

# International risk, insurance and reinsurance review

The financial crisis has led to an increase in claims – and an increasing desire for the less costly approach of mediation



## SWITZERLAND

Liability claims have increased across the board since the financial crisis, says Prager Dreifuss

**P**rager Dreifuss has many years of experience in Swiss and international insurance and reinsurance law, and is one of the leading providers of legal services in this field in Switzerland. It advises insurers and reinsurers in contentious and non-contentious matters, mainly in the field of large commercial risks. One of the firm's main areas of expertise is the handling of complex claims, and it operates in many sectors, including professional indemnity, D&O, fidelity, product liability, aviation and maritime law.

The firm also advises clients in regulatory matters and represents them vis-à-vis the regulator FINMA. In disputes between insurers and assureds, Prager Dreifuss acts only for insurers as a matter of principle. In the last 12 months, the firm has spent a lot of time on financial-lines claims arising out of the financial crisis, including large claims from financial intermediaries in connection with the Madoff fraud. Generally, it appears that liability claims in all different kinds of industries have increased as a direct or indirect consequence of the economic downturn. Further, claims arising out of US litigation in product liability and professional indemnity have been a constant issue for a number of years now.

Over the next year, the firm expects a further increase in claims arising out of or in connection with the financial crisis. Whereas PI

claims had increased early on, it appears possible that the "clean up" will lead to an increase of the number of D&O claims, too. It is also likely that there will be an increase of reinsurance claims, which had been at a very low level in the last couple of years.

On the regulatory side, Prager Dreifuss sees an enhanced interest in Switzerland as a place to set up new insurance or reinsurance carriers, or for relocations of existing companies or business units.

***"There is an enhanced interest in Switzerland as a place to set up new insurance or reinsurance carriers"***

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