adventure from Château-d'Oex. He remained in the air together with his copilot, Brian Jones, for 20 consecutive days. They were the first to circle the Earth in a hot-air balloon without stopping. When they landed in Egypt, Piccard and Jones had logged about 46,000 kilometres.



1993 – 2007



World fame for Lucerne. The French architect Jean Nouvel built the Lucerne Culture and Congress Centre (KKL) between 1995 and 2000. The modern building and spectacular acoustics of the concert hall found fame and recognition far beyond the borders of Switzerland.

Grounding. The wings of what was once a flagship of the Swiss economy are clipped: On 2 October 2001 Swissair's liquidity dipped to dangerously low levels and at 3:45 pm that afternoon all the airline's aircraft worldwide were grounded. Thousands of passengers were stranded, their tickets suddenly worthless.



Old-age pensions rise.

The Federal Council authorised a cost-of-living adjustment for 1 January 2007 in the state AHV pensions drawn by Switzerland's retirees. The minimum old-age pension rises from CHF 1,075 francs a month to 1,105 and the maximum monthly pension from CHF 2,150 to 2,210. This represents an increase of 2.8%. And costs the federal government CHF 1.1 billion.



Henry Chen (19), Wetzikon ZH

Eyes for the world

Perhaps Henry Chen will own a comics shop some day. He loves comics and avidly enjoys drawing himself. Japanese mangas are a source of inspiration for him. These are the figures with those great big eyes. Drawing is important to Henry Chen: "It helps me relax after working on the computer and all the stress in school." Henry Chen is in the fourth year of his apprenticeship. When he has his certificate, he wants to continue his studies at a college or university. He's not exactly sure what subject, "but probably not IT". He still has a few hurdles ahead of him. For

example, project work for his vocational certificate, or military service (about which he has mixed emotions). He's also planning a long trip, his first visit to China next year, the country his parents left as refugees more than 20 years ago. "My cousin says the people are really packed in. Life is chaotic and very loud. I'm really excited. It's going to take me back to my roots". At home in Wetzikon, Henry Chen speaks a Vietnamese dialect with his parents and three siblings, "but we throw in a lot of Swiss-German words too," he laughs. He keeps in touch with the numerous members of

his extended family, who are spread over four continents. Henry Chen is open and curious about the world. He's not worried about the future. Perhaps one day he will realise his dream – to make an animated film. Or maybe he'll do something totally different. Or end up selling comic books in his own shop – that would be great!

Henry Chen is doing an IT apprenticeship at Swiss Life.

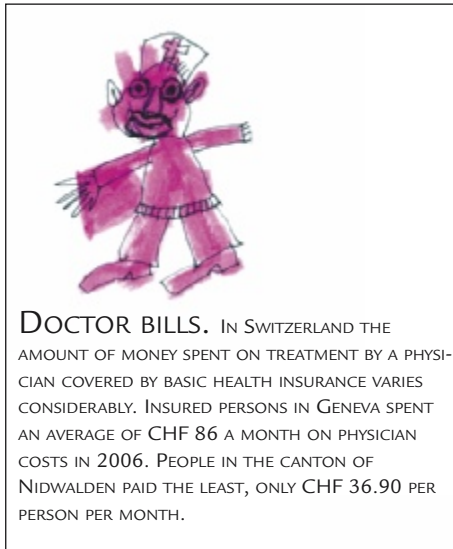
1993-2007



Top spot for Switzerland.

The World Economic Forum has compiled surveys of individual economies' competitiveness for years.

In the 2006 study Switzerland captured the top spot for the first time, moving past the US, which fell from first to sixth. Switzerland earned the top ranking primarily because of its good infrastructure, well functioning institutions, efficient markets and high innovation capacity. 11,000 managers from 125 countries were surveyed.



DOCTOR BILLS. IN SWITZERLAND THE AMOUNT OF MONEY SPENT ON TREATMENT BY A PHYSICIAN COVERED BY BASIC HEALTH INSURANCE VARIES CONSIDERABLY. INSURED PERSONS IN GENEVA SPENT AN AVERAGE OF CHF 86 A MONTH ON PHYSICIAN COSTS IN 2006. PEOPLE IN THE CANTON OF NIDWALDEN PAID THE LEAST, ONLY CHF 36.90 PER PERSON PER MONTH.



More taxes and charges.

Financial Minister Hans-Rudolf Merz used the Day of the Taxpayer in 2006 to point out that the average Swiss citizen must work the first 108 days of the year just to pay the taxes levied by the state, the cantons and the communities and obligatory social insurance contributions. Only what is earned from the 109th day can the Swiss call their own. From 19 April onwards.



Silvia Wyss (60), Küssnacht am Rigi SZ

My father's daughter

"There used to be a desk here, and one here. The secretary sat here, Mrs Ohl. And the counter was here." Silvia Wyss reflects. "I'm a 'Swiss Life child' – my father, Josef Wyss, managed Swiss Life's Central Switzerland general agency in Lucerne from 1951 to 1974". He died in 1986. His office on Schwanenplatz brings back youthful memories. "This is where I did my homework. And that's where I waited for father until we went home". At home in nearby Meggen, she took care of paper work for her father, especially military-related documents. "He was a captain. Well-built, handsome. Always with pipe and hat. A

man who commanded respect and knew the meaning of responsibility". As soon as she could drive, she became her father's chauffeur. They always rode into town together. "Even then it was hard to find a place to park. Rentenanstalt had a small storage space on Ledergasse back then. My father measured out how big it was – and bought a car to fit. A red Fiat 600". Silvia Wyss gives a short laugh. She studied teaching in Lucerne. She always knew she wanted to be a teacher, right from her first year at school. Later, she dreamed briefly of Paris and haute couture. They were very close her father and her, says Silvia Wyss

"He gave me a feeling of security. I need that feeling, only then do I feel free". Twice in her life, Silvia has experienced feelings of existential anxiety. Once following her divorce in 1988. And another time after a car accident in 2000. "However, these things – and Swiss Life too – taught me to be strong. Today I'm busy being creative. I make figures of all sizes and shapes from papier-mâché and plaster". Her atelier is called "creaSivy". "I really should have put together a portfolio of my works long ago. And set up a website".

Silvia Wyss is a Swiss Life customer.

Publisher Swiss Life, General-Guisan-Quai 40, 8002 Zurich, Telephone +41 43 284 77 77, fax +41 43 284 48 84, www.swisslife.ch, media.relations@swisslife.ch
Concept open up, Zurich and Sonja Studer Grafik AG, Zurich Text and editing
Swiss Life Group Communications: Andreas Hildenbrand, Irene Fischbach, Barbara Beccaro, Carina Gneuss, Nicole Geretti; open up: Urs Thaler, Regula Reidhaar, Janine Haas, Jacqueline Perregaux, Reto Bruseghini; Satzbau: Iris Kuhn-Spogat
Photography Meinrad Schade, Pia Zanetti, Rainer Wolfsberger, Marion Nitsch, Markus Bühler
Design and layout Sonja Studer Grafik AG, Zurich
Translation Swiss Life Language Services
Circulation 250,000
Printing Vogt-Schild Druck AG, Derendingen
Copyright Swiss Life
Reproduction with the consent of the publisher, making full reference to the source
The Swiss Life anniversary magazine is published in German, French, Italian and English.

Picture references Meinrad Schade: pages 7, 13, 15, 25, 33, 35, 39, 41, 52, 60, 64, 72, 75, 78, 84, 86. Pia Zanetti: pages 2, 8, 10, 17, 18, 21, 22, 61. Marion Nitsch: pages 42, 45, 46, 47, 48, 50, 51. Rainer Wolfsberger: pages 40, 55, 61, 62, 63, 74, 85, 97, 106. Swiss Life corporate archive: pages 2, 4, 5, 37, 38, 40, 42, 62, 63, 67, 80, 81, 92, 94, 95, 98, 100, 101, 102, 103, 104, 107, 110, 112. Postcard collection, Hansjörg Widmer, Altnau: pages 44, 45, 47, 49, 51. Page 1: Markus Bühler. Page 2: Keystone. Page 5: Mägerle AG Maschinenfabrik, PKZ, Kurt Knecht. Page 6: Lithograph by Heinrich Siegfried, graphical collection of the Zentralbibliothek, Zurich; Niederwil Music Society; Johanna Studer; Deutsches Fussballmuseum. Page 14: Archives historiques Nestlé, Vevey; L. Belmont, Das Buch vom Telefon, Francke Verlag, Berne 1943; Collection Boris Kochno, Paris; Musée de Compiègne; Wikipedia; Rudolf Mürger. Page 24: Baugeschichtliches Archiv, Zurich; Hanspeter Dudli; Thomas Hüssel. Page 26: Getty Images. Page 27: Musée historique du Vieux-Vevey; Fotostiftung Schweiz. Page 32: Keystone. Page 34: Marcel Jobin: Jura d'autrefois – Le pays d'Ajoie, Porrentruy. Page 40: Keystone; Getty Images. Page 53: DIZ München; Keystone. Page 54: Niederwil Music Society; Keystone; Wikipedia. Page 55: Müller/Bachmann collection, Museum Appenzell; Gredig/Willi, Unter Strom, Chur 2006. Page 61: Arnold Odermatt, © Urs Odermatt, Windisch; Keystone. Page 65: Keystone; Müller/Bachmann collection, Museum Appenzell; Otto fashion catalogue 1957. Page 66: Getty Images. Page 68: Arnold Odermatt, © Urs Odermatt, Windisch; Getty Images, Nabholz. Page 69: Keystone. Page 70/71: Peti Wiskemann. Page 79: Keystone, Getty Images. Page 82: Wander AG, Berne; Keystone. Page 83: KKL Lucerne, Keystone. Page 85: Koni Nordmann; Sonja Studer. Page 91: Walter Jöhr: Schweizerische Kreditanstalt 1856–1956, Zurich 1956; Joseph Jung: Alfred Escher – der Aufbruch zur modernen Schweiz, volume 1, Zurich 2006. Page 93: Schweizerisches Sozialarchiv, Zurich. Page 96: Walter Jöhr: Schweizerische Kreditanstalt 1856–1956, Zurich 1956. Page 99: Fotostiftung Schweiz. Page 105: Museumsgesellschaft Grenchen. Page 109: Keystone.

150 YEARS OF SWISS LIFE. A SHORT HISTORY OF THE COMPANY

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FEDERAL STATE MAKES CHANGE POSSIBLE



Gottfried Keller. The Zurich writer and novelist, and cantonal secretary is committed to the liberal federal state.

For Switzerland, 1848 was a benchmark year: Modern Switzerland was born. Gottfried Keller, the incorruptible observer of the 19th century, saw the Federal Constitution of 1948 as “a new law, a new house, yet on old ground”. When French troops invaded Switzerland 50 years earlier, the country was still an extremely loose entity without a central administration. It was a confederation, but hardly a federal state. The “administration” of the old federal government, the so-called Chancellery, employed all of four civil servants and five clerks. The historian Ernst Gagliardi doesn’t exaggerate when he asserts that, until 1798, the confederacy was simply “a more or less coincidental collection of German-speaking sovereign entities” to which a few “French or Italian-oriented districts belonged.”

By the middle of the 19th century, the old confederation was on its last legs. It was politically moribund and provided no foundation for the urgently needed economic upswing. Every canton, every larger locality had different regulations for important issues. Thus, in the Switzerland of 1848 there were eleven different standards for measuring length, 50 weight standards and at least 81 ways to measure liquids. And the exchange of goods and information was also handled rather strangely: a package sent from St Gallen to Geneva was subject to a different charge than a package of the same weight sent in the opposite direction. A letter from Geneva to Zurich cost more than one from Geneva to Algiers or Constantinople.

As far as notes and coins were concerned, chaos might be the best description. Although a vast number of poor quality foreign tokens of dubious value (and even more colourful history) were in circulation, there were too few domestic silver and gold coins. Despite such handicaps, the federal state cleared the way for economic development.

It organised the orderly circulation of coins, introduced the franc as its currency, created size and weight standards, founded the Swiss postal system and standardised the collection of customs. Grand infrastructure projects were planned and implemented step by step. The liberal order, which characterised the country after 1848, was a precursor for the dynamic expansion of the economy. If there had been a few large, well-funded Swiss banks at the time, developments would have certainly taken a less erratic course. But the lack of strong Swiss banks led to foreign financial houses lending the funds so urgently needed by the domestic industry and business. Indeed, when it came to the construction of the railways, these foreign banks quickly exercised their influence over the private railway companies and on the choice of routes.

This incentive to modernise business unshackled enormous energy and led to a phenomenal surge of innovation with a great number of companies being founded. Founders and pioneers with interesting, idiosyncratic and sometimes also scurrilous ideas came forward as never before in the history of the country. The nearly limitless optimism and belief in proficiency, diligence and motivation were shared by everyone. A few companies managed the breakthrough. Over the course of the next decades they developed into large, world-class companies. But others failed, gave up and have long since been forgotten.

The industrialization of the country was the decisive prerequisite for the emergence of the Swiss insurance industry. New needs arose in parallel to all the many social changes arising from the country’s restructured society and growing infrastructure. Among these was the need to safeguard against risks of all types – for example against disability, the impacts of ageing, and death, but also against accident, illness or property damage.

ENTERING THE MODERN AGE

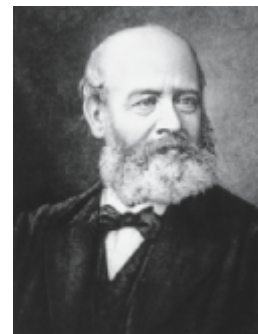
No one had a greater influence on the new Swiss federal state and the emergence of the modern than Alfred Escher. For decades, there was no one in Switzerland as powerful and influential in politics and business as this citizen of Zurich. He promoted Switzerland as a centre for education and research through the development and construction of the “Polytechnikum” (today’s Federal Institute of Technology, Zurich – known as the ETH from its German initials). By founding banks and insurance companies, he established the country as a financial centre. And through numerous infrastructure projects, he helped establish Switzerland as a centre of industry.

As a member of the cantonal government of Zurich, a member of the National Council, Chairman of the Board of Schweizerische Kreditanstalt (today’s Credit Suisse) and President of the Nordostbahn (railway), Alfred Escher was the most important person in Swiss (not to mention Zurich) business and society. The authority, influence and exceptional calibre of this man in every respect was admired by the liberal camp while the conservative (old-order monarchists) and democratic (populist) sides were hostile and fought against him. And yet Escher was never deterred by his opponents, regardless of their numbers. With almost unheard-of energy, he threw himself into nearly every large national infrastructure project, built up a network of like-minded people, and pulled the strings like an old master – on the stage or behind the scenes. And yet he, too – the man who had towered above and dominated everyone – paid the price. The financing problems and cost overruns from the construction of the Gotthard train tunnel led to Escher’s political downfall and turned him into a sick and lonely man in his last years.

But Alfred Escher’s enduring legacy is that he ushered in the modernization of Switzerland in the 19th century with the wide range of projects

that he set in motion and promoted. His proposals and initiatives – and the many like-minded people in politics, business and society – led to the dissemination of the modernization discussion throughout all spheres of life and business, and ultimately to decisive steps forward. Escher’s most important and influential endeavour during the years in which liberalism took hold – Schweizerische Kreditanstalt (Credit Suisse) – set a great deal in motion. In the insurance sector too. Many Swiss companies can thank the initiative or involvement of Schweizerische Kreditanstalt for their existence in the first place. Indeed, “Schweizerische Rentenanstalt” (today’s Swiss Life), Schweizer Ruck (Swiss Re), Zurich, Helvetia and the “Schweiz Allgemeine Versicherungs-Aktiengesellschaft” all benefited from the help of the bank, which also played an important role in insurance companies in Italy, Austria, Germany and France.

The interrelationships were not always so obvious to the outside world as they were between Kreditanstalt and Rentenanstalt, which took modest quarters next door to each other in the early years of building up their business, each with only a handful of employees. At that time the bank was located at Tiefenhöfe 26 and Rentenanstalt at Tiefenhöfe 27.



Alfred Escher. This citizen of Zurich was probably the most powerful man in Swiss politics and business.

First head office. The first offices of Rentenanstalt and of Schweizerische Kreditanstalt were on Tiefenhöfe in Zurich.

FIRST INSURANCE COMPANIES ARE FOUNDED

In 1850, there were about 2.4 million people living in Switzerland. Slightly more than half of the employed population earned their living in agriculture, one third worked in industry and artisan trades and the remaining 10% worked in the service sector. Industrial employees were paid very little and their working hours were long. Factories also employed large numbers of children. In the canton of Zurich alone, the contingent of under-16s amounted to one fifth of the employees. No social legislation worthy of that designation existed, or only as proposals. A great number of people had little or nothing to fall back on in hard times. Those who did not have a family network to count on, lapsed quickly into poverty and destitution. As the industrialization and modernization of the country gained momentum, the matter of social and financial safeguards in cases of illness, disability or death grew more imperative.



Speedy response from Nidwalden. During its formation phase (1856–1857) *Rentenanstalt* had to apply for a licence in every canton. The fastest and least complicated response came from the government of Canton Nidwalden. Approval was granted by the Stans Guildhall at the end of 1856 – many months before the commencement of business activities.

The time was ripe for the insurance business to take a step forward. This step was triggered in 1857 with the founding of “*Schweizerische Rentenanstalt*”. Other companies followed quickly during the decades that marked the flowering of the young federal state.

People have always sought to protect themselves, their family and their property against known risks and their economic impacts. Switzerland’s own insurance business developed rather late compared with other European countries. Prior to 1848 there was little economic latitude within the cantons and that fact, plus the fragmented political and legal structure of Switzerland, prevented the emergence of a nationally active insurance company. Moreover, the lack of a solid actuarial foundation made it difficult to reliably calculate mortality and thus also the premiums.

In actuarial terms, England and France were decades ahead of Switzerland. In London (since

1762) and in Paris (since 1787) insurance companies had already become skilled in the sound application of actuarial principles. Although there had already been a few attempts to build up life insurance companies in Switzerland before the founding of *Rentenanstalt*, they all failed. In 1840 in Eastern Switzerland, for example, the “*Allgemeine Schweizerische Erb-, Witwen- und Alterskasse*” (general Swiss inheritance, widows and old-age pension scheme) was founded and backed by the “*Kaufmännisches Direktorium*”, which held the sum of 100,000 gulden to cover liabilities. But because opinions within the “*Kaufmännisches Direktorium*” differed on the usefulness and opportunities of life insurance, it did not receive the necessary support from its backers and closed its doors again after some two decades.

In 1841, the “*Schweizerische National-Vorsichtskasse*” in Berne fared even worse. In this case, share capital amounted to 100,000 francs after an initial advance, which was rather tight for a life insurance company in its initial phase. After the first upswing, grievances arose in the financial management of the company. The confidence of the insured parties melted like snow in the spring sunshine and, after a few unsuccessful attempts to reorganise, in 1855 there was nothing left to do but enter into liquidation.

And thus, with the exception of small local societies, pension schemes and foundations with limited regional and industry-specific scope, there were no longer any interregional life insurance companies in the young federal state. The foreign companies divided the business with Swiss customers among themselves. In 1850, some 20 French, German and English life insurers competed for the money of people seeking old-age provision and risk coverage. This was a thorn in the side of many liberal politicians. They were certainly open for ideas and movements from

abroad, but they never lost sight of national interests. It didn't make sense to them that Swiss premiums should flow out of the country year after year. There were also voices casting doubt on the ability of Swiss insurance customers to arrive at an adequate judgement on the solidity and trustworthiness of a foreign insurance company.

The lack of uniformity faced by the private insurers within the then 25 cantons and demi-cantons and indeed, about the mere idea and principles of insurance, was demonstrated by the licensing procedures for Rentenanstalt. In Zurich in 1856 there was a formal permit procedure in which the offices of justice and finance and the chamber of commerce and industry offered opinions before the company was granted "authorization". Other cantons declared that no special permit was necessary within their sovereign borders (which also explains why so many foreign companies were romping around in Switzerland at that time). A few cantons tied the permit or licence to conditions and, for example, demanded that their own canton should have legal jurisdiction in case of any contractual dispute between insured parties and the insurance company. And then there were cantons which demanded that Rentenanstalt should only appoint agents with the permission of the cantonal parliament.

And then again, there were also cases where a permit or licence was refused: Canton Basel-Land rejected the first application by Rentenanstalt with the argument that, as two foreign companies had already been granted permits, there was clearly no further need for another insurance company in the canton. Canton Ticino also refused to grant a licence. The Ticino government was of the opinion that the planned business activities resembled some kind of gambling, which was forbidden by the cantonal constitution. But upon a further examination in 1859, the government of Ticino

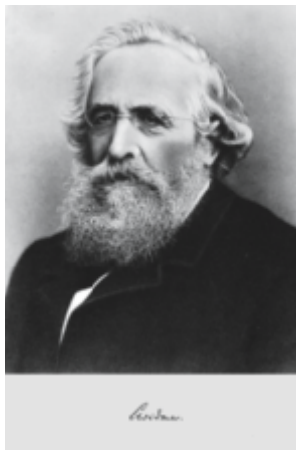
overcame its objections and granted the licence. Rentenanstalt offered the cantonal government the right to one seat on the company's Supervisory Board. At the beginning, many cantons shied away from making use of this offer. Apparently they preferred to wait and see just how things turned out with the insurance company before they themselves took on any kind of joint responsibility for it. Representatives of the cantons Zurich, Berne and Solothurn sat on the first Supervisory Board of Rentenanstalt. Over the next decades more and more representatives of other cantons joined, as did representatives of trade associations and companies.



Child labour and doing without.

Around 1850, a textile worker's family needed a monthly income of 700-750 francs to survive. The father earns 340 francs, the mother takes home 215 francs. The child contributes 135 francs, for which it must work up to 14 hours a day. And the family is still below budget...

IDEA AND OBJECTIVES OF RENTENANSTALT



Conrad Widmer
(1818–1903), Founder of
Schweizerische Rentenanstalt.

In 1855 Johann Jakob Sulzer, a member of the Zurich cantonal government, urged Conrad Widmer to look more closely into the idea of a Swiss life insurance company. At first glance, the then 37-year-old citizen of Thurgau would not have appeared at all qualified as he had been the director of the Oetenbach cantonal prison in Zurich for the past three years. Might not Sulzer have been better off entrusting this mission to a good mathematician?

It was typical of people in the liberal 19th century that they often paid less attention to formal criteria than they did to individual qualities and competencies. During the decades when the Swiss federal state was in its first flower, drive, enterprise and the ability to get things done counted for more than anything else. It is likely to have been such considerations that made Sulzer turn to Conrad Widmer, who was an experienced lawyer and outstanding organiser. Seen from that point of view, Conrad Widmer of Thurgau was absolutely the right man for this big job (see page 42).

Conrad Widmer threw himself into his new assignment and involved himself in the technical, organizational and entrepreneurial issues of life insurance. He recognized right away that a new company would not be successful without a solid actuarial foundation or adequate capital resources.

Widmer prudently began working on a Swiss mortality table – the basis for setting premiums used by every life insurer. He gathered the data from a wealth of scattered individual statistical investigations. Widmer also evaluated the reports submitted by engineers, physicians and public health officials and analysed the experiences of foreign insurance companies in order to develop a broad picture of the social, economic and statistical realities.

In his concept, the principle of mutual insurance played a major role. This term encompasses two aspects in the insurance business. From the viewpoint of the insured parties, mutuality means that they are prepared, together in solidarity, to support the claims suffered by another. Everyone pays a relatively small sum in order to be protected in the event of a large claim. This transfer of risk from an individual to the group, or to the insurance company, creates protection and security for everyone.

The mutuality principle has another important aspect with regard to the relationship between insurance and the insured. The insured parties can count on profiting from savings and bonuses that accumulate during the life of their policies. If there is full mutuality, then the entire surplus is returned to the insured parties.

Widmer recognised that he would have to calculate very carefully when setting premiums. One reason being that his mortality table had yet to prove its suitability in real life. But another reason was because of the unavoidable fluctuations in the insurance portfolio during the early years. During the early years of an insurance company, its insurance portfolio is necessarily limited so that a coincidental cluster of deaths could quickly unsettle the financial balance of a company. Although it is possible in insurance business to resort to retroactive premiums in unusual cases of claim clusters, Widmer forsook this route as he did not want to toy with the confidence of his customers. For that reason he relied on transparent, fixed rates in order not to tempt customers to sign with unclear expectations or unrealistic hopes. In his business model, all insured parties should know what they had to pay and what they could expect. It spoke well of Widmer's social consciousness that he stressed the mutuality of the new company in his initial strategic considerations.

Conrad Widmer was aware that the insurance company would only be successful if it managed to acquire adequate guarantee capital to cover the liabilities of the company. People would only buy insurance policies if they had a guarantee that their payments were safely invested.

The prospects for a young company such as Rentenanstalt to acquire capital resources to the tune of two million francs during the economically critical years around 1855 were not rosy. Thus, Widmer sought a partner where money was already available – at the banks. At first he negotiated with Bank Leu, which had just topped up its own share

capital to 10 million francs. Widmer proposed that Bank Leu should offer its entire equity base as a guarantee for the liabilities of Rentenanstalt; in return the bank would manage all premium income at four percent interest. Bank Leu said no. This new-fangled business and financing model was quite removed from the strategic concepts that the bank had just set itself after a restructuring process. In addition, Bank Leu feared that such a large commitment could lead to a precarious concentration of risk.

But Schweizerische Kreditanstalt, founded in 1856 and with equity capital amounting to 15



Chamhaus. For the first time – between 1867–1899 – the head office of Rentenanstalt is located in its own building, the so-called Chamhaus at Unteren Zäunen 1 in Zurich. Up until then a few rented office rooms had sufficed for the company. But then no more. The business grew and constantly needed more employees.

Rush hour at Paradeplatz.

Around 1870 there were no trams and certainly no cars at Zurich's Paradeplatz – and yet there was intense activity.

Left, the head office of Schweizerische Kreditanstalt.



million francs, displayed a considerably greater readiness to take risks. Alfred Escher was then Chairman of the Board of the bank and Johann Jakob Rüttimann was Vice-Chairman. The two were close friends, had served in the Zurich cantonal government for a number of years and were members of the Swiss federal parliament. Escher was a member of the National Council and Rüttimann of the Council of States. And while Escher was a dynamic man of action, Rüttimann was considered an excellent attorney.

Conrad Widmer and Alfred Escher had already met as students. The two of them first crossed paths at the Zurich Obergymnasium (a public prep school) and then again at the University of Zurich: Escher studied law there and Widmer theology before he changed his plans and applied to the University of Basel to study law himself. The

two of them stayed in touch. When the time came to found Rentenanstalt, the relationship intensified. And ties with Rüttimann, who had always counted for more than just a second opinion with Widmer when it came to legal matters, grew closer.

In the contract which Schweizerische Kreditanstalt entered into with Rentenanstalt on 28 September 1857, the bank stood as guarantor for all future liabilities of the insurance company with its entire equity capital of 15 million francs. The bank also made an additional start-up credit available to the company for it to begin operations. With this agreement in hand, Widmer was convinced that he could move the company forward apace. The bank's guarantee was as good as gold for the young company. In this respect, Schweizerische Kreditanstalt was a stroke of luck for the young insurance company.

For its part, the bank demanded 40 percent of the future profits of Rentenanstalt for acting as guarantor. It also secured three seats on the Supervisory Board and the right to name the company's director and accountant. Indeed, the influence of the bank extended quite far. It was also the bank that retroactively applied to the Zurich cantonal government for a licence for Rentenanstalt to do business and for approval of its articles of association and premium rates. If it wanted to, the bank could also have a say in the strategic and operational processes of the insurer.

Many examples show that, in the first 30 years, Schweizerische Kreditanstalt indeed exercised its opportunities to influence Rentenanstalt. Job appointments, for example, were only legally valid with the agreement of the Board of Directors of Schweizerische Kreditanstalt. Employees who wanted to leave Rentenanstalt were obliged to apply to the bank to be released from the employment relationship and not to the management of Rentenanstalt.

This tight intertwining of the companies was met with increasing criticism in certain political and public circles. In 1876 the Winterthurer Landbote (a local newspaper) declared that the insurance company is "nothing but a simple office of Schweizerische Kreditanstalt, and the statutes of Rentenanstalt are nothing more than Schweizerische Kreditanstalt regulations, and the only legally permissible corporate signature should really read: "Rentenanstalt Department of Schweizerische Kreditanstalt".

In public, the impression was widespread that the bank had demanded too high a percentage of Rentenanstalt's profits. For its part, Rentenanstalt indicated to the bank fairly early on that it would appreciate greater independence due to the fact that business was increasing briskly. In 1862

Schweizerische Kreditanstalt thus reduced its share of the profits from 40 to 20 percent in order to encourage the further development of the insurance company. But this did not silence the criticism directed at the bank. In 1867, for example, it was the insured parties who demanded the disentanglement of the organisations and staffs of the two companies.

By 1869, when the Democrats replaced the Liberals in the Zurich cantonal government, the demand to separate bank and insurance company found broad support amongst the politicians for the first time. Even on the Supervisory Board of the insurance company, where (in addition to representatives of the bank) representatives of the cantonal government held a majority, Sebastian Engwiler, the St Gallen cantonal government representative, vehemently made public his opposition, and was critical of the tie to Schweizerische Kreditanstalt and other business policy issues. A considerable dispute developed between Engwiler and Widmer, which they carried on in public for several years.

When Rentenanstalt revised its Articles of Association in 1875 and presented them to the cantonal government for approval, the canton of Zurich government finally had an effective means of applying pressure. They continually delayed approval until in 1877 Schweizerische Kreditanstalt agreed in principle to independence for Rentenanstalt. But it still required another conference chaired by Federal Counsellor Numa Droz before the divestiture could be agreed. The solution provided that the Schweizerische Kreditanstalt guarantee would no longer be claimed from the point in time when the assets of Rentenanstalt reached the same level as the guarantee. That took place in 1885. Thus Rentenanstalt had finally become what its founder Conrad Widmer

With letter and seal. In the 19th century, Rentenanstalt sealed important contracts and letters with this signet.



Alpenquai 40. In 1899 Rentenanstalt moved its Zurich head office to the other side of the Limmat. Two apartments were furnished atop the newly built head office for the company's two directors, so they could, so to speak, be available day and night to the growing company.



had worked for from the beginning: a mutual insurance company.

Rentenanstalt was very soon faced with domestic competition in the field of life insurance: In 1858 «La Suisse» came onto the scene, Basler-Transport und Leben in 1864 and La Genevoise in 1872. There were still, as before, a number of foreign life insurance companies represented in Switzerland. The young Swiss company had to work hard to maintain its position in the market. There were 18 German insurance companies, 14 French, four English, two American and one Belgian – and four

Swiss companies. And new foreign providers were constantly pushing into the market.

The introduction of an obligatory federal licence cleared the decks in 1886. Prior to its introduction there had been 67 companies actively involved in the Swiss life insurance market. Of this number, only 30 companies received a licence from the federal government, and Rentenanstalt was among them. The other insurers withdrew from the market of their own accord or failed to receive a licence as they could not satisfy the stricter legal conditions.

START-UP AND PIONEERING YEARS

Anyone hearing the company's original name – “Schweizerische Rentenanstalt” (or “Swiss pension company”) would be inclined to assume that the company was primarily in the business of providing pension insurance. And yet during the early years and decades, the lump-sum (or single premium) life insurance business grew faster than the pension insurance business. It was probably for that reason that the company name was expanded to Schweizerische Lebensversicherungs- und Rentenanstalt, or Swiss Life Insurance and Pension Company. But the public had already adopted the name “Rentenanstalt”.

The range of insurance products offered by Rentenanstalt expanded continuously. The company began providing endowment insurance (which combines elements of pure life insurance and term insurance) before other insurance companies. And then there was unlimited and limited (or term) life insurance: In the first type of insurance, a lump-sum payment is due upon death; in the second type, the insured benefit is only paid if death occurs within the specified period of time. Customers could choose between single-premium insurance policies and policies with periodic payments, depending on their own financial situation. Quite soon a range of different rates developed – standard rates for people in good health and higher ones for categories of people with increased risks.

A type of group insurance had also come into existence in the 19th century. Teachers, ministers, railway employees and also professors at the Polytechnikum (the ETH Zurich of today) were among the first groups to have themselves collectively insured.

Income developments during these early years were positive, despite the sometimes difficult economic situation. The flow of new funds grew

steadily. In 1861 income from all business reached the million franc level for the first time. In 1863, income doubled to more than two million francs and only four years later, income had already reached five million Swiss francs. In 1932, when the company celebrated its 75th anniversary, total income amounted to 673 million francs. In the meantime, income reached 20 billion francs in 2006, which is a thirty-fold increase from the company's earliest years.

Less than ten years after its foundation, the insurance company opened its doors outside Switzerland: in 1866 Rentenanstalt received a licence in Prussia, although there was no subsidiary for Germany as a whole at that time. At the beginning, marketing and sales took place from Hamburg and Bremen. In 1904 Rentenanstalt was the first foreign life insurance company to receive a com-



The blessing of children. In 1860 women in Switzerland brought four children into the world on average. By 1937 this figure had dropped to 1.7 children. After World War Two this figure grew to 2.6 children by the early sixties. Today the average is 1.4 children, the lowest in Swiss history (in Europe, the average is now 1.5 children).

Munich to the fore. Rentenanstalt started doing business in Germany in 1866. In 1913, the Palais Leopold in Munich became the head office of the German subsidiary.



Live longer. In 1881, life expectancy at birth was 45 years in Switzerland. It has since practically doubled: In 2004 life expectancy at birth was 83.7 years for Swiss women and 78.6 years for Swiss men.

prehensive licence for the entire German Empire. In 1913 Rentenanstalt moved its German headquarters to Munich, where it remains to this day. An agency was also opened in Constantinople in 1866 and sometime later another one followed in Egypt. In 1873 Rentenanstalt tried to set up business in France and Austria. Unfortunately, results were unsatisfactory and activities were thus closed down in both countries. The second time around worked better in France and the branch there, in

existence since 1898, has grown continuously and is today the equal of the Swiss market in terms of premium volume. In 1901 the company founded a branch in the Netherlands.

Why did Rentenanstalt expand its business abroad so very soon? There is a simple economic explanation for this: A life insurance company is based on the law of large numbers. It must seek to expand its numbers of insured parties because the necessary equalization of risk depends on having large numbers of people insured. And that is the only way to maintain the stability of the accounting results. In 1850 Switzerland had 2.4 million residents. Conrad Widmer recognised that this number was too limited for the company and thus extended its activities to countries with larger populations.

PUBLIC INSURANCE

When Conrad Widmer stepped down in 1892, he handed the reins of Rentenanstalt to Emil Frey, business editor of the *Neue Zürcher Zeitung* (NZZ), who had already served on the Supervisory Board of the insurance company. Frey headed the company for only three years. He died before turning 40 in 1895. During his brief tenure in office, Frey introduced disability insurance and so-called public insurance, a form of industrial life insurance. Rentenanstalt was able to attract the interest of a broad section of the population with this new type of insurance. In fact, Emil Frey's innovation set itself distinctly apart from the usual products offered by other insurance companies.

Public insurance was primarily based on social considerations: People of limited means finally had the possibility to buy financially and technically sound life insurance policies. The greatest problem was to find an administratively simple way to collect the premiums. Emil Frey came up with the idea of working with the postal system as it possessed a network of post offices throughout the entire country. Thus, the insured parties could simply pay a weekly premium at their local post office. In return, they received stamps, which they could stick on a special card provided by Rentenanstalt for that purpose. When the card was full, the insured policyholder would then send it to Rentenanstalt, which would book the transaction and settle with the postal service.

Public insurance was particularly interesting because it was a standardised product with very low premiums and thus affordable for a large cross-section of the population. The product came in two types: up to an insured sum of 2,000 francs (with a medical examination) or a maximum of 1,500 francs with no medical examination necessary. At that time, concluding an insurance policy without a medical examination was a considerable business risk.

The product was incredibly successful: The first policy was sold on 7 August 1894. Within five months, more than 3,000 people had taken out policies. And by 1932, Rentenanstalt had sold a total of 164,458 policies for public insurance. After 1923 it was only possible to purchase public insurance without a medical examination because the great majority of customers preferred this type. Premium payment was simplified over the years with the introduction of postal money orders and postal checks. Public insurance functioned in accordance with the mutuality principle: All surpluses were distributed to the insured parties after deduction of administration costs. This insurance belonged, in fact, to the insured parties or, as the name suggests, to the public. This was in no way an empty promise.

In order to show how serious it was, Rentenanstalt undertook to cede its entire public insurance business to the Swiss federal government, including reserves, insurance documents and account books. All free of charge. A simple declaration by the Federal Council to Rentenanstalt would have sufficed to effect the transfer of ownership. By making this unusual promise, Rentenanstalt delivered the proof that it had no intention of profiting from public insurance. The company was purely interested in making affordable and social retirement provisions available to the less fortunate members of the population. But in 1931, when the Federal Council made no further moves to set up any relevant institutions or to take Rentenanstalt up on its offer to "give away" public insurance, even 36 years after it was introduced, Rentenanstalt deleted the clause from its Articles of Association without substitution.

This did not appear to bother the insured parties, because public insurance had brought them a number of improvements in their benefits. And it was no different with the 1931 revision of the



Emil Frey. Emil Frey headed Rentenanstalt from 1892 to 1895 and introduced public insurance.



Advertising. Posters advertised the new public insurance.



Public insurance. Insured persons receive a small book containing the policy and the insurance terms and conditions.

Articles of Association: twice the insured sum would now be paid out in cases of accidental death. And in cases of ongoing, total disability, the insured amount would be paid quickly and without complex paperwork.

Originally, the insured parties had a claim to bonus distributions after payment of twelve quarterly premiums, but in 1899 Rentenanstalt lowered the bar. From then on, bonus distributions began after eight quarters of premium payments. As there were no historical data available for the company's genuine innovations (such as public insurance), the regulations accordingly provided for the eventuality of a retroactive premium to be paid by the insured parties, but no need ever arose. And so, after 1939 Rentenanstalt dropped the retroactive premium clause in new contracts. Indeed, the capital reserves of the public insurance were sufficient to cover any setbacks in the annual financial statement. In addition, there was a bonus reserve for the insured parties which could be used to offset fluctuations. In terms of sums, in 1941 public insurance amounted to 20%, or the largest single segment of Rentenanstalt's insurance inventory. After 1942 all insurance policies with sums of 2,000 francs and above were allocated to the individual insurance division of the company and no longer to the public insurance department. And in 1948, the public insurance inventory was closed out. All individual lump-sum insurance business was now conducted by the division. The introduction of

the AHV (old age and survivors' pension), as well as internal organizational adjustments, also played a role in the phasing out of public insurance. The public insurance had become superfluous for people of little means by the time in 1948 when the AHV began making its first pension payments. Nevertheless, this socio-politically inspired insurance had provided many people in Switzerland with a cushion against hard times for a good half a century.

Public insurance was also an innovative special case within the Rentenanstalt organization. It changed the hierarchy and gender roles in the company. For decades, the public insurance department had been built up, supported and headed by a woman – Second Vice President Mathilde Pfenniger. Her sector at Head Office grew and grew to become the largest department. And even more surprising: All of the approximately 100 employees in the public insurance department were women.

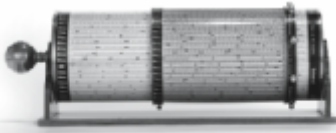
Indeed, in 1940 the public insurance department was the first department that moved into the newly-completed Head Office on Alpenquai, today's General-Guisan-Quai. The employees of the division, group insurance and management only moved in many weeks later. It is possible that this little gesture, the early relocation to the new head office building, was an expression of respect for the initiative of the women in the public insurance department.



General-Guisan-Quai 40. In 1940 Rentenanstalt acquired the building in Zurich that is still today the Head Office of Swiss Life. At the end of World War Two Alpenquai was renamed General-Guisan-Quai in honour of Henri Guisan.

EVERYDAY LIFE IN INSURANCE

It is hard to imagine quite how basic the working conditions really were in the offices of the young Rentenanstalt. In the first decades, the few employees worked by daylight during the summer months and with gas or petroleum lamps in the dark months of the year. There were no office machines. All correspondence was written with pen and ink, mostly in thick ledgers and copy books. In fact, the first few annual reports were handwritten. Printing was gradually introduced over time. Printed matter existed early on for the external sales force and for customers. From the company's foundation in 1857 until his retirement in 1892, Director Conrad Widmer signed all outgoing post himself – with few exceptions.



The first calculators. Prior to 1900, Rentenanstalt solved complex accounting operations rapidly and efficiently using so-called calculation cylinders.

Progress arrived in the offices of Rentenanstalt at the end of the 19th century. The first telephones were installed in 1885 in the Chamhaus, the head office for many years. Initially, one phone had to suffice for all employees. The following year the Head Mathematician received an eight-digit calculator, for which he thanked the management profusely. The bookkeeping department had help with its work in the form of two simple calculating cylinders.



Punch card systems. The Norwegian engineer Bull built the first punch card machines for Rentenanstalt in 1926. The automation of the office workplace begins.

The first letters written on a typewriter were sent from Head Office in 1892. The conversion to typewriters took place very slowly. In the correspondence department, the calligraphy experts practiced their art of beautiful handwriting for a long

time. In particular, the insurance company placed great value on beautifully hand-written insurance policies. In 1920 the premium collection department received their first modern office typewriters, which were also equipped with mechanical counters. This helped to considerably simplify and expedite the collections process. Two years later the company looked into the introduction of a punch card system. In 1926 the company chose a system devised by the Norwegian engineer Bull, which was put into operation in 1926. The system delivered good service with the ongoing calculations of the mathematical reserves. But the punch card system underwent a considerable improvement with the introduction of the tabulating machine to produce tables.

In the first months following the foundation of the company in 1857, it took only a handful of employees to support Widmer, the Director, and Hubacher, the Accountant. By 1894, it took more than 20 people. In 1905 the employee headcount took a leap to 58 employees, in particular because the new public insurance offering needed additional people. For the first time women made up the majority of the staff. There were 27 men and 31 women employees. Rentenanstalt employed about 600 people in the years before the outbreak of World War Two. In 2001 the company had 12,800 employees, the highest company headcount ever. Today Swiss Life Group employs around 9,000 people.

DIFFICULT DECADES IN THE 20TH CENTURY

By and large, business in the years before and during World War One developed positively. Although the outbreak of war in 1914 brought a considerable setback for sections of the Swiss economy, the Swiss business of Rentenanstalt was not impacted. On the contrary. Wartime was a period when many people sought to set something extra aside. From the second half of the war onwards, Rentenanstalt registered a strong upward trend. For example, in 1919 receipts in lump-sum insurance inventories were around four times higher than in 1912.

One of the major reasons for this growth lay in the dwindling attraction of the foreign life insurance companies. Whereas once the Swiss companies only rarely approached the results of their foreign competitors, now market share was practically falling into their laps. It looked as though customers in Switzerland had lost confidence in the foreign providers practically overnight, which is completely understandable when one thinks of the increased risk to companies operating in countries at war. In 1919 the Swiss life insurance companies wrote five sixths of all insured sums into their own books. And this rose to 97% in 1923. The Swiss market grew increasingly hard for the foreign companies.

Even greater problems arose in the foreign business due to the inflation and currency collapses during the 1920s, although the consequences were far worse for the insured parties than for the insurance companies. For the companies, there was no change in the relationship between liabilities and available mathematical reserves. Although there were revaluations, these affected both assets and liabilities equally.

But insured customers lost nearly their entire savings in those countries hardest hit by the currency crisis and inflation. Regardless of whether their assets were entrusted to a bank account or

an insurance policy – they were obliterated in no time at all. This downward spiral accelerated faster in Germany than anywhere else. In 1922/23 there were times when it was not worthwhile for Rentenanstalt in Germany to take in premiums and pay out pensions. The cost of postage was considerably greater than the sums being paid in or out.



General strike. In November 1918 a general strike takes place in Switzerland at which up to 250,000 people marched, according to the unions. The most important demands of the strikers are fulfilled in the years and decades after 1918. Proportional representation is introduced in the National Council, the 48 hour working week, the introduction of social security and finally, the right of women to vote.

In the years between the two World Wars a further problem arose with Germany that was to impair business relationships between the two neighbouring countries for a long time to come. Since 1900 Swiss insurance companies had been investing a portion of their Swiss francs into mortgages in Germany. There were many reasons for this: The interest rate for safe investments was very low in Switzerland at that time. There were times in Switzerland when the assets available for investment were considerably greater than the suitable investment opportunities. It was thus understandable that the insurance companies turned to their northern neighbour and invested in the higher-interest mortgage vehicles there.

In Germany even then there was a uniform mortgage law and a modern land register authority, which led to German mortgage-backed loans being viewed as exceptionally secure and attractive investments. Although the law required that loans had to be made in the German currency, the Swiss insurance companies saw no inherent risk

in these transactions. They protected themselves against any fall in the Reichsmark by inserting a gold clause into all contracts. This clause obligated the German debtor to pay the Swiss insurance company its capital and interest in gold coins. Indeed, for decades these gold mortgages were “good as gold” for both lender and debtor.

But upon the outbreak of World War One, the German government discontinued the use of the gold standard and shortly thereafter rescinded the gold clause. Thus safe investments turned into problem-laden claims with one stroke of the pen. At least in the eyes of the creditor. For the debtor, however, this new ruling was an unexpected gift. They then paid their interest to the Swiss companies in bundles of paper marks, which were quickly eaten away by inflation. Others took advantage of the moment and cancelled the mortgage only to turn around and pay the entire debt for a fraction of the fixed gold value in worthless paper marks. German courts defended this procedure.

In the long drawn out negotiations between the countries, Switzerland attempted to protect the interests of the Swiss insurance companies as well as it could. The country managed to safeguard the Swiss insurers from the impending total loss, at least partially, by means two agreements. This was done by converting the gold mortgages into Swiss franc mortgages at a fixed exchange rate.

If the inflation was bad for the Swiss insurance companies and their gold mortgages in Germany, it was even worse for the German life insurance companies. After conducting business in Switzerland for years, eight large German companies went bankrupt in 1922. They were no longer in a position to fulfil their (Swiss franc) financial obligations in Switzerland. Their failure to properly estimate the foreign currency risk led to the melt-

ing away of their entire mathematical reserve. This amounted to some 60,000 policies and an insurance figure of 400 million Swiss francs.

Due to regulations in their home country, the German companies were forced to place their insurance investments in Germany (for policies concluded on a Swiss franc basis) and indeed, in Reichsmarks. And when the bottom fell out of the mark, this had fatal consequences: the German companies’ reserves consisted of worthless Reichsmarks, but they had to pay out their insurance benefits in Switzerland in hard Swiss francs. Bankruptcies were inevitable.

The Swiss government stepped in to protect the Swiss customers of German insurance companies. It attempted to help the Swiss life insurance companies with a relief operation on behalf of the insured parties who had been affected. The Swiss companies examined the situation and submitted a proposal to the federal government. Once the legal basis for a relief operation was created in 1924, the Swiss life insurers immediately entered into an agreement with the federal government to implement the proposed measures. The solution consisted of the Swiss companies sharing out the German insurance policies proportionally among themselves. Rentenanstalt took on two closed insurance inventories containing 13,600 policies from Leipziger Lebensversicherungsgesellschaft and Atlas-Lebensversicherung in Ludwigshafen. An additional 1,000 policies with the same problem came from the Dutch insurance inventory of the Mutual Life Insurance Company of New York. The relief operation was technically very sophisticated and involved many people, but it brought a great deal of public goodwill to the Swiss insurance companies. As in World War One, policies and premiums rose at Rentenanstalt again during World War Two. Once again it was clear that people in crisis situations become more



“Monopoly money”. The rapid collapse of the German currency drove the Weimar Republic to issue unusual banknotes during the crisis years.

concerned about their financial provisions – despite having to go short in everyday life.

World War Two presented the Swiss insurance companies with numerous difficult situations. Among them was the question of continuing the German business once the National Socialists came to power in 1933. Business in Germany had been going quite well prior to Hitler becoming head of state. But many German insurance customers were still wary after the currency collapse of the Weimar Republic. For that reason, there were many customers in Germany who consciously sought out a foreign solution for their insurance and savings needs and concluded policies in Swiss francs rather than in Reichsmarks.

In 1931, during the Weimar Republic, the German government introduced strict currency management, which affected foreign currency insurance policies and which had a long-term impact on business with foreign insurance companies. After the National Socialists took power, further currency restrictions were introduced. As a result, premium payments for foreign currency insurance policies had to be paid in marks, which led to the forced conversion of insurance benefits. At first, premiums that had previously been paid in francs remained untouched. An additional tightening of the currency stipulations in 1938 resulted in a complete conversion to the mark. The insurance companies were obliged to cede the invested foreign currency to the Reichsbank in exchange for mark-denominated bonds.

While these rules and limitations affected the entire population of Germany and all insurers doing business there, there was a range of discriminatory acts which were exclusively targeted at the persecuted minorities. Insurance companies were also included in the policy of disenfranchisement enacted against the Jews. An example: Dr Julius

Elkan, a physician in Munich, took out a life insurance policy with Rentenanstalt in 1931. The insured amount came to 75,000 Swiss francs. The policy, which had regular premium payments, had a term of 20 years. If Elkan died before 1951, his wife received the money. If he was still alive in 1951, the 75,000 francs would be paid out to him.

At the end of 1941, Germany decided to seize the assets of German Jews. A few months later, Julius Elkan was arrested and transported to the Theresienstadt concentration camp. In May 1943 the Oberfinanzpräsident of Munich (head of the finance office) informed Rentenanstalt that Elkan's insurance policy had been terminated and that the surrender value of the policy was to be transferred to the German authorities. But the finance office was unable to produce the insurance contract for Rentenanstalt. Rentenanstalt informed the authorities in Munich that the insurance company ran the risk of having to pay out the insured sum later for a second time if they paid the surrender value to the authorities rather than to Elkan. The finance office declared that the German Reich would assume responsibility for all financial risks that might arise for Rentenanstalt. Thereafter, Rentenanstalt reluctantly paid the surrender value to the authorities in Munich.

Julius Elkan survived the concentration camp and came to Switzerland in 1945. He was of the opinion that Rentenanstalt had not fulfilled their contractual obligations and still owed him the insured amount. As Rentenanstalt was of a different opinion, Elkan brought the dispute before the Swiss courts in 1950. In the end, the Federal Supreme Court decided in favour of Rentenanstalt. The highest court found that it was German rather than Swiss law that should be applied in the dispute. The seizing of Jewish assets was a legal measure taken by the German government against its citizens. Although Swiss law would



Be prepared. Hans Koenig, an attorney, headed Rentenanstalt as General Director between 1936 and 1947. At the head office he was known to all employees as a temperamental man who did not shy from taking unusual measures. One evening at the end of the day's work, he got onto a tram. Koenig looked around the busy tram and saw an employee of Rentenanstalt. He called him and said: "Get some paper and a pencil!" And then, in the tram, the big boss dictated a letter. The other commuters were amused. When Koenig was finished dictating, he said to the employee: "Finish this early tomorrow morning and then put the letter on my desk for me to sign." And that's what happened.

have clearly rejected such a measure, the legal issue arose in Germany and Swiss law was thus not applicable in this case. The senior Swiss judges were of the opinion that it would be an injustice to Rentenanstalt if they were obliged to pay the amount a second time. In the view of the Federal Supreme Court, it was thus reasonable that Julius Elkan demand his seized assets where they had been taken from him - from the authorities in Germany. Not long afterwards, the Federal Republic of Germany established a so-called reparations process for the victims of National Socialism. This process allowed those who had been persecuted by the National Socialist regime to make

claims for losses, including those resulting from the seizure of insurance benefits.

In its final report about Switzerland during the Second World War, the Bergier Commission found that the National Socialist authorities had confiscated 846 policies from four Swiss life insurance companies. In each case, the insured amount or the surrender value was, at the request of the National Socialist government, paid to the German authorities instead of to the actual beneficiary. Of these 846 policies, a low double-digit number were from Rentenanstalt.

PATH TO THE PRESENT

The year 1945 ushered in a sustained economic upswing. The so-called economic miracle years brought previously unimaginable progress to Switzerland in the form of prosperity, education and retirement savings. There were improvements in every phase of life: Salaries rose, working hours dropped, apartments got bigger, radio, TV, refrigerators and other conveniences were introduced, mobility grew and holidays drew people to far-away countries.

But post-war growth was not simply taking place at the individual level. It made a positive impact on the profit and loss accounts of many companies. And it was no different for Rentenanstalt.

Group insurance grew constantly more important in parallel with the expansion of employee benefits in the post-war years. In Switzerland, this branch of the insurance business made enormous advances within a century: Around 1900 many large businesses had only just introduced the first simple relief funds. These were limited to mitigating emergencies for employees and workers. From this humble beginning, complex institutions were developed that today function in accordance with solid actuarial principles and which secure a reasonable level of their previous standard of living for the insured. Private insurance companies such as Swiss Life play an important role in such occupational benefits institutions.

The post-war decades also witnessed the increased internationalization of the financial and insurance sectors, which turned into a broad wave of globalization shortly before the turn of the new millennium. For Rentenanstalt, this can be seen in the expansion of the company's activities outside its domestic borders. The company has founded many new national companies. In Belgium (1955), for example, Great Britain (1967), Spain (1975), Luxembourg (1985) and Italy (1987).

And with Swiss Life Network, the Swiss parent company followed the global trend and entered an international area of business which was ripe for competition from its early days: occupational benefits solutions for globally active companies.



The UN seeks help in Zurich. In 1947 the United Nations invited the actuarial mathematician, Dr Hans Wyss (age 46 at the time) to New York. The Rentenanstalt employee was to review the planned UN pension fund with an eye to its professional construction and organisation.

The services in this segment are based on the bundling of the group contracts of multinational companies, or so-called “pooling”. Companies of Swiss Life Group and partnerships with leading local insurance companies guarantee global insurance coverage. Thanks to its many years of building relationships, Swiss Life (as Rentenanstalt is known today) now has 51 partners in 67 countries and regions. These are found in Europe, North and South America and the Asia/Pacific region. Swiss Life Network supports more than 400 customers with a business volume of 1.5 billion Swiss francs (2005).

Swiss Life was organised as a mutually owned company from its foundation, as are nearly all insurance companies that operate according to the principle of mutuality. Its customers in Switzerland automatically became members of the mutual company and thus co-owners of the company. For more than 140 years there was no need to make any change to this legal form as the special conditions of the domestic market allowed mutual companies to conduct and expand their businesses. This applied at least as long as

competition in our domestic market remained moderate. And indeed, it was moderate from 1891 until the end of the 20th century. There was competition among the Swiss insurers, but it was regulated, tame competition.

New brand. In spring 2004, the new logo appeared on all Swiss Life buildings.



No later than the 1990s, as the insurance business underwent increasing internationalization, it became apparent that it would not be possible to maintain the protected home markets over the long term. Competition has intensified over the past 20 years – internationally and in Switzerland. The greatly changed environment made Rentenanstalt examine whether the mutual company as a legal form might become a disadvantage in an increasingly tough field of competitors.

In fact, there were a few significant disadvantages: An internationally active company has a better chance of survival among the global competition if it has a solid equity capital base. A mutual company has limited possibilities to acquire such capital. The international capital markets are not as open to a mutual company as they are to a public limited company. But access to the capital markets is a decisive criteria in maintaining the ability to compete. Only companies with a strong capital base are in a position to develop innovative products, build up new distribution channels, enter new markets and make interesting acquisitions. In 1997 these considerations, supported by numer-

ous expert opinions, led the Supervisory Board and the Executive Board to propose the conversion of the mutual company into a public limited company to the 600,000 members of the mutual company. The result of the universal ballot resulted in overwhelming approval – 97.1 percent of the votes – for the change from mutual company to public limited company. And the members of the mutual company became shareholders. The members of the mutual company received a total of 6,180,000 shares with a market capitalization of just below five billion francs. The shares were allocated to the former members of the mutual company free of charge, which may well have contributed to the high vote in favour of the change.

While the change in the company's legal status went very smoothly, Swiss Life has also experienced business initiatives which fared less well. Looking back, it is clear that the strategic diversification into new fields of business was not sustainable in all cases. There were also ambitious advances into new areas that failed. Furthermore, good corporate governance proved to be more complex and demanding for a public limited company than for a mutual company.

Not surprisingly, these mishaps took place within the first few years. They had a great deal to do with the specific spirit of the times. The turn of the millennium also coincided with unprecedented euphoria throughout the global financial markets. There were many factors leading to this: Globalisation, that favoured the international exchange of goods; the merging of national markets into larger economic areas; the long and sustained positive developments on the stock markets. One of the most important drivers for the constantly more optimistic expectations came from the internet – a brand-new platform for apparently endless technical innovations – and hopes. The internet hype caught on and infected nearly everyone in-

volved in the financial markets: analysts, journalists, bankers, advisors – but also investors.

To begin with, the euphoria gave an extra boost to the strategies of a great many sectors. Anything seemed possible. Swiss Life itself was not immune to the euphoria and aimed for size and diversification. And with the great shock of the stock market crash after the turn of the millennium, came the collapse of many strategies and projects. It was apparent that they had been built on inflated and unrealistic expectations. A great deal had to be dismantled and written off. Chastened, the strategists realised that only a few pearls were real, be it amongst the start-up companies or the highly-admired bancassurance projects. Although the bancassurance strategies might indeed be correct in theory, in practice they obviously didn't meet the needs of most customers.

Anyone who develops strategies in a company is forced to take future risks and opportunities into account. That means making assumptions and estimates that could well turn out to be wrong. A time could come for any company when it must confront strategically wrong decisions. This happens to an even greater extent where intensive thought is given to the future and where decisions about risk must be made with conviction. In cases of wrong decisions in a public limited company, it is the company's board of directors and executive board that must bear the responsibility. It was no different at Swiss Life. In 2002 the Board of Directors introduced the company's new strategic direction and a new team at the top of the Group. The new management quickly and thoroughly implemented the changed strategy and, step by step, regained the shattered confidence of the public and shareholders.

OPTIMISTIC INTO THE FUTURE

From 2002 Swiss Life began to rededicate itself to its actual core business. The core business areas from which the company's 150-year-old history developed and which have proven themselves as a solid source of income include private pension provision and occupational benefits schemes. Both of these areas are growth markets. Longer life expectancies and the growing number of retired people within the population lead to a greater need for retirement provision. In Europe, the market growth for both types of retirement solutions (private and occupational) is likely to be well above general economic growth levels in the coming years.



New CEO. Rolf Dörig is appointed CEO of Swiss Life at the end of 2002.

In November 2002 the exchange of shares between Swiss Life/Rentenanstalt and the new Swiss Life Holding took place successfully and Swiss Life Holding thus became the parent company of the Group. The associated capital increase brought new equity amounting to 1.1 billion Swiss francs into the company. These funds considerably expanded the financial scope for the Group's new orientation. The new holding structure made it possible to efficiently allocate all participations and stakes within the Group and also brought advantages with regard to capital allocations, cooperations, partnerships or in the financing of individual business areas.

The company rebranding completed in 2004 created a new and uniform platform for the entire Group in Switzerland and abroad; it positioned the individual subsidiaries as parts of a group with a strong market identity. And it gave the Group just the name – Swiss Life – that corresponded exactly to the core business of the company and which was understandable in all countries and linguistic regions, while the old name of Rentenanstalt met increasing resistance from customers outside German-speaking areas. Today, Swiss Life focuses on those markets in

which it enjoys a strong existing or potential position. The company is market leader in its home market of Switzerland. Thanks to its effective sales channels and strong brand, Swiss Life is a preferred alternative to the large domestic insurance providers in France, Germany, the Netherlands, Belgium and Luxembourg. Focussing on its core business, a process that was completed in 2005, has brought various advantages to the Group: lower costs, a holistic risk management system with Group-wide asset and liability management and a strengthening of the capital base.

Swiss Life is concentrating on the three strategic directions of growth, efficiency and leadership in the coming years. Swiss Life intends to grow by at least 1% above the market average in the countries in which it operates. Swiss Life is striving for further improvements in its basic insurance profitability by means of greater efficiency. This should reduce dependence on the financial result. Gains in efficiency can be achieved in various ways: by simplifying and optimising operational processes, by reducing complexities across the entire value chain, by sticking to strict cost management and by applying risk and cost-adjusted tariffs. Swiss Life shows leadership primarily through a performance-oriented culture, entrepreneurial action and efficient decision-making channels.

Swiss Life also shows leadership by not shying away from sensitive discussions about occupational provision and takes a clear position. Due to its concern about the long-term security of the second pillar, Swiss Life has often spoken out in what is frequently a very emotional debate about parameters for occupational provision. In so doing, the company has come out forcefully in favour of rates that are not determined by political, but by actuarial and economic criteria. The discussion has brought movement in the sector and increased

support across a broad front for a solid financing modality that is fair to all generations.

The goal towards which Switzerland's largest life insurance company is working is the same today as it was yesterday: Swiss Life supports secure retirement provision for people in Switzerland and in all other countries in which the company is active. So that people can look forward to a financially secure future. For life.



CHRONOLOGY

- 1857** “Schweizerische Rentenanstalt” established in Zurich
- 1866** Branch established in Germany
- 1898** Branch established in France
- 1901** Branch established in the Netherlands
- 1955** Branch established in Belgium
- 1960** Initial launch of Swiss Life Network
- 1967** Subsidiary set up in the United Kingdom
- 1975** Subsidiary set up in Spain
- 1985** Subsidiary set up in Luxembourg
- 1987** Subsidiary set up in Italy
- 1988** Acquisition of «La Suisse»
- 1997** Conversion of Rentenanstalt to a public limited company
- 1998** Swiss Life/Rentenanstalt shares listed on the Swiss Market Index (SMI)
- 1999** Acquisition of Lloyd Continental (France)
Acquisition of UTO Albis
Acquisition of Banca del Gottardo
Acquisition from UBS of 49% stake in Livit
- 2000** Acquisition of Schweizerische Treuhandgesellschaft STG
- 2001** Acquisition of properties belonging to Oscar Weber Holding AG
- 2002** Swiss Life Holding established
Exchange of Rentenanstalt/Swiss Life shares
- 2003** Spanish subsidiary sold
Schweizerische Treuhandgesellschaft STG sold
- 2004** Sale of British insurance business to Resolution Life Group
Swiss Life adopts simplified brand structure and new corporate identity
Subsidiary set up in Liechtenstein
- 2005** «La Suisse» life operations integrated into Swiss Life
- 2006** Italian subsidiary sold
- 2007** Acquisition of CapitalLeben in Liechtenstein

