LIFE INSURANCE MEDICINE IN EUROPE: 
THE EXAMPLE OF SWITZERLAND

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Introduction

The practice of insurance medicine in Europe differs considerably from that in the United States. This article focuses on life insurance medicine as it is practised in Switzerland, one of Europe’s smallest countries but one with the highest density of life insurance companies, in early 1990.

In many aspects Switzerland may be regarded as representative of most European countries, for example in the use of medical examiners by insurance companies, in the fact that insurance medicine is not a recognised medical specialty and in the lack of formal training in life insurance medicine. In other aspects it clearly does not reflect the general situation in Europe, for example in the remarkable homogeneity of the medical profession, the quasi universal availability of facilities for special tests and in the lack of an official Society of Life Insurance Medicine.

Switzerland in short

Switzerland lies at the heart of Europe right on the central part of the Alps, commanding most of the passages linking northern with southern Europe. Water is its only natural resource. The country covers an area of 41,293 km² (15,942 square miles, i.e. twice the size of the state of New Jersey) almost two thirds of which are uninhabitable. Its population numbers nearly 6.6 million (i.e. less than the population of New York City) and there are four national languages: German, French, Italian and Rhaeto-Romansh.

Switzerland is a confederation of 26 autonomous states, the cantons. The alliance of the three first cantons which formed the core of the confederation goes back to the Federal Pact of 1291, seven hundred years ago next year! Politically, Switzerland is a semi-direct democracy. Its foreign policy is based on the principles of permanent neutrality, solidarity, universality and availability. It is not a member state of the European Community. The country’s gross national product for 1989 is estimated at close to 300 billion Swiss Francs (200 billion U.S. Dollars). Its high trade balance deficit is offset by services such as banks, tourism and insurance.

The Swiss life insurance industry

In Switzerland there are 124 private insurance and reinsurance companies. Twenty-four of the former are life companies and two of the professional reinsurers transact life business. The total premiums earned by the insurance industry in 1989 amounted to 71 billion Swiss Francs (47.3 billion U.S. Dollars) of which 33.7 billion Swiss Francs (22.2 billion U.S. Dollars) derived from directly written life insurance. The annual increase exceeded 10 per cent over the last five years.

Most life insurance companies are members of the Swiss Association of Private Life Insurers. The board of this organisation is assisted in its tasks by a permanent secretariat and several specialist committees, one of which forms the link with the medical profession. This comprises several delegates from the community of life insurance medical advisers and acts as technical and ethical adviser to the board. It also publishes a free biannual journal for practising physicians in order to sensitise them to the special medical problems in life insurance.

The Association of Private Life Insurers has no institution equivalent to the Medical Information Bureau in the U.S.

The medical profession in Switzerland

Several circumstances in medical education, practice and professional organisation contribute to the special relation between the medical profession and the life insurance industry in Switzerland. There are only five universities from which to graduate, three in the German-speaking and two in the French-speaking part. Their six-year curricula are harmonised and supervised, and the final examination organised by the federal authorities.

More than 90 per cent of graduates undergo one of the many courses of post-graduate training defined by the Swiss Medical Association. After 4 to 7 years, depending on the subject chosen, they may obtain a board certification either in general medicine or in one of the 28 recognised medical specialties or subspecialties. As a consequence, the standard of Swiss physicians is high and homogeneous, and specialists in most fields are available throughout the country.

The majority of hospitals including all teaching hospitals are public institutions financed by cantons, districts, regions or municipalities. The heads of major departments and of many specialist units are full-timers. Therefore a large proportion of specialists work in private practice, many of them on a full-time basis. The average internist is a mini-entrepreneur with a staff of two or three and his own electrocardiographic facilities including an ergometer, X-ray machine and laboratory equipment. A cardiologist in town would have his own treadmill and Holter-electrocardiography facilities, and the gastroenterologist his own endoscopes, image-amplifier and the ultrasonograph. Therefore special examinations are widely available.
People insist on their right to consult any physician of their choice. The concept of one's own general practitioner does not exist and there is no need to be seen by a general practitioner before consulting a specialist. In addition, there is no difference between the fees of general practitioners and specialists, except for private patients. As a result, many patients are simultaneously attended by several physicians with no one having an overview.

**Life insurance companies and the medical profession in Switzerland**

There is a loose but effective collaboration between the Association of Private Life Insurers and the Swiss Medical Association as well as between individual life companies and the medical association of their cantons of residence. On a market level, agreements have been reached on the introduction of a standard intercompany questionnaire for medical examiners, the adoption of standard fees for medical examiners and attending physicians and guidelines for performing HIV tests for insurance purposes. On a cantonal level solutions for the handling of confidential medical data have been negotiated.

The medical information required for medical selection based on the applicant's age and the sum applied for depends on the individual company's policy. Typically the following pieces of information would be required with increasing risk: medical examination, electrocardiogram at rest, exercise electrocardiogram, chest X-ray, small battery of haematological and biochemical tests, extensive blood tests. In recent years an increasing reluctance of medical examiners to expose people to exercise testing and X-ray examination for insurance, i.e. commercial purposes, has been noticed.

Following a recommendation of the Association of Private Life Insurers prompted by a delegation of medical advisers, applicants who apply for sums of 200,000 Swiss Francs (133,350 U.S. Dollars) or more are compelled to have an HIV test, regardless of sex and age, since the 1st of July, 1987. A preliminary intercompany survey has shown that HIV testing has not affected the selling of life policies, that less than 1 per cent of applicants or their physicians have refused the test, that 1 per 1,000 of those tested were positive, and that the test was cost effective.

Applicants who are requested by an insurance company to undergo a medical examination are free to be seen by a physician of their choice. The Medical Association is adamant on this point. Hence no company-employed examiners, panels of approved examiners or paramedical examination organisations are in existence. It is natural, under these circumstances, that a large proportion of medical examinations are performed by attending physicians. The information obtained is, on average, more to the point than that given by unconcerned examiners. There are, of course, some black sheep among attending physicians. These, however, are rapidly identified in a small community.

Some companies have started to accept reports on recent health check-ups in place of insurance medical examinations. The information is usually good and exhaustive. The reverse of the coin is the increased work load for eliminating the trees in order to see the wood.

Due to the widespread availability of electrocardiographic and radiographic facilities and laboratory equipment, a large proportion of special tests are carried out by the ordinary medical examiner. Whereas haematological tests are usually carried out in the examiner's own laboratory, serum for biochemical tests may be sent to a laboratory shared by a group of physicians or an independent private laboratory. HIV tests represent an exception; they have to be carried out by one of the recognised laboratories. As a result, no tests are made at an insurance company's home office nor in a reference laboratory U.S. style.

Attending physicians' statements can, as a rule, be obtained without major difficulties within ten days at a standard fee. There may be a problem in some of the French-speaking cantons. There physicians are encouraged by the cantonal Medical Association not to divulge medical data concerning their patients on the grounds of the hippocratic oath which is still sworn when receiving the licence to practice medicine. One solution is to ask the applicant to answer the questions himself with the kind assistance of his medical attendant...

Underwriting is mainly the responsibility of lay-underwriters. These are assisted in their duties by medical advisers. Companies usually use one or two on a part-time basis.

**The life insurance medical adviser in Switzerland**

A total of thirty-five physicians are working for life insurance or reinsurance companies, mainly as advisers in the underwriting department. With the exception of four, all are part-timers. Practically all are specialists in internal medicine or one of its subspecialties (cardiology, gastroenterology, oncology, etc.) and all but the full-timers are in private practice.

The life insurance medical advisers' duties in Switzerland resemble those of a life insurance medical director in the U.S. Depending on the particular arrangements he would come to the company's home office daily or two to three times a week for a few hours, or the company would delegate an underwriter to his rooms.

There is a prejudice against medical advisers in Switzerland. "How could a good and successful physician accept to become a hireling of the insurance industry?" is a frequently heard question in medical circles. It is mainly due to a lack of information. It is, in the author's view, every medical adviser's duty to be active in public relations and to lecture on the fascinating and promising field of predictive medicine in his local medical association, own specialist society or university whenever there is an opportunity.

**Training in life insurance medicine in Switzerland**

Insurance medicine in general and life insurance medicine in particular is not a recognised medical specialty in Switzerland, and it is not likely to be recognised as such in the near future due to the very small number of medical advisers involved.
The only training in insurance medicine available in Swiss universities consists of a few lectures and workshops on the medical aspects of social insurance included in the undergraduate curricula. At the post-graduate level there is strictly nothing. Under these circumstances all life insurance medical advisers in Switzerland — except two full-timers who followed the LOMA courses and successfully passed the corresponding examinations in the U.S. — may be called self-taught. They are usually first introduced to the medical, statistical and actuarial bases of their new sphere of activity during visits to their company's reinsurer, and then trained on the job under the guidance of their predecessor. No wonder they have a keen interest in participating in the courses of continuing education in life insurance medicine of national and international associations of life insurance medicine.

The non-existent Swiss Society of Life Insurance Medicine

Although Switzerland has for many decades been and still is represented in the Bureau of the International Committee of Life Assurance Medicine, there is no formal association of the physicians interested in life insurance medicine in Switzerland. However, in January 1959, the medical advisers of selected Swiss life insurance companies convened by invitation of the then medical director of Swiss Reinsurance Company and decided to hold an annual meeting with the purpose of continuing education in life insurance medicine. The first annual meeting was held at Swiss Re’s premises on 21st May, 1959. The main topic was on “Aetiological and Sociologic Problems of Lung Cancer.” Annual meetings by invitation of Swiss Re have taken place ever since. Their character has changed, however, from a service for client companies to a substitute of the non-existent Swiss Society of Insurance Medicine. Since 1978 the medical advisers as well as the chief lay underwriters of all life insurance and reinsurance companies in Switzerland, regardless of business relations or competition, are annually invited to meet at Swiss Re for a course of lectures and workshops in life insurance medicine.

This yet nameless, roughly 65 headstrong group has neither chairman nor committee. Swiss Re’s chief medical officer acts as self-appointed organiser, and democratically elected taskforces deal with matters to be brought before the Association of Private Life Insurers or the Medical Association.