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# INSURANCE REPORT

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**1H 2011**

Regional & country profiles  
Market rankings  
Trends & facts

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**Daniela GHEȚU**  
Editorial Director

# Meet us online!

You are holding in your hands the fifth edition of the XPRIMM INSURANCE REPORT, which presents the results of the CEE and CIS insurance markets for the first half of 2011. By reading it, you may get a hint regarding the market's recent changes and evolution. As usual, you will find in its pages country and regional portfolio statistics and market rankings for the main business lines concerning 30 countries.

Yet, there is something new in our offering: in addition to each market profile presented in the Report, a larger statistical data base waits for you online, on [www.xprimm.com](http://www.xprimm.com). Thus, if the present pages are offering you "the big picture" of the market's results, the corresponding sections of the web site are providing the market statistics at full length, in a "ready to use", editable format.

Moreover, for those of you interested to be in permanent contact with the CEE and CIS markets, XPRIMM News offers every two weeks an overview of the main industry novelties, along with interviews, event presentations and announcements.

In short, [www.xprimm.com](http://www.xprimm.com) is the place where you can find the CEE & CIS insurance industries' novelties. Don't miss it!

## Acknowledgements

In doing the necessary research, one of the most helpful resources has been the relevant professionals of the analyzed markets. It is our duty and pleasure to address our public thanks to the 16 Supervisory Authorities, Associations, local press groups and rating agencies that have supported the elaboration of the October 2011 Edition of the publication, by providing financial data and their comments on the industry evolution:

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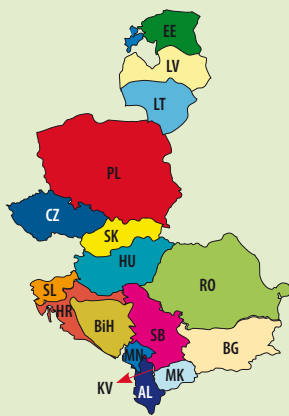
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### Note from the editor

This article considers the CEE Region in the OECD sense, referring to the following countries: Albania (AL), Bosnia and Herzegovina (BiH), Bulgaria (BG), Croatia (HR), Czech Republic (CZ), Estonia (EE), Hungary (HU), Kosovo (KV), Latvia (LV), Lithuania (LT), Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).

In all cases, we have given preference to data obtained from national supervisory authorities. Where official data were not available, we have used information provided by the national insurers associations. Also, domestic financial

press represented a valuable source of information regarding the local tendencies and events.

For conversion of the national currencies into the euro, we have used the official exchange rate valid in the last day of the period considered.

Although the authors have undertaken every effort to obtain data from the most reliable sources, inaccuracies and technical errors are still possible. Thus, please take into consideration this article is not a source of business information and we will not accept any claims for compensation in this regard.

# Winds of change began to blow



Daniela GHEȚU  
Editorial Director

In the CEE economies, growth will slow from 4.2% in 2011 to about 2.5% in 2012, as both domestic and external demand moderate, states the latest World Economic Outlook's upgrade document released this autumn by the International Monetary Fund. Although still far from the pre-crisis dynamics, it seems the CEE economies are doing well and are also entitled to an optimistic attitude with regard to their future. Of course, as always, there are still some question marks pending and also a few warning signs.

"Downside risks to the outlook are significant and larger than at the time of the previous edition of the Regional Economic Outlook. Although more sluggish global economic growth has always been a possibility, quelling the tensions in euro area debt markets has proved increasingly challenging. If tensions were to escalate further, the economic and financial outlook for the euro area would darken considerably and the repercussions for emerging Europe would be dire."

Once forewarned about a possible return to the decreasing path in the near future, let's see for a moment how the insurance market did in the first half of 2011, when all economies in the region showed more or less a positive trend.

The total CEE gross underwritten premium for 1H/2011 amounted to EUR17.78bn, 8.17% up as compared to 1H/2010. Best performance in this respect belongs to Latvia, which managed to place an impressive 29.39% growth in GWP, followed by Poland (about 16% increase) and Lithuania (almost 13% up). Out of the CEE region, as usually defined, Turkey registered also a high dynamic, as the four months results show an almost 23% y-o-y increase in GWP. There are only three countries which remained on the downside path, reporting y-o-y negative changes in the GWP volume for the first half of 2011: Estonia, Croatia and Romania. It is also worth mentioning that, due to the different variations in the local currency exchange rates, the y-o-y changes calculated in European currency are, in some cases, significantly different from that calculated in local currency. Hungary is probably the most relevant example in this respect, as the forint substantial appreciation "converted" a 3.2% decrease in local currency in a 4.4% increase when calculated in euro.

All in all, the CEE country ranking remained almost the same as in the previous year, with Poland gaining almost 3 percentage points in market share, up to 41.6% of the regional turnover. The Czech market ranks second, with an 18.7% share, followed by Hungary, with about 9%. Nevertheless, if the regional ranking tells something about the markets' dimensions, there is another indicator to consider when judging their maturity and also the growth perspectives: insurance density.

Probably the half year results are not the most relevant when speaking about density, considering the seasonal character of many of the business lines. Still, as this seasonality is a repeatable phenomenon, we can get some sense of the density variation by a y-o-y comparison. Thus, the CEE citizens spent for insurance, on average, about EUR141 during the first six months of 2011, meaning 10.6% more than in 2010. Looking at the regional statistics, there is an obvious breakdown in two distinct categories. On the one hand, Slovenia, Czech Republic, Poland, Slovakia, Estonia, Hungary and Croatia recorded an insurance spending of at least EUR150 per capita in the first half on the year. In all the other countries in region, the amounts allocated by their citizens for insurance, between January and June 2011, didn't exceed, in average, EUR80.

## Life insurance, a saving tool

Looking at the CEE insurance market, it is obvious that, with very few exceptions, the life insurance segment was the most successful across the region. Only Latvia, Estonia and Croatia experienced a negative trend in life insurance, while Poland, Lithuania and Czech Republic posted double digit growth rates of 13 – 15%. Also, in the small markets, as Albania, Macedonia or Serbia, the life business line recorded impressive dynamics, specific to their early stage of development. It is worthy to note that in almost all the countries the Unit-Linked products were the most successful, setting the upward trend. In fact, some of market professionals who responded to our inquiries pointed out that the growth in life insurance was not so much on the protection side, as customers were mostly seeking an efficient saving tool.

Unfortunately, one would also notice that in many countries not only life insurance GWP grew, but also indemnities registered significantly higher values. Slovenia, Lithuania and Czech Republic are relevant examples, to limit this comment only to the "oldest" markets in the region.

## Market indicators in local currency

Country	Overall gross written premiums in local currency			Overall paid claims in local currency			EUR exchange rate		Local currency	Population (July 2011) Inhabitants m.
	1H 2011	1H 2010	Nominal change	1H 2011	1H 2010	Nominal change	1H 2011	1H 2010		
	million	million	%	million	million	%				
Albania	4,301.80	3,952.78	8.83	1,103.88	1,007.96	9.52	141.41	136.45	ALL	2.99
Bosnia & Herzegovina	246.64	236.99	4.07	na	na	-	1.96	1.96	BAM	4.62
Bulgaria	816.82	810.28	0.81	369.66	395.91	-6.63	1.96	1.96	BGN	7.09
Croatia	4,948.40	5,050.30	-2.02	2,120.76	2,112.18	0.41	7.37	7.19	HRK	4.48
Czech Republic	80,931.07	79,002.52	2.44	44,052.71	40,605.77	8.49	24.35	25.70	CZK	10.19
Estonia	3,280.00	3,420.62	-4.11	1,960.96	1,907.94	2.78	15.65	15.65	EKL	1.28
Hungary	429,452.00	443,732.03	-3.22	280,590.37	285,995.33	-1.89	265.61	286.46	HUF	9.98
Kosovo Territory	38.00	34.80	9.20	13.70	13.20	3.79	1.00	1.00	EUR	1.83
Latvia	123.15	95.18	29.39	64.87	61.03	6.28	0.70	0.70	LVL	2.20
Lithuania	865.00	769.07	12.47	546.54	478.89	14.13	3.45	3.45	LTL	3.54
Macedonia (FYROM)	3,324.41	3,089.60	7.60	1,431.08	1,386.21	3.24	61.62	61.55	MKD	2.08
Montenegro	32.42	30.69	5.63	na	na	-	1.00	1.00	EUR	0.66
Poland	29,494.74	26,433.10	11.58	19,290.87	19,411.65	-0.62	3.99	4.15	PLN	38.44
Romania	4,014.91	4,315.51	-6.97	2,234.20	2,417.39	-7.58	4.18	4.15	RON	21.90
Serbia	30,582.95	29,967.51	2.05	11,688.00	10,014.66	16.71	102.46	104.37	RSD	7.31
Slovakia	1,044.22	1,034.11	0.98	582.45	530.12	9.87	1.00	1.00	EUR	5.48
Slovenia	1,136.67	1,121.74	1.33	639.95	599.05	6.83	1.00	1.00	EUR	2.00
Turkey	5,920.45	4,817.19	22.90	na	na	-	2.25	1.96	TRY	78.79

Exchange rates: last day of the period.

In the case of Romania, the used exchange rates are average for the analyzed period

In case of Turkey, the analyzed periods are January-April 2011 and January-April 2010

Population is estimated, according to CIA World Factbook

Country	Overall GWP			Change	Regional market share		Insurance density (EUR/capita)		Overall paid claims		
	1H 2011	1H 2010	%		1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010	%
	EUR m.	EUR m.			%	%	%	EUR m.	EUR m.		
Albania	30.42	28.97	5.01	0.17	0.18	10.16	9.67	7.81	7.39	5.67	
Bosnia and Herzegovina	126.11	121.17	4.07	0.71	0.74	27.28	26.22	na	na	-	
Bulgaria	417.63	414.29	0.81	2.35	2.52	58.87	58.40	189.00	202.43	-6.63	
Croatia	671.06	702.07	-4.42	3.77	4.27	149.66	156.58	287.60	293.62	-2.05	
Czech Republic	3,324.34	3,074.63	8.12	18.69	18.70	326.23	301.72	1,809.52	1,580.30	14.50	
Estonia	209.63	218.62	-4.11	1.18	1.33	163.40	170.40	125.33	121.94	2.78	
Hungary	1,616.85	1,549.02	4.38	9.09	9.42	162.07	155.27	1,056.40	998.38	5.81	
Kosovo Territory	38.00	34.80	9.20	0.21	0.21	20.81	19.06	13.70	13.20	3.79	
Latvia	175.23	135.43	29.39	0.99	0.82	79.48	61.43	92.30	86.84	6.28	
Lithuania	250.52	222.74	12.47	1.41	1.35	70.86	63.00	158.29	138.70	14.13	
Macedonia (FYROM)	53.95	50.20	7.47	0.30	0.31	25.97	24.17	23.22	22.52	3.11	
Montenegro	32.42	30.69	5.63	0.18	0.19	48.98	46.37	na	na	-	
Poland	7,398.47	6,375.88	16.04	41.60	38.78	192.46	165.86	4,838.93	4,682.25	3.35	
Romania	960.57	1,040.33	-7.67	5.40	6.33	43.85	47.49	534.54	582.76	-8.27	
Serbia	298.48	287.13	3.95	1.68	1.75	40.83	39.28	114.07	95.95	18.88	
Slovakia	1,044.22	1,034.11	0.98	5.87	6.29	190.65	188.81	582.45	530.12	9.87	
Slovenia	1,136.67	1,121.74	1.33	6.39	6.82	568.31	560.85	639.95	599.05	6.83	
<b>CEE REGION</b>	<b>17,784.57</b>	<b>16,441.81</b>	<b>8.17</b>	<b>100.00</b>	<b>100.00</b>	<b>141.06</b>	<b>130.41</b>	<b>10,473.10</b>	<b>9,955.44</b>	<b>5.20</b>	

## Motor insurance – mixed results

Although no longer the business driver in the region, motor insurance still accounts for more than 28% of the CEE portfolio, being also the most challenging segment of the insurers' activity. At the regional level, the growth recorded for the motor insurance lines was of about 4%, with a higher pace for the MTPL class, of about 5.7%, while the Motor Hull class barely achieved a 1.6% growth in premium. Across the region, the country results showed a mixed picture, but some elements are common.

Generally, the Motor Hull business remained weak, mostly waiting for a significant revival of the car sales sector. Latvia, Lithuania, Poland and Slovenia are the only countries recording a positive change on this insurance segment. These countries also recorded a hike in car sales or, as in the Poland's case, benefitted from a stable demand for new cars all along the recent years.

As far as the MTPL line is concerned, its mandatory character preserved, in most cases, only the number of policies sold, as the profile markets became more and more competitive. During the crisis, MTPL tariffs decreased to a large extent, down to almost

Country	LIFE GWP			Change	Regional market share			Indemnities		Change
	1H 2011	1H 2010	% in all GWP		1H 2011	1H 2010	1H 2011	1H 2010		
	EUR m.	EUR m.	%		%	%	EUR m.	EUR m.	%	
Albania	3.63	2.68	11.93	35.28	0.04	0.04	0.24	0.21	12.20	
Bosnia and Herzegovina	19.74	18.40	15.65	7.29	0.24	0.25	na	na	-	
Bulgaria	66.32	62.29	15.88	6.48	0.82	0.85	26.11	26.50	-1.48	
Croatia	155.41	162.18	23.16	-4.17	1.91	2.21	81.79	73.35	11.51	
Czech Republic	1,530.36	1,350.44	46.03	13.32	18.82	18.43	874.46	699.73	24.97	
Estonia	85.78	94.20	40.92	-8.94	1.05	1.29	46.01	45.41	1.32	
Hungary	858.02	805.80	53.07	6.48	10.55	11.00	695.86	638.86	8.92	
Kosovo Territory	na	na	-	0.00	-	-	na	na	-	
Latvia	15.60	19.64	8.90	-20.54	0.19	0.27	6.61	12.27	-46.10	
Lithuania	83.06	72.81	33.15	14.09	1.02	0.99	40.83	29.98	36.21	
Macedonia (FYROM)	3.39	2.57	6.28	31.80	0.04	0.04	0.81	0.49	66.24	
Montenegro	4.27	3.93	13.18	8.76	0.05	0.05	na	na	-	
Poland	4,198.55	3,645.90	56.75	15.16	51.63	49.77	3,087.00	3,051.18	1.17	
Romania	200.04	192.57	20.82	3.88	2.46	2.63	23.88	23.45	1.85	
Serbia	45.94	40.65	15.39	13.02	0.56	0.55	10.13	7.85	29.07	
Slovakia	532.71	529.12	51.02	0.68	6.55	7.22	324.31	303.86	6.73	
Slovenia	329.11	322.43	28.95	2.07	4.05	4.40	156.54	110.93	41.12	
<b>CEE REGION</b>	<b>8,131.94</b>	<b>7,325.60</b>	<b>45.72</b>	<b>11.01</b>	<b>100.00</b>	<b>100.00</b>	<b>5,374.60</b>	<b>5,024.06</b>	<b>6.98</b>	

Country	NON-LIFE GWP			Change	Regional market share			Paid claims		Change
	1H 2011	1H 2010	% in all GWP		1H 2011	1H 2010	1H 2011	1H 2010		
	EUR m.	EUR m.	%		%	%	EUR m.	EUR m.	%	
Albania	26.79	26.29	88.07	1.92	0.28	0.29	7.57	7.17	5.48	
Bosnia and Herzegovina	106.37	102.77	84.35	3.50	1.10	1.13	na	na	-	
Bulgaria	351.31	352.00	84.12	-0.20	3.64	3.86	162.90	175.93	-7.41	
Croatia	515.65	539.89	76.84	-4.49	5.34	5.92	205.81	220.28	-6.57	
Czech Republic	1,793.98	1,724.18	53.97	4.05	18.59	18.91	935.06	880.57	6.19	
Estonia	123.85	124.42	59.08	-0.46	1.28	1.36	79.32	76.53	3.64	
Hungary	758.83	743.22	46.93	2.10	7.86	8.15	360.54	359.51	0.28	
Kosovo Territory	38.00	34.80	100.00	9.20	0.39	0.38	13.70	13.20	3.79	
Latvia	159.62	115.79	91.10	37.85	1.65	1.27	85.68	74.57	14.91	
Lithuania	167.46	149.93	66.85	11.69	1.73	1.64	117.46	108.72	8.04	
Macedonia (FYROM)	50.56	47.63	93.72	6.16	0.52	0.52	22.41	22.03	1.71	
Montenegro	28.14	26.76	86.82	5.17	0.29	0.29	na	na	-	
Poland	3,199.92	2,729.98	43.25	17.21	33.15	29.95	1,751.93	1,631.07	7.41	
Romania	760.54	847.77	79.18	-10.29	7.88	9.30	510.66	559.31	-8.70	
Serbia	252.54	246.48	84.61	2.46	2.62	2.70	103.94	88.10	17.97	
Slovakia	511.51	505.00	48.98	1.29	5.30	5.54	258.14	226.27	14.09	
Slovenia	807.56	799.32	71.05	1.03	8.37	8.77	483.40	488.13	-0.97	
<b>CEE REGION</b>	<b>9,652.63</b>	<b>9,116.21</b>	<b>54.28</b>	<b>5.88</b>	<b>100.00</b>	<b>100.00</b>	<b>5,098.50</b>	<b>4,931.39</b>	<b>3.39</b>	

“neck breaking” levels. Starting the second half of 2010, this trend started to revert, and in many of the CEE countries insurers started to gradually increase the MTPL tariffs, aiming to a sound underwriting.

Finally, another common trend in motor insurance across the region is the better claims’ costs management. As a result, the paid claims amount grew at a lower pace than the GWP, but, again, there are very mixed results when looking at them country by country.

## Housing insurance, the winning bet

Property insurance lines, considering under this category the “fire and allied perils” class and “damage to properties” class, represented the winning bet for most of the CEE insurance markets. At the

regional level, GWP for this insurance lines grew by 12.8%. With very few exceptions, as Albania, Bulgaria, Croatia and Serbia, all markets recorded positive change rates. Again Latvia, Lithuania and Poland placed the most impressive y-o-y growth rates, of over 23%. Romania and Hungary also recorded double digit higher underwriting, of 19% and 13% respectively.

The main source of growth was the housing insurance under the “fire and allied perils” class, with an about 15% higher turnover in 1H/2011, as compared to 1H/2010. Still, if in Romania the enforcement of mandatory dwelling insurance law determined an impressive growth of the housing stock insurance coverage, in other countries, as Lithuania, most of the property business growth came from the corporate sector revival and the higher crop insurance demand.



# Motor insurance

Country	OVERALL MOTOR INSURANCE GWP			Change %	Regional market share		Paid claims		Change %
	1H 2011	1H 2010	% in all GWP		1H 2011	1H 2010	1H 2011	1H 2010	
	EUR m.	EUR m.			%	%	EUR m.	EUR m.	
Albania	15.70	16.84	51.60	-6.78	0.31	0.35	6.07	6.31	-3.77
Bosnia and Herzegovina	74.10	na	58.76	-	1.47	-	na	na	-
Bulgaria	251.43	248.97	60.20	0.98	4.99	5.14	143.29	145.98	-1.84
Croatia	261.39	272.41	38.95	-4.05	5.19	5.62	124.84	136.22	-8.36
Czech Republic	777.92	794.80	23.40	-2.12	15.43	16.40	491.16	441.39	11.28
Estonia	71.31	74.41	34.02	-4.16	1.41	1.54	56.73	54.56	3.97
Hungary	331.73	369.80	20.52	-10.30	6.58	7.63	221.71	215.86	2.71
Kosovo Territory	26.10	24.80	68.68	5.24	0.52	0.51	9.80	10.30	-4.85
Latvia	81.99	53.13	46.79	54.32	1.63	1.10	52.64	39.80	32.26
Lithuania	93.99	87.23	37.52	7.75	1.86	1.80	66.53	62.96	5.67
Macedonia (FYROM)	30.54	28.98	56.62	5.41	0.61	0.60	15.85	16.60	-4.50
Montenegro	16.99	16.43	52.40	3.37	0.34	0.34	na	na	-
Poland	1,762.93	1,476.90	23.83	19.37	34.97	30.48	1,171.79	1,119.22	4.70
Romania	514.99	640.94	53.61	-19.65	10.22	13.23	443.78	510.84	-13.13
Serbia	124.28	121.67	41.64	2.15	2.47	2.51	65.29	59.14	10.41
Slovakia	296.65	300.54	28.41	-1.30	5.88	6.20	177.62	175.10	1.44
Slovenia	308.79	317.26	27.17	-2.67	6.13	6.55	173.92	180.67	-3.74
<b>CEE REGION</b>	<b>5,040.82</b>	<b>4,845.10</b>	<b>28.34</b>	<b>4.04</b>	<b>100.00</b>	<b>100.00</b>	<b>3,221.02</b>	<b>3,174.95</b>	<b>1.45</b>

Country	Motor hull				MTPL			
	1H 2011		1H 2010		1H 2011		1H 2010	
	GWP EUR m.	CLAIMS EUR m.	GWP EUR m.	CLAIMS EUR m.	GWP EUR m.	CLAIMS EUR m.	GWP EUR m.	CLAIMS EUR m.
Albania	2.22	1.55	2.21	1.82	13.47	4.52	14.62	4.49
Bosnia and Herzegovina	15.77	na	na	na	58.33	na	na	na
Bulgaria	113.23	76.84	128.78	85.83	138.20	66.45	120.20	60.15
Croatia	58.13	43.89	66.98	52.23	203.26	80.95	205.43	83.99
Czech Republic	314.18	250.54	312.78	228.17	463.74	240.62	482.02	213.22
Estonia	40.62	32.15	43.56	33.56	30.69	24.58	30.84	21.00
Hungary	139.50	101.92	151.68	95.96	192.23	119.79	218.12	119.90
Kosovo Territory	na	na	na	na	26.10	9.80	24.80	10.30
Latvia	29.51	22.44	26.38	21.45	52.48	30.20	26.75	18.35
Lithuania	34.95	32.21	31.41	30.61	59.05	34.32	55.83	32.35
Macedonia (FYROM)	6.43	4.12	6.59	4.36	24.11	11.73	22.39	12.24
Montenegro	2.91	na	3.03	na	14.08	na	13.40	na
Poland	719.71	487.43	605.59	479.20	1,043.22	684.36	871.31	640.02
Romania	243.97	247.82	310.38	310.88	271.02	195.96	330.56	199.97
Serbia	37.07	23.21	37.43	23.62	87.21	42.08	84.24	35.51
Slovakia	136.99	95.38	140.60	96.21	159.66	82.25	159.94	78.89
Slovenia	146.11	91.39	141.28	95.50	162.68	82.53	175.97	85.17

## Financial risks awareness rising

Credit and other financial losses insurance lines, as well as the GTPL class still account for a very small slice of each market's portfolio in the region. As a result, whatever the dynamics of this lines are, it is hardly relevant for the overall business. Still, looking at the countries' results, it is obvious there is a higher demand for this kind of coverage. Some examples are relevant: Czech Republic, 38% growth on credit insurance; Hungary, 34% growth on financial loss insurance; Poland, 21% higher underwriting on

credit insurance; Romania, 55% growth on warranties insurance and 23% higher written premiums for GTPL.

## The champions

Life insurance Top 100 ranking is dominated by Polish and Czech insurers. Among the first ten companies in the region, according GWP in 1H/2011, accounting for about 44% of the CEE life insurance production, seven are from Poland and the remaining three from the Czech Republic.

# Property insurance

Country	OVERALL PROPERTY INSURANCE GWP			Change %	Regional market share		Paid claims		Change %
	1H 2011	1H 2010	% in all GWP		1H 2011	1H 2010	1H 2011	1H 2010	
	EUR m.	EUR m.			%	%	EUR m.	EUR m.	
Albania	3.96	3.96	13.00	-0.21	0.18	0.20	0.69	0.39	79.39
Bosnia and Herzegovina	17.35	na	13.76	-	0.78	-	na	na	-
Bulgaria	62.28	67.16	14.91	-7.27	2.79	3.39	10.06	13.73	-26.72
Croatia	122.30	124.71	18.22	-1.94	5.47	6.30	36.32	35.48	2.34
Czech Republic	446.46	413.49	13.43	7.97	19.98	20.88	212.19	193.92	9.42
Estonia	31.79	31.79	15.17	0.00	1.42	1.61	13.42	12.84	4.54
Hungary	302.78	267.52	18.73	13.18	13.55	13.51	97.63	108.07	-9.66
Kosovo Territory	na	na	-	-	-	-	na	na	-
Latvia	26.20	20.90	14.95	25.40	1.17	1.06	11.85	9.72	22.00
Lithuania	38.71	31.26	15.45	23.85	1.73	1.58	32.55	15.95	104.11
Macedonia (FYROM)	9.97	9.32	18.48	6.99	0.45	0.47	3.34	2.03	64.86
Montenegro	4.49	3.85	13.85	16.50	0.20	0.19	na	na	-
Poland	654.97	531.41	8.85	23.25	29.31	26.83	296.03	275.66	7.39
Romania	159.51	134.04	16.61	19.00	7.14	6.77	35.53	19.38	83.35
Serbia	81.24	82.10	27.22	-1.05	3.64	4.15	17.97	15.29	17.52
Slovakia	123.71	118.07	11.85	4.78	5.54	5.96	48.20	29.30	64.50
Slovenia	148.96	140.94	13.10	5.69	6.67	7.12	51.12	57.96	-11.79
<b>CEE REGION</b>	<b>2,234.70</b>	<b>1,980.54</b>	<b>12.57</b>	<b>12.83</b>	<b>100.00</b>	<b>100.00</b>	<b>866.89</b>	<b>789.71</b>	<b>9.77</b>

Country	Fire and allied perils				Damages to property			
	1H 2011		1H 2010		1H 2011		1H 2010	
	GWP	CLAIMS	GWP	CLAIMS	GWP	CLAIMS	GWP	CLAIMS
	EUR m.	EUR m.	EUR m.	EUR m.	EUR m.	EUR m.	EUR m.	EUR m.
Albania	3.40	0.69	3.25	0.33	0.55	0.00	0.71	0.06
Bosnia and Herzegovina	9.72	na	na	na	7.64	na	na	na
Bulgaria	46.87	6.62	51.15	8.55	15.41	3.45	16.01	5.18
Croatia	48.90	11.55	50.26	10.18	73.40	24.77	74.46	25.31
Czech Republic	274.68	132.58	250.98	121.72	171.78	79.60	162.51	72.20
Estonia	20.88	6.21	20.74	6.00	10.92	7.22	11.05	6.85
Hungary	183.05	58.05	161.22	67.01	119.74	39.57	106.30	41.05
Kosovo Territory	na	na	na	na	na	na	na	na
Latvia	19.36	9.40	14.81	5.73	6.85	2.45	6.09	3.99
Lithuania	na	na	na	na	na	na	na	na
Macedonia (FYROM)	4.31	0.93	3.85	0.36	5.66	2.41	5.47	1.67
Montenegro	2.33	na	1.63	na	2.16	na	2.23	na
Poland	423.49	166.12	335.39	206.99	231.48	129.90	196.03	68.67
Romania	142.10	31.89	123.56	17.15	17.41	3.63	10.49	2.22
Serbia	27.85	4.16	29.07	4.70	53.39	13.81	53.03	10.59
Slovakia	na	na	na	na	na	na	na	na
Slovenia	61.13	20.12	57.77	24.58	87.83	31.00	83.17	33.37

In the non-life Top 100 ranking, Poland holds four out of the first ten positions, followed by Czech Republic, with two Top 10 participants, and Slovakia, Slovenia, Hungary and Croatia, each having one representative in the first 10 largest non-life CEE insurers.

In fact, it is obvious that, besides the inner quality and performance of the listed insurers, this "arithmetics" is only mirroring the relative dimensions of the markets themselves. Still, a better place, at least in the national ranking, if not in the regional one,

remained a good incentive for growth for many years. Yet, the recent year's changes entitle new expectations and we will probably see not very far from now a race for a the best place in a profitability ranking.

# GTPL insurance

Country	GTPL Insurance GWP			Change	Regional market share		Paid claims		Change
	1H 2011	1H 2010	% in all GWP		1H 2011	1H 2010	1H 2011	1H 2010	
	EUR m.	EUR m.	%		%	%	EUR m.	EUR m.	
Albania	1.65	2.52	5.43	-34.34	0.25	0.42	0.21	-	-
Bosnia and Herzegovina	1.37	na	1.08	-	0.20	#VALUE!	na	na	-
Bulgaria	8.80	9.06	2.11	-2.90	1.32	1.51	1.57	2.17	-27.62
Croatia	22.62	23.04	3.37	-1.82	3.39	3.84	7.00	7.54	-7.10
Czech Republic	269.87	249.73	8.12	8.06	40.40	41.67	132.12	128.08	3.15
Estonia	4.61	4.17	2.20	10.55	0.69	0.70	1.37	1.45	-5.77
Hungary	35.16	30.72	2.17	14.45	5.26	5.13	8.92	6.77	31.72
Kosovo Territory	na	na	-	-	-	-	na	na	-
Latvia	7.92	4.43	4.52	78.76	1.19	0.74	0.86	0.54	59.03
Lithuania	9.51	8.91	3.80	6.76	1.42	1.49	1.66	2.07	-19.94
Macedonia (FYROM)	1.10	1.47	2.04	-25.10	0.17	0.25	0.14	0.10	29.88
Montenegro	1.08	1.04	3.33	4.15	0.16	0.17	na	na	-
Poland	206.86	171.76	2.80	20.43	30.97	28.66	81.20	73.78	10.06
Romania	21.40	17.44	2.23	22.68	3.20	2.91	6.46	1.53	323.31
Serbia	6.83	6.39	2.29	6.82	1.02	1.07	1.01	0.79	27.85
Slovakia	35.30	36.06	3.38	-2.11	5.29	6.02	6.36	7.17	-11.24
Slovenia	33.88	32.62	2.98	3.85	5.07	5.44	14.69	13.57	8.29
<b>CEE REGION</b>	<b>667.96</b>	<b>599.38</b>	<b>3.76</b>	<b>11.44</b>	<b>100.00</b>	<b>100.00</b>	<b>263.56</b>	<b>245.56</b>	<b>7.33</b>

# FIAR

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Top 100 life insurance companies in CEE Region - as at June 30<sup>th</sup>, 2011

No.	Country	Rank in home country	Company	GWP	CLAIMS	CEE market share
				EUR m.	EUR m.	%
1	PL	1	PZU ŻYCIE	1,321.57	748.34	16.25
2	PL	2	EUROPA na ŻYCIE	412.34	453.33	5.07
3	PL	3	WARTA na ŻYCIE	320.98	283.97	3.95
4	PL	4	ING na ŻYCIE	257.30	281.46	3.16
5	CZ	1	ČESKÁ pojišťovna	253.17	-	3.11
6	PL	5	AVIVA na ŻYCIE	235.47	182.88	2.90
7	PL	6	NORDEA POLSKA na ŻYCIE	223.39	262.74	2.75
8	PL	7	ALLIANZ ŻYCIE POLSKA	217.08	188.22	2.67
9	CZ	2	ČSOB Pojišťovna	197.81	-	2.43
10	CZ	3	POJIŠTOVNA ČS VIG	196.65	-	2.42
<b>FIRST 10 COMPANIES</b>				<b>3,635.76</b>	<b>-</b>	<b>44.71</b>
11	CZ	4	KOOPERATIVA VIG	185.25	-	2.28
12	PL	8	AMPLICO LIFE	169.17	97.19	2.08
13	CZ	5	KOMERČNÍ pojišťovna	165.27	-	2.03
14	HU	1	ING	130.16	-	1.60
15	PL	9	AXA ŻYCIE	125.96	36.92	1.55
16	SK	1	ALLIANZ Slovenská	124.71	60.04	1.53
17	HU	2	ALLIANZ	122.56	-	1.51
18	CZ	6	ING Životní	115.72	-	1.42
19	PL	10	BENEFIA na ŻYCIE VIG	114.55	48.77	1.41
20	PL	11	GENERALI ŻYCIE	112.97	85.21	1.39
<b>FIRST 20 COMPANIES</b>				<b>5,002.09</b>	<b>-</b>	<b>61.51</b>
21	SK	2	KOOPERATIVA VIG	110.44	90.97	1.36
22	PL	12	ERGO HESTIA na ŻYCIE	103.58	17.99	1.27
23	SL	1	TRIGLAV	101.48	-	1.25
24	PL	13	AEGON ŻYCIE	98.97	103.12	1.22
25	HU	3	GROUPAMA	92.72	-	1.14
26	PL	14	HDI-GERLING ŻYCIE	88.51	29.24	1.09
27	CZ	7	ALLIANZ	84.32	-	1.04
28	PL	15	WBK- AVIVA na ŻYCIE	84.14	35.77	1.03
29	HU	4	AEGON	77.54	-	0.95
30	SL	2	KAD	77.38	-	0.95
<b>FIRST 30 COMPANIES</b>				<b>5,921.15</b>	<b>-</b>	<b>72.81</b>
31	HU	5	GENERALI-PROVIDENCIA	74.83	-	0.92
32	HU	6	MAGYAR POSTA Élet	70.69	-	0.87
33	RO	1	ING Asig. de Viață	65.00	1.94	0.80
34	PL	16	UNIQA na ŻYCIE	64.67	100.16	0.80
35	CZ	8	AXA - ŽP	61.75	-	0.76
36	SK	3	AMSLICO Poistovňa	60.18	32.42	0.74
37	CZ	9	GENERALI Pojišťovna	59.58	-	0.73
38	PL	17	COMPENSA na ŻYCIE VIG	58.74	27.38	0.72
39	PL	18	SKANDIA ŻYCIE	51.59	30.05	0.63
40	SK	4	KOMUNÁLNA VIG	50.97	44.15	0.63
<b>FIRST 40 COMPANIES</b>				<b>6,539.14</b>	<b>-</b>	<b>80.41</b>
41	HU	7	UNIQA	48.08	-	0.59
42	CZ	10	ČESKÁ podnikatelská VIG	45.52	-	0.56
43	PL	19	CARDIF POLSKA na ŻYCIE	43.25	5.53	0.53
44	SK	5	GENERALI Slovensko	43.12	19.71	0.53
45	RO	2	BCR Asig. de Viață	39.96	3.22	0.49
46	HU	8	AVIVA	39.74	-	0.49
47	SK	6	ING Ž.P.	39.37	22.13	0.48
48	EE	1	SWEDBANK Life	39.00	23.16	0.48
49	CZ	11	AMCICO	38.16	-	0.47
50	SL	3	MARIBOR	37.23	-	0.46
<b>FIRST 50 COMPANIES</b>				<b>6,952.58</b>	<b>-</b>	<b>85.50</b>

No.	Country	Rank in home country	Company	GWP	CLAIMS	CEE market share
				EUR m.	EUR m.	%
51	PL	20	METLIFE na ŻYCIE	33.81	45.87	0.42
52	HU	9	AXA	32.91	-	0.40
53	SL	4	KD ŽIVLJENJE	32.23	-	0.40
54	CZ	12	UNIQA	28.96	-	0.36
55	EE	2	MANDATUM Life	28.13	15.23	0.35
56	SK	7	ČSOB Poistovňa	28.05	11.96	0.34
57	CZ	13	AVIVA	27.64	-	0.34
58	SK	8	AXA Ž.P.	25.80	2.14	0.32
59	HU	10	K&H	24.72	-	0.30
60	HR	1	ALLIAN Zagreb	23.37	-	0.29
<b>FIRST 60 COMPANIES</b>				<b>7,238.18</b>	<b>-</b>	<b>89.01</b>
61	CZ	14	AEGON	23.03	-	0.28
62	RO	3	ALICO România	22.68	-	0.28
63	HR	2	CROATIA	22.49	-	0.28
64	LT	1	SWEDBANK Life Ins.	20.70	13.87	0.25
65	SL	5	MERKUR	19.87	-	0.24
66	HU	11	ERSTE	19.20	-	0.24
67	PL	21	PRAMERICA ŻYCIE	18.48	4.58	0.23
68	LT	2	MANDATUM Life	17.92	6.43	0.22
69	SK	9	SLOVENSKEJ Sporitelne	17.16	25.87	0.21
70	HR	3	MERKUR	16.48	-	0.20
<b>FIRST 70 COMPANIES</b>				<b>7,436.20</b>	<b>-</b>	<b>91.44</b>
71	SL	6	NLB VITA	16.32	-	0.20
72	HR	4	GRAWE Hrvatska	15.60	-	0.19
73	HU	12	SIGNAL	14.95	-	0.18
74	PL	22	SKOK ŻYCIE	14.85	3.04	0.18
75	PL	23	POLISA-ŻYCIE	14.81	10.49	0.18
76	SK	10	WŮSTENROT Poistovňa	14.65	3.72	0.18
77	SK	11	UNIQA Poistovňa	14.20	5.25	0.17
78	LT	3	SEB Gyvybės draudimas	14.08	6.92	0.17
79	BG	1	ALLIANZ Bulgaria Life	13.81	7.07	0.17
80	LT	4	AVIVA Lietuva	13.73	7.11	0.17
<b>FIRST 80 COMPANIES</b>				<b>7,583.22</b>	<b>-</b>	<b>93.25</b>
81	HU	13	UNION	13.71	-	0.17
82	SK	12	AEGON Ž.P.	13.67	1.80	0.17
83	HU	14	GRAWE	12.88	-	0.16
84	HR	5	KVARNER VIG	12.59	-	0.15
85	HU	15	AHICO	12.42	-	0.15
86	HR	6	AGRAM životno	12.30	-	0.15
87	HR	7	BASLER osig. Zagreb	12.17	-	0.15
88	SB	1	DELTA GENERALI	11.40	2.03	0.14
89	SB	2	WIENER	11.30	2.71	0.14
90	RO	4	ALLIANZ-ŢIRIAC	11.28	0.72	0.14
<b>FIRST 90 COMPANIES</b>				<b>7,706.92</b>	<b>-</b>	<b>94.77</b>
91	RO	5	GENERALI	10.91	1.25	0.13
92	SL	7	GRAWE	10.77	-	0.13
93	RO	6	ASIROM	10.58	9.57	0.13
94	EE	3	COMPENSA Life VIG	10.45	4.19	0.13
95	SL	8	GENERALI	9.56	-	0.12
96	SB	3	GRAWE	9.25	2.11	0.11
97	BG	2	DZI	9.10	5.60	0.11
98	HR	8	GENERALI	8.70	-	0.11
99	EE	4	SEB Elu- ja Pensionikindl.	8.20	3.44	0.10
100	RO	7	AVIVA	8.12	1.33	0.10
<b>FIRST 100 COMPANIES</b>				<b>7,802.57</b>	<b>-</b>	<b>95.95</b>

The insurance companies from Latvia and Kosovo Territory are not included

Exclusive on [www.xprimm.com](http://www.xprimm.com): Full lenght rankings

Top 100 non-life insurance companies in CEE Region - as at June 30<sup>th</sup>, 2011

No.	Country	Rank in home country	Company	GWP	CLAIMS	CEE market share
				EUR m.	EUR m.	%
1	PL	1	PZU	1,056.92	667.10	10.95
2	CZ	1	ČESKÁ pojišťovna	427.93	-	4.43
3	CZ	2	KOOPERATIVA VIG	376.13	-	3.90
4	PL	2	ERGO HESTIA	346.47	166.99	3.59
5	SL	1	TRIGLAV	294.06	-	3.05
6	PL	3	WARTA	286.02	152.72	2.96
7	PL	4	ALLIANZ POLSKA	233.90	137.77	2.42
8	HR	1	CROATIA	212.32	-	2.20
9	HU	1	ALLIANZ	212.13	-	2.20
10	SK	1	ALLIANZ Slovenská	192.27	85.77	1.99
<b>FIRST 10 COMPANIES</b>				<b>3,638.15</b>	<b>-</b>	<b>37.69</b>
11	HU	2	GENERALI-PROVIDENCIA	159.70	-	1.65
12	CZ	3	ALLIANZ	157.15	-	1.63
13	SK	2	KOOPERATIVA VIG	140.70	83.06	1.46
14	PL	5	INTERRISK VIG	139.70	71.93	1.45
15	PL	6	UNIQA	133.38	77.40	1.38
16	RO	1	ASTRA	131.89	76.00	1.37
17	SL	2	ADRIATIC SLOVENICA	130.02	-	1.35
18	CZ	4	GENERALI Pojišťovna	128.99	-	1.34
19	PL	7	COMPENSA VIG	127.92	67.43	1.33
20	SL	3	VZAJEMNA	126.74	-	1.31
<b>FIRST 20 COMPANIES</b>				<b>5,014.33</b>	<b>-</b>	<b>51.95</b>
21	PL	8	HDI ASEKURACJA	126.30	70.53	1.31
22	PL	9	GENERALI	122.91	58.70	1.27
23	SL	4	MARIBOR	113.46	-	1.18
24	RO	2	OMNIASIG	103.63	74.92	1.07
25	CZ	5	ČESKÁ podnikatelská VIG	101.07	-	1.05
26	RO	3	ALLIANZ-ȚIRIAC	98.14	71.95	1.02
27	CZ	6	UNIQA	83.70	-	0.87
28	SB	1	DUNAV	83.59	34.59	0.87
29	CZ	7	ČSOB Pojišťovna	82.73	-	0.86
30	HU	3	GROUPAMA	81.82	-	0.85
<b>FIRST 30 COMPANIES</b>				<b>6,011.67</b>	<b>-</b>	<b>62.28</b>
31	HU	4	AEGON	80.48	-	0.83
32	PL	10	Moje TU	78.11	45.54	0.81
33	RO	4	ASIROM	77.61	30.35	0.80
34	RO	5	GROUPAMA	76.70	63.76	0.79
35	HR	2	EUROHERC	66.18	-	0.69
36	PL	11	EUROPA	62.29	1.87	0.65
37	EE	1	If P&C Insurance AS	59.90	35.91	0.62
38	HU	5	UNIQA	59.56	-	0.62
39	PL	12	PTU	58.73	37.13	0.61
40	SK	3	GENERALI Slovensko	56.81	34.56	0.59
<b>FIRST 40 COMPANIES</b>				<b>6,688.05</b>	<b>-</b>	<b>69.29</b>
41	RO	6	BCR Asigurări	55.40	38.76	0.57
42	SB	2	DDOR	52.45	23.94	0.54
43	HR	3	ALLIANZ Zagreb	49.30	-	0.51
44	LT	1	LIETUVOS draudimas	49.04	29.12	0.51
45	RO	7	UNIQA	47.80	42.97	0.50
46	PL	13	TUW TUW	45.24	23.06	0.47
47	SB	3	DELTA GENERALI	44.66	13.47	0.46
48	HU	6	K&H	44.25	-	0.46
49	BG	1	DZI - General Insurance	43.57	23.90	0.45
50	HR	4	JADRANSKO	43.50	-	0.45
<b>FIRST 50 COMPANIES</b>				<b>7,163.26</b>	<b>-</b>	<b>74.21</b>

No.	Country	Rank in home country	Company	GWP	CLAIMS	CEE market share
				EUR m.	EUR m.	%
51	BG	2	BULSTRAD VIG	43.31	27.59	0.45
52	BG	3	BUL INS	41.42	17.12	0.43
53	PL	14	PTR	40.93	22.47	0.42
54	PL	15	AVIVA OGÓLNYCH	40.88	20.88	0.42
55	SL	5	TRIGLAV ZDRAVSTVENA	39.61	-	0.41
56	SL	6	TILIA	39.50	-	0.41
57	BG	4	ARMEEC	38.77	17.19	0.40
58	CZ	8	CARDIF	38.72	-	0.40
59	PL	16	LINK4	38.19	18.68	0.40
60	SL	7	GENERALI	37.17	-	0.39
<b>FIRST 60 COMPANIES</b>				<b>7,561.76</b>	<b>123.93</b>	<b>78.34</b>
61	RO	8	GENERALI	37.07	34.45	0.38
62	BG	5	ALLIANZ Bulgaria	36.14	15.04	0.37
63	SK	4	UNIQA Poistovňa	34.82	17.45	0.36
64	PL	17	EULER HERMES	34.53	9.66	0.36
65	PL	18	SKOK	33.96	1.60	0.35
66	HU	7	UNION	33.67	-	0.35
67	BG	6	LEV INS	32.91	13.94	0.34
68	PL	19	BENEFIA VIG	32.64	15.98	0.34
69	PL	20	CONCORDIA POLSKA	29.58	29.92	0.31
70	SK	5	KOMUNÁLNA VIG	28.65	15.40	0.30
<b>FIRST 70 COMPANIES</b>				<b>7,895.74</b>	<b>-</b>	<b>81.80</b>
71	RO	9	EUROINS	27.85	19.53	0.29
72	HR	5	TRIGLAV	26.24	-	0.27
73	PL	21	PZM VIG	23.25	16.86	0.24
74	RO	10	CARPATICA Asig.	20.95	13.25	0.22
75	LT	2	ERGO Lietuva	20.65	11.37	0.21
76	EE	2	ERGO Kindlustus	20.04	16.07	0.21
77	LT	3	PZU Lietuva	19.29	9.83	0.20
78	LT	4	BTA akcinės	19.23	12.88	0.20
79	EE	3	SWEDBANK Varakindlustus	18.81	10.29	0.19
80	HR	6	KVARNER VIG	18.67	-	0.19
<b>FIRST 80 COMPANIES</b>				<b>8,110.73</b>	<b>-</b>	<b>84.03</b>
81	PL	22	AXA	18.53	6.25	0.19
82	BG	7	UNIQA Insurance	18.52	9.17	0.19
83	BG	8	EUROINS	18.43	7.96	0.19
84	PL	23	BRE UBEZPIECZENIA	17.05	5.76	0.18
85	MN	1	LOVČEN	16.31	-	0.17
86	CZ	9	SLAVIA	16.26	-	0.17
87	BiH/FBiH	1	SARAJEVO	16.22	-	0.17
88	HR	7	BASLER osig. Zagreb	16.02	-	0.17
89	SK	6	UNION Poistovňa	15.97	5.80	0.17
90	CZ	10	POJIŠŤOVNA ČS VIG	15.84	-	0.16
<b>FIRST 90 COMPANIES</b>				<b>8,279.86</b>	<b>-</b>	<b>85.78</b>
91	RO	11	ARDAF	15.53	22.06	0.16
92	PL	24	WBK- AVIVA OGÓLNYCH	15.49	1.19	0.16
93	LT	5	If P&C Insurance	15.37	11.52	0.16
94	HU	8	MAGYAR POSTA	15.31	-	0.16
95	PL	25	TUW TUZ	15.27	3.94	0.16
96	HR	8	GENERALI	15.02	-	0.16
97	SB	4	UNIQA Nezivot	14.60	5.69	0.15
98	HU	9	KÖBE	14.56	-	0.15
99	BG	9	VICTORIA	14.51	4.20	0.15
100	CZ	11	TRIGLAV	14.41	-	0.15
<b>FIRST 100 COMPANIES</b>				<b>8,429.93</b>	<b>-</b>	<b>87.33</b>

The insurance companies from Latvia and Kosovo Territory are not included

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# Albania



Debtor's life	8.02%
Group life	1.52%
Life with savings	1.61%
Other life insurance	0.78%
Accidents insurance	1.22%
Health insurance	10.60%
Fire and allied perils	11.19%
Damages to property	1.81%
Motor Hull	7.31%
MTPL	44.29%
Aircraft liability	3.12%
GTPL	5.43%
Suretyship	2.48%
Other non-life insurance	0.62%

**Sources:**

Albanian Financial Supervisory Authority (AFSA)  
 Albanian Insurers Association; Bank of Albania

**Albanian currency exchange rate for calculations:**

1 EUR = 141.41 Lek - ALL (June 30<sup>th</sup> 2011)  
 1 EUR = 136.45 Lek - ALL (June 30<sup>th</sup> 2010)

**VIG increased presence in Albania**

VIG signed in August an agreement to acquire a majority stake (75% + 1 share) in the Albanian insurance company INTERSIG. After entering the Albanian market with the SIGMA acquisition in 2007, and the 2010 expansion by the INTERALBANIAN purchase, the INTERSIG acquisition will raise VIG's market share to about 30% and an estimated premium volume of about EUR20m.

# Too young to lose impetus

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- Overall motor insurance ranking
- DMTPL insurance ranking
- Green Card insurance ranking
- Overall property insurance ranking
- Accidents and health insurance ranking

Despite the slowdown in the economy in the last years, the Albanian insurance sector managed to continue its positive growth trend in the first half of 2011, experiencing an 8.5% increase in gross written premiums (e.n.: in national currency), in the light of 4% growth in 2010, marking a positive prospect for the period to come, says Elisabeta GJONI, Chairperson of the Albanian Financial Supervisory Authority (AFSA). Even considering the 3.5% depreciation of the Albanian currency in the last 12 months, the growth rate reached 5%, up to EUR 30.4 million in total underwritings.

In fact, for the Albanian insurers this is not a premiere, as the market has not been visibly affected over the last 3 years by the international financial crisis, mainly due to the very basic character of the insurance products sold and the considerable space for further development and maturation given the extremely low rate of penetration and insurance density. Nevertheless, at least some part of the merit belongs to the insurance companies which managed to adapt their marketing strategies to the new environment. According to GJONI, the most important changes are related to the review of their pricing systems in voluntary insurance, withdrawal or restrictions regarding some existing covers, as well as more in-depth investigation when it comes to big risks, as well as lowering the authorization level for sales personnel.

**In the "double digit" land**

On insurance classes, the activity on the non-life segment represented about 88% of the total volume earned from premiums, leaving for life insurance a market share of about 12%. Especially the voluntary insurance classes have performed quite well, maintaining a double digit growth dynamics, as high as 21.7% for the first half of 2011, emphasizes the FSA leader. Among the voluntary lines, life insurance recorded one of the highest

growth rates, of about 40%, in close relation to the banking loan activity, as the "debtor's life" class represents over 67% of the total life business.

On the non-life side, mandatory MTPL insurance and Green Card generated more than half of the total underwritings recorded at market level (51.6%), followed by property policies (13% of the total). It is worth mentioning, though, the high dynamics of the accident and illness insurance line, which brought 358,716 of the 629,225 non-life insurance policies concluded in the first six months of 2011, becoming this way one of the most important business lines on the Albanian market, with over 11% market share. This impressive development is mostly related, according to the FSA Report, to the emergence of foreign investors in the market over the past few years, which has led to a rising demand for some new products, such as the voluntary health insurance. On the other hand, the lifting of the visa regime with the Shengen area had its impact on the rise in the premium volume and number of contracts of travel health insurance.

In the first six months of this year, the total value of gross claims paid by Albanian insurers totalled EUR 7.8 million, an increase in absolute value by EUR 0.4 million, compared to 1H/2010.

**Legal highlights**

The Parliament approved in July 2011 a new Law amending the previous form of the "Law on compulsory insurance within the transport sector". The new Law liberalizes the MTPL market, allowing the insurance companies to set their own premiums tariffs. AFSA will still approve rules on the determination of the general conditions of the compulsory insurance contracts, as well as on the level of the technical provisions. Notwithstanding the liberalization of the compulsory insurance premium tariffs, the insurance companies still have to create provisions not below the level determined by the Authority.

AFSA is working also on the drafting of a new law on insurance which is going to be approximated with the insurance EU Directives and support the new risk-focused supervision methodology. The draft-law

## Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>30.42</b>	<b>7.81</b>	<b>28.97</b>	<b>7.39</b>	<b>5.01</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>3.63</b>	<b>0.24</b>	<b>2.68</b>	<b>0.21</b>	<b>35.28</b>	<b>100.00</b>	<b>11.93</b>
Debtor's life	2.44	0.22	1.77	0.21	37.99	67.24	8.02
Group life	0.46	0.01	0.23	0.00	96.63	12.72	1.52
Life with savings	0.49	-	0.49	-	0.78	13.51	1.61
Other life insurance	0.24	0.02	0.19	0.01	22.83	6.53	0.78
<b>TOTAL NON-LIFE</b>	<b>26.79</b>	<b>7.57</b>	<b>26.29</b>	<b>7.17</b>	<b>1.92</b>	<b>100.00</b>	<b>88.07</b>
Accidents insurance	0.37	0.02	0.36	0.05	1.61	1.38	1.22
Health insurance	3.23	0.50	1.09	0.20	194.79	12.04	10.60
<b>Overall property insurance</b>	<b>3.96</b>	<b>0.69</b>	<b>3.96</b>	<b>0.39</b>	<b>-0.21</b>	<b>14.76</b>	<b>13.00</b>
Fire and allied perils	3.40	0.69	3.25	0.33	4.67	12.71	11.19
Damages to property	0.55	0.00	0.71	0.06	-22.52	2.06	1.81
<b>Overall motor insurance</b>	<b>15.70</b>	<b>6.07</b>	<b>16.84</b>	<b>6.31</b>	<b>-6.78</b>	<b>58.59</b>	<b>51.60</b>
Motor Hull	2.22	1.55	2.21	1.82	0.45	8.30	7.31
MTPL	13.47	4.52	14.62	4.49	-7.87	50.29	44.29
DMTPL	8.04	3.61	10.68	2.91	-24.67	30.03	26.45
Green Card	4.59	0.79	3.10	1.51	48.31	17.14	15.10
Border	0.84	0.12	0.85	0.06	-1.58	3.12	2.75
Aircraft liability	0.95	-	0.60	-	59.42	3.54	3.12
GTPL	1.65	0.21	2.52	-	-34.34	6.17	5.43
Suretyship	0.75	0.04	0.60	0.21	25.85	2.81	2.48
Other non-life insurance	0.19	0.03	0.31	0.02	-40.12	0.70	0.62



**Elisabeta GJONI**  
Chairperson  
Albanian FSA

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shall be finalized by the end of 2011, after which the AFSA is going to initiate the adoption procedures, said Elisabeta GJONI to XPRIMM.

By the end of 2011, a series of important developments are expected, most of them already being in process at the Authority. The main focus will be the development of a bonus-malus system to support MTPL liberalization, as well as the development of the implementation strategy of the new risk-focused methodology for insurance supervision, together with the proposal of the new draft law in Insurance to support the new regime, the AFSA official added.

### Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	SIGAL UNIQA Life	1.84	0.13	1.59	0.08	15.85	50.69	59.19
2	SICRED	1.13	0.08	0.59	0.11	92.53	31.09	21.84
3	INSIG	0.66	0.03	0.51	0.03	30.02	18.22	18.96
<b>TOTAL MARKET</b>		<b>3.63</b>	<b>0.24</b>	<b>2.68</b>	<b>0.21</b>	<b>35.28</b>	<b>100.00</b>	<b>100.00</b>

### Non - Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		2010	2009
		EUR m.	EUR m.	EUR m.	EUR m.			
1	SIGAL UNIQA	9.15	2.09	8.05	2.34	13.66	34.14	30.62
2	SIGMA VIG	3.62	1.01	4.37	1.41	-17.00	13.53	16.61
3	INTERALBANIAN	2.69	1.33	2.98	0.89	-9.75	10.03	11.32
4	INTERSIG	2.48	0.56	2.25	0.46	10.26	9.26	8.56
5	ATLANTIK	2.43	0.42	2.60	0.71	-6.78	9.05	9.90
6	INSIG	2.32	1.36	2.53	0.64	-8.44	8.66	9.64
7	ALBSIG	2.16	0.39	1.94	0.39	11.33	8.08	7.39
8	EUROSIG	1.94	0.40	1.56	0.32	24.16	7.25	5.95
<b>TOTAL MARKET</b>		<b>26.79</b>	<b>7.57</b>	<b>26.29</b>	<b>7.17</b>	<b>1.92</b>	<b>100.00</b>	<b>100.00</b>



## Bosnia & Herzegovina



Category	Percentage
Life insurance	15.65%
Accidents insurance	7.75%
Fire and allied perils	7.70%
Damages to property	6.06%
Motor Hull	12.51%
MTPL	46.25%
Goods in transit	1.14%
GTPL	1.08%
Travel	1.12%
Other non-life insurance	0.73%

**Sources:**

Insurance Agency of Republika Srpska (AZORS)

Insurance Supervisory Agency of Federation of Bosnia and Herzegovina (NADOS)

**Bosnian currency exchange rate for calculations:**

1 EUR = 1.9583 Convertible marks - BAM (fixed)

# An upcoming market

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- BiH life insurance ranking
- BiH non-life insurance ranking

According to The Economist Intelligence Unit forecast, after an estimated rebound in real GDP of 0.8% in 2010, economic growth of Bosnia & Herzegovina will accelerate to 2.1% in 2011 and 3% in 2012, as external and domestic demand pick up.

Also, according to a recent RAIFFEISEN study, it seems that the BiH's economic growth in 2011 will also capitalize on the moderate recovery of domestic consumption due to the projected labour market stabilisation, lower unemployment rate, stable volume of incoming foreign payments, and more positive credit growth of 2-3%. However, the economic growth rate will most probably not improve the living standard considerably, since unemployment rate remains still very high and net salaries in the labour market are unlikely to rise.

### Insurance – a bipolar market

The first thing to keep in mind when analyzing the BiH insurance market is its bipolar structure, corresponding to the general economical and political structure of the Republic of Bosnia-Herzegovina: two autonomous regions, the Republika

Srpska (RS) and the Federation of Bosnia-Herzegovina (FBiH), with separate laws, taxation systems, market authorities etc.

As far as the insurance market is concerned, each of the two administrative entities has its own market, individually supervised and regulated by two independent agencies, but working in a very close relation one to another, in many ways similar to the EU model. The two supervising bodies, Insurance agency of Republic of Srpska and Insurance supervisory agency of FBiH, cooperate with each other and exchange data. On top of the supervising system there is the Insurance agency of BiH, which has no supervisory and regulatory responsibility, but is responsible for the BiH market statistics and the synchronization of the two local agencies' activity.

Finally, an insurance company established in one of the two BiH's entities does not need to obtain special licence from the other entity in order to provide insurance services, but has to establish a branch in the host entity. Companies are subjected to the home entity's supervision, while branches have to comply with the host market's supervision requirements.

### The whole picture

*Bosnia-Herzegovina is an upcoming market which, after a period of political and econo-*

### Bosnia and Herzegovina insurance market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011 - GROSS WRITTEN PREMIUMS (EUR m.)					% in all GWP		
	TOTAL BiH, of which	by FBiH companies		by RS companies		TOTAL BiH %	by FBiH %	by RS %
		EUR m	% of TOTAL	EUR m	% of TOTAL			
<b>TOTAL MARKET</b>	<b>126.11</b>	<b>93.94</b>	<b>74.49</b>	<b>32.17</b>	<b>25.51</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>19.74</b>	<b>17.35</b>	<b>87.92</b>	<b>2.38</b>	<b>12.08</b>	<b>15.65</b>	<b>18.48</b>	<b>7.41</b>
<b>TOTAL NON-LIFE</b>	<b>106.37</b>	<b>76.58</b>	<b>72.00</b>	<b>29.78</b>	<b>28.00</b>	<b>84.35</b>	<b>81.52</b>	<b>92.59</b>
Accidents insurance	9.77	7.73	79.12	2.04	20.88	7.75	8.23	6.34
<b>Overall property insurance</b>	<b>17.35</b>	<b>14.00</b>	<b>80.68</b>	<b>3.35</b>	<b>19.32</b>	<b>13.76</b>	<b>14.91</b>	<b>10.42</b>
Fire and allied perils	9.72	8.00	82.38	1.71	17.62	7.70	8.52	5.32
Damages to property	7.64	6.00	78.52	1.64	21.48	6.06	6.39	5.10
<b>Overall motor insurance</b>	<b>74.10</b>	<b>50.20</b>	<b>67.75</b>	<b>23.90</b>	<b>32.25</b>	<b>58.76</b>	<b>53.44</b>	<b>74.28</b>
Motor Hull	15.77	13.50	85.59	2.27	14.41	12.51	14.37	7.07
MTPL	58.33	36.70	62.93	21.62	37.07	46.25	39.07	67.22
Goods in transit	1.44	1.34	92.53	0.11	7.47	1.14	1.42	0.33
GTPL	1.37	1.23	90.20	0.13	9.80	1.08	1.31	0.42
Travel	1.41	1.19	84.93	0.21	15.07	1.12	1.27	0.66
Other non-life insurance	0.92	0.88	95.36	0.04	4.64	0.73	0.94	0.13





**Božana ŠLJIVAR**  
Director Insurance  
Agency of Republic  
of Srpska

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*mic uncertainty, now has great potential to catch up, recently stated Gunter GEYER, CEO, VIENNA Insurance Group, on the occasion of the Austrian's Group first acquisition in BiH.*

As market figures show, the financial crisis didn't significantly impact the Bosniac insurance market, although the decline in economic activity was obvious in both entities of Bosnia & Herzegovina. Thus, the industry recorded a 4.07% aggregated growth rate, with a higher pace in RS, of 7.6%. According to Ms. Božana ŠLJIVAR, Director Insurance Agency of Republic of Srpska, *the main reasons for the financial crisis not having a significant impact on the insurance sector of Republic of Srpska are the dominant position of the MTPL line in the market portfolio, as well as the lack of complex products on the market. Also conservative investment policies for assets covering technical reserves and low exposure to capital market had an important contribution in avoing the crisis impact. Therefore, the industry has achieved positive results thanks to the insurance premium growth, with the minimal impact of the financial crisis upon the investment activities. In conclusion, one could say that limited exposure of the insurance market to the crisis primarily results from its underdevelopment.*

Companies registered in FBiH dominate the aggregated market rankings, their overall turnover representing about 75% of the BiH's market GWP in the first half of 2011. On the life segment, the percentage is even higher, of about 88%. About 7% of the premium underwritten by the companies registered in FBiH was produced by their RS branches, while 12% of the RS's insurers production was underwritten by their FBiH subsidiaries.

Motor insurance lines, especially the MTPL class, obviously dominate the BiH market, with an overall share of almost 59%. The MTPL prevalence is particularly strong in the RS market, with a portfolio share of over 67%. *MTPL dominance in the total premium points to the underdevelopment of insurance market, but also shows the potential for further growth of premiums of non-life insurance and optional insurance,*

## Bosnia and Herzegovina insurance ranking (life and non-life added-up)

No.	Company	Entity	GWP	GWP	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
			1H/2011	1H/2010		1H/2011	1H/2010
			EUR m.	EUR m.	EUR		
1	SARAJEVO	FBiH	16.94	15.44	9.73	13.44	12.74
2	BOSNA-SUNCE	FBiH	11.64	12.40	-6.09	9.23	10.23
3	EUROHERC	FBiH	10.86	10.41	4.36	8.61	8.59
4	UNIQA	FBiH	10.32	8.98	14.95	8.18	7.41
5	CROATIA	FBiH	10.01	9.98	0.33	7.94	8.24
6	TRIGLAV BH	FBiH	8.47	8.65	-2.16	6.71	7.14
7	VGT	FBiH	6.26	6.73	-7.03	4.96	5.56
8	JAHORINA Osiguranje	RS	5.73	6.25	-8.25	4.55	5.16
9	MERKUR BH	FBiH	5.31	4.80	10.54	4.21	3.96
10	GRAWE	FBiH	5.00	4.70	6.29	3.96	3.88
11	BOBAR Osiguranje	RS	4.22	3.96	6.52	3.34	3.27
12	DUNAV Osiguranje	RS	4.00	4.16	-3.85	3.17	3.43
13	BRČKO GAS Osiguranje	RS	3.50	2.80	24.74	2.77	2.31
14	DRINA Osiguranje	RS	3.45	3.18	8.56	2.74	2.62
15	NEŠKOVIĆ Osiguranje	RS	2.84	2.74	3.66	2.25	2.26
16	TRIGLAV Osiguranje	RS	2.84	2.26	25.48	2.25	1.87
17	ZOVKO	FBiH	2.83	1.89	49.61	2.24	1.56
18	ASA	FBiH	2.74	2.43	12.56	2.17	2.01
19	GRAWE Osiguranje	RS	2.21	1.96	12.73	1.75	1.62
20	CAMELIJA	FBiH	1.86	2.10	-11.49	1.48	1.74
21	KRAJINA Osiguranje	RS	1.67	1.69	-0.91	1.32	1.39
22	LIDO	FBiH	1.65	1.96	-16.10	1.31	1.62
23	Osiguranje AURA	RS	0.99	0.43	130.59	0.79	0.35
24	MIKROFIN Osiguranje	RS	0.73	0.48	52.31	0.58	0.40
25	LOK	FBiH	0.06	0.10	-42.52	0.04	0.08
26	HERCEGOVINA	FBiH	-	0.70	-	-	0.58
<b>TOTAL TOP 10</b>		<b>First 10 companies</b>	<b>90.54</b>	<b>88.34</b>	<b>2.49</b>	<b>71.80</b>	<b>72.90</b>
<b>TOTAL TOP 20</b>		<b>First 20 companies</b>	<b>121.01</b>	<b>115.82</b>	<b>4.48</b>	<b>95.96</b>	<b>95.58</b>
<b>TOTAL FBiH MARKET</b>		<b>FBiH companies</b>	<b>93.94</b>	<b>91.27</b>	<b>2.92</b>	<b>74.49</b>	<b>75.33</b>
<b>TOTAL RS MARKET</b>		<b>RS companies</b>	<b>32.17</b>	<b>29.90</b>	<b>7.59</b>	<b>25.51</b>	<b>24.67</b>
<b>TOTAL BiH MARKET</b>		<b>All companies</b>	<b>126.11</b>	<b>121.17</b>	<b>4.07</b>	<b>100.00</b>	<b>100.00</b>



## FBiH Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.		EUR	1H/2011
1	MERKUR BH	5.25	4.74	10.71	30.25	28.95
2	GRAWE	4.23	4.17	1.43	24.35	25.44
3	UNIQA	4.05	3.46	17.17	23.33	21.10
4	CROATIA	1.50	1.80	-17.04	8.62	11.02
5	TRIGLAV BH	0.93	0.65	43.25	5.38	3.98
6	SARAJEVO	0.73	0.80	-9.69	4.18	4.91
7	BOSNA-SUNCE	0.62	0.62	-0.80	3.56	3.80
8	LOK	0.06	0.10	-42.52	0.32	0.59
9	HERCEGOVINA	-	0.04	-	-	0.22
<b>TOTAL MARKET</b>		<b>17.35</b>	<b>16.38</b>	<b>5.96</b>	<b>100.00</b>	<b>100.00</b>

## FBiH Non-Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.		EUR	1H/2011
1	SARAJEVO	16.22	14.64	10.80	21.18	19.54
2	BOSNA-SUNCE	11.03	11.78	-6.37	14.40	15.72
3	EUROHERC	10.86	10.41	4.36	14.18	13.90
4	CROATIA	8.52	8.18	4.16	11.12	10.92
5	TRIGLAV BH	7.53	8.00	-5.86	9.83	10.68
6	UNIQA	6.27	5.52	13.56	8.19	7.37
7	VGT	6.26	6.73	-7.03	8.18	8.99
8	ZOVKO	2.83	1.89	49.61	3.69	2.52
9	ASA	2.74	2.43	12.56	3.57	3.25
10	CAMELIJA	1.86	2.10	-11.49	2.43	2.81
11	LIDO	1.65	1.96	-16.10	2.15	2.62
12	GRAWE	0.77	0.53	44.19	1.00	0.71
13	MERKUR BH	0.06	0.06	-3.44	0.07	0.08
14	HERCEGOVINA	-	0.66	-	-	0.88
<b>TOTAL MARKET</b>		<b>76.58</b>	<b>74.89</b>	<b>2.25</b>	<b>100.00</b>	<b>100.00</b>

## RS Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.		EUR	1H/2011
1	GRAWE Osiguranje	2.20	1.96	12.73	92.46	96.91
2	JAHORINA Osiguranje	0.12	0.06	114.28	5.11	2.82
3	DUNAV Osiguranje	0.06	0.01	945.01	2.43	0.27
<b>TOTAL MARKET</b>		<b>2.38</b>	<b>2.02</b>	<b>18.15</b>	<b>100.00</b>	<b>100.00</b>

## RS Non-Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.		EUR	1H/2011
1	JAHORINA Osiguranje	5.61	6.19	-9.38	18.83	22.20
2	BOBAR Osiguranje	4.22	3.96	6.52	14.16	14.20
3	DUNAV Osiguranje	3.94	4.15	-5.11	13.23	14.90
4	BRČKO GAS Osiguranje	3.50	2.80	24.74	11.74	10.05
5	DRINA Osiguranje	3.45	3.18	8.56	11.58	11.40
6	NEŠKOVIĆ Osiguranje	2.84	2.74	3.66	9.52	9.81
7	TRIGLAV Osiguranje	2.84	2.26	25.48	9.52	8.11
8	KRAJINA Osiguranje	1.67	1.69	-0.91	5.61	6.05
9	Osiguranje AURA	0.99	0.43	130.59	3.33	1.54
10	MIKROFIN Osiguranje	0.73	0.48	52.31	2.45	1.72
11	GRAWE Osiguranje	0.01	0.00	14.06	0.02	0.02
<b>TOTAL MARKET</b>		<b>29.78</b>	<b>27.88</b>	<b>6.83</b>	<b>100.00</b>	<b>100.00</b>

Ms. ŠLJIVAR told XPRIMM. On the other hand, property insurance lines account for almost 14% of the BiH's market portfolio, a share which is comparable with the property business's presence in most of the regions' markets.

Finally, among the major business lines of the BiH insurance market, life insurance holds a 15.65% share of the portfolio. Looking to the entities portfolio, it is visible that life insurance has a lower presence in the RS market. Still, as statistics show, life insurance premium grew at an above average pace, of 18%. *Characteristic to the insurance market of Republic of Srpska for the last five years is that the life insurance premium achieved a faster growth than non-life premiums, as a consequence of low participation of life insurance premium in the total premium (around 7%),* said the Agency official. In fact, life insurance had a better dynamic, with a growth rate of almost 6%, than the non-life business in FbiH, also. All in all, the general trend is towards a gradual improvement and diversification of the market portfolio. *In addition, as Božana ŠLJIVAR told XPRIMM, there is a positive net financial result on the sector level, increased total assets, improved structure of assets covering technical reserves and increased number of employees in the insurance sector.* She also emphasized that *one of the changes in marketing strategies of insurance companies is moving toward more conservative investment strategies, like money markets and real estate.*

## New players

VIENNA Insurance Group has recently signed a contract to acquire a majority stake in the insurer JAHORINA Osiguranje, the RS market leader. Considering the overall market in Bosnia-Herzegovina, the company ranks 9th with a market share of 4.5%. According to the Austrian group, VIG acquires approximately 88.5 percent of the capital, respectively approximately 92% of the voting shares. The acquisition is subject to regulatory approvals.

## Legislative highlights

■ The Insurance Agencies of RS and BiH participate in Twinning Project BA 07 IB FI 01 "Support for Sustainable Capacity Building of the Insurance Agency of Bosnia and Herzegovina, the Insurance Supervisory Agency of the Federation of Bosnia and Herzegovina and the Insurance Agency of the Republic of Srpska".

■ Numerous by-laws have been created and adopted with intention of improving the insurance regulatory framework. Legislative changes will also follow in the future, in order to comply as much as possible with EU legislation and improve the insurance industry.



# INTERNATIONAL INSURANCE COMPANY



## In right hands

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Life ins. and annuities	11.81%
Marriage and birth	0.43%
Unit-linked	1.31%
Other life insurance	2.33%
Accidents insurance	1.80%
Aircraft insurance	0.96%
Goods in transit	0.95%
Fire and allied perils	11.22%
Damages to property	3.69%
Motor Hull	27.11%
MTPL	33.09%
GTPL	2.11%
Other non-life insurance	3.19%

**Sources:**

The Financial Supervision Commission of Bulgaria (FSC)  
 The Association of Bulgarian Insurers (ABZ)  
 Bulgarian National Bank  
 www.insmarket.bg

**Bulgarian currency exchange rate for calculations:**

1 EUR = 1.95583 Leva - BGN (fixed)

# Rising again

**Exclusive on www.xprimm.com**

- Life ins. and annuities ranking
- Unit-linked insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking
- Fire and allied perils ins. ranking
- Damages to property ins. ranking
- Accidents insurance ranking
- GTPL insurance ranking

Bulgaria's economy performed slightly better in the second quarter than was originally estimated, according to the Bulgarian National Statistical Institute. Thus, the Q2 y-o-y GDP growth figure has been revised up to 2.0%, from 1.9% announced earlier according to the flash estimates. Still, compared to the previous two quarters, an obvious slowdown is visible. Also, considering the 11.2% unemployment and the austerity measures still in place, households' budgets have a very narrow reserve for purchasing insurance or durable goods, while expenditure for food, housing and basic needs, as well as for taxes and social insurance contributions exceed 94.5% of the families' budget.

In this context, for the first half of 2011, the gross premiums written amounted to EUR416.5m compared to EUR414.5m for the first half of 2010; thus, an increase of 0.5% is registered on annual basis, Mr. Borislav BOGOEV, Deputy Chairman of Financial Supervision Commission (FSC), Head

of Insurance Supervision Division, told XPRIMM. Basically, at June 30<sup>th</sup>, 2011, the insurance market has experienced the first increasing trend after 1Q/2009.

Obviously, the trend-setter for the non-life market is the motor insurance segment, still representing, in spite of its recessive course, more than 60% of the entire market underwritings. A slight increase of about 10% in the number of cars sold in 1H somehow inhibited the decline in GWP for the Motor Hull insurance line, which recorded an y-o-y decline of about "only" 12%, after negative rates of 17 – 20% in the previous periods. But the motor lines' "balance" was really saved and brought into positive territory by the mandatory MTPL insurance class, which recorded an y-o-y positive change of about 15%. To the higher premium income of this type of insurance, the increase of the average premium of annual contracts - EUR103.8 for the first half of 2011 compared to EUR89 for the same period of 2010 - has contributed, explained Mr. BOGOEV.

Property insurance, the second non-life business line according to the market portfolio, maintained a downward trend, with an annual decline of 7%, driven by the relatively weak activity in lending. Nevertheless, these types of insurances were the most profitable in the first half of the year, emphasized the FSC representative. Finally, speaking about the major insurance business lines, it is worth mentioning that the Bulgarian life insurance

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>417.63</b>	<b>189.00</b>	<b>414.29</b>	<b>202.43</b>	<b>0.81</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>66.32</b>	<b>26.11</b>	<b>62.29</b>	<b>26.50</b>	<b>6.48</b>	<b>100.00</b>	<b>15.88</b>
Life ins. and annuities	49.31	19.64	47.82	20.11	3.13	74.35	11.81
Marriage and birth	1.81	0.73	1.68	0.65	7.38	2.72	0.43
Unit-linked	5.47	2.53	2.60	2.59	110.72	8.25	1.31
Other life insurance	9.73	3.20	10.19	3.15	-4.54	14.67	2.33
<b>TOTAL NON-LIFE</b>	<b>351.31</b>	<b>162.90</b>	<b>352.00</b>	<b>175.93</b>	<b>-0.20</b>	<b>100.00</b>	<b>84.12</b>
Accidents insurance	7.50	1.35	6.00	1.13	25.00	2.13	1.80
Aircraft insurance	4.01	1.03	4.09	0.00	-1.98	1.14	0.96
Goods in transit	3.97	0.67	3.44	1.24	15.47	1.13	0.95
<b>Overall property insurance</b>	<b>62.28</b>	<b>10.06</b>	<b>67.16</b>	<b>13.73</b>	<b>-7.27</b>	<b>17.73</b>	<b>14.91</b>
Fire and allied perils	46.87	6.62	51.15	8.55	-8.37	13.34	11.22
Damages to property	15.41	3.45	16.01	5.18	-3.75	4.39	3.69
<b>Overall motor insurance</b>	<b>251.43</b>	<b>143.29</b>	<b>248.97</b>	<b>145.98</b>	<b>0.98</b>	<b>71.57</b>	<b>60.20</b>
Motor Hull	113.23	76.84	128.78	85.83	-12.07	32.23	27.11
MTPL	138.20	66.45	120.20	60.15	14.97	39.34	33.09
GTPL	8.80	1.57	9.06	2.17	-2.90	2.50	2.11
Other non-life insurance	13.32	4.92	13.27	11.68	0.40	3.79	3.19



**Borislav BOGOEV**  
Deputy Chairman of  
Financial Supervision  
Commission

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market ended the first half of 2011 with a hopeful increase of 6.5%, to which a major contribution came from the Unit-Linked segment, which has registered a spectacular increase of nearly 111%.

## Legislative highlights

■ The Law on the insurance premiums tax has been enforced since January 2011, imposing a premium tax of 2% over the insurance premiums for certain non-life insurance classes.

■ The electronic issuance of compulsory insurance contracts and adaptation of information systems of insurers was introduced by amending the Ordinance No.42 /03.11.2010 on the building up and maintenance of an information system for risk assessment, management and control. Including the issuance of policies under the compulsory MTPL insurance was amended.

## Green Card settlements between Bulgaria and Romania – a hot issue

Lower values of auto taxes (first registration tax, taxes in general) and lower MTPL tariffs in Bulgaria determined many Romanians, in recent years, to register their own car in Bulgaria. Taking advantage of the "loopholes" in the local laws or even violating some Bulgarian laws, more and more car owners use this arrangement to optimize their transportation costs. For the insurance industries in both countries, the phenomenon caused only problems, as the Green Card settlements between the local insurers became a hard nut in the claims portfolio.

According to Bulgarian officials, most of the claims paid by local companies based on the Green Card insurance are due to accidents that take place on Romanian territory. The total amount of Green Card related claims amounted to over EUR30m last year. Also, in Romania, according the market authority, the number of claims files approved in 1H2011 as a result of road accidents caused on the Romanian territory by vehicles registered in Bulgaria has increased by 31% y-o-y, to 1,798 files. In only four years,

## Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)		
		GWP	CLAIMS	GWP	CLAIMS		EUR	1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			1H/2011	1H/2010
1	ALLIANZ Bulgaria Life	13.81	7.07	12.33	5.77	12.06	20.83	19.79	
2	DZI	9.10	5.60	8.61	6.20	5.72	13.72	13.82	
3	UNIQA Life	7.70	3.87	6.07	3.49	26.93	11.61	9.74	
4	BULSTRAD Life VIG	6.97	2.94	6.55	2.30	6.32	10.50	10.52	
5	SyVZK	5.95	0.14	8.50	3.81	-29.96	8.97	13.64	
6	ALICO Bulgaria Life	5.00	1.55	5.24	1.25	-4.56	7.54	8.42	
7	UBB-ALICO Life	4.56	0.92	3.94	0.48	15.73	6.88	6.33	
8	GENERALI Life	3.50	1.76	3.57	1.58	-1.92	5.27	5.73	
9	GROUPAMA Life	3.43	0.53	1.46	0.34	135.31	5.18	2.34	
10	GRAWE Bulgaria Life	3.18	0.88	2.53	0.50	25.90	4.80	4.06	
11	SOGE LIFE Bulgaria	1.61	0.31	1.52	0.30	6.20	2.43	2.43	
12	Life Ins. Company SAGLASIE	0.44	0.09	0.57	0.07	-22.53	0.67	0.91	
13	INTERAMERICAN Life	0.43	0.07	0.36	0.01	17.71	0.64	0.58	
14	CCB Life	0.35	0.18	0.66	0.12	-47.13	0.53	1.06	
15	JZI	0.23	0.16	0.34	0.22	-33.38	0.34	0.55	
16	VZK DOBRUDJA-M-Life	0.05	0.03	0.05	0.02	11.50	0.08	0.07	
17	Life Ins. Company BULGARSKI IMOTI	-	-	0.00	0.05	-	-	0.00	
<b>TOTAL TOP 10</b>		<b>63.22</b>	<b>25.26</b>	<b>58.79</b>	<b>25.71</b>	<b>7.53</b>	<b>95.32</b>	<b>94.39</b>	
<b>TOTAL MARKET</b>		<b>66.32</b>	<b>26.11</b>	<b>62.29</b>	<b>26.50</b>	<b>6.48</b>	<b>100.00</b>	<b>100.00</b>	

## Non-Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)		
		GWP	CLAIMS	GWP	CLAIMS		EUR	1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			1H/2011	1H/2010
1	DZI - General Insurance	43.57	23.90	44.63	31.23	-2.38	12.40	12.68	
2	BULSTRAD VIG	43.31	27.59	56.53	33.11	-23.38	12.33	16.06	
3	BUL INS	41.42	17.12	34.08	12.96	21.53	11.79	9.68	
4	ARMEEC	38.77	17.19	36.47	16.78	6.33	11.04	10.36	
5	ALLIANZ Bulgaria	36.14	15.04	36.26	17.58	-0.33	10.29	10.30	
6	LEV INS	32.91	13.94	32.97	17.28	-0.16	9.37	9.37	
7	UNIQA Insurance	18.52	9.17	16.43	9.81	12.73	5.27	4.67	
8	EUROINS	18.43	7.96	17.56	9.16	4.93	5.25	4.99	
9	VICTORIA	14.51	4.20	16.55	4.52	-12.36	4.13	4.70	
10	BULGARSKI IMOTI	14.12	12.45	12.71	9.91	11.09	4.02	3.61	
11	GENERALI Insurance	12.67	5.31	14.78	5.40	-14.26	3.61	4.20	
12	INTERAMERICAN Bulgaria	11.48	3.38	7.28	2.73	57.84	3.27	2.07	
13	ENERGIA	8.26	0.33	7.64	0.65	8.09	2.35	2.17	
14	OZK Insurance	7.83	1.95	9.08	1.54	-13.76	2.23	2.58	
15	HDI Insurance	4.52	2.51	4.40	2.25	2.66	1.29	1.25	
16	Bulgarian Export Ins. Agency	1.97	0.61	1.54	0.78	27.88	0.56	0.44	
17	UBB - CHARTIS	1.53	0.05	1.74	0.07	-11.83	0.44	0.49	
18	GROUPAMA Insurance	1.31	0.19	1.32	0.14	-0.91	0.37	0.37	
19	GRAWE General Ins.	0.03	0.00	0.03	0.00	4.89	0.01	0.01	
<b>TOTAL TOP 10</b>		<b>301.71</b>	<b>148.56</b>	<b>304.20</b>	<b>162.35</b>	<b>-0.82</b>	<b>85.88</b>	<b>86.42</b>	
<b>TOTAL MARKET</b>		<b>351.31</b>	<b>162.90</b>	<b>352.00</b>	<b>175.93</b>	<b>-0.20</b>	<b>100.00</b>	<b>100.00</b>	

the number of accidents occurred in Romania with cars registered in Bulgaria has increased 15 times: from 204 in 2006, to 3,155 in 2010, recently stated a Romanian official.

As a result, the authorities in Sofia are preparing a set of changes of the vehicle re-

gistration legal framework. These include the introduction of a period of 45 days for the transfer of ownership of the vehicle, to eliminate the possibility of driving it in Romania based on the mandate that is currently used.



# Croatia



Life insurance	19.95%
Life insurance, annuities and supplementary insurance	1.57%
Life insurance and annuities related to investment funds	1.45%
Other life insurance	0.19%
Accident insurance	5.24%
Health insurance	3.14%
Boat insurance	3.16%
Fire and allied perils	7.29%
Damages to property	10.94%
Motor Hull	8.66%
MTPL	30.29%
GTPL	3.37%
Credit insurance	1.35%
Financial loss insurance	1.18%
Other non-life insurance	2.23%

**Sources:**

Croatian Financial Services Supervisory Agency (HANFA)  
Croatian Insurance Bureau  
Croatian National Bank

**Croatian currency exchange rate for calculations:**

1 EUR = 7.373946 Kuna - HRK  
(June 30<sup>th</sup> 2011)  
1 EUR = 7.193455 Kuna - HRK  
(June 30<sup>th</sup> 2010)



# Still in red

Croatia's economy should record a 1.3 percent Gross Domestic Product growth in 2011 and a 1.8 percent growth in 2012, according to the World Economic Outlook (WEO), released by the International Monetary Fund on April 2011. According to the latest data published by the Croatian Bureau of Statistics, the real GDP for the second quarter of 2011 is by 0.8% higher than in the same period of 2010.

The annual inflation rate according Eurostat should amount to 3.5 percent in 2011, compared with 1 percent in 2010 and the projected rate of 2.4 percent in 2012. Unemployment rate is expected to reach 12.8 percent this year, as against last year's 12.3 percent, but so far, the most recent official statistics were indicating a 16.7% rate for August.

All in all, figures only show that the Croatian economy is still far from the pre-crisis dynamics. For the insurance industry, the still timid economic revival and the limited or even shrinking purchasing power of the Croatian citizens mean they have to make the best of an unfriendly business environment. Thus, the half year results of the insurance market show a 4.4% decrease in GWP, almost equal for the life and non-life segments.

On the life insurance side, products with a dominant saving component seem to be the most popular, as long as the Unit-Linked class is one of the very few classes recording a positive change in underwritings, of 2.23%. Annuity insurance is the second life class with a positive dynamic. Although its very small share in the portfolio (less than 1%) didn't allow it to really influence the

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>671.06</b>	<b>287.60</b>	<b>702.07</b>	<b>293.62</b>	<b>-4.42</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>155.41</b>	<b>81.79</b>	<b>162.18</b>	<b>73.35</b>	<b>-4.17</b>	<b>100.00</b>	<b>23.16</b>
Life insurance	133.90	75.13	140.68	67.89	-4.82	86.16	19.95
Life insurance, annuities and supplementary insurance	10.52	2.38	10.86	2.38	-3.13	6.77	1.57
Life insurance and annuities related to investment funds	9.74	3.53	9.53	2.52	2.23	6.27	1.45
Other life insurance	1.25	0.75	1.11	0.56	12.44	0.80	0.19
<b>TOTAL NON-LIFE</b>	<b>515.65</b>	<b>205.81</b>	<b>539.89</b>	<b>220.28</b>	<b>-4.49</b>	<b>100.00</b>	<b>76.84</b>
Accident insurance	35.13	8.53	38.80	10.24	-9.45	6.81	5.24
Health insurance	21.06	12.62	22.69	12.60	-7.15	4.09	3.14
Boat insurance	21.23	6.17	25.69	4.99	-17.37	4.12	3.16
<b>Overall property insurance</b>	<b>122.30</b>	<b>36.32</b>	<b>124.71</b>	<b>35.48</b>	<b>-1.94</b>	<b>23.72</b>	<b>18.22</b>
Fire and allied perils	48.90	11.55	50.26	10.18	-2.69	9.48	7.29
Damages to property	73.40	24.77	74.46	25.31	-1.42	14.23	10.94
<b>Overall motor insurance</b>	<b>261.39</b>	<b>124.84</b>	<b>272.41</b>	<b>136.22</b>	<b>-4.05</b>	<b>50.69</b>	<b>38.95</b>
Motor Hull	58.13	43.89	66.98	52.23	-13.21	11.27	8.66
MTPL	203.26	80.95	205.43	83.99	-1.06	39.42	30.29
GTPL	22.62	7.00	23.04	7.54	-1.82	4.39	3.37
Credit insurance	9.08	7.03	8.00	8.26	13.39	1.76	1.35
Financial loss insurance	7.90	0.66	7.22	1.63	9.43	1.53	1.18
Other non-life insurance	14.94	2.64	17.32	3.33	-13.76	2.90	2.23

overall result of the life segment, this line of business recorded an impressive growth rate of over 30%. It is also interesting to see that the increase in GWP corresponds to a smaller number of concluded contracts than in the previous year (5.5% less). It is worth mentioning in this context that in the recent years the annuity insurance was perceived as less interesting in comparison with the voluntary private pensions' proposition, under which customers benefit of a 15% subsidy per year on all contributions, up to HRK5,000 (about EUR695).

The Non-life insurance sector recorded the most substantial declines on the boat insurance line (-17.37%) and Motor Hull line (-13.2%), while the MTPL class had a quasi stable evolution, with almost unchanged indicators as compared to 2010. Despite the modest increase in car sales (y-o-y 6.5%), the number of sold Motor Hull policies decreased, as compared to 1H/2010, by about 7,000 units (about 4.5%). The good news comes from the claims side, as far as the motor lines are concerned. A drop of about 16% in the claims paid for Motor Hull policies and of approx.

4% for MTPL claims was the result of a better claims management policy and a higher effectiveness in fighting against the insurance frauds and false claims. Still, as the economic crisis led to a worrying increase of the real car thefts, as well as in house burglaries, claims cost's management remains challenging.

As far as the property insurance lines are concerned, the first half of 2011 is almost an exact copy of 1H/2010, with very minor changes both in the GWP and claims figures.

The sole non-life classes recording a substantial increase in GWP were "Credit insurance" and "Financial loss insurance", with 13.4% and 9.4% growth respectively. Croatian insurers explain this trend by the high volatility of the labour market, which makes people feel insecure with regard to their financial future. In this context, most of the Croatians applying for a bank loan are also trying to get insurance protection for the case they lose their income temporarily or on permanent basis.

As for the future, it seems that patience is needed. According to the local insurance press, most of the Croatian insurers agree that there are no chances for a really good market evolution before 2013, assuming that until then the Croatian economy and labour market will register a positive evolution.

### Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	ALLIANZ Zagreb	23.37	23.45	-0.36	15.04	14.46
2	CROATIA	22.49	22.61	-0.53	14.47	13.94
3	MERKUR	16.48	17.12	-3.72	10.61	10.56
4	GRAWE Hrvatska	15.60	16.16	-3.43	10.04	9.96
5	KVARNER VIG	12.59	14.35	-12.28	8.10	8.85
6	AGRAM životno	12.30	13.82	-11.01	7.91	8.52
7	BASLER osig. Zagreb	12.17	13.51	-9.95	7.83	8.33
8	GENERALI	8.70	6.67	30.46	5.60	4.11
9	HELIOS VIG	8.05	8.98	-10.27	5.18	5.53
10	ERSTE VIG	6.69	7.02	-4.69	4.30	4.33
11	UNIQA	6.56	7.97	-17.63	4.22	4.91
12	TRIGLAV	4.84	5.22	-7.37	3.11	3.22
13	VICTORIA životno	2.26	1.84	22.40	1.45	1.14
14	SOCIETE GENERALE	2.21	2.05	8.03	1.42	1.26
15	KD Life	0.66	0.49	35.19	0.43	0.30
16	VELEBIT životno	0.45	0.93	-52.00	0.29	0.57
<b>TOTAL TOP 10</b>		<b>138.44</b>	<b>143.68</b>	<b>-3.65</b>	<b>89.08</b>	<b>88.59</b>
<b>TOTAL MARKET</b>		<b>155.41</b>	<b>162.18</b>	<b>-4.17</b>	<b>100.00</b>	<b>100.00</b>

### Non-Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	CROATIA	212.32	230.20	-7.77	41.18	42.64
2	EUROHERC	66.18	68.23	-3.00	12.83	12.64
3	ALLIANZ Zagreb	49.30	50.38	-2.14	9.56	9.33
4	JADRANSKO	43.50	44.75	-2.81	8.44	8.29
5	TRIGLAV	26.24	25.69	2.14	5.09	4.76
6	KVARNER VIG	18.67	23.02	-18.88	3.62	4.26
7	BASLER osig. Zagreb	16.02	15.65	2.37	3.11	2.90
8	GENERALI	15.02	14.76	1.79	2.91	2.73
9	HOK	12.77	12.12	5.35	2.48	2.24
10	SUNCE	11.37	13.08	-13.03	2.21	2.42
11	GRAWE Hrvatska	9.83	10.54	-6.75	1.91	1.95
12	UNIQA	9.15	7.98	14.79	1.78	1.48
13	CROATIA zdravstveno	8.68	9.36	-7.23	1.68	1.73
14	CARDIF	4.90	4.20	16.73	0.95	0.78
15	VELEBIT	4.76	4.54	4.97	0.92	0.84
16	HELIOS VIG	3.30	3.24	1.73	0.64	0.60
17	MERKUR	2.18	2.13	2.11	0.42	0.39
18	IZVOR	0.92	-	-	0.18	-
19	HKO	0.44	-	-	0.08	-
20	VICTORIA	0.09	0.03	174.32	0.02	0.01
<b>TOTAL TOP 10</b>		<b>471.39</b>	<b>497.86</b>	<b>-5.32</b>	<b>91.42</b>	<b>92.22</b>
<b>TOTAL MARKET</b>		<b>515.65</b>	<b>539.89</b>	<b>-4.49</b>	<b>100.00</b>	<b>100.00</b>



## Czech Republic



Category	Percentage
Assurance on death, survival etc.	15.33%
The assurance which are linked to investment funds	23.18%
Marriage assurance, birth assurance	1.07%
Other life insurance	6.46%
Accidents insurance	1.68%
Health insurance	1.79%
Fire and allied perils	8.26%
Damages to property	5.17%
Motor Hull	9.45%
MTPL	13.95%
GPL	8.12%
Credit insurance	2.25%
Financial loss insurance	1.31%
Travel insurance	1.17%
Other non-life insurance	0.82%

**Sources:**

The Czech National Bank (CNB)  
Czech Insurance Association (ČAP)

**Czech currency exchange rate for calculations:**

1 EUR = 24.345 Krown - CZK (June 30<sup>th</sup> 2011)

1 EUR = 25.695 Krown - CZK (June 30<sup>th</sup> 2010)



# Solid and stable

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- Life current premium insurance ranking
- Life single paid insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking

According to the Czech Statistical Office's estimate, GDP adjusted for price, seasonal and calendar effects rose in the second quarter of 2011 by 2.4% y-o-y, while The Czech National Bank's forecast for the end year is of 2.1% y-o-y growth, considering a slowdown in the economic growth for the rest of the year. One of the main causes of the lowering estimations is the stronger than initially expected decline in household and government consumption. *The two components of domestic demand continue to reflect the fiscal restriction, with household consumption being dampened, in addition to approved budgetary consolidation measures, by a still slow recovery on the labour market.*

On the other hand, the general unemployment rate, according to the ILO definition - in the age group 15-64 years-, reached 6.8%, 0.4 percentage points less y-o-y. It

is for the first time since Q2/2009, when the unemployment rate of the aged 15-64 years decreased under the level of 7.0%. However, the development of unemployment during Q2 suggests that further decreasing of the unemployment level will at least slow down, says the CZOF's press release. The highest unemployment rate, of 24%, was recorded among persons with basic education, while only 2.7% of the university graduates are officially registered as jobless.

In this context, the Czech insurance market demonstrated once again a solid and stable structure, maintaining a positive development trend. The GWP volume increased, as compared to 1H/2010, by over 8%, when calculated in European currency. Most of the overall growth originates in the life insurance segment, which holds a 46% share of the market portfolio and recorded a 13.3% increase y-o-y. Life insurance policies linked to investment funds were the most successful life products in the first half of 2011, maintaining the high growth trend registered in 2010. The number of active contracts increased by about 12%, as compared to 1H/2010, while the GWP increase was of 29.5% calculated at the average exchange rate of the Czech currency for the considered

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>3,324.34</b>	<b>1,809.52</b>	<b>3,074.63</b>	<b>1,580.30</b>	<b>8.12</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>1,530.36</b>	<b>874.46</b>	<b>1,350.44</b>	<b>699.73</b>	<b>13.32</b>	<b>100.00</b>	<b>46.03</b>
Assurance on death, survival etc.	509.54	451.51	521.89	404.93	-2.37	33.30	15.33
The assurance which are linked to investment funds	770.57	245.88	595.00	135.07	29.51	50.35	23.18
Marriage assurance, birth assurance	35.48	62.61	39.23	63.07	-9.57	2.32	1.07
Other life insurance	214.76	114.46	194.32	96.66	10.52	14.03	6.46
<b>TOTAL NON-LIFE</b>	<b>1,793.98</b>	<b>935.06</b>	<b>1,724.18</b>	<b>880.57</b>	<b>4.05</b>	<b>100.00</b>	<b>53.97</b>
Accidents insurance	55.68	17.58	53.85	15.42	3.41	3.10	1.68
Health insurance	59.36	13.82	53.61	9.78	10.73	3.31	1.79
<b>Overall property insurance</b>	<b>446.46</b>	<b>212.19</b>	<b>413.49</b>	<b>193.92</b>	<b>7.97</b>	<b>24.89</b>	<b>13.43</b>
Fire and allied perils	274.68	132.58	250.98	121.72	9.44	15.31	8.26
Damages to property	171.78	79.60	162.51	72.20	5.71	9.58	5.17
<b>Overall motor insurance</b>	<b>777.92</b>	<b>491.16</b>	<b>794.80</b>	<b>441.39</b>	<b>-2.12</b>	<b>43.36</b>	<b>23.40</b>
Motor Hull	314.18	250.54	312.78	228.17	0.45	17.51	9.45
MTPL	463.74	240.62	482.02	213.22	-3.79	25.85	13.95
GPL	269.87	132.12	249.73	128.08	8.06	15.04	8.12
Credit insurance	74.77	29.66	54.18	32.97	37.99	4.17	2.25
Financial loss insurance	43.57	16.49	44.85	6.09	-2.84	2.43	1.31
Travel insurance	38.93	15.75	35.11	13.24	10.88	2.17	1.17
Other non-life insurance	27.42	6.28	24.56	39.66	11.64	1.53	0.82

**Important note:**

For the Czech Republic, the market portfolio is according to data published by the National Bank.

For the other rankings, the values are according to the data published by the Czech Insurance Association (ČAP)



periods. Given the aprox. 6% appreciation of the Czech Croon, the nominal growth rate in local currency was of "only" 22.7%. Still, it is worth mentioning that not only the GWP increased, but also the claims paid for this class of products. Thus, while the number of claims filed increased by about 23%, the claims payments' volume was in 1H/2011 about 72% higher y-o-y, a large portion of the increase coming from the early termination of the policies.

On the non-life side, the GWP increase was of about 4%, somehow modest compared with the life segment. In fact, calculated in local currency, the 1H/2011 GWP figure shows a small decrease, of about 1 percentage point y-o-y.

The motor insurance lines, holding the largest share in the non-life market portfolio, registered a negative change of 2% in European currency, most of it related to MTPL insurance line. *Car owners are paying in average 13% lower MTPL premiums than in the pre-crisis year of 2008, regardless the rising car prices and increased interest in higher quality vehicles*, stated Tomas SIKORA, CEO of the Czech Insurance Association. This is, in fact, the explanation of the decreasing GWP volume, although the number of MTPL policies was higher in 1H/2011 than one year ago by about 80,000 policies.

Meanwhile, on the Motor Hull line, there is almost no visible change in terms of GWP, when denominated in EUR. In local currency, a drop of almost 5% in premiums is visible, although the number of existing policies grew by about 10%, partially reflecting the stable situation of the car sales market.

Property insurance recorded an 8% growth rate (EUR, y-o-y), mostly on the fire and allied perils line (9.44% y-o-y, EUR). Most probable, the larger number of house insurance policies is at least partially related to the *the recently renewed growth in new loans for house purchase (i.e. in the first half of 2011) and falling retail rates, which are indicating stabilization of the housing loan market*, as Miroslav SINGER, Governor of the Czech National Bank, recently stated. Moreover, it is worth mentioning that, with an about 4.5 million units housing stock and 2.4 million active insurance policies, the Czech Republic has one of the best insurance coverage on the property side across the region. As far as the claims volume is concerned, although 2011 seemed a "quiet" year in terms of natural phenomena, the payments made by the Czech insurers for the property classes rose by about 9 – 10 percentage points, following the stormy 2010 – 2011 winter.

The 2011 end year will probable find the Czech insurance market close to the EUR7bn threshold. Depending on the domestic demand evolution, the threshold could be surpassed by the end of 2011.

## Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	ČESKÁ pojišťovna	253.17	253.71	-0.21	16.83	19.16
2	ČSOB Pojišťovna	197.81	138.08	43.25	13.15	10.43
3	POJIŠTOVNA České spořitelny VIG	196.65	161.66	21.65	13.07	12.21
4	KOOPERATIVA VIG	185.25	141.96	30.50	12.31	10.72
5	KOMERČNÍ pojišťovna	165.27	200.73	-17.66	10.98	15.16
6	ING Životní	115.72	101.14	14.41	7.69	7.64
7	ALLIANZ	84.32	74.44	13.27	5.60	5.62
8	AXA - ŽP	61.75	44.35	39.22	4.10	3.35
9	GENERALI Pojišťovna	59.58	57.77	3.13	3.96	4.36
10	ČESKÁ podnikatelská VIG	45.52	39.55	15.09	3.03	2.99
11	AMCICO	38.16	36.36	4.96	2.54	2.75
12	UNIQA	28.96	23.31	24.25	1.92	1.76
13	AVIVA	27.64	16.14	71.27	1.84	1.22
14	AEGON	23.03	17.25	33.49	1.53	1.30
15	VICTORIA	7.73	6.78	14.01	0.51	0.51
16	CARDIF	6.45	5.19	24.25	0.43	0.39
17	WÜSTENROT - ŽP	6.26	5.03	24.54	0.42	0.38
18	DR LEBEN	1.19	0.82	44.60	0.08	0.06
19	HASIČSKÁ vzájemná	0.19	0.21	-8.07	0.01	0.02
20	MAXIMA	0.02	0.02	1.95	0.00	0.00
<b>TOTAL TOP 10</b>		<b>1,365.04</b>	<b>1,213.39</b>	<b>12.50</b>	<b>90.72</b>	<b>91.61</b>
<b>TOTAL MARKET (ČAP)</b>		<b>1,504.66</b>	<b>1,324.49</b>	<b>13.60</b>	<b>100.00</b>	<b>100.00</b>

## Non-Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	ČESKÁ pojišťovna	427.93	433.60	-1.31	27.93	29.31
2	KOOPERATIVA VIG	376.13	372.85	0.88	24.55	25.20
3	ALLIANZ	157.15	143.93	9.18	10.26	9.73
4	GENERALI Pojišťovna	128.99	128.50	0.38	8.42	8.69
5	ČESKÁ podnikatelská VIG	101.07	93.70	7.86	6.60	6.33
6	UNIQA	83.70	73.13	14.45	5.46	4.94
7	ČSOB Pojišťovna	82.73	80.34	2.97	5.40	5.43
8	CARDIF	38.72	31.03	24.76	2.53	2.10
9	SLAVIA	16.26	11.61	40.07	1.06	0.78
10	POJIŠTOVNA České spořitelny VIG	15.84	12.45	27.15	1.03	0.84
11	TRIGLAV	14.41	13.92	3.54	0.94	0.94
12	HASIČSKÁ vzájemná	10.84	11.06	-2.03	0.71	0.75
13	ČESKÁ pojišťovna ZDRAVÍ	8.90	7.43	19.83	0.58	0.50
14	Pojišťovna VZP	8.66	8.77	-1.20	0.57	0.59
15	HDI	7.95	7.29	9.07	0.52	0.49
16	KOMERČNÍ pojišťovna	7.72	8.10	-4.79	0.50	0.55
17	DIRECT	6.92	5.74	20.63	0.45	0.39
18	WÜSTENROT pojišťovna	6.79	6.30	7.83	0.44	0.43
19	EVROPSKÁ CESTOVNÍ	6.07	3.97	52.93	0.40	0.27
20	MAXIMA	5.88	7.56	-22.24	0.38	0.51
21	D.A.S.	5.56	5.12	8.69	0.36	0.35
22	AMCICO	4.84	5.46	-11.38	0.32	0.37
23	VICTORIA	4.19	2.69	55.65	0.27	0.18
24	AXA	3.45	3.35	3.12	0.23	0.23
25	AXA - ŽP	1.20	1.37	-12.27	0.08	0.09
26	ČESKÁ KANCELÁŘ pojišťovatelů	0.01	0.01	13.13	0.00	0.00
<b>TOTAL TOP 10</b>		<b>1,428.50</b>	<b>1,381.16</b>	<b>3.43</b>	<b>93.25</b>	<b>93.37</b>
<b>TOTAL TOP 20</b>		<b>1,512.63</b>	<b>1,461.29</b>	<b>3.51</b>	<b>98.74</b>	<b>98.78</b>
<b>TOTAL MARKET (ČAP)</b>		<b>1,531.89</b>	<b>1,479.29</b>	<b>3.56</b>	<b>100.00</b>	<b>100.00</b>



Estonia



Insurance Type	Percentage
Endowment insurance	10.21%
Unit-linked	23.28%
Other life insurance	7.43%
Accidents insurance	3.16%
Health insurance	1.49%
Fire and allied perils	9.96%
Damages to property	5.21%
Motor Hull	19.38%
MTPL	14.64%
GTPL	2.20%
Financial loss insurance	1.19%
Other non-life insurance (reinsurance included)	1.86%

Sources:

Financial Supervision Authority of Estonia (Finantsinspektsioon)  
 Estonian Insurance Association (EKL)  
 National Bank of Estonia

Estonian currency exchange rate for calculations:

1 EUR = 15.6466 Kroons - EKL (fixed)

# Austerity hinders insurance

Exclusive on [www.xprimm.com](http://www.xprimm.com):

- Endowment insurance ranking
- Unit-linked insurance ranking
- Accidents insurance ranking
- Fire and allied perils insurance ranking
- Damages to property insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking
- GTPL insurance ranking

According to the second estimates of the Statistical Council of the country, the gross domestic product (GDP) of Estonia increased by 8.4% in the 2nd quarter of 2011 compared to the same quarter of the previous year. The growth of the domestic demand increased 8%, mainly due to the growth of gross fixed capital formation, changes in inventories and household final consumption. The increase of the household final consumption expenditures was influenced mainly by the increase of the food and accommodation services and transport expenditures.

Unfortunately, the insurance industry is mentioned in the statistical release only as a hindering factor, together with the real estate activities, the other financial sectors and the professional, scientific

and technical activities. Thus, Estonia remained one of the very few CEE insurance markets recording a negative trend in the first half of 2011. The GWP volume decreased by about 4%, while the paid claims recorded a 2.8% appreciation. Still, Estonian insurers managed to close the first half of 2011 with an aggregated positive financial result of EUR1.1m.

Life insurance is the most affected segment of the market, with a drop in the business volume of almost 9%. The half year results seem quite strange after the 36% growth rate recorded in 2010. Although we have no hard evidence of this, we can assume that one of the most important decrease factors is the weakening saving resources of the Estonian citizens. Responding to a recent online poll by SWED-BANK, 68% of the 2,500 using the bank's risk assessment calculator showed that expenses absorbed all of their income, leaving no room for saving and insurance purchasing.

Motor insurance lines recorded negative results, both on the Motor Hull and MTPL classes. A continuous competitive market determined further drops in prices for the motor lines which are still one of the main "battlefields" in the market. On the property segment, there was no significant change as compared to the previous year.

Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>209.63</b>	<b>125.33</b>	<b>218.62</b>	<b>121.94</b>	<b>-4.11</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>85.78</b>	<b>46.01</b>	<b>94.20</b>	<b>45.41</b>	<b>-8.94</b>	<b>100.00</b>	<b>40.92</b>
Endowment insurance	21.41	14.99	23.62	16.69	-9.35	24.96	10.21
Unit-linked	48.79	25.50	55.16	22.57	-11.55	56.88	23.28
Other life insurance	15.58	5.52	15.42	6.15	1.01	18.16	7.43
<b>TOTAL NON-LIFE</b>	<b>123.85</b>	<b>79.32</b>	<b>124.42</b>	<b>76.53</b>	<b>-0.46</b>	<b>100.00</b>	<b>59.08</b>
Accidents insurance	6.62	3.21	6.24	3.59	6.12	5.34	3.16
Health insurance	3.13	1.84	2.66	2.41	17.86	2.53	1.49
<b>Overall property insurance</b>	<b>31.79</b>	<b>13.42</b>	<b>31.79</b>	<b>12.84</b>	<b>0.00</b>	<b>25.67</b>	<b>15.17</b>
Fire and allied perils	20.88	6.21	20.74	6.00	0.67	16.86	9.96
Damages to property	10.92	7.22	11.05	6.85	-1.25	8.81	5.21
<b>Overall motor insurance</b>	<b>71.31</b>	<b>56.73</b>	<b>74.41</b>	<b>54.56</b>	<b>-4.16</b>	<b>57.57</b>	<b>34.02</b>
Motor Hull	40.62	32.15	43.56	33.56	-6.75	32.80	19.38
MTPL	30.69	24.58	30.84	21.00	-0.51	24.78	14.64
GTPL	4.61	1.37	4.17	1.45	10.55	3.72	2.20
Financial loss insurance	2.50	0.86	1.95	0.58	28.11	2.02	1.19
Other non-life insurance (reinsurance included)	3.90	1.89	3.21	1.09	21.40	3.15	1.86

Accident and health insurance, GTPL and financial loss insurance are the business lines which recorded quite interesting positive growth rates, although they have a very small contribution to the market portfolio.

On the claims side, although there were no major changes in figures, non-life insurers were confronted with the effects of the winter slippery roads and the stormy weather, with massive rain falls, during the 2011 summer. In order to provide a more rapid solution to the insurance disputes, since April 2011 a Conciliation Body was created, providing mediation services between claimants and the insurance companies. So far, the conciliation process proved to be faster than any other legal proceeding in civil cases, by solving every dispute in less than 20 days.

Another issue under debate is the limited freedom of choice offered to the customers who need to buy insurance related to a loan or leasing contract. A proposal to amend the Insurance Activities Act was submitted in June by the Estonian Insurance Association and the Ministry of Finance, aiming to ensure both a better protection of the client's rights and free competition among the insurance providers. The final decision is still pending.

### Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.	EUR	EUR	
1	SWEDBANK Life	39.00	23.16	41.05	20.34	-4.98	45.47	43.57
2	MANDATUM Life	28.13	15.23	33.83	14.69	-16.85	32.79	35.91
3	COMPENSA Life VIG	10.45	4.19	8.63	3.99	21.10	12.18	9.16
4	SEB Elu- ja Pensionikindl.	8.20	3.44	8.75	5.39	-6.29	9.56	9.29
5	ERGO Elukindlustus	-	-	1.95	0.99	-	-	2.07
<b>TOTAL MARKET</b>		<b>85.78</b>	<b>46.01</b>	<b>94.20</b>	<b>45.41</b>	<b>-8.94</b>	<b>100.00</b>	<b>100.00</b>

### Non-Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.	EUR	EUR	
1	If P&C Insurance AS	59.90	35.91	56.05	33.02	6.86	48.36	45.05
2	ERGO Kindlustus	20.04	16.07	22.14	15.40	-9.48	16.18	17.79
3	SWEDBANK Varakindlustus	18.81	10.29	20.46	10.88	-8.06	15.19	16.45
4	SEESAM Insurance AS	13.07	10.36	14.69	9.41	-11.05	10.55	11.81
5	SALVA Kindlustus	7.76	4.99	8.42	5.18	-7.93	6.26	6.77
6	INGES Kindlustus	3.35	1.62	2.47	2.59	35.79	2.70	1.98
7	AS KredEx	0.58	-	-	-	-	0.47	-
8	D.A.S. Õigusabikulu	0.35	0.06	0.18	0.05	91.28	0.28	0.15
<b>TOTAL MARKET</b>		<b>123.85</b>	<b>79.32</b>	<b>124.42</b>	<b>76.53</b>	<b>-0.46</b>	<b>100.00</b>	<b>100.00</b>



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Hungary



Assurance on death	2.05%
Endowment	10.12%
Unit linked	36.25%
Other life insurance (mutual companies included)	4.64%
Accidents insurance	1.84%
Health insurance	0.66%
Fire and allied perils	11.32%
Damages to property	7.41%
Motor Hull	8.63%
MTPL	11.89%
GTPL	2.17%
Financial loss	0.61%
Other non-life insurance (mutual companies included)	2.41%

Sources:

Hungarian Financial Supervision Authority (PSZAF)  
 Association of Hungarian Insurance Companies (MABISZ)  
 National Bank of Hungary

Hungarian currency exchange rate for calculations:

1 EUR = 265.61 Forints - HUF (June 30<sup>th</sup> 2011)  
 1 EUR = 286.46 Forints - HUF (June 30<sup>th</sup> 2010)



# Mixed perspectives

Exclusive on [www.xprimm.com](http://www.xprimm.com)

- Unit-linked insurance ranking
- MTPL insurance ranking

According to the Hungarian Central Statistics Office data, the country's GDP y-o-y growth, adjusted for seasonal and calendar effects, was of 1.2% in Q2/2011, supported mainly by the industrial exports. The seasonally adjusted data show the overall economic performance remained stagnant in Q2 compared to Q1. Households' final consumption expenditure stagnated, while Hungary's rate of unemployment remained unchanged at 10.8% during the first part of the year. *The fragile labor market, relatively high fuel prices, weak wage trends, efforts to fully repay FX loans, the expected drop in consumption due to unfavorable tax changes in lower-income households, the rise in the VAT, the disadvantageous situation that non-rePAYERS will get into, and a plethora of planned austerity measures will all suppress*

consumption. It is mainly because of the private consumption component that we think that the budget's revenue side could continue to disappoint, concluded György BARTA from CIB Bank, Budapest, quoted by portfolio.hu.

No wonder, in this context, that the Hungarian insurance market maintained a downward trend. Thus, in national currency, the y-o-y change recorded in 1H/2011 was of -3.22%, mainly generated by the non-life sector. Only the ~7% appreciation of the Hungarian currency (HUF) against EUR makes the y-o-y change figures to climb above the zero line when the market results are denominated in European currency.

Even so, the motor insurance figures show a negative change of 10.3% in EUR or 16.9% in HUF. In fact, since the beginning of the crisis, car sales dropped continuously, from over 171,500 units sold in 2007, to almost 43,500 in 2010, with a very small increase in the first half of 2011. The number of Motor Hull insurance policies drop-

Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>1,616.85</b>	<b>1,056.40</b>	<b>1,549.02</b>	<b>998.38</b>	<b>4.38</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>858.02</b>	<b>695.86</b>	<b>805.80</b>	<b>638.86</b>	<b>6.48</b>	<b>100.00</b>	<b>53.07</b>
Assurance on death	33.20	10.20	27.58	8.18	20.39	3.87	2.05
Endowment	163.69	206.38	172.02	190.05	-4.85	19.08	10.12
Unit linked	586.11	412.33	534.52	368.25	9.65	68.31	36.25
Other life insurance (mutual companies included)	75.03	66.95	71.68	72.39	4.67	8.74	4.64
<b>TOTAL NON-LIFE</b>	<b>758.83</b>	<b>360.54</b>	<b>743.22</b>	<b>359.51</b>	<b>2.10</b>	<b>100.00</b>	<b>46.93</b>
Accidents insurance	29.67	8.24	20.32	6.89	46.03	3.91	1.84
Health insurance	10.65	3.15	13.53	3.82	-21.24	1.40	0.66
<b>Overall property insurance</b>	<b>302.78</b>	<b>97.63</b>	<b>267.52</b>	<b>108.07</b>	<b>13.18</b>	<b>39.90</b>	<b>18.73</b>
Fire and allied perils	183.05	58.05	161.22	67.01	13.54	24.12	11.32
Damages to property	119.74	39.57	106.30	41.05	12.64	15.78	7.41
<b>Overall motor insurance</b>	<b>331.73</b>	<b>221.71</b>	<b>369.80</b>	<b>215.86</b>	<b>-10.30</b>	<b>43.72</b>	<b>20.52</b>
Motor Hull	139.50	101.92	151.68	95.96	-8.03	18.38	8.63
MTPL	192.23	119.79	218.12	119.90	-11.87	25.33	11.89
GTPL	35.16	8.92	30.72	6.77	14.45	4.63	2.17
Financial loss	9.84	5.19	7.35	4.27	33.86	1.30	0.61
Other non-life insurance (mutual companies included)	38.99	15.70	33.98	13.83	14.74	5.14	2.41

Important note:

For Hungary, the market portfolio is according to data published by the Hungarian Financial Supervisory Authority (PZAF). For the other rankings, the values are according to the data published by the Association of Hungarian Insurance Companies (MABISZ)

ped accordingly, insurers losing about 35,000 clients in the last 12 months. On top of that, the highly competitive market determined a substantial drop in motor insurance fees. According kotelezo.hu, an online site on vehicle insurance, Motor Hull fees have dropped from HUF90,000 to HUF66,500 since June 2010, while only one in five car owners has a comprehensive vehicle-insurance contract.

Unlike motor insurance lines, the property business kept growing. In fact, according to a recent international survey by direct insurer GENERTEL, the online insurance group of GENERALI, Hungary is in the midpack of European countries in terms of household insurance penetration.

Data published by Hungarian Insurance Association (MABISZ) show that 71% of households have a household insurance, household insurance penetration being one of the highest in Europe.

The GENERTEL study revealed that price remains the main argument for clients when choosing insurance. However, an increasing number of people consider adding supplementary services to the basic insurance for extra costs, covering risks as cash theft, robbery and burglary or legal assistance for the family.

As far as the life insurance segment is concerned, there were no major changes in 1H/2011. A 6.5% growth rate calculated in EUR, meaning an almost unchanged market turnover in domestic currency, shows a stagnating evolution. Unit-linked remains the most popular product, thus the product development efforts of insurers focused on investment products instead of traditional insurance offerings.

According HFSA, the market authority, *historically high profitability of the Hungarian insurance market practically dropped to zero in 2010, partly because of considerably increased indemnity payments in the non-life sector due to flood and storm damages, and partly because of the windfall tax. No significant improvement is expected in 2011, either in terms of business size or profitability. The related negative factors include the actual status of demand and products, the windfall tax, fierce competition in the non-life sector and the shrinkage of the mandatory pension fund system. The latter leads to additional revenue decreases for insurer groups that run mandatory pension funds and for fund managers that handle their assets. Solvency ratio remained appropriate but the possibility of continued weak profitability may have an adverse impact on capital position in the medium run. The scheduled launch of Solvency II regulations in 2013 will lead to a higher volatility of capital adequacy indicators and therefore calls for substantial capital reserves.*

### Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal Evolution (%)	MARKET SHARE(%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	ING	130.16	131.39	-0.94	16.25	16.54
2	ALLIANZ	122.56	125.23	-2.13	15.30	15.76
3	GROUPAMA	92.72	80.80	14.74	11.57	10.17
4	AEGON	77.54	73.76	5.13	9.68	9.28
5	GENERALI-PROVIDENCIA	74.83	74.37	0.62	9.34	9.36
6	MAGYAR POSTA Élet	70.69	70.98	-0.40	8.82	8.93
7	UNIQA	48.08	37.28	29.00	6.00	4.69
8	AVIVA	39.74	44.22	-10.13	4.96	5.57
9	AXA	32.91	22.86	43.96	4.11	2.88
10	K&H	24.72	17.45	41.67	3.09	2.20
11	ERSTE	19.20	22.01	-12.77	2.40	2.77
12	SIGNAL	14.95	14.11	5.93	1.87	1.78
13	UNION	13.71	15.88	-13.65	1.71	2.00
14	GRAWE	12.88	10.06	27.97	1.61	1.27
15	AHICO	12.42	12.65	-1.82	1.55	1.59
16	DIMENZIÓ	8.08	6.35	27.18	1.01	0.80
17	MKB Élet	5.97	5.28	13.13	0.74	0.66
18	CIG Pannónia	-	29.78	-	-	3.75
<b>TOTAL TOP 10</b>		<b>713.94</b>	<b>678.33</b>	<b>5.25</b>	<b>89.12</b>	<b>85.38</b>
<b>TOTAL MARKET (MABISZ)</b>		<b>801.15</b>	<b>794.45</b>	<b>0.84</b>	<b>100.00</b>	<b>100.00</b>

### Non - Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal Evolution (%)	MARKET SHARE(%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	ALLIANZ	212.13	235.50	-9.92	27.27	31.33
2	GENERALI-PROVIDENCIA	159.70	155.00	3.03	20.53	20.62
3	GROUPAMA	81.82	80.99	1.02	10.52	10.78
4	AEGON	80.48	77.37	4.02	10.35	10.29
5	UNIQA	59.56	61.78	-3.59	7.66	8.22
6	K&H	44.25	27.77	59.37	5.69	3.69
7	UNION	33.67	26.77	25.77	4.33	3.56
8	MAGYAR POSTA	15.31	14.71	4.07	1.97	1.96
9	KÖBE	14.56	12.39	17.57	1.87	1.65
10	CHARTIS	13.61	14.06	-3.25	1.75	1.87
11	QBE Europe	10.91	10.11	7.93	1.40	1.35
12	SIGNAL	9.08	7.10	27.85	1.17	0.94
13	WABARD	7.01	-	-	0.90	-
14	ASTRA	6.95	-	-	0.89	-
15	GENERTEL	6.93	9.05	-23.50	0.89	1.20
16	EULER HERMES	6.23	4.68	33.27	0.80	0.62
17	MKB Általános	4.51	1.83	145.94	0.58	0.24
18	AIM	3.85	5.88	-34.45	0.50	0.78
19	EURÓPAI Utazási Bizt.	3.77	3.15	19.79	0.48	0.42
20	PORSCHE	1.16	0.95	22.46	0.15	0.13
21	AXA	1.14	0.96	18.55	0.15	0.13
22	AHICO	1.09	1.14	-4.63	0.14	0.15
23	TIR BE	0.19	0.43	-55.37	0.02	0.06
<b>TOTAL TOP 10</b>		<b>715.09</b>	<b>706.33</b>	<b>1.24</b>	<b>91.92</b>	<b>93.98</b>
<b>TOTAL MARKET (MABISZ)</b>		<b>777.91</b>	<b>751.61</b>	<b>3.50</b>	<b>100.00</b>	<b>100.00</b>



**Kosovo Territory**



MTPL	61.32%
Border policies	7.37%
Other (non TPL)	31.32%

**Sources:**

Insurance Association of Kosovo  
Central Bank of the Republic Kosovo

Kosovo currency: EURO



# A market in the making

Amidst signs that the worldwide recession is easing, the slowdown in Kosovo's economic growth has remained orderly, states the latest IMF concluding statement, released after the institution's staff visit in Pristina this summer. The document also mentions that growth of imports, remittances, and deposits has continued to decelerate in recent months, thus pointing to a slowdown in economic growth. These forces, however, are in part offset by a pronounced increase in this year's fiscal expenditures, in particular for wages and capital outlays. Demand for domestically produced goods and services appears to have remained well supported. Considering the background, the mission kept its forecast for real GDP growth for 2011 at 3.8%, and 4.3% for 2012.

In this context, the local insurance industry performed well in terms of GWP growth, reporting a 9.20% positive change. In absolute values, the overall premium production amounted EUR38m in 1H/2011. We expect that over the coming years the market will reach EUR90m, because we expect many investors to take over the former state-owned companies. The privatization process is coming to an end, and the insurance sector will grow with it, stated Visar RRUSTEMI, General Director,

KOSOVA E Re, in an interview for XPRIMM-TV, during the Annual Meeting of Reinsurers in Monte Carlo.

The Kosovo insurance market is one of the smallest and underdeveloped in the CEE region. In fact, considering the country's population of only little above 1.4m inhabitants, probably it will never weight for a significant "slice" of the CEE pie. Still, the low density, of only about EUR50/inhabitant in 2010, leaves room for significant future growth.

There are 10 non-life insurance companies and one life insurer acting on the Kosovo's market, some of them members of well-known European insurance entities like VIENNA Insurance Group, UNIQA, GRAWE, CROATIA Osiguranje or SAVA Re.

The main non-life business line is compulsory MTPL, accounting for about 61% of the overall GWP. The almost 140 thousand MTPL policies sold during the first half of 2011 generated about EUR23.3m in premium. In addition, the "Border insurance" class added another EUR2.8m to the motor lines production.

By the end of June 2011, technical reserves of the Kosovar insurers amounted to EUR51.1m.

**Market portfolio as of June 30<sup>th</sup> 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.		
<b>TOTAL MARKET</b>	<b>38.00</b>	<b>13.70</b>	<b>34.80</b>	<b>13.20</b>	<b>9.20</b>	<b>100.00</b>
MTPL	23.30	9.20	21.30	9.80	9.39	61.32
Border policies	2.80	0.60	3.50	0.50	-20.00	7.37
Other (non TPL)	11.90	3.90	10.00	2.90	19.00	31.32

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Latvia



Category	Percentage
Life insurance with savings	5.88%
Unit-linked	2.69%
Other life insurance	0.33%
Accidents insurance	2.35%
Helth insurance	9.68%
Fire and allied perils	11.05%
Damages to property	3.91%
Motor hull	16.84%
MTPL	29.95%
GTPL	4.52%
Transport ownership liability insurance	4.56%
Suretyship insurance	2.43%
Assistance insurance	2.63%
Other non-life insurance	3.17%

#### Sources:

The Financial and Capital Market Commission of Latvia (FKTK)  
National Bank of Latvia

#### Latvian currency exchange rate for calculations:

1 EUR = 0.702804 Lats - LVL (fixed)



# Non-life takes wings

According to the Central Statistical Bureau's data, in the first half-year, Latvia's GDP increased by 4.6% compared to the respective period last year, with an accelerated pace in Q2, of 5.6%. A recent report of SWEDBANK speaks about a better shape of the labour market, with increasing employment and wages values. The purchasing power of households is thus improving slowly, even accounting for tax rises and inflation, which entitle optimistic expectations with regard to the private consumption growth.

The positive changes in the economic environment are already producing visible effects in the insurance industry, mostly on the non-life insurance side. In fact, an over 37% growth rate in 1H/2011 has surpassed the most optimistic expectations. On the life insurance segment, Unit-Linked products had a very succesul evolution, but the life market as a whole recorded a negative change of over 20%.

According to some market sources, the demand for non-life insurance has begun to grow almost in all types of insurance, with a special accent on the corporate clients segment. Also, the prices of insurance services in the types of insurance which were previously unprofitable, namely the motor lines, have grown approximately by 5-10% and there is still room for further increase in tariffs, once the market conditions allow it. As a result, GWP for the motor lines grew in 1H/2011 by almost 55%. On the other hand, one should notice that claims paid for non-life insurance also grew significantly. The snowy winter, placing excessive snow load on the buildings, and the slippery roads were the main causes of the claims number increase, both in household and motor insurance.

All in all, *this year, the non-life insurance industry in Latvia might achieve a GWP growth of 5% to 10%, thus returning to gaining profit already in 2012*, says Aigars FREIMANIS, Director of SEESAM Latvia.

#### Market portfolio as of June 30<sup>th</sup> 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>175.23</b>	<b>92.30</b>	<b>135.43</b>	<b>86.84</b>	<b>29.39</b>	-	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>15.60</b>	<b>6.61</b>	<b>19.64</b>	<b>12.27</b>	<b>-20.54</b>	<b>100.00</b>	<b>8.90</b>
Life insurance with savings	10.30	5.73	12.29	7.13	-16.13	66.04	5.88
Unit-linked	4.72	0.82	2.67	1.14	76.72	30.23	2.69
Other life insurance	0.58	0.07	4.68	4.00	-87.55	3.73	0.33
<b>TOTAL NON-LIFE</b>	<b>159.62</b>	<b>85.68</b>	<b>115.79</b>	<b>74.57</b>	<b>37.85</b>	<b>100.00</b>	<b>91.10</b>
Accidents insurance	4.11	1.19	2.68	1.29	53.79	2.58	2.35
Helth insurance	16.96	9.23	17.94	14.90	-5.45	10.63	9.68
<b>Overall property insurance</b>	<b>26.20</b>	<b>11.85</b>	<b>20.90</b>	<b>9.72</b>	<b>25.40</b>	<b>16.42</b>	<b>14.95</b>
Fire and allied perils	19.36	9.40	14.81	5.73	30.72	12.13	11.05
Damages to property	6.85	2.45	6.09	3.99	12.44	4.29	3.91
<b>Overall motor insurance</b>	<b>81.99</b>	<b>52.64</b>	<b>53.13</b>	<b>39.80</b>	<b>54.32</b>	<b>51.37</b>	<b>46.79</b>
Motor hull	29.51	22.44	26.38	21.45	11.87	18.49	16.84
MTPL	52.48	30.20	26.75	18.35	96.18	32.88	29.95
GTPL	7.92	0.86	4.43	0.54	78.76	4.96	4.52
Transport ownership liability insurance	8.00	6.19	8.43	6.05	-5.10	5.01	4.56
Suretyship insurance	4.25	0.16	1.35	0.11	215.53	2.66	2.43
Assistance insurance	4.61	1.23	2.90	0.86	58.93	2.89	2.63
Other non-life insurance	5.56	2.32	4.04	1.30	37.78	3.48	3.17



Lithuania



Category	Percentage
Life insurance	8.23%
Unit-linked	24.48%
Marriage and birth	0.45%
Health insurance	5.88%
Property insurance	15.45%
Motor Hull	13.95%
MTPL	23.57%
GTPL	3.80%
Credit insurance	0.74%
Suretyship insurance	2.18%
Other non-life insurance	1.28%

**Sources:**

Insurance Supervisory Commission of the Republic of Lithuania (DPK)  
Lithuanian Insurers Association (LDA)  
Bank of Lithuania

**Lithuanian currency exchange rate for calculations:**

1 EUR = 3.4528 Litas, LTL (fixed)

# Corporate insurance up again

**Exclusive on www.xprimm.com**

- Life assurance ranking
- Unit-linked ranking
- Motor hull insurance ranking
- MTPL insurance ranking
- Property insurance ranking
- Health insurance ranking
- GTPL insurance ranking

After a dramatic decline in previous years, the situation of the Lithuanian insurance market has stabilised. The most challenging part of the economic crisis is already in the past, but the insurance sector still faces a variety of challenges. During the first half of this year, premiums written increased by 12.5%, up to EUR252m. Major shifts have occurred in non-life insurance market, while life insurance market preserved solid growth rates, stated for XPRIMM Mr. Ramunas BARAVYKAS, Deputy Chairman, Lithuanian ISC.

The ISC representative explains the current trends by the Lithuanian economic recovery, which has increased the importance of the commercial insurance segment. The increase in frequency and severity of natural disasters was the second driver of the growth registered in

non-life insurance, especially the strong growth of crop insurance demand. In response to the stronger demand and also to the raising claims ratio, insurers broadened and enhanced the range of insurance products. On the other hand, the segment of household insurance had not a significant effect on growth. It is worth mentioning that not only MTPL, Motor Hull or property insurance are growing, but also other insurance classes, such as health and unit-linked life insurance products, are often used as employee benefits. Therefore, the main growth factor for the life insurance market in 1H/2011 has been regained popularity of unit-linked life insurance products (19.6% up), while overall life insurance market grew by 14.1%, up to EUR83.06m in premiums.

Looking at the 2011 results, the second quarter has been the most successful for insurers. During this period, insurance companies earned profit comprised EUR5.25m, therefore accumulated losses for the first half of 2011 fell to about EUR58,000. By comparison, during the first half of 2010, insurers have earned EUR8.1m profits. Life insurers' earned profits in the first semester amounted to EUR5.01m, in line with the same period of 2010.

**Market portfolio as of June 30<sup>th</sup> 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>250.52</b>	<b>158.29</b>	<b>222.74</b>	<b>138.70</b>	<b>12.47</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>83.06</b>	<b>40.83</b>	<b>72.81</b>	<b>29.98</b>	<b>14.09</b>	<b>100.00</b>	<b>33.15</b>
Life assurance	20.61	12.09	20.16	11.94	2.23	24.81	8.23
Unit-linked	61.32	25.78	51.28	15.45	19.58	73.83	24.48
Marriage and birth	1.13	2.96	1.36	2.59	-17.29	1.36	0.45
<b>TOTAL NON-LIFE</b>	<b>167.46</b>	<b>117.46</b>	<b>149.93</b>	<b>108.72</b>	<b>11.69</b>	<b>100.00</b>	<b>66.85</b>
Health insurance	14.74	6.28	13.42	5.79	9.83	8.80	5.88
<b>Overall property insurance</b>	<b>38.71</b>	<b>32.55</b>	<b>31.26</b>	<b>15.95</b>	<b>23.85</b>	<b>23.12</b>	<b>15.45</b>
Fire and allied perils	na	na	na	na	-	-	-
Damages to property	na	na	na	na	-	-	-
<b>Overall motor insurance</b>	<b>93.99</b>	<b>66.53</b>	<b>87.23</b>	<b>62.96</b>	<b>7.75</b>	<b>56.13</b>	<b>37.52</b>
Motor Hull	34.95	32.21	31.41	30.61	11.27	20.87	13.95
MTPL	59.05	34.32	55.83	32.35	5.77	35.26	23.57
GTPL	9.51	1.66	8.91	2.07	6.76	5.68	3.80
Credit insurance	1.85	7.83	1.16	19.10	59.65	1.10	0.74
Suretyship insurance	5.45	0.38	5.25	1.28	3.79	3.25	2.18
Other non-life insurance	3.20	2.23	2.70	1.57	18.61	1.91	1.28





**Ramunas BARAVYKAS**  
Deputy Chairman of the  
Insurance Supervisory  
Commission of the  
Republic of Lithuania

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[www.xprimm.com](http://www.xprimm.com)

The second quarter was more successful for non-life insurers, who managed to reduce losses from the direct insurance business. Investment activity has been profitable for all insurance companies, and the investment profit during the quarter more than doubled. All in all, non-life insurers earned in the second quarter EUR2.75m, while in the first quarter they lost EUR7.8m. However, performance of non-life insurance companies this year was worse than last year: underwriting losses have increased and investment income lowered, consequently, instead of last year earned EUR2.95m profits, this year resulted in loss of EUR5.06m, said BARAVYKAS. He explained that the credit insurance market found itself in the trickiest situation, and yet other classes of insurance faced negative effects of raging natural disasters and other surroundings: decrease in rates during recession, increased MTPL and Motor Hull insurance claims. Moreover, more funds, due to expectations of faster growth rates, were allocated for new customers' attraction, portfolio balancing. All these factors increased expense indicators.

## Changes and perspectives

Ramunas BARAVYKAS summarized the changes brought by the crisis environment in the insurance market by saying that to adjust to the new market conditions, many market players declared their reorientation and claimed to have become more efficient in cutting costs and improving the quality of sales processes. He also estimates that, while the market is returning on the growth track, its environment and conditions will become more stringent, calling for attempts to improve the loss ratios. In addition, growing inflation will push insurance prices upwards. In setting risk-covering prices for insurance products, many companies, apart from embracing internal reserves and more stringent cost control, will probably increase their rates of insured risk and, at the same time, will be more sensitive to risk selection. I believe that insurers who can rapidly respond to change and demonstrate flexibility in adjusting to the new conditions in order to create added value

## Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)		
		GWP	CLAIMS	GWP	CLAIMS		EUR	1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.				
1	SWEDEBANK Life Ins.	20.70	13.87	21.07	12.80	-1.75	24.93	28.94	
2	MANDATUM Life	17.92	6.43	13.06	1.76	37.24	21.58	17.94	
3	SEB Gyvybės draudimas	14.08	6.92	12.50	5.12	12.68	16.96	17.17	
4	AVIVA Lietuva	13.73	7.11	11.92	3.76	15.20	16.53	16.37	
5	ERGO Life Ins. SE	6.55	2.44	5.38	3.13	21.86	7.89	7.38	
6	Compensa Life VIG	3.07	0.55	2.16	0.38	41.58	3.69	2.97	
7	PZU Lietuva	2.53	0.64	2.19	0.70	15.45	3.04	3.01	
8	BONUM PUBLICUM	2.43	0.67	2.28	0.59	6.70	2.93	3.13	
9	AMPLICO LIFE	1.44	0.15	1.31	0.05	10.18	1.74	1.80	
10	NORDEA Life	0.39	0.00	0.21	-	84.03	0.47	0.29	
11	LIETUVOS draudimas	0.21	2.04	0.27	1.67	-22.73	0.25	0.37	
12	VITAL Life	-	-	0.45	0.03	-	-	0.62	
<b>TOTAL MARKET</b>		<b>83.06</b>	<b>40.83</b>	<b>72.81</b>	<b>29.98</b>	<b>14.09</b>	<b>100.00</b>	<b>100.00</b>	

## Non-Life insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)		
		GWP	CLAIMS	GWP	CLAIMS		EUR	1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.				
1	LIETUVOS draudimas	49.04	29.12	49.07	28.73	-0.06	29.29	32.73	
2	ERGO Lietuva	20.65	11.37	18.82	11.41	9.74	12.33	12.55	
3	PZU Lietuva	19.29	9.83	19.36	12.98	-0.33	11.52	12.91	
4	BTA akcinės	19.23	12.88	2.19	0.00	778.02	11.48	1.46	
5	If P&C Insurance	15.37	11.52	14.45	10.10	6.34	9.18	9.64	
6	AAS Gjensidige Baltic	10.76	6.17	10.06	5.86	7.00	6.43	6.71	
7	VVaG Filialas VH Lietuva	9.31	15.39	1.46	1.66	536.68	5.56	0.98	
8	COMPENSA TU VIG	7.81	1.85	-	-	-	4.67	-	
9	SEESAM Lietuva	5.73	6.43	4.99	3.52	14.84	3.42	3.33	
10	SEB g.d.	2.05	1.47	1.71	1.11	19.61	1.22	1.14	
11	ERGO Life Insurance	1.84	1.01	1.72	1.00	6.52	1.10	1.15	
12	LAMANTINAS	1.62	0.04	1.64	0.06	-1.17	0.97	1.10	
13	INDUSTRIJOS garantas	1.40	1.91	3.39	1.57	-58.56	0.84	2.26	
14	COFACE Austria	1.03	0.54	0.55	3.76	85.38	0.61	0.37	
15	BUSTO paskolų draudimas	0.82	7.30	0.97	12.63	-15.08	0.49	0.65	
16	COMPENSA Life VIG	0.81	0.55	0.75	0.45	8.04	0.49	0.50	
17	JSIC BALTIKUMS	0.68	0.03	0.22	0.00	205.16	0.41	0.15	
18	BONUM PUBLICUM	0.00	0.00	0.00	0.00	-7.36	0.00	0.00	
19	PZU Lietuva g.d.	0.00	0.00	0.00	0.00	-19.14	0.00	0.00	
20	BALTIJOS garantas	-	-	-0.00	0.02	-	-	-0.00	
21	BTA draudimas	-	-	19.09	9.98	-	-	12.73	
22	EULER HERMES	-	-	-0.36	2.70	-	-	-0.24	
23	NORDICIA draudimas	-0.00	0.03	-0.17	1.15	-99.92	-0.00	-0.11	
<b>TOTAL TOP 10</b>		<b>159.25</b>	<b>106.04</b>	<b>122.12</b>	<b>75.38</b>	<b>30.41</b>	<b>95.10</b>	<b>81.45</b>	
<b>TOTAL MARKET</b>		<b>167.46</b>	<b>117.46</b>	<b>149.93</b>	<b>108.72</b>	<b>11.69</b>	<b>100.00</b>	<b>100.00</b>	

for customers will become market leaders, concluded the ISC official.

As far as the future is concerned, the market authority estimates that latter adverse developments in the financial markets in the short-run will not have significant impact. Also, most probably, favorable trends will remain in the eco-

nomny, both in short-run and in long-run, and a rebounding corporate sector will lead to positive developments of non-life insurance market. In this context, the ISC expectations are for a 10-12% increase of non-life insurance market and about 5-6% growth of life insurance market.



## Macedonia (FYROM)



Insurance Line	Percentage
Life insurance	6.28%
Accidents insurance	9.56%
Insurance of goods in transport	1.23%
Fire and allied perils	8.00%
Damages to property	10.48%
Motor Hull	11.92%
MTPL	44.69%
GTPL	2.04%
Travel insurance	1.87%
Other non-life insurance	3.91%

### Sources:

Insurance Supervision Agency  
National Bank of the Republic of Macedonia

### Macedonian currency exchange rate for calculations:

1 EUR = 61.6200 Denars, MKD  
(June 30<sup>th</sup> 2011)

1 EUR = 61.5467 Denars, MKD  
(June 30<sup>th</sup> 2010)

# Flight on life insurance

### Exclusive on [www.xprimm.com](http://www.xprimm.com)

- Accidents insurance ranking
- Motor Hull insurance ranking
- MTPL insurance ranking
- Fire and allied perils insurance ranking
- Damages to property insurance ranking
- GTPL insurance ranking
- Travel insurance ranking

Macedonia expects 3-3.5% GDP growth in 2011, up from 0.7% in 2010, according to a recent statement of Macedonian Ministry of Finance. According to the government officials, this is a realistic and optimal estimation, based on the positive impact of the European economy recovery. So far, the figures published for the first part of the year seem to validate the optimistic approach, with a GDP growth both in Q1 and Q2 of over 5% and impressive evolutions in some of the economic branches, as the construction sector, which recorded over 21% growth rate in the first two quarters.

In this context, the Macedonian insurers managed to place a 7.47% y-o-y growth rate, up to EUR53.95m. It is worth mentioning the double digit growth rate recorded on the life insurance segment

(31.8%) which shows a certain development trend for this line of business. In fact, life insurance is still a very small part of the insurance market, with a EUR 3.39m turnover in the first half of 2011. According to some informal sources, only 2% of the Macedonian citizens have insured their life, but for insurers this is a clear sign that this business is yet to grow. *We expect the life insurance business will continue to grow at a high pace, as the recent results already show. New start-ups will contribute to the market development, both by increasing the number of the life insurance providers in Macedonia and by introducing new products. For example, according to the submitted development programs, one of the new insurance undertakings intends to develop a bancassurance distribution system, a concept which, until now, was not present on the Macedonian market, and by which the policyholders will be offered a new type of quality service,* said Klime PO-POSKI, President of the Council of Experts, Macedonian ISA.

In the non-life market, the main business line remains motor insurance, which accounts for 56.62% (1H/2010: 57.72%) of the market portfolio. The negative trend still present on the Motor Hull insurance line hampered the overall growth of the motor lines, restricting it to about 5.4%. Meanwhile, on the property

### Market portfolio as of June 30<sup>th</sup> 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>53.95</b>	<b>23.22</b>	<b>50.20</b>	<b>22.52</b>	<b>7.47</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>3.39</b>	<b>0.81</b>	<b>2.57</b>	<b>0.49</b>	<b>31.80</b>	<b>100.00</b>	<b>6.28</b>
<b>TOTAL NON-LIFE</b>	<b>50.56</b>	<b>22.41</b>	<b>47.63</b>	<b>22.03</b>	<b>6.16</b>	<b>100.00</b>	<b>93.72</b>
Accidents insurance	5.16	2.76	5.38	3.01	-4.25	10.20	9.56
Insurance of goods in transport	0.66	0.03	0.65	0.03	1.56	1.31	1.23
<b>Overall property insurance</b>	<b>9.97</b>	<b>3.34</b>	<b>9.32</b>	<b>2.03</b>	<b>6.99</b>	<b>19.72</b>	<b>18.48</b>
Fire and allied perils	4.31	0.93	3.85	0.36	12.16	8.53	8.00
Damages to property	5.66	2.41	5.47	1.67	3.36	11.19	10.48
<b>Overall motor insurance</b>	<b>30.54</b>	<b>15.85</b>	<b>28.98</b>	<b>16.60</b>	<b>5.41</b>	<b>60.41</b>	<b>56.62</b>
Motor Hull	6.43	4.12	6.59	4.36	-2.33	12.72	11.92
MTPL	24.11	11.73	22.39	12.24	7.69	47.69	44.69
GTPL	1.10	0.14	1.47	0.10	-25.10	2.18	2.04
Travel insurance	1.01	0.25	1.11	0.16	-9.18	2.00	1.87
Other non-life insurance	2.11	0.04	0.71	0.11	198.08	4.18	3.91

The data for 1H 2011 are preliminary and unofficial and they are not guaranteed by the Insurance Supervision Agency of Macedonia





## Montenegro



Life insurance	10.91%
Supplementary insurance	1.64%
Other life insurance	0.63%
Accident	10.05%
Health	1.39%
Fire and allied perils	7.19%
Damages to property	6.66%
Motor hull	8.97%
MTPL	43.43%
GTPL	3.33%
Other non-life insurance	5.79%

**Sources:**

Central Bank of Montenegro  
Insurance Supervision Agency of Montenegro

Montenegro currency: EURO



# Steps forward

According to the Finance Ministry, the estimated growth rate of the Montenegro's GDP for 2012 is of about 4.0%. Moreover, the primary budget surplus will be 1.5% of the GDP in 2012, while the unemployment rate is estimated at 10.3% and the net inflow of foreign direct investment is forecasted at 17.4% of GDP. Meanwhile, for 2011, the economic growth in Montenegro is expected to be 2.5%, after a modest estimated 0.5% GDP growth in 2010.

Montenegrin insurance market recorded high and consistent growth rates over the previous six-year period, which averaged at 17%. However, financial crisis had effect on slowing down the economy, which reflected, to a certain extent, on the results of the insurance sector in 2010, as well. Thus, there was a mild decline of the gross written premium in 2010, of 5.2%. Trends of this year indicate positive developments in the insurance market, along with the growth of 4.45% at the end of the second quarter if compared to the same period last year, says Branko VUJOVIĆ, President of the Council of the Montenegrin Insurance Supervision Agency.

The first half of 2011 showed mainly a steady status of the Montenegrin insurance market, with very small structural

changes as compared to the previous period. Motor insurance continued to hold the largest share of the market portfolio, of about 52%. Following the regional trend, the Motor Hull line maintained a downward course. Still, given its reduced weight, of about 9% of the overall portfolio, it didn't completely wear down the 5% growth of the much more consistent MTPL class (over 43% of GWP). The most dynamic growth was recorded in suretyships, travel insurance, insurance for carriage of goods, and insurance of property against fire and other hazards. Additionally, the Montenegrin insurance market data in terms of profitability show that in the observed period most prominent was travel insurance, as well as general liability insurance and voluntary health insurance, explained Mr. VUJOVIĆ. Actually, among the non-line business lines, the "Fire and allied perils" class recorded the most impressive increase, at a pace of 43%, which allowed it to gain almost 2 percentage points in weight.

In view of the supervisory authority, key challenges to be faced in the coming period include providing incentives for a more dynamic development of the insurance market, through change of legislation in line with the European standards, and

### Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011 GWP	1H/2011 GWP	Nominal	% in LIFE/	% in all GWP
	EUR m.	EUR m.	Evolution (%)	NON-LIFE GWP	%
<b>TOTAL MARKET</b>	<b>32.42</b>	<b>30.69</b>	<b>5.63</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>4.27</b>	<b>3.93</b>	<b>8.76</b>	<b>100.00</b>	<b>13.18</b>
Life insurance	3.54	3.41	3.79	82.75	10.91
Supplementary insurance	0.53	0.38	38.54	12.45	1.64
Other life insurance	0.21	0.14	48.74	4.80	0.63
<b>TOTAL NON-LIFE</b>	<b>28.14</b>	<b>26.76</b>	<b>5.17</b>	<b>100.00</b>	<b>86.82</b>
Accident	3.26	3.09	5.40	11.58	10.05
Health	0.45	0.43	5.85	1.61	1.39
<b>Overall property insurance</b>	<b>4.49</b>	<b>3.85</b>	<b>16.50</b>	<b>15.95</b>	<b>13.85</b>
Fire and allied perils	2.33	1.63	43.03	8.28	7.19
Damages to property	2.16	2.23	-2.92	7.67	6.66
<b>Overall motor insurance</b>	<b>16.99</b>	<b>16.43</b>	<b>3.37</b>	<b>60.35</b>	<b>52.40</b>
Motor hull	2.91	3.03	-4.12	10.33	8.97
MTPL	14.08	13.40	5.07	50.02	43.43
GTPL	1.08	1.04	4.15	3.83	3.33
Other non-life insurance	1.88	1.92	-2.14	6.67	5.79



**Branko VUJOVIĆ**  
President of the Council  
of the Montenegrin  
Insurance Supervision  
Agency

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growth of the share of voluntary insurance activities. Further development activities will include, inter alia, improvement of insurance companies operations, in particular the corporate governance segment, risk management and establishment of an adequate system of control and supervision. A particular importance will also be the introduction of complex products on the market, to be followed with insurance activity promotion and broader-range education of citizens. The said activities should result in building and strengthening the confidence of insured as a prerequisite for development of this financial market segment, concluded the ISA President.

## Legislative highlights

As the ISA official told XPRIMM, during the first six months of 2011 the Insurance Supervision Agency adopted two new enabling regulations aimed at improving regulatory framework of the Montenegrin insurance market, as follows:

## Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal	MARKET SHARE(%)	
		EUR m.	EUR m.	Evolution (%)	1H/2011	1H/2010
1	GRAWE	2.33	2.32	0.47	54.47	58.96
2	UNIQA Life	0.69	0.58	19.10	16.10	14.70
3	LOVČEN Life	0.64	0.63	0.29	14.86	16.11
4	MERKUR	0.34	0.27	27.18	7.96	6.80
5	WIENER STAEDTISCHE Life	0.12	-	-	2.74	-
6	DELTA GENERALI Life	0.09	0.07	30.23	2.08	1.74
7	ATLAS Life	0.08	0.07	16.54	1.80	1.68
<b>TOTAL MARKET</b>		<b>4.27</b>	<b>3.93</b>	<b>8.76</b>	<b>100.00</b>	<b>100.00</b>

## Non - Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal	MARKET SHARE(%)	
		EUR m.	EUR m.	Evolution (%)	1H/2011	1H/2010
1	LOVČEN	16.31	16.73	-2.55	57.94	62.53
2	SAVA Montenegro	4.72	4.19	12.69	16.78	15.66
3	DELTA GENERALI	3.30	2.72	21.54	11.73	10.15
4	UNIQA Non-Life	2.97	2.10	41.20	10.55	7.85
5	SWISS	0.85	1.02	-16.91	3.00	3.80
<b>TOTAL MARKET</b>		<b>28.14</b>	<b>26.76</b>	<b>5.17</b>	<b>100.00</b>	<b>100.00</b>

- Rulebook on Detailed Criteria and the Manner of Calculation of Technical Reserves for Outstanding Claims, and
- Guidelines for Money Laundering and Terrorism Financing Risk Analysis in Insurance Companies.

Moreover, the Agency had rather significant legislative activities directed at drafting the Law on Insurance and the Law on Compulsory Transport Insurance, in order to harmonise them with the EU Directives.

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# FIAR

## The International Insurance - Reinsurance Forum

15<sup>th</sup> Edition



Poland



Life insurance	31.30%
Unit-linked	17.72%
Accident and sickness	7.32%
Other life insurance (reinsurance accepted included)	0.41%
Accident	1.82%
Sickness	0.70%
Fire and allied perils	5.72%
Damages to property	3.13%
Motor Hull	9.73%
MTPL	14.10%
GPL	2.80%
Credit	0.91%
Warranties	0.50%
Financial loss	1.33%
Travel	0.65%
Other non-life insurance (reinsurance accepted included)	1.85%

Sources:

The Polish Financial Supervision Authority (KNF)

The Polish Chamber of Insurance (PIU)

National Bank of Poland

Currency conversions were calculated for an average exchange rate of:

1 EUR = 3.9866 Zlots - PLN (June 30<sup>th</sup> 2011)

1 EUR = 4.1458 Zlots - PLN (June 30<sup>th</sup> 2010)



# The CEE trendsetter

Poland is the only European country that avoided recession in 2009, and its economy is expected to grow by about 3.8% this year and by 3.0% in 2012, according to the most recent edition of IMF's "World Economic Outlook". The international institution also forecasts Poland's unemployment rate at 9.4% this year (vs. 9.6% in 2010) and at 9.2% in 2012. According to OECD, the positive trend forecasted for the Polish economy is attributable to the strong public investment in 2011, partly related to EU-financed infrastructure projects, a recovery in business investment in 2012 and robust private consumption.

The insurance industry took advantage of a rare situation across the region, by addressing the protection and saving needs of a public with an almost unaltered purchasing power. As a result, the y-o-y growth rate reported for 1H/2011 was of 11.6% in domestic currency and even higher (16%) in EUR, given the 4% appreciation of the average zloty exchange rate against euro in the last 12 months.

The net financial result of Poland's insurance sector amounted to approx. EUR1.1bn in the first half of 2011, which translates into a decline of 12%, in local currency, as compared with the same period a year ago, according to the Financial Supervisory Commission's (KNF) figures. This came after a 1.7% rise in the sector's net result in 2010. The deterioration in the overall financial performance of the country's insurance firms in the first half of 2011 was recorded despite a near-doubling of the technical result, to over EUR509m, and strong increases in gross written premium and assets.

According to the most recent analysis published by PIU - Polish Chamber of Insurance, the net profit from life insurance amounted to PLN1.7bn (EUR426.4m), representing a decrease by 7.9% as compared to 1H/2010. The profit recorded by non-life insurers came to PLN2.6bn (EUR652m), that is almost 15% less than the previous year's figure. *It should be pointed out that the actual picture of*

## Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.	EUR	%	%
<b>TOTAL MARKET</b>	<b>7,398.47</b>	<b>4,838.93</b>	<b>6,375.88</b>	<b>4,682.25</b>	<b>16.04</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>4,198.55</b>	<b>3,087.00</b>	<b>3,645.90</b>	<b>3,051.18</b>	<b>15.16</b>	<b>100.00</b>	<b>56.75</b>
Life insurance	2,315.49	2,139.93	2,199.03	2,317.35	5.30	55.15	31.30
Unit-linked	1,311.27	708.05	897.74	521.53	46.06	31.23	17.72
Accident and sickness	541.45	212.03	516.44	183.06	4.84	12.90	7.32
Other life insurance (reinsurance accepted included)	30.34	26.99	32.69	29.23	-7.17	0.72	0.41
<b>TOTAL NON-LIFE</b>	<b>3,199.92</b>	<b>1,751.93</b>	<b>2,729.98</b>	<b>1,631.07</b>	<b>17.21</b>	<b>100.00</b>	<b>43.25</b>
Accident	134.93	39.76	130.87	34.28	3.11	4.22	1.82
Sickness	51.91	21.14	38.08	15.91	36.32	1.62	0.70
<b>Overall property insurance</b>	<b>654.97</b>	<b>296.03</b>	<b>531.41</b>	<b>275.66</b>	<b>23.25</b>	<b>20.47</b>	<b>8.85</b>
Fire and allied perils	423.49	166.12	335.39	206.99	26.27	13.23	5.72
Damages to property	231.48	129.90	196.03	68.67	18.08	7.23	3.13
<b>Overall motor insurance</b>	<b>1,762.93</b>	<b>1,171.79</b>	<b>1,476.90</b>	<b>1,119.22</b>	<b>19.37</b>	<b>55.09</b>	<b>23.83</b>
Motor Hull	719.71	487.43	605.59	479.20	18.84	22.49	9.73
MTPL	1,043.22	684.36	871.31	640.02	19.73	32.60	14.10
GPL	206.86	81.20	171.76	73.78	20.43	6.46	2.80
Credit	67.32	21.06	55.39	38.44	21.55	2.10	0.91
Warranties	36.73	9.51	36.77	7.43	-0.09	1.15	0.50
Financial loss	98.69	23.25	98.36	8.02	0.34	3.08	1.33
Travel	48.35	28.76	39.94	19.26	21.03	1.51	0.65
Other non-life insurance (reinsurance accepted included)	137.22	59.43	150.49	39.06	-8.82	4.29	1.85

profits on the non-life market is heavily influenced by the dividend paid on a yearly basis to the biggest Polish insurance company by its subsidiary, a life insurer. This dividend not included, the profit recorded by the non-life market at the end of the first half year would come to less than a third of the final figure, states the PIU analysis.

In terms of written premiums, the Polish market remains the biggest in the region, with a EUR7.4bn GWP volume in 1H/2011, and a 41.6% share of the regional aggregated GWP. In fact, due to its superior dynamic, outpacing most of its regional peers, the weight of the Polish insurance market in the CEE results grew from 38.8% in June 2010, to the present almost 42%. It is also worth mentioning that the PZU companies specialized in life/non-life insurance are leading the regional rankings.

Life insurance business accounted for 56.75% of the total GWP in 1H/2011, with a total turnover of almost EUR4.2bn, up by 15.16% compared to the previous year. In line with the regional trend, the best performance was achieved for the unit-linked products, with a 46% growth rate in EUR. *I would like to see these figures as evidence that more and more people are thinking not only about security, but also about making savings towards their pensions. It is worth remembering that investment policies are long-term products. They work best if given a dozen or so years or even several decades, says Jan Grzegorz Prądzynski, President of PIU Management Board.* Yet, there was still a large group of clients who decided to close their savings and investments policies, as evidenced by the substantial 30% increase in the value of benefits under such products.

On the non-life side, the overall growth rate recorded was of about 17.2%, up to EUR3.2bn in GWP. Motor insurance, which accounts for the largest share in the non-life portfolio, recorded an about 19% growth rate, both on Motor Hull and

### Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	PZU ŻYCIE	1,321.57	748.34	897.85	1,152.86	47.19	31.48	24.63
2	EUROPA na ŻYCIE	412.34	453.33	658.28	207.73	-37.36	9.82	18.06
3	WARTA na ŻYCIE	320.98	283.97	294.79	291.59	8.88	7.65	8.09
4	ING na ŻYCIE	257.30	281.46	244.01	284.72	5.45	6.13	6.69
5	AVIVA na ŻYCIE	235.47	182.88	207.90	183.79	13.26	5.61	5.70
6	NORDEA POLSKA na ŻYCIE	223.39	262.74	206.58	151.69	8.13	5.32	5.67
7	ALLIANZ ŻYCIE POLSKA	217.08	188.22	210.43	162.30	3.16	5.17	5.77
8	AMPLICO LIFE	169.17	97.19	153.08	78.22	10.51	4.03	4.20
9	AXA ŻYCIE	125.96	36.92	90.73	37.04	38.83	3.00	2.49
10	BENEFIA na ŻYCIE VIG	114.55	48.77	46.60	23.64	145.80	2.73	1.28
11	GENERALI ŻYCIE	112.97	85.21	120.24	151.83	-6.05	2.69	3.30
12	ERGO HESTIA na ŻYCIE	103.58	17.99	93.17	14.85	11.17	2.47	2.56
13	AEGON ŻYCIE	98.97	103.12	87.20	77.27	13.49	2.36	2.39
14	HDI-GERLING ŻYCIE	88.51	29.24	33.17	14.51	166.81	2.11	0.91
15	WBK- AVIVA na ŻYCIE	84.14	35.77	10.50	1.21	701.19	2.00	0.29
16	UNIQA na ŻYCIE	64.67	100.16	120.75	109.33	-46.44	1.54	3.31
17	COMPENSA na ŻYCIE VIG	58.74	27.38	27.05	23.91	117.15	1.40	0.74
18	SKANDIA ŻYCIE	51.59	30.05	45.22	29.13	14.09	1.23	1.24
19	CARDIF POLSKA na ŻYCIE	43.25	5.53	31.59	9.85	36.91	1.03	0.87
20	METLIFE na ŻYCIE	33.81	45.87	15.52	28.81	117.81	0.81	0.43
21	PRAMERICA ŻYCIE	18.48	4.58	20.25	4.62	-8.75	0.44	0.56
22	SKOK ŻYCIE	14.85	3.04	11.78	2.43	26.12	0.35	0.32
23	POLISA-ŻYCIE	14.81	10.49	9.43	6.18	57.03	0.35	0.26
24	CONCORDIA CAPITAL	4.86	1.42	3.86	0.99	25.79	0.12	0.11
25	SIGNAL IDUNA ŻYCIE POLSKA	4.73	2.39	2.68	1.24	76.49	0.11	0.07
26	REJENT-LIFE	1.51	0.51	1.41	0.45	7.18	0.04	0.04
27	MACIF ŻYCIE	0.98	0.28	0.76	0.31	30.04	0.02	0.02
28	INTER-ŻYCIE POLSKA	0.29	0.15	0.19	0.21	48.80	0.01	0.01
29	LINK4 LIFE na ŻYCIE	-	-	0.21	0.06	-	-	0.01
30	MYLIFE na ŻYCIE	-	-	-	-	-	-	-
31	UNIVERSUM-ŻYCIE	-	-	0.65	0.38	-	-	0.02
<b>TOTAL TOP 10</b>		<b>3,397.81</b>	<b>2,583.82</b>	<b>3,010.25</b>	<b>2,573.59</b>	<b>12.87</b>	<b>80.93</b>	<b>82.57</b>
<b>TOTAL TOP 20</b>		<b>4,138.03</b>	<b>3,064.15</b>	<b>3,594.67</b>	<b>3,034.30</b>	<b>15.12</b>	<b>98.56</b>	<b>98.60</b>
<b>TOTAL MARKET</b>		<b>4,198.55</b>	<b>3,087.00</b>	<b>3,645.90</b>	<b>3,051.18</b>	<b>15.16</b>	<b>100.00</b>	<b>100.00</b>



## Non - Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	PZU	1,056.92	667.10	975.37	632.03	8.36	33.03	35.73
2	ERGO HESTIA	346.47	166.99	279.85	161.93	23.81	10.83	10.25
3	WARTA	286.02	152.72	238.67	165.23	19.84	8.94	8.74
4	ALLIANZ POLSKA	233.90	137.77	207.72	113.44	12.60	7.31	7.61
5	INTERRISK VIG	139.70	71.93	121.81	54.05	14.69	4.37	4.46
6	UNIQA	133.38	77.40	104.69	72.39	27.41	4.17	3.83
7	COMPENSA VIG	127.92	67.43	93.84	59.71	36.32	4.00	3.44
8	HDI ASEKURACJA	126.30	70.53	116.84	70.55	8.09	3.95	4.28
9	GENERALI	122.91	58.70	92.91	52.82	32.30	3.84	3.40
10	Moje Towarzystwo Ubezpieczeń	78.11	45.54	60.84	37.34	28.38	2.44	2.23
11	EUROPA	62.29	1.87	57.79	1.80	7.80	1.95	2.12
12	PTU	58.73	37.13	56.04	35.27	4.81	1.84	2.05
13	TUW TUW	45.24	23.06	32.73	19.60	38.21	1.41	1.20
14	PTR	40.93	22.47	30.29	16.96	35.10	1.28	1.11
15	AVIVA OGÓLNYCH	40.88	20.88	29.52	14.77	38.48	1.28	1.08
16	LINK4	38.19	18.68	27.95	17.52	36.61	1.19	1.02
17	EULER HERMES	34.53	9.66	30.33	33.08	13.84	1.08	1.11
18	SKOK	33.96	1.60	25.36	0.74	33.90	1.06	0.93
19	BENEFIA VIG	32.64	15.98	26.27	15.58	24.25	1.02	0.96
20	CONCORDIA POLSKA	29.58	29.92	27.05	10.88	9.33	0.92	0.99
21	PZM VIG	23.25	16.86	21.05	19.79	10.48	0.73	0.77
22	AXA	18.53	6.25	7.98	3.23	132.27	0.58	0.29
23	BRE UBEZPIECZENIA	17.05	5.76	13.59	3.44	25.42	0.53	0.50
24	WBK- AVIVA OGÓLNYCH	15.49	1.19	9.76	0.90	58.73	0.48	0.36
25	TUW TUZ	15.27	3.94	8.83	2.21	72.90	0.48	0.32
26	INTER POLSKA	11.85	4.36	9.08	3.48	30.49	0.37	0.33
27	CUPRUM	7.50	2.98	5.72	1.23	31.05	0.23	0.21
28	SIGNAL IDUNA POLSKA	7.15	5.45	7.20	5.74	-0.64	0.22	0.26
29	KUKE	5.33	3.59	5.31	1.91	0.42	0.17	0.19
30	POCZTOWE	4.99	3.53	3.70	3.00	35.02	0.16	0.14
31	MEDICA POLSKA ZDROWOTNE	2.57	0.09	-	-	-	0.08	-
32	D.A.S. OCHRONY PRAWNEJ	2.21	0.52	1.92	0.44	15.42	0.07	0.07
33	PARTNER	0.13	0.03	0.00	0.02	39,792	0.00	0.00
34	BEZPIECZNY DOM	-	-	-0.04	-	-	-	-
<b>TOTAL TOP 10</b>		<b>2,651.64</b>	<b>1,516.12</b>	<b>2,292.55</b>	<b>1,419.48</b>	<b>15.66</b>	<b>82.87</b>	<b>83.98</b>
<b>TOTAL TOP 20</b>		<b>3,068.61</b>	<b>1,697.37</b>	<b>2,635.89</b>	<b>1,585.69</b>	<b>16.42</b>	<b>95.90</b>	<b>96.55</b>
<b>TOTAL MARKET</b>		<b>3,199.92</b>	<b>1,751.93</b>	<b>2,729.98</b>	<b>1,631.07</b>	<b>17.21</b>	<b>100.00</b>	<b>100.00</b>

MTPL lines. While the growth in premiums was supported in the previous years by a stable growth in car sales – a situation almost unique in the region since 2008 –, in the first half of 2011 Poland experienced for the first time a 12% decrease of the number of new cars registrations. As a result, the 2011 appreciation of the business volume came mostly from the adjustment of rates to difficult market conditions, which had been already been visible in the preceding quarters when the indemnity values, which have been on the rise for several years, combined with stable insurance prices, resulted in losses which companies could no longer accept. As part of the motor insurance segment, companies paid out EUR685m worth of compensations under MTPL and almost EUR488m under Motor Hull insurance.

Apart from the motor lines, another segment with a significant share in the non-life was that of policies against fire and allied perils. In this class, too, an increase in the collected premiums was visible – from EUR335.4m, to EUR423.5m. This increase might, too, have been a result of the necessity to adjust rates to market conditions, especially in the context of last year's floods, in the wake of which insurers had to pay out a large amount in indemnities.

### PZU, the CEE champion

The first half of this year represented for the Polish insurance group PZU SA a net financial result of EUR391.44 m, representing an absolute value increase of EUR99.28 m, compared to 1H/2010, according to Interim Consolidated Report published by the Group. *The increase in written premium, further profitability improvement and decrease in administrative costs resulting from the continuation of the restructuring processes are the facts which will certainly please investors*, stated Andrzej KLESYK, PZU's CEO.

Gross written premiums for the first half of 2011 amounted to EUR1.93bn, accounting for a 10.8% share of the entire CEE region production in GWP. The main growth sources for the PZU's business were property and casualty insurance and the life insurance segment.



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Romania



Category	Percentage
Annuities and supplementary ins.	12.79%
Unit-linked	8.01%
Other life insurance	0.03%
Accidents and illness	0.99%
Fire and allied perils	14.79%
Damages to property	1.81%
Motor Hull	25.40%
MTPL	28.21%
GTPL	2.23%
Credit	1.87%
Warranties	1.02%
Other non-life insurance	2.85%

Sources:

Insurance PROFILE  
Insurance Supervisory Commission (ISC)  
Romanian National Bank

Currency conversions were calculated for an average exchange rate of:  
RON 4.1797/EUR - in 1H/2011  
RON 4.1482/EUR - in 1H/2010

# Upswing on housing insurance

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- Annuities and supplementary insurance ranking
- Unit-linked insurance ranking
- Accidents and illness insurance ranking
- Fire and allied insurance ranking
- Damages to property insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking
- GTPL insurance ranking
- Credit insurance ranking
- Warranties insurance ranking

Growth has returned to Romania, but the recovery remains fragile, concluded the IMF staff visiting Romania in August 2011 for the second review under the stand-by arrangement. The country posted its third consecutive quarter of positive growth in Q2, although the pace weakened to 0.2% (q/q). Domestic demand began to recover, while net exports turned slightly negative. High frequency indicators suggest weaker growth in industrial production and exports. Consumer confidence, however, continues to improve, while the monthly decline in retail sales has started to reverse, as has the construction sector. Furthermore, an excellent agricultural

harvest should boost growth. Job losses have halted, and registered unemployment rate continued to fall to 4.8% in July; however, the more representative ILO measure showed a rate of 7.3% in July.

In the above described context, the Romanian insurance market ended the first half of 2011 with an overall gross written premium volume of EUR960.57m, 7.67% down, in nominal terms and European currency, as compared to the first half of 2010. In real terms and domestic currency, the decrease was of about 13.8%. With very few exceptions, all the major companies recorded a significant slowdown in the underwriting activity. Yet, there are also good news, as paid claims volume also decreased by around 8%.

## Motor lines set the trend

A decline of 19.1%, to EUR515m, for the motor lines, was the main reason for the negative trend of the market. According to ISC - the Insurance Supervisory Commission -, *this decrease in income did not affect companies' ability to pay claims and insurance indemnities, their total volume, of about EUR534m, representing, as in the same period of last year, more than 60% of gross written premiums.*

The most dramatic fall was recorded on the Motor Hull business line. A continuous drop in car sales determined a similar trend on

## Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>960.57</b>	<b>534.54</b>	<b>1,040.33</b>	<b>582.76</b>	<b>-7.67</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>200.04</b>	<b>23.88</b>	<b>192.57</b>	<b>23.45</b>	<b>3.88</b>	<b>100.00</b>	<b>20.82</b>
Annuities and supplementary ins.	122.87	22.97	117.24	22.49	4.80	61.42	12.79
Unit-linked	76.90	0.37	75.08	0.94	2.42	38.44	8.01
Other life insurance	0.27	0.54	0.25	0.02	8.73	0.14	0.03
<b>TOTAL NON-LIFE</b>	<b>760.54</b>	<b>510.66</b>	<b>847.77</b>	<b>559.31</b>	<b>-10.29</b>	<b>100.00</b>	<b>79.18</b>
Accidents and illness	9.48	1.67	9.27	1.35	2.28	1.25	0.99
<b>Overall property insurance</b>	<b>159.51</b>	<b>35.53</b>	<b>134.04</b>	<b>19.38</b>	<b>19.00</b>	<b>20.97</b>	<b>16.61</b>
Fire and allied perils	142.10	31.89	123.56	17.15	15.01	18.68	14.79
Damages to property	17.41	3.63	10.49	2.22	66.09	2.29	1.81
<b>Overall motor insurance</b>	<b>514.99</b>	<b>443.78</b>	<b>640.94</b>	<b>510.84</b>	<b>-19.65</b>	<b>67.71</b>	<b>53.61</b>
Motor Hull	243.97	247.82	310.38	310.88	-21.40	32.08	25.40
MTPL	271.02	195.96	330.56	199.97	-18.01	35.64	28.21
GTPL	21.40	6.46	17.44	1.53	22.68	2.81	2.23
Credit	17.92	13.70	16.63	19.59	7.77	2.36	1.87
Warranties	9.81	0.33	6.32	0.01	55.14	1.29	1.02
Other non-life insurance	27.42	9.20	23.13	6.61	18.56	3.61	2.85

the Motor Hull insurance segment. Looking at the ACEA statistics, one should easily note that Romania has recorded one of the worst depreciations of the new passenger car registrations figures, with a 13.3% drop as compared to the first half of 2010, while EU27 average was of about -2%. Just for comparison reasons, in June 2007, the y-o-y growth in new passenger car registrations was of about 29%. In the first half of 2007, more than 143,000 new cars fed a rapid growing Motor Hull business line. One year later, in 1H/2008, the figure grew to almost 150,000 new cars, while in 1H/2011 less than 32,000 cars were registered.

Thus, the Motor Hull underwritings fell by about 21% compared to the same period of 2010, to less than EUR244m. This evolution was recorded despite the about 20% y-o-y reduction of prices for this type of policies. Yet, only a little over 400,000 policies have been signed.

Premiums underwritten on MTPL segment have also witnessed a y-o-y 18% decrease, to EUR271m, as a direct and exclusive effect of great discounts of prices operated by companies for mandatory MTPL insurance, *for the sole purpose of maintaining over 85% the degree of coverage in mandatory insurance*, as the ISC President recently stated.

Fortunately, not all the business lines went down. In fact, the market results reflect the insurers' efforts of reshaping their portfolios and developing other lines of business in order to compensate as much as possible the drop in motor insurance.

The first relevant example is the property insurance line, in fact the fire and allied perils insurance class, which recorded a 15% y-o-y growth rate, up to EUR142m. Another EUR4m in premium came from the "damages to property" class, which includes the agricultural insurance for crops and stock. At this stage, the property insurance business makes about 14.7% of the market portfolio.

The first year of the mandatory household insurance enforcement helped Romanian insurers to better promote the property insurance concept. Moreover, the legal provision stating the possibility to replace the mandatory policy (PAD) by a voluntary one - under the condition that the latest's coverage includes the specific risks covered by PAD, encouraged customers to choose voluntary insurance, as it offers better coverage, both in financial and risks terms. Currently, about 10% of the Romanian housing stock is covered against the catastrophic risks by the mandatory system, while almost 35% of the homeowners have got insurance coverage through a voluntary policy. All in all, the number of insured properties increased three times in the last year.

Positive trends were also recorded on the accidents and illness class, the health class or GTPL, credit insurance or warranties insurance classes.

## Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	ING Asig. de Viață	65.00	1.94	66.16	1.88	-1.75	32.49	34.36
2	BCR Asig. de Viață	39.96	3.22	37.10	2.94	7.71	19.98	19.26
3	ALICO România	22.68	-	21.16	-	7.20	11.34	10.99
4	ALLIANZ-TIRIAC	11.28	0.72	10.20	1.22	10.58	5.64	5.30
5	GENERALI	10.91	1.25	10.92	1.65	-0.09	5.46	5.67
6	ASIROM	10.58	9.57	11.26	9.66	-5.99	5.29	5.84
7	AVIVA	8.12	1.33	9.27	1.10	-12.37	4.06	4.81
8	GROUPAMA	7.21	2.52	7.29	2.73	-1.20	3.60	3.79
9	GRAWE România	6.65	0.26	7.02	0.20	-5.25	3.32	3.64
10	BRD Asig. de Viață	4.62	0.40	1.53	0.18	202.59	2.31	0.79
11	EUREKO	3.67	1.53	3.68	0.41	-0.06	1.84	1.91
12	AXA Life Insurance	2.14	0.25	2.20	0.42	-2.76	1.07	1.14
13	ERGO Asig. de Viață	2.03	0.01	-	-	-	1.01	-
14	EFG Eurolife Viață	1.92	0.51	2.25	0.50	-14.71	0.96	1.17
15	ASTRA	1.74	0.18	1.52	0.42	14.58	0.87	0.79
16	AEGON Asig. de Viață	0.81	0.01	0.47	0.00	73.22	0.41	0.24
17	GARANTA	0.52	0.16	0.49	0.16	6.01	0.26	0.25
18	SIGNAL IDUNA	0.16	0.00	0.03	-	409.33	0.08	0.02
19	UNIQA Asig. de Viață	0.03	-	-	-	-	0.02	-
20	ATE INSURANCE	0.00	-	0.03	-	-97.68	0.00	0.02
<b>TOTAL TOP 10</b>		<b>187.02</b>	<b>21.22</b>	<b>181.91</b>	<b>21.54</b>	<b>2.81</b>	<b>93.49</b>	<b>94.46</b>
<b>TOTAL MARKET</b>		<b>200.04</b>	<b>23.88</b>	<b>192.57</b>	<b>23.45</b>	<b>3.88</b>	<b>100.00</b>	<b>100.00</b>

## Non-Life insurance ranking (first 25 companies)

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	ASTRA	131.89	76.00	138.57	55.82	-4.81	17.34	16.34
2	OMNIASIG	103.63	74.92	116.71	87.59	-11.21	13.63	13.77
3	ALLIANZ-TIRIAC	98.14	71.95	119.62	94.93	-17.96	12.90	14.11
4	ASIROM	77.61	30.35	56.96	42.18	36.25	10.20	6.72
5	GROUPAMA	76.70	63.76	88.76	71.05	-13.58	10.08	10.47
6	BCR Asigurări	55.40	38.76	62.35	41.88	-11.14	7.28	7.35
7	UNIQA	47.80	42.97	52.07	47.40	-8.21	6.28	6.14
8	GENERALI	37.07	34.45	45.58	27.38	-18.66	4.87	5.38
9	EUROINS	27.85	19.53	42.31	23.63	-34.18	3.66	4.99
10	CARPATICA Asig.	20.95	13.25	40.61	12.58	-48.40	2.76	4.79
11	ARDAF	15.53	22.06	34.02	30.52	-54.36	2.04	4.01
12	CITY Insurance	12.72	0.55	6.66	0.08	90.99	1.67	0.79
13	ASITO KAPITAL	12.36	1.11	7.83	1.13	57.92	1.63	0.92
14	GARANTA	11.46	9.61	12.94	11.05	-11.40	1.51	1.53
15	PORSCHE Asigurări	4.33	2.45	1.68	-	157.38	0.57	0.20
16	CREDIT EUROPE Asig.	3.88	2.48	5.30	2.33	-26.83	0.51	0.63
17	ALICO România	3.64	-	2.95	-	23.32	0.48	0.35
18	CERTASIG	3.28	2.21	2.88	2.15	13.75	0.43	0.34
19	FATA Asigurări	2.78	1.43	2.94	2.86	-5.48	0.37	0.35
20	P.A.I.D.	2.56	-	-	-	-	0.34	-
21	ABC Asigurări	1.99	0.98	2.43	1.38	-18.09	0.26	0.29
22	PLATINUM	1.65	0.67	1.21	0.60	36.20	0.22	0.14
23	EULER HERMES	1.60	-	-	-	-	0.21	-
24	EUREKO	1.56	0.87	1.14	2.14	37.49	0.21	0.13
25	SIGNAL IDUNA	1.26	0.09	0.05	0.02	2,392	0.17	0.01
<b>TOTAL TOP 10</b>		<b>677.04</b>	<b>465.95</b>	<b>763.53</b>	<b>504.42</b>	<b>-11.33</b>	<b>89.02</b>	<b>90.06</b>
<b>TOTAL TOP 20</b>		<b>749.59</b>	<b>507.85</b>	<b>840.74</b>	<b>554.55</b>	<b>-10.84</b>	<b>98.56</b>	<b>99.17</b>
<b>TOTAL MARKET</b>		<b>760.54</b>	<b>510.66</b>	<b>847.77</b>	<b>559.31</b>	<b>-10.29</b>	<b>100.00</b>	<b>100.00</b>



**Serbia**



Life insurance	15.39%
Accidents insurance	6.38%
Health insurance	2.05%
Goods in transit	1.40%
Fire and allied perils	9.33%
Damages to property	17.89%
Motor Hull	12.42%
MTPL	29.22%
GTPL	2.29%
Travel	1.46%
Other non-life insurance	2.17%

**Sources:**

National Bank of Serbia

Serbian currency exchange rate for calculations:

1 EUR = 102.4631 Dinars - RSD (June 30<sup>th</sup> 2011)

1 EUR = 104.3704 Dinars - RSD (June 30<sup>th</sup> 2010)

# Positive outlook

**Exclusive on [www.xprimm.com](http://www.xprimm.com)**

- Motor hull insurance ranking
- MTPL insurance ranking
- Fire and allied perils insurance ranking
- Damages to property insurance ranking
- Accidents insurance ranking
- GTPL insurance ranking

In Q2/2011 the Serbian insurance sector recorded positive results relative to the same period a year earlier despite low wage growth (2.9% relative to Q1/2011) and a slowdown in y-o-y GDP growth. The number of insurance companies rose from 26 a year earlier to 27, employment in the insurance sector increased to 11,289 (up by 3.3% y-o-y), while market concentration measured by the Herfindahl Hirschman Index declined.

On the other hand, total premium came at EUR298m in Q2, marking a modest increase of 3.95% y-o-y. Such movements are due to dented household demand, and consequently dampened demand for insurance products, notably non-compulsory non-life insurance and the drop in premium for some types of insurance within this group, such as property

The present article is an excerpt from the market analysis provided by the Serbian National Bank, The Department for Insurance Supervision (conversion of the financial data into European currency made by the editor).

Read the in depth market analysis exclusively on [www.xprimm.com](http://www.xprimm.com).

insurance and full coverage motor vehicle insurance.

Premium composition continues to be dominated by non-life insurance. Its share in total premium measured 84.6% at end-Q2, while the share of life insurance equalled 15.4%. The share of life insurance increased from 14.2% at end-Q2/2010, as its growth outpaced that in non-life insurance.

Life insurance recorded a strong y-o-y growth, continuing the previously evidenced trend of the most dynamic growth in this segment of the market. Bulk of life insurance premium is accounted for by mixed endowment insurance. Increasingly popular is supplemental critical illness cover. In terms of life insurance payable in the event of death (residual debt insurance), which ranked second by the number of concluded policies in 2010, insurance companies are paying more and more attention to decreasing term products, taken out when entering into a credit agreement with a bank, which means that banks are increasingly used as the channel for distribution of life insurance products. The 2006 amendments to the Insurance Law gave banks the possibility to engage in insurance sales, opening up a legal possibility to establish bank insurance as a special marketing strategy, especially for life insurance products.

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>298.48</b>	<b>114.07</b>	<b>287.13</b>	<b>95.95</b>	<b>3.95</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>45.94</b>	<b>10.13</b>	<b>40.65</b>	<b>7.85</b>	<b>13.02</b>	<b>100.00</b>	<b>15.39</b>
<b>TOTAL NON-LIFE</b>	<b>252.54</b>	<b>103.94</b>	<b>246.48</b>	<b>88.10</b>	<b>2.46</b>	<b>100.00</b>	<b>84.61</b>
Accidents insurance	19.05	9.97	17.44	8.35	9.20	7.54	6.38
Health insurance	6.11	2.46	6.07	2.50	0.65	2.42	2.05
Goods in transit	4.19	0.96	4.53	0.63	-7.53	1.66	1.40
<b>Overall property insurance</b>	<b>81.24</b>	<b>17.97</b>	<b>82.10</b>	<b>15.29</b>	<b>-1.05</b>	<b>32.17</b>	<b>27.22</b>
Fire and allied insurance	27.85	4.16	29.07	4.70	-4.21	11.03	9.33
Damages to property	53.39	13.81	53.03	10.59	0.68	21.14	17.89
<b>Overall motor insurance</b>	<b>124.28</b>	<b>65.29</b>	<b>121.67</b>	<b>59.14</b>	<b>2.15</b>	<b>49.21</b>	<b>41.64</b>
Motor Hull	37.07	23.21	37.43	23.62	-0.97	14.68	12.42
MTPL	87.21	42.08	84.24	35.51	3.53	34.54	29.22
GTPL	6.83	1.01	6.39	0.79	6.82	2.70	2.29
Travel	4.35	1.32	3.64	0.46	19.47	1.72	1.46
Other non-life insurance	6.48	4.96	4.62	0.96	40.25	2.57	2.17

The composition of non-life insurance premium in 2010 and 2011 shows a prevalence of compulsory motor third party liability insurance (29.2% share in total premium), property insurance and full coverage motor vehicle insurance. The earned net loss ratio for non-life insurance, i.e. the ratio of earned claims retained to earned net pure premium, equalled 73.55% in 2010, so it can be said that the indicator of price and premium adequacy was satisfactory.

After stagnating last year, household spending is expected to recover and grow modestly in 2011, led chiefly by the real growth in public sector wages. As Q2 saw an increase in investment loan approvals, investment activity of the private sector is expected to step up in the coming period, providing the greatest boost to economic growth in 2011, which is projected at 3%.

According to preliminary estimates, global growth slowed down in Q2 and is expected to reaccelerate in the second half of the year. The deepening of economic crisis in some EU countries and the debt crisis of eurozone periphery intensifies the risks to global economy and makes the forecasting of economic activity, even in the near term, rather difficult.

Given that the movements in other segments of the economy largely determine the performance of the insurance market, and in view of the expected recovery in household spending, earlier tendencies are likely to continue by end-2011, i.e. further, albeit slow, growth and positive developments in the insurance market. Long-term trends of premium growth rise in the share of life insurance in total premium, and the growth in balance sheet assets and technical reserves will probably continue.

The problem of a lack of quality assets for investment, notably for companies engaged in life insurance business, was significantly alleviated by the auctions of 15-year government bonds in Q1 and Q2/2011. More auctions of these securities are announced for the coming period.

In addition to the above, a World Bank project envisages the creation of possibilities, based on the principle of public-private partnership, for the development of insurance against natural disasters in South-Eastern Europe. If the project is implemented, the Serbian corporate and the household sectors could access insurance against the ever more present risk of natural disasters (earthquakes, droughts and floods) under favourable terms, which could be very important, especially for some segments of the society, primarily agriculture which has suffered major damage due to drought and floods in recent years.



### Life insurance ranking

No.	Company	GWP 1H/2011	CLAIMS 1H/2011	MARKET SHARE (%)
		EUR m.	EUR m.	1H/2011
1	DELTA GENERALI	11.40	2.03	24.81
2	WIENER	11.30	2.71	24.60
3	GRAWE	9.25	2.11	20.14
4	DUNAV	3.63	0.68	7.91
5	UNIQA Zivot	3.43	1.42	7.47
6	DDOR	2.65	0.88	5.76
7	MERKUR	2.07	0.08	4.50
8	AXA Zivot	0.64	0.04	1.39
9	SOCIETE Gen.	0.57	-	1.24
10	TRIGLAV	0.30	0.16	0.65
11	SAVA Zivotno	0.26	0.00	0.57
12	METLIFE	0.24	0.00	0.51
13	BASLER Zivot	0.21	0.01	0.45
<b>TOTAL TOP 10</b>		<b>45.23</b>	<b>10.11</b>	<b>98.46</b>
<b>TOTAL MARKET</b>		<b>45.94</b>	<b>10.13</b>	<b>100.00</b>

### Non-Life insurance ranking

No.	Company	GWP 1H/2011	CLAIMS 1H/2011	MARKET SHARE (%)
		EUR m.	EUR m.	1H/2011
1	DUNAV	83.59	34.59	33.10
2	DDOR	52.45	23.94	20.77
3	DELTA GENERALI	44.66	13.47	17.68
4	UNIQA Nezivot	14.60	5.69	5.78
5	WIENER	13.05	6.73	5.17
6	TAKOVO	10.50	4.01	4.16
7	TRIGLAV	10.18	4.20	4.03
8	AMS	6.84	3.45	2.71
9	SAVA Nezivot	5.88	3.66	2.33
10	MILENIJUM	5.59	2.00	2.21
11	AS osiguranje	1.85	1.39	0.73
12	GLOBOS	1.82	0.68	0.72
13	ENERGOPROJEKT	0.90	0.04	0.36
14	BASLER Nezivot	0.45	0.05	0.18
15	GRAWE	0.18	0.03	0.07
<b>TOTAL TOP 10</b>		<b>247.34</b>	<b>101.74</b>	<b>97.94</b>
<b>TOTAL MARKET</b>		<b>252.54</b>	<b>103.94</b>	<b>100.00</b>



Slovakia



Traditional life ins.	27.21%
Unit-Linked	15.14%
Other life insurance	8.66%
Accident and health insurance	1.50%
Property	11.85%
Motor Hull	13.12%
MTPL	15.29%
GTPL	3.38%
Travel	0.91%
Other non-life insurance (reinsurance included)	2.94%

Sources:

Slovak Insurers Association (SLASPO)  
National Bank of Slovakia  
Slovak currency : EURO

# No spectacular times

Exclusive on [www.xprimm.com](http://www.xprimm.com)

- Unit-linked insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking

By the end of September 2011, amid fears of a deceleration in global economic growth, the National Bank of Slovakia lowered its GDP growth estimate for 2011 and 2012 by 0.2 and 0.9 percentage points respectively. According to NBS, Slovakia's economy is now expected to grow by only 3.4 percent in 2011 and by 3.8 percent in 2012. The main reasons for the less optimistic forecast are the lower expected growth in foreign demand and the below the line household consumption. The new prognosis was also affected by measures associated with the consolidation of public finances. Still, even less optimistic than in the beginning of 2011, the Slovak economy perspectives are good, maintaining the upward trend installed in 2010.

As far as the domestic insurance market is concerned, although there was a slight increase of premium in the first half of 2011, the indices are much more below

those which were before financial crisis. Life insurance stagnated, while non-life insurance experienced a slight increase, Mrs. Julia CILLIKOVA, Director of the Regulation and Financial Analyses Department, National Bank of Slovakia, told XPRIMM. According to JUDr. Jozefina ZAKOVA, Director General of the Slovak Insurance Association, the modest growth of the industry mirrored the business sector's development and slight increase of the private household consumption.

More specific, the Slovak insurance market went forward by 0.98%, as compared to 1H/2010. Of course, after years of double digit growth before the economic downturn, the 2011 figures are far from spectacular. Nevertheless, the good news is that the non-life insurance segment re-entered on the growth path. The largest increase in non-life insurance was recorded in property insurance, where the growth of premium was 4.8%. We have witnessed a growth in claim costs of non-life insurance, but there was recorded also decrease in technical provisions, explains Julia CILLIKOVA.

On the life insurance side, it seems that we are witnessing a slowdown of the

## Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>1,044.22</b>	<b>582.45</b>	<b>1,034.11</b>	<b>530.12</b>	<b>0.98</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>532.71</b>	<b>324.31</b>	<b>529.12</b>	<b>303.86</b>	<b>0.68</b>	<b>100.00</b>	<b>51.02</b>
Traditional life ins.	284.17	263.40	294.78	252.92	-3.60	53.34	27.21
Unit-Linked	158.13	33.75	147.38	26.76	7.29	29.68	15.14
Other life insurance	90.41	27.16	86.96	24.18	3.97	16.97	8.66
<b>TOTAL NON-LIFE</b>	<b>511.51</b>	<b>258.14</b>	<b>505.00</b>	<b>226.27</b>	<b>1.29</b>	<b>100.00</b>	<b>48.98</b>
Accident and health insurance	15.62	5.39	16.71	4.72	-6.52	3.05	1.50
<b>Overall property insurance</b>	<b>123.71</b>	<b>48.20</b>	<b>118.07</b>	<b>29.30</b>	<b>4.78</b>	<b>24.19</b>	<b>11.85</b>
Fire and allied perils	na	na	na	na	-	-	-
Damages to property	na	na	na	na	-	-	-
<b>Overall motor insurance</b>	<b>296.65</b>	<b>177.62</b>	<b>300.54</b>	<b>175.10</b>	<b>-1.30</b>	<b>57.99</b>	<b>28.41</b>
Motor Hull	136.99	95.38	140.60	96.21	-2.57	26.78	13.12
MTPL	159.66	82.25	159.94	78.89	-0.18	31.21	15.29
GTPL	35.30	6.36	36.06	7.17	-2.11	6.90	3.38
Travel	9.48	3.45	9.36	2.96	1.27	1.85	0.91
Other non-life insurance (reinsurance included)	30.74	17.12	24.25	7.01	26.77	6.01	2.94

Important note:

For Slovakia, the market portfolio is according to data submitted by the National Bank.

For the rankings, the values are according to the data published by the Slovak Insurance Association (SLASPO).



**Julia CILLIKOVA**  
Director of the  
Regulation and  
Financial Analyses  
Department, National  
Bank of Slovakia

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)



**Jozefina ZAKOVA**  
Director General of  
the Slovak Insurance  
Association

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)

growth pace, from almost 9.5% by the end of 2010, to less than 1% as at end June 2011. *Life insurance continues to be driven mainly by Unit-linked insurance, with a premium growth of 7.3%, while the traditional life insurance declined slightly. This way, Unit-Linked contracts reached a 30% share in the life insurance portfolio. As far as the lapse ratio is concerned, there was a visible increase during the crisis, but remains constant in the recent years, says the NBR official.*

Beside figures, the crisis left visible changes in many aspects of the insurers' business. *The financial crisis pressured on both the product and the marketing strategies of the insurance companies. They focused on core business, reviewed costs and rationalized managing structures. They introduced or improved insurance products which better reflected the crisis - for example bad debts insurance for enterprises and unemployment insurance in retail. The companies also have accommodated to the clients in the case of inability to pay, by providing delays of payments and alterations of contracts. The financial crisis forced the insurance companies to reveal the reserves which presents benefits also in the period of growth, is the picture described by the Head of the Slovak Insurance Association.*

All in all, as the market representatives are characterizing the last half year period, no dramatic changes were registered in the Slovak insurance field. Dealing with more careful spending customers and a still volatile economic environment, Slovak insurers are adapting on the fly to the new conditions, managing to push forward their business.

### Life insurance ranking

No.	Company	1H/2011		1H/2010	Nominal Evolution (%)	MARKET SHARE (%)	
		GWP EUR m.	CLAIMS EUR m.	GWP EUR m.		1H/2011	1H/2010
1	ALLIANZ Slovenská	124.71	60.04	122.92	1.45	22.33	22.41
2	KOOPERATIVA VIG	110.44	90.97	108.20	2.07	19.77	19.73
3	AMSLICO Poistovňa	60.18	32.42	61.09	-1.49	10.77	11.14
4	KOMUNÁLNA VIG	50.97	44.15	44.84	13.65	9.12	8.18
5	GENERALI Slovensko	43.12	19.71	42.51	1.43	7.72	7.75
6	ING Ž.P.	39.37	22.13	41.78	-5.77	7.05	7.62
7	ČSOB Poistovňa	28.05	11.96	29.58	-5.17	5.02	5.39
8	AXA Ž.P.	25.80	2.14	22.05	17.01	4.62	4.02
9	SLOVENSKEJ Sporitelne VIG	17.16	25.87	15.21	12.81	3.07	2.77
10	WÜSTENROT Poistovňa	14.65	3.72	13.64	7.42	2.62	2.49
11	UNIQA Poistovňa	14.20	5.25	14.51	-2.17	2.54	2.65
12	AEGON Ž.P.	13.67	1.80	12.21	11.95	2.45	2.23
13	UNION Poistovňa	5.59	3.14	5.89	-5.09	1.00	1.07
14	VICTORIA- VOLKSBANKEN	3.00	0.87	4.93	-39.19	0.54	0.90
15	DEUTSCHER RING Leben.	2.64	0.01	-	-	0.47	-
16	POŠTOVEJ Banky	2.45	0.41	1.51	62.29	0.44	0.28
17	CARDIF Slovakia	1.12	0.19	0.81	38.20	0.20	0.15
18	ERGO Ž.P.	1.11	0.10	6.28	-82.32	0.20	1.14
19	GROUPAMA Ž.P.	0.36	0.16	0.53	-32.26	0.06	0.10
<b>TOTAL TOP 10</b>		<b>514.43</b>	<b>313.09</b>	<b>501.81</b>	<b>2.52</b>	<b>92.10</b>	<b>91.49</b>
<b>TOTAL MARKET (SLASPO)</b>		<b>558.56</b>	<b>325.01</b>	<b>548.48</b>	<b>1.84</b>	<b>100.00</b>	<b>100.00</b>

### Non - Life insurance ranking

No.	Company	1H/2011		1H/2010	Nominal Evolution (%)	MARKET SHARE (%)	
		GWP EUR m.	CLAIMS EUR m.	GWP EUR m.		1H/2011	1H/2010
1	ALLIANZ Slovenská	192.27	85.77	196.36	-2.09	36.88	38.82
2	KOOPERATIVA VIG	140.70	83.06	140.39	0.21	26.99	27.76
3	GENERALI Slovensko	56.81	34.56	56.17	1.14	10.90	11.11
4	UNIQA Poistovňa	34.82	17.45	36.06	-3.46	6.68	7.13
5	KOMUNÁLNA VIG	28.65	15.40	26.44	8.36	5.50	5.23
6	UNION Poistovňa	15.97	5.80	13.60	17.38	3.06	2.69
7	WÜSTENROT Poistovňa	13.67	5.56	11.30	21.01	2.62	2.23
8	ČSOB Poistovňa	12.79	6.29	11.25	13.68	2.45	2.22
9	AXA Poistovňa	7.06	5.86	-	-	1.35	-
10	CARDIF Slovakia	6.08	1.05	4.95	22.78	1.17	0.98
11	GROUPAMA Poistovňa	4.50	2.24	3.62	24.14	0.86	0.72
12	AMSLICO Poistovňa	3.30	0.41	3.06	7.88	0.63	0.60
13	DEUTSCHER RING Sach.	1.85	0.43	-	-	0.35	-
14	D.A.S. Poistovňa	1.24	0.50	1.17	5.73	0.24	0.23
15	AXA Ž.P.	0.87	0.11	0.77	12.81	0.17	0.15
16	POŠTOVEJ Banky	0.45	0.03	0.35	30.26	0.09	0.07
17	VICTORIA- VOLKSBANKEN	0.28	0.05	0.27	4.49	0.05	0.05
18	SLOVENSÁ Kancelária	0.00	-	0.00	16.96	0.00	0.00
<b>TOTAL TOP 10</b>		<b>508.80</b>	<b>260.78</b>	<b>496.53</b>	<b>2.47</b>	<b>97.60</b>	<b>98.17</b>
<b>TOTAL MARKET (SLASPO)</b>		<b>521.29</b>	<b>264.55</b>	<b>505.77</b>	<b>3.07</b>	<b>100.00</b>	<b>100.00</b>



**Slovenia**



Life assurance	9.78%
Unit-linked	18.27%
Other life insurance	0.90%
Accident insurance	4.90%
Health insurance	18.85%
Fire and allied perils	5.38%
Damages to property	7.73%
Motor Hull	12.85%
MTPL	14.31%
GTPL	2.98%
Credit insurance	1.92%
Other non-life insurance	2.13%

**Sources:**

Insurance Supervision Agency (ISA)  
Slovenian Insurance Association  
National Bank of Slovenia  
Slovenian currency: EURO

# In good shape

Slovenians' National Bank estimations with regard to the value of main macro-economic indicators for 2011 were recently lowered, as there are clear signs, after the first three quarters of the year, that the country's economy will grow more slowly than expected this year and the next, and a range of structural reforms are needed to boost growth.

Gross domestic product (GDP) will expand by 1.3% this year, the Bank of Slovenia said, cutting an earlier growth forecast of 1.8% due to declining external demand. NBS also cut its forecast for 2012 growth to 1.7% from 2.7%. According Reuters, the bank said average annual inflation this year will be 2.0%, down from 2.7% forecast in April, while inflation in 2012 is seen at 1.6%. Inflation will be lower than seen earlier, mainly due to falling energy prices.

Bank Governor Marko KRANJEC said Slovenia needed reforms to stimulate growth and reduce a budget deficit that soared to 5.8% of GDP in 2010 from zero in 2007. *We cannot expect a significant reduction of the public deficit without increasing investment or net exports and that would be difficult to achieve without structural changes*, KRANJEC said in a news conference, urging pension, health and labour market reforms.

The central bank expects domestic spending to remain low until 2013 due to high unemployment and government measures to cut the budget deficit. Unemployment, now at about 11.5%, is expected to start falling only in 2013.

In this context, the Slovenian insurance market, one of the most mature in the Central Europe, is still dealing with a not very offering business environment. Nevertheless, Slovenia remains the CEE market with the highest insurance density (EUR1,022/inhabitant in 2010, EUR555/inhabitant in the first half on 2011).

In 2010, a small but yet positive growth rate in GWP was reported and the first half of 2011 shows that the same trend will be present in the current year too. The strong pricing competition, especially for the motor lines, and the difficult business environment in certain sectors of the economy seem to be the main reasons of the slow growth. *The crisis in the Slovenian constructions sector, as an example, reflects on the industry mostly in terms of gross amount of written non-life premiums. Consequently, the industry is only modestly rising in terms of underwriting volume. Actually, we can say that we are going through a period of stagnation*

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>1,136.67</b>	<b>639.95</b>	<b>1,121.74</b>	<b>599.05</b>	<b>1.33</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>329.11</b>	<b>156.54</b>	<b>322.43</b>	<b>110.93</b>	<b>2.07</b>	<b>100.00</b>	<b>28.95</b>
Life assurance	111.20	93.67	116.50	79.29	-4.55	33.79	9.78
Unit-linked	207.67	49.84	194.36	30.38	6.85	63.10	18.27
Other life insurance	10.24	13.04	11.57	1.25	-11.47	3.11	0.90
<b>TOTAL NON-LIFE</b>	<b>807.56</b>	<b>483.40</b>	<b>799.32</b>	<b>488.13</b>	<b>1.03</b>	<b>100.00</b>	<b>71.05</b>
Accident insurance	55.66	18.70	57.97	20.03	-4.00	6.89	4.90
Health insurance	214.24	194.20	208.00	184.22	3.00	26.53	18.85
<b>Overall property insurance</b>	<b>148.96</b>	<b>51.12</b>	<b>140.94</b>	<b>57.96</b>	<b>5.69</b>	<b>18.45</b>	<b>13.10</b>
Fire and allied perils	61.13	20.12	57.77	24.58	5.81	7.57	5.38
Damages to property	87.83	31.00	83.17	33.37	5.60	10.88	7.73
<b>Overall motor insurance</b>	<b>308.79</b>	<b>173.92</b>	<b>317.26</b>	<b>180.67</b>	<b>-2.67</b>	<b>38.24</b>	<b>27.17</b>
Motor Hull	146.11	91.39	141.28	95.50	3.42	18.09	12.85
MTPL	162.68	82.53	175.97	85.17	-7.56	20.14	14.31
GTPL	33.88	14.69	32.62	13.57	3.85	4.20	2.98
Credit insurance	21.87	22.88	23.10	23.09	-5.34	2.71	1.92
Other non-life insurance	24.17	7.89	19.43	8.60	24.44	2.99	2.13





**Tomaž MANCINI,**  
B.Sc.,  
Head of the Statistical  
Analysis and  
Information Technology  
Service, Slovenian  
Insurance Association

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)

*in comparison with the market growth during previous years, says Tomaž MANCINI, B.Sc., Head of the Statistical Analysis and Information Technology Service, Slovenian Insurance Association.*

In absolute value, the gross underwritings for 1H/2011 amounted to EUR1,136.67m, 1.33% higher than in 1H/2010. With a higher growth pace, of about 2%, up to EUR329.11m, *life insurance is the most profitable and dynamic business line. In spite of the economic crisis, the gross amount of life insurance written premium is growing faster than that in non-life. The share of life insurance in the whole portfolio is about 30% and is going to attain the 2007 peak of 32% soon, observes Mr. MANCINI.*

On the non-life side, GWP amounted to EUR807.6m, 1% up as compared to 1H/2010. The best growth rates were achieved for the property insurance class, namely 5.8% on Fire and allied perils class and 5.6% on Damages to property line. Yet, accounting for only 13% of the overall market portfolio, the „property“ business expansion had a limited influence on the total performance. In line with trends also observed in the previous periods, the insurance lines showed mixed results. While on the MTPL insurance segment a highly competitive environment maintained the profile market on the descending trend in terms of underwriting volume, the Motor Hull line benefited by a relatively stable car sales market and kept growing at a steady pace.

Beating the crisis effects continues to be the most important challenge in the market, although the economic evolution re-entered on a positive path. *We expect some unpleasant factors in the future that are going to affect business transactions. These are especially economic stagnation and consumer behaviour changes, which do not only mean the stagnation of purchasing power, but also radical and long-term changes in behaviour. This is the reason I believe that those who are going to succeed will be companies with the knowledge of how to get even closer to the consumer, recently*

### Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal Evolution (%)	MARKET SHARE(%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	TRIGLAV	101.48	104.08	-2.50	30.83	32.28
2	KAD	77.38	70.37	9.96	23.51	21.83
3	MARIBOR	37.23	35.35	5.34	11.31	10.96
4	KD ŽIVLJENJE	32.23	31.68	1.75	9.79	9.82
5	MERKUR	19.87	20.05	-0.89	6.04	6.22
6	NLB VITA	16.32	15.81	3.21	4.96	4.90
7	GRAWE	10.77	11.50	-6.32	3.27	3.57
8	GENERALI	9.56	8.95	6.81	2.91	2.78
9	WIENER STÄDTISCHE	7.36	7.17	2.75	2.24	2.22
10	ADRIATIC SLOVENICA	6.28	6.92	-9.26	1.91	2.15
11	TILIA	5.15	5.20	-0.93	1.57	1.61
12	VICTORIA - VOLKSBANKEN	2.26	1.39	62.27	0.69	0.43
13	ERGO	1.63	2.11	-22.81	0.49	0.65
14	SOP	1.58	1.85	-14.86	0.48	0.57
<b>TOTAL TOP 10</b>		<b>318.49</b>	<b>311.87</b>	<b>2.12</b>	<b>96.77</b>	<b>96.73</b>
<b>TOTAL MARKET</b>		<b>329.11</b>	<b>322.43</b>	<b>2.07</b>	<b>100.00</b>	<b>100.00</b>

### Non - Life insurance ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal Evolution (%)	MARKET SHARE(%)	
		EUR m.	EUR m.	EUR	1H/2011	1H/2010
1	TRIGLAV	294.06	305.59	-3.77	36.41	38.23
2	ADRIATIC SLOVENICA	130.02	126.76	2.57	16.10	15.86
3	VZAJEMNA	126.74	124.51	1.79	15.69	15.58
4	MARIBOR	113.46	112.37	0.97	14.05	14.06
5	TRIGLAV ZDRAVSTVENA	39.61	36.01	10.02	4.91	4.50
6	TILIA	39.50	36.01	9.71	4.89	4.50
7	GENERALI	37.17	33.38	11.33	4.60	4.18
8	SID-PKZ	10.35	9.42	9.87	1.28	1.18
9	GRAWE	6.29	6.23	0.86	0.78	0.78
10	MERKUR	3.64	3.56	2.16	0.45	0.45
11	WIENER STÄDTISCHE	2.79	2.36	18.40	0.35	0.30
12	ALLIANZ	1.81	1.15	57.81	0.22	0.14
13	ARAG	1.05	0.96	9.27	0.13	0.12
14	NLB VITA	0.87	0.87	-0.54	0.11	0.11
15	VICTORIA - VOLKSBANKEN	0.21	0.14	45.84	0.03	0.02
<b>TOTAL TOP 10</b>		<b>800.83</b>	<b>793.83</b>	<b>0.88</b>	<b>99.17</b>	<b>99.31</b>
<b>TOTAL MARKET</b>		<b>807.56</b>	<b>799.32</b>	<b>1.03</b>	<b>100.00</b>	<b>100.00</b>

stated Matjaž RAKOVEC, President of the Management Board, TRIGLAV Insurance Company, quoted by Slovenian Times. But there are also the industries' inner challenges, as the new solvency regime going to be implemented soon. *In 2011 we have had intensive discussions on a proposal of new core legislation (Insurance Act), which has to implement the Solvency II directive, said Tomaž MANCINI. So, new challenges are ahead.*

As for the financial indicators' further evolution, the Slovenian insurers are reasonable optimistic: *Till the end of 2011 we expect further growing of the total gross premiums written by modest rates, of 1.5-2%. The life insurance premium will still grow a little bit faster than the rest of the insurance classes. We can say that our insurance industry is in quite good condition, concludes the Association representative.*



Turkey



Life insurance	16.95%
Accident	3.86%
Health	14.25%
Marine	2.08%
Fire and allied perils	12.98%
Damages to property	9.64%
Motor Hull	20.01%
MTPL	15.78%
GTPL	2.14%
Other non-life insurance	2.31%

Source:

Association of Insurance and Reinsurance Companies of Turkey  
Central Bank of the Republic of Turkey  
Turkish currency exchange rate for calculations:

1 EUR = 2.2496 Turkish lira - TRY (April 30<sup>th</sup> 2011)  
1 EUR = 1.9616 Turkish lira - TRY (April 30<sup>th</sup> 2010)  
1 EUR = 1.9292 Turkish lira - TRY (June 30<sup>th</sup> 2010)

# Set on growth

The most recent figures published by the Association of the Insurance and Reinsurance Companies of Turkey indicate, for the first four months of the current year, a gross written premium volume of EUR2.63bn, up by 7% compared to 2010. Also, in times of economic crisis, the published statistical data regarding this economic area do not show the economic recession. Also, the published news about the new coming on the Turkish insurance market confirm the absence of recession. However, despite these figures, which seem incredible to us in this period, the Turkish insurance market remains very small, if we look at FY 2010 insurance indicators: about EUR93.5/capita - insurance density, while the degree of insurance penetration in GDP is around 1 percentage point.

of extended banking networks, bancassurance holds 70% of total sales, followed by direct sales, with 11% - this form of commercializing being supported by sales teams specialized on corporate clients, by call centers and by online marketing. Around 18% of the sales of life insurance companies in Turkey have been accomplished through their own networks of agents, based on creating a close relationship with the client, said Jetse Frederik de VRIES, CEO, ING Emeklilik, during IIMC 2011 Conference.

Therefore, the degree of penetration of insurance brokers in the total life insurance underwritings is extremely low, 0.8%. In Turkey, there are about 70 independent brokerage companies currently active, but they are mostly oriented towards industrial insurance, added the ING representative.

## Life and distribution channels are a development solution

Analyzing only the life insurance line, which generates about 17 percent of total gross written premiums, in conjunction with low insurance density, we can conclude that there is a significant potential for these types of products, of which may derive, in particular, savings or pension plans.

In terms of distribution channels for life insurance policies, under the circumstances

## Promises for the better

The Turkish insurance sector offers significant growth potential given the high population (79 million inhabitants), low penetration, relatively young population, rising education levels, and increasing insurance awareness, which would support demand for insurance products. Concluding, however, for healthy growth, the local authorities must make efforts to increase insurance awareness, because it will play an important role in the coming periods.

### Market portfolio as of April 30<sup>th</sup>, 2011

Business line	4 Months 2011 GWP	4 Months 2010 GWP	NOMINAL EVOLUTION (%)	1H 2010 GWP	% in LIFE/ NON-LIFE GWP	% in all GWP
	EUR m.	EUR m.	%	EUR m.	%	%
TOTAL MARKET	2,631.78	2,455.74	7.17	3,712.15	-	100.00
TOTAL LIFE	446.01	392.06	13.76	573.10	100.00	16.95
TOTAL NON-LIFE	2,185.77	2,063.69	5.92	3,139.05	100.00	83.05
Accident	101.55	95.04	6.85	151.16	4.65	3.86
Health	375.08	357.44	4.94	487.92	17.16	14.25
Marine	54.75	55.79	-1.87	81.33	2.50	2.08
Overall property insurance	595.44	541.53	9.96	810.64	27.24	22.63
Fire and allied perils	341.61	355.63	-3.94	530.87	15.63	12.98
Damages to property	253.83	185.90	36.54	279.77	11.61	9.64
Overall motor insurance	941.95	900.27	4.63	1,435.93	43.09	35.79
Motor Hull	526.74	481.99	9.29	776.32	24.10	20.01
MTPL	415.21	418.28	-0.73	659.61	19.00	15.78
GTPL	56.25	55.56	1.23	82.11	2.57	2.14
Other non-life insurance	60.75	58.06	4.63	89.95	2.78	2.31

## NEWS FROM TURKEY

### FORTIS became shareholder in AKSIGORTA

Belgium-based AGEAS, rebranded from its former name FORTIS Insurance, announced at the end of July the paying of USD220m for AKSIGORTA's 31% share. The SABANCI Group's AKSIGORTA is a leading name in Turkish non-life insurance providers. The SABANCI Group will retain equal percentage of control in the company with its 31% share. AKSIGORTA'S remaining 38 percent stakes are publicly traded.

### CIGNA expands to Turkey

CIGNA, a leader in direct marketing of supplemental health, life and accident insurance in the international marketplace, has received its license to market its products in Turkey, announced the company in August. CIGNA Hayat Sigorta will offer individuals in Turkey products and services that provide supplemental health care and financial protection. These products and services are marketed through affinity partners and direct channels, such as the Internet and Direct Response Television.

### METLIFE acquires Turkish insurance company

DENIZBANK, a Turkish lender largely owned by Europe's DEXIA, has agreed to sell its insurance operations in Turkey for EUR161.9m to U.S. based METLIFE, stated HÜRRIYET Daily News, at the end of June. According to the agreement on sales of 99.86 percent of stake, DENIZBANK branches will continue to sell METLIFE's individual retirement and life insurance policies for 15 years. Also, the name of the insurance branch will be changed within six months.

### EXIMBANK offers risk insurance for exports

Turkey's Export-Import bank signed an agreement with Saudi Arabia's Islamic Development Bank to offer political risk insurance to exporters and help Turkey's trade with Islamic countries, DUNYA newspaper reported. According to the local media, the political uncertainty in parts of the Middle East and Africa have increased risks and made export insurance more important for Turkish exporters and investors.

### Life insurance ranking

No.	Company	% in all GWP	4M/2011 GWP	MARKET SHARE	
		%	EUR m.	%	
1	ZIRAAT Hayat ve Emeklilik	99.65	160.53	35.99	
2	ANADOLU Hayat Emeklilik	99.85	53.08	11.90	
3	GARANTI Emeklilik	100.00	37.26	8.35	
4	HALK Hayat ve Emeklilik	99.94	30.91	6.93	
5	YAPI KREDI Emeklilik	97.73	24.73	5.54	
6	VAKIF Emeklilik	91.13	20.35	4.56	
7	Aviva SA	83.05	19.69	4.41	
8	FINANS Emeklilik ve Hayat	99.92	16.54	3.71	
9	DENIZ Emeklilik ve Hayat	84.47	14.38	3.22	
10	ALLIANZ Hayat ve Emeklilik	99.25	11.34	2.54	
11	CARDIF Hayat	97.35	10.16	2.28	
12	AXA Hayat ve Emeklilik	99.45	8.79	1.97	
13	GROUPAMA Emeklilik	84.15	8.00	1.79	
14	METLIFE Alico	59.80	7.76	1.74	
15	ING Emeklilik	95.40	5.62	1.26	
16	AEGON Emeklilik ve Hayat	99.97	3.87	0.87	
17	ERGO Emeklilik ve Hayat	98.98	3.79	0.85	
18	CIV Hayat	85.97	3.55	0.79	
19	MAPFRE GENEL Yasam	6.22	2.36	0.53	
20	FORTIS Emeklilik ve Hayat	100.50	1.93	0.43	
21	DEMIR Hayat	7.83	0.63	0.14	
22	ACIBADEM Saglik ve Hayat	1.27	0.57	0.13	
23	NEW Life Yasam	100.77	0.13	0.03	
24	AK	0.01	0.03	0.01	
25	RUMELI Hayat	100.00	0.02	0.01	
TOTAL TOP 10			388.81	87.17	
TOTAL TOP 20			444.62	99.69	
TOTAL MARKET			16.95	446.01	100.00

### Non - Life insurance ranking

No.	Company	% in all GWP	4M/2011 GWP	MARKET SHARE	
		%	EUR m.	%	
1	AXA	100.00	265.59	12.15	
2	ANADOLU	100.00	261.94	11.98	
3	AK	99.99	183.54	8.40	
4	ALLIANZ	100.00	178.37	8.16	
5	GROUPAMA	100.00	154.39	7.06	
6	GUNES	100.00	129.85	5.94	
7	YAPI KREDI	100.00	126.95	5.81	
8	EUREKO	100.00	110.49	5.05	
9	ERGO	100.00	96.76	4.43	
10	MAPFRE GENEL	100.00	75.12	3.44	
11	ZIRAAT	100.00	62.49	2.86	
12	SOMPO Japan	100.00	47.34	2.17	
13	ACIBADEM Saglik ve Hayat	98.73	44.44	2.03	
14	ZURICH	100.00	42.45	1.94	
15	HDI	100.00	41.90	1.92	
16	AVIVA	100.00	40.15	1.84	
17	RAY	100.00	37.55	1.72	
18	MAPFRE GENEL Yasam	93.78	35.58	1.63	
19	HALK	100.00	33.10	1.51	
20	CHARTIS	100.00	30.74	1.41	
21	ANKARA	100.00	21.67	0.99	
22	ISIK	100.00	20.48	0.94	
23	DUBAI Group	100.00	18.80	0.86	
24	GENERALI	100.00	17.41	0.80	
25	SBN	100.00	16.81	0.77	
TOTAL TOP 10			1,583.00	72.42	
TOTAL TOP 20			1,998.75	91.44	
TOTAL MARKET			83.05	2,185.77	100.00

# Too big to be small



**Vlad BOLDIJAR**  
Coordinating Editor

The region of the Commonwealth of Independent States offers important potential for future growth of the insurance market. This statement is reinforced if we compare the figures recorded in the first six months of this year to those recorded in

Central and Eastern Europe. In the first six months of 2011, the market amounted to EUR17.3bn, with only half euro million less than the cumulated result of the 17 countries of the CEE Region. Also, the growth rate was higher than in the CEE: 11.2%, compared to 8.2%.

If we exclude Russia's "giant insurance market", the insurance market of the CIS countries (including Georgia) accounted for a volume of EUR1.85bn underwritings, about 3.2% less than in 2010. This minimum decrease is due the depreciation of local currencies against euro in Belarus

and Ukraine, while in national currency, both insurance markets increased.

In case of Georgia and Moldova, these two insurance markets are comparable with some Eastern European markets. The Georgian market, under the crisis pressure, decreased in local currency and also in euro – so did Croatia, Hungary and Romania, too -, while the Moldavian market, in terms of portfolio structure, is comparable with the smaller and younger CEE markets, as Montenegro and Albania.

Regarding Turkmenistan and Tajikistan, the insurance markets are "closed" in terms of information, and are monopolized by the State-owned companies and driven by compulsory insurance.

Kazakhstan, Kyrgyzstan and Uzbekistan are also three ex-Soviet states, but here, we can notice many private-owned insurance companies and the globalization trend of the market. However, in these three countries, the development of the insurance industry will be a real challenge for local authorities, because the population culture regarding insurance is now being formed.

Regarding the two Caucasus insurance markets, Armenia and Azerbaijan, they were dominated by reforms which have changed the old market trends. In case of Armenia, the development seems shocking considering legislative changes this year that implied introducing MTPL, insurance class which could increase the insurance market.

In Azerbaijan, the State helps the insurers fight the crisis, through a law that exempts companies from paying income tax, but companies need to raise their capital.

In fact, this period can be defined as a "period of reforms", in many countries significant changes happening or being planned to happen in the future.

In case of Belarus, the legislation requires that the compulsory insurance can be provided only by state-owned insurers or insurers with more than 50% state ownership, and in the second half of 2011, insurers expect an adoption of a presidential decree, which includes a number of liberal moments for the insurance market.

## Market indicators in local currency

Country	Overall gross written premiums in local currency			Overall paid claims in local currency			EUR exchange rate		Local currency	Population (July 2011) inhabitants m.
	1H 2011	1H 2010	Nominal change	1H 2011	1H 2010	Nominal change	1H 2011	1H 2010		
	million	million	%	million	million	%				
Armenia	2,617.28	4,596.45	-43.06	2,890.39	687.25	320.57	534.26	448.72	AMD	2.97
Azerbaijan	98.28	76.88	27.83	26.74	22.49	18.89	1.14	0.98	AZN	8.37
Belarus	887,173.67	613,227.89	44.67	532,161.64	360,908.12	47.45	7,152.13	3,689.81	BYR	9.58
Georgia	188.19	222.66	-15.48	116.84	91.84	27.22	2.41	2.25	GEL	4.59
Kazakhstan	102,196.64	83,622.99	22.21	18,522.58	12,397.98	49.40	210.29	179.81	KZT	15.52
Kyrgyzstan	243.70	212.92	14.46	22.70	11.93	90.31	64.84	59.37	KGS	5.59
Moldova	466.21	438.84	6.24	172.86	155.07	11.47	16.61	16.78	MDL	4.31
Russia	623,728.63	521,052.48	19.71	423,784.25	367,235.58	15.40	40.39	38.19	RUB	138.74
Tajikistan	53.85	30.05	79.18	na	na	-	6.73	5.46	TJS	7.63
Turkmenistan	102.39	69.45	47.42	na	na	-	4.10	3.47	TMT	5.00
Ukraine	11,042.00	9,635.90	14.59	na	na	-	11.50	9.64	UAH	45.13
Uzbekistan	121,500.00	85,500.00	42.11	14,000.00	13,436.00	4.20	2,451.01	2,073.50	UZS	28.13

Exchange rates: last day of the period

In the case of Moldova, the used exchange rates are average for the analyzed period

In the case of Kyrgyzstan, the analyzed periods are January-August 2011 and January-August 2010

In the case of Tajikistan and Turkmenistan, the insurance market indicators are estimated

Population is estimated, according to CIA World Factbook



## About Commonwealth of Independent States (CIS)

Commonwealth of Independent States is a regional organization which was created in December 1991 by the former Soviet Republics. In the adopted Declaration the participants of the Commonwealth declared their interaction on the basis of sovereign equality.

At present, the CIS member states are: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. In 2008, Georgia left the organization.

## Commonwealth of Independent States (CIS) insurance markets main indicators

Country	Overall GWP			Change	Regional market share		Insurance density (EUR/capita)		Overall paid claims		
	1H 2011	1H 2010	%		1H 2011	1H 2010	1H 2011	1H 2010	1H 2011	1H 2010	%
	EUR m.	EUR m.			%	%	1H 2011	1H 2010	EUR m.	EUR m.	
Armenia	4.90	10.24	-52.18	0.26	0.54	1.65	3.45	5.41	1.53	253.23	
Azerbaijan	86.10	78.31	9.94	4.64	4.09	10.28	9.35	23.43	22.91	2.26	
Belarus	124.04	166.19	-25.36	6.69	8.68	12.95	17.35	74.41	97.81	-23.93	
Georgia (ex CIS)	78.24	99.03	-21.00	4.22	5.17	17.06	21.59	48.57	40.85	18.92	
Kazakhstan	485.98	465.06	4.50	26.21	24.29	31.31	29.96	88.08	68.95	27.75	
Kyrgyzstan	3.76	3.59	4.80	0.20	0.19	0.67	0.64	0.35	0.20	74.25	
Moldova	28.07	26.16	7.32	1.51	1.37	6.51	6.06	10.41	9.24	12.61	
Tajikistan*	8.00	5.50	45.45	0.43	0.29	1.05	0.72	na	na	-	
Turkmenistan*	25.00	20.00	25.00	1.35	1.04	5.00	4.00	na	na	-	
Ukraine	960.17	999.06	-3.89	51.79	52.19	21.27	22.14	na	na	-	
Uzbekistan	49.57	41.23	20.22	2.67	2.15	1.76	1.47	5.71	6.48	-11.85	
<b>CIS REGION</b>	<b>1,853.83</b>	<b>1,914.39</b>	<b>-3.16</b>	<b>100.00</b>	<b>100.00</b>	<b>13.55</b>	<b>13.99</b>	<b>na</b>	<b>na</b>	<b>-</b>	
Russia	15,443.80	13,645.01	13.18	-	-	111.31	98.35	10,493.09	9,616.95	9.11	
<b>RUSSIA &amp; CIS REGION</b>	<b>17,297.63</b>	<b>15,559.40</b>	<b>11.17</b>	<b>-</b>	<b>-</b>	<b>62.77</b>	<b>56.47</b>	<b>na</b>	<b>na</b>	<b>-</b>	

\*estimation

Top 50 insurance companies in CIS Region - as at 30<sup>th</sup> June 2011

No.	Country	Company	GWP	CLAIMS
			EUR m.	EUR m.
1	Kazakhstan	HALYK-KAZAKHINSTRAKH	77.54	9.93
2	Kazakhstan	EURASIA	71.76	8.32
3	Belarus	BELGOSSTRACH	64.01	44.54
4	Kazakhstan	NOMAD Insurance	27.50	2.57
5	Kazakhstan	KAZKOMMERTS-Policy	26.26	4.19
6	Kazakhstan	OIL Insurance Company	22.95	4.34
7	Kazakhstan	LONDON-ALMATY	20.31	1.57
8	Kazakhstan	VICTORY	17.09	0.55
9	Kazakhstan	AMANAT Insurance	17.00	1.77
10	Kazakhstan	ALMATY International Ins. Group	15.41	1.18
11	Kazakhstan	CHARTIS Kazakhstan	14.82	1.90
12	Kazakhstan	KAZAKHMYS	14.72	2.28
13	Kazakhstan	State Annuity Company	14.57	7.62
14	Kazakhstan	ALLIANZ Kazakhstan	14.20	1.12
15	Georgia	GPI Holding	13.96	7.70
16	Georgia	ALDAGI BCI	13.23	7.87
17	Georgia	IMEDI-L International	11.83	6.81
18	Kazakhstan	BTA Insurance	11.34	3.41
19	Belarus	TASK	10.40	6.06
20	Azerbaijan	AZERSIGORTA	10.34	4.55
21	Kazakhstan	PANA Insurance	9.45	1.04
22	Georgia	ALPHA	9.23	6.69
23	Uzbekistan	UZAGRO Insurance	9.11	8.35
24	Kazakhstan	HALYK-Life	9.05	4.16
25	Kazakhstan	BTA Life	8.08	3.36
26	Kazakhstan	KAZKOMMERTS Life	8.05	3.47
27	Belarus	PromTransInvest	7.92	4.52
28	Kazakhstan	ALLIANCE Life Insurance	7.82	3.68
29	Georgia	IC Group	7.43	9.04
30	Moldova	MOLDASIG	7.40	2.93
31	Belarus	BELNEFTESTRAKH	7.24	3.09
32	Azerbaijan	ATESHGAH Sigorta Shirketi JSC	7.07	2.10
33	Uzbekistan	UZBEKINVEST	6.84	5.98
34	Kazakhstan	ALLIANCE-Policy	6.83	2.37
35	Kazakhstan	KOMMESK-Omir	6.70	2.56
36	Kazakhstan	InterTeach	6.55	3.76
37	Kazakhstan	CENTRAS Insurance	6.43	2.64
38	Belarus	B&B Insurance	6.29	5.52
39	Kazakhstan	TSASO	6.25	0.01
40	Georgia	INTERNATIONAL Irao	5.99	4.25
41	Azerbaijan	AZAL Sigorta JSC	5.79	2.43
42	Azerbaijan	AXA MBASK Sigorta Shirketi JSC	5.76	1.19
43	Kazakhstan	ALATAU	5.71	0.63
44	Belarus	EXIMGARANT OF BELARUS	5.70	1.67
45	Kazakhstan	EKO Policy	5.67	1.33
46	Azerbaijan	AzSigorta JSC	5.66	0.90
47	Azerbaijan	PASHA Life Insurance JSC	5.45	0.01
48	Azerbaijan	BEYNALXALQ Sigorta Shirketi JSC	5.40	2.60
49	Georgia	UNISON	5.25	0.01
50	Belarus	STRAVITA	5.00	1.33

The insurance companies from Russia, Ukraine, Tajikistan and Turkmenistan are not included

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In Armenia, the "MTPL reform" has led to a new challenge for the authorities: the Central Bank of the Republic of Armenia established the organization "Insurers Bureau of Armenia", which, together with the Guarantee Fund, was established for the effective functioning of MTPL and for coordinating the motor insurer's activity. A "motor insurance reform" also took place in Ukraine: the form of amicable report of

damages due to road accidents can be used in Ukraine since September 19th this year.

In the case of Moldova, the minimum capitalization requirement to be achieved by April 2011 reduced the number of profiles companies from 24 to 22 this year. A similar situation happened in Russia with reinsurance companies: since the beginning of 2011, the reinsurance market has decreased by about 20 companies.

These above-mentioned reforms represent only one set of changes made by market authorities in each country, but correlated with the globalization, there have been created all the premises for the development of this industry.

In conclusion, a greater competition and a well defined legal framework will undoubtedly lead to evolution!



Armenia



Accidents	2.57%
Health	6.92%
Fire and allied perils	15.66%
Other damages to property	1.28%
Motor Hull	14.73%
MTPL	38.52%
Aviation liability	5.00%
CARGO	0.45%
Goods in transit	6.51%
GTPL	2.72%
Financial risks	3.40%
Travel insurance	2.24%

Source:

ArmlInfo News Agency

Armenian currency exchange rate for calculations:

1 EUR = 534.26 Dram - AMD (June 30<sup>th</sup> 2011)

1 EUR = 448.72 Dram - AMD (June 30<sup>th</sup> 2010)



# MTPL changes the market

According to preliminary financial data provided by ArmlInfo News Agency, in the first half of 2011, insurance companies in Armenia have registered gross written premiums of EUR4.9m, 52% less than in the previous year. This development seems shocking considering legislative changes this year that implied introducing MTPL, insurance class which could increase the insurance market. In insurance legislation, last year's changes are the entry into force, on January 1st, 2011, of the mandatory MTPL insurance, as well as legal provisions on this segment, orders, criteria and rates. In addition, the regulatory authority has ordered insurance companies in 2010 to prepare their financial statements in accordance with the international standards IFRS. With the introduction of mandatory MTPL, the minimal requirement regarding underwritten share capital was strengthened, from AMD500m to AMD1.5bn, starting January 1<sup>st</sup>, 2011, said Karina MELIKYAN, Head of Financial Analysis and Rating Agency, ArmlInfo News Agency.

According to Armenian insurance specialists, the insurance market suffered a

negative growth in the second quarter: In absolute terms, the premiums of insurers in Armenia, in the second quarter of 2011, have decreased 4 times, compared with the 34% growth in first quarter. At the same time, the claims paid by insurers rose, in H1/2011, 2.6 times, only in the second quarter - by 48.7%, completed Elita BABAYAN, Insurance Specialist, ArmlInfo News Agency.

## Growing competition

On July 1<sup>st</sup>, 2011, on the Armenian insurance market, only eight insurance companies remained, the largest of them being ROSGOSSTRAKH Armenia, INGO Armenia and RESO. There remained only 8 companies, because in 2011 the company ISG left the market, transferring its portfolio to RASCO. Also, in 2010, LONDON-EREVAN and ALFA Insurance left the market, having transferred the portfolio to ROSGOSSTRAKH Armenia, while GRIAR Insurance has transferred its portfolio to INGO Armenia, explained Elita BABAYAN.

This many changes produced in times of crisis played an important role in increa-

## Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.	EUR	%
<b>TOTAL MARKET</b>	<b>4.90</b>	<b>5.41</b>	<b>10.24</b>	<b>1.53</b>	<b>-52.18</b>	<b>100.00</b>
Accidents	0.13	0.01	0.31	0.02	-58.83	2.57
Health	0.34	0.70	1.29	0.57	-73.77	6.92
<b>Overall property insurance</b>	<b>0.83</b>	<b>0.20</b>	<b>2.05</b>	<b>0.09</b>	<b>-59.43</b>	<b>16.95</b>
Fire and allied perils	0.77	0.20	1.83	0.08	-58.00	15.66
Other damages to property	0.06	0.00	0.22	0.00	-71.36	1.28
<b>Overall motor insurance</b>	<b>2.61</b>	<b>4.05</b>	<b>1.74</b>	<b>0.59</b>	<b>50.02</b>	<b>53.24</b>
Motor Hull	0.72	0.71	1.74	0.59	-58.50	14.73
MTPL	1.89	3.34	-	-	-	38.52
Aviation insurance	-	-	1.47	-	-	-
Aviation liability	0.24	-	1.01	-	-75.80	5.00
CARGO	0.02	0.02	0.25	0.07	-91.21	0.45
Goods in transit	0.32	0.04	0.63	0.07	-49.47	6.51
GTPL	0.13	0.14	0.58	0.03	-77.16	2.72
Warranties	-	-	0.01	0.03	-	-
Financial risks	0.17	0.16	0.59	-	-71.93	3.40
Travel insurance	0.11	0.08	0.24	0.06	-53.93	2.24

These results are preliminary, incomplete and not guaranteed. GARANT-LIMENCE (1H/2011) and RESO (1H/2010) did not provide data.

sing competition in the insurance market, in terms of increasing use of marketing tools in management of the insurance activity. *In recent years, the insurance market is evolving, and a competition is taking place between corporate clients and private insurance companies*, stated Karina MELIKYAN.

Also, the Armenian insurance specialists consider the adoption of the Law on MTPL in 2010 has contributed to this competitive trend, because starting October 2010, a growing number of insurance companies showed increased interest for the retail segment.

*At this stage of development of the national insurance market, given the ambitious plans of insurers regarding the development of the profile market, using price strategy to attract customers is no longer effective. With the launch of the sale of MTPL policies, three months before the entry into force of the law regarding mandatory MTPL insurance, the marketing policy of insurance companies is focused on publicity and sales networks. In particular, policies were offered and sold through supermarkets, terminals of the payment systems and mobile operator's points, and could be ordered by phone, e-mail, even by issuing policies through the online system*, added Karina MELIKYAN.

The insurance companies partnerships with banks are also a support in this area, in particular one of the banks began to issue "auto cards" that imply purchasing an MTPL insurance policy in credit. *Together with banks, the insurer is working on another project of "auto cards" dedicated to purchasing Motor Hull policy in credit*, explained Elita BABAYAN.

## New institutions opened

At the end of June 2010, the Central Bank of the Republic of Armenia established the organization "Insurers Bureau of Armenia", which, together with the Guarantee Fund, was established for the effective functioning of MTPL and for coordinating the motor insurer's activity. Out of the 8 insurance companies, only 7 offer MTPL insurance.

In the present, the Motor Insurers Bureau is functional. *In July, the Central Bank has attributed the status of member of the*

## Overall insurance ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	INGO Armenia	1.79	1.32	2.59	0.54	-30.66	36.61	25.25
2	ROSGOSSTRAX Armenia	1.22	1.64	2.37	0.24	-48.67	24.87	23.18
3	NAIRI Insurance	0.67	0.63	0.75	0.10	-10.53	13.71	7.33
4	CASCADE Insurance	0.46	0.61	0.85	0.33	-45.71	9.47	8.34
5	RESO	0.32	0.63	na	na	-	6.50	-
6	SIL Insurance	0.24	0.23	0.28	0.09	-15.02	4.89	2.75
7	RASCO	0.19	0.34	0.16	0.03	24.75	3.95	1.52
8	GARANT-LIMENCE	na	na	0.41	0.16	-	-	4.01
Other companies*		na	na	2.83	0.04	-	-	27.63
TOTAL MARKET		4.90	5.41	10.24	1.53	-52.18	100.00	100.00

na - the company did not provide data

\*The results of GRIAR Insurance and ISG, cumulated, who have transferred the portfolio to INGO Armenia and RASCO



**Karina MELIKYAN**  
Head of Financial Analysis and Rating Agency, ArmInfo News Agency



**Elita BABAYAN**  
Insurance Specialist, ArmInfo News Agency

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*"Motor Insurers Bureau of Armenia" to the following insurance companies: INGO Armenia, NAIRI Insurance, SIL Insurance, ROSGOSSTRAXH-Armenia, GARANT Limence, CASCADE Insurance and RESO*, underlined Karina MELIKYAN.

Also, the absence, in Armenia, of loss adjusters, according to the experts of the insurance market, could lead to a substantial conflict between insurers and insured.

*To avoid this, in November 2010, the "Motor Insurers Bureau of Armenia" has approved, at the end of the month, the rules on the procedure for registration of claims adjusting companies, which entered into force in mid-December that year. Armenian Government, in the period before the adoption of the MTPL insurance law, in mid-December, has simplified the procedure of registration of vehicles, therefore, the car can be insured not for the entire year, but only for the usage period*, emphasizes Elita BABAYAN.

## Other novelties are being prepared

According to Armenian insurance specialists, in the near future, there will be introduced the following types of voluntary insurance: medical (health) insurance, environmental risk insurance and employer's liability insurance. Also, the development and the establishment of mandatory insurance system in the country will create the stability of the insurance infrastructure, which, in turn, will help insurers develop and promote voluntary insurance. Also, Armenian insurance market is planning to adopt a health sector reform and the introduction of mandatory medical insurance.





## Azerbaijan



Category	Percentage
Assurance on death (v)	0.47%
Endowment assurance (v)	1.08%
Accidents and diseases (v)	3.69%
Medical insurance (v)	17.37%
Fire other risks ins. (v)	10.45%
Motor Hull (v)	20.24%
MTPL (c)	2.27%
Aircraft insurance (v)	4.21%
Ships insurance (v)	1.19%
Cargo insurance (v)	5.56%
Aircraft liability (v)	1.66%
GTPL (v)	2.08%
Industrial disability arising out of industrial accidents and occupational illnesses (c)	13.16%
Fire insurance (c)	4.35%
Military servants (c)	7.44%
Servants of judicial and law-enforcement bodies (c)	2.05%
Others (c)+(v)	2.73%

**Source:**

Ministry of Finance of Republic of Azerbaijan  
Azerbaijan Insurers Association (AIA)  
Central Bank of Azerbaijan Republic

**Azerbaijan currency exchange rate for calculations:**

1 EUR = 1.1414 Manat - AZN  
(June 30<sup>th</sup> 2011)  
1 EUR = 0.9817 Manat - AZN  
(June 30<sup>th</sup> 2010)



# Supported by the State

For preventing the effects of the global crisis upon the financial market of Azerbaijan, on January 1<sup>st</sup>, 2009, came into force the Law regarding the "Increasing the degree of capitalization of banks, insurance and reinsurance companies", that provides *their release from paying the income tax and share capital increase until 2012*, said Leila ABDULLAEVA, Expert, Center of Analytics, TREND Agency.

The need to introduce a set of legislative changes, of fiscal nature, was caused by encouraging the growth of the capitalization of insurance companies, reinsurance companies and banks, the development of the banking and insurance sector, as well as improving quality of services offered on the profile market in Azerbaijan.

According to results published by the Insurance Supervisory Service, from the Ministry of Finance, in January-June 2011, insurance companies have cumulated EUR86.1m, up by 10% compared to 2010, while the amount of claims paid by insurers amounted to EUR23.4m. Currently, on the Azerbaijan profile market, 28 insurance companies and one reinsurance company (AzRe) operate.

In terms of gross written premiums, the concentrations of the insurance market (top 10 largest insurers) decreased from 73.7% to 69.5%, indicating an increase in the activity of smaller insurance companies, and a 10 percent decrease of business on the profile market in Azerbaijan.

According to results published by the Insurance Supervisory Service, from the Ministry of Finance, in January-June 2011, insurance companies have cumulated EUR86.1m, up by 10% compared to 2010, while the amount of claims paid by insurers amounted to EUR23.4m. Currently, on the Azerbaijan profile market, 28 insurance companies and one reinsurance company (AzRe) operate.

### Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>86.10</b>	<b>23.43</b>	<b>78.31</b>	<b>22.91</b>	<b>9.94</b>	-	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>1.33</b>	<b>0.11</b>	<b>0.72</b>	<b>0.17</b>	<b>85.58</b>	<b>100.00</b>	<b>1.55</b>
Assurance on death (v)	0.40	0.10	0.24	0.03	66.23	30.29	0.47
Endowment assurance (v)	0.93	0.01	0.47	0.14	95.47	69.71	1.08
<b>TOTAL NON-LIFE</b>	<b>84.77</b>	<b>23.32</b>	<b>77.60</b>	<b>22.74</b>	<b>9.25</b>	<b>100.00</b>	<b>98.45</b>
Accidents and diseases (v)	3.18	0.58	3.11	0.54	2.17	3.75	3.69
Medical insurance (v)	14.95	8.13	15.02	8.38	-0.42	17.64	17.37
Fire other risks ins. (v)	9.00	1.04	9.16	1.18	-1.78	10.61	10.45
<b>Overall motor insurance</b>	<b>19.38</b>	<b>6.49</b>	<b>17.72</b>	<b>7.55</b>	<b>9.36</b>	<b>22.86</b>	<b>22.51</b>
Motor Hull (v)	17.43	6.11	15.86	7.25	9.86	20.56	20.24
MTPL (c)	1.95	0.38	1.86	0.31	5.10	2.30	2.27
Aircraft insurance (v)	3.62	2.45	7.51	0.40	-51.72	4.28	4.21
Ships insurance (v)	1.03	0.07	0.79	-	30.95	1.21	1.19
Cargo insurance (v)	4.78	0.73	4.26	0.57	12.40	5.64	5.56
Aircraft liability (v)	1.43	-	2.80	-	-49.06	1.68	1.66
GTPL (v)	1.79	0.02	2.01	0.03	-11.00	2.11	2.08
Industrial disability arising out of industrial accidents and occupational illnesses (c)	11.34	0.05	-	-	-	13.37	13.16
Fire insurance (c)	3.75	0.22	3.85	0.04	-2.69	4.42	4.35
Military servants (c)	6.40	3.06	6.98	3.39	-8.29	7.55	7.44
Servants of judicial and law-enforcement bodies (c)	1.77	0.33	2.05	0.35	-13.68	2.09	2.05
Others (c)+(v)	2.35	0.15	2.34	0.31	0.42	2.77	2.73

(v) - voluntary insurance / (c) - compulsory insurance



ness of the market leader, AZERSIGORTA. On the banking market, according to the National Bank of Azerbaijan, on September 1st, 2011, bank assets reached the highest figure in history, over EUR11.6bn. The total capital of banks amounted to approximately EUR1.7bn, this also being a record. Currently, in Azerbaijan, 44 banks operate.

According to the Azeri financial analysts, due to fiscal incentives introduction, during the global crisis, both financial sectors from Azerbaijan, the banking and insurance one, have avoided bankruptcy. Also, Azeri experts believe that now these two markets still need tax relief and therefore the question still arises about prolonging the application of tax incentives.

At the basis of this market's need is still the low level of capitalization of insurance companies, which is in fact one of the biggest problems in the market.

According to the estimates of Azeri specialists, forecasts regarding the insurance sector in Azerbaijan are optimistic, as they speak of about 10-12 percent growth of the profile market for the end of 2011.

## New law brings "fresh air"

The growth of Azerbaijan's insurance market in short-term outlook is guaranteed, according to the web-site [www.today.az](http://www.today.az). The indicator of the insurance market may increase to 2-3 percent of country's GDP from the current 0.4 percent, consider the analysts.

The reasons of this optimistic forecast is the "Law on compulsory insurance", which is now in force in Azerbaijan. The new law regulates the four types of compulsory insurance: real estate, liability of owners of motor vehicles, passenger insurance, and liability insurance for exploitation of real estate.

In Azerbaijan, unlike voluntary insurance, compulsory insurance is regulated by the State.

The previous law governing the compulsory insurance had been adopted in 1996, but it appeared a need to improve regulatory mechanisms within other legislation because of the incompatibilities.

## All insurance lines ranking

No.	Company	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.		EUR	EUR
1	AZERSIGORTA State Insurance	10.34	4.55	11.53	5.17	-10.31	12.01	14.72
2	ATESHGAAH Sigorta Shirketi JSC	7.07	2.10	6.59	2.58	7.29	8.21	8.42
3	AZAL Sigorta JSC	5.79	2.43	10.87	0.41	-46.77	6.72	13.88
4	AXA MBASK Sigorta Shirketi JSC	5.76	1.19	3.52	1.79	63.55	6.69	4.50
5	AzSigorta JSC	5.66	0.90	5.95	0.54	-4.92	6.57	7.60
6	PASHA Life Insurance JSC	5.45	0.01	-	-	-	6.33	-
7	BEYNALXALQ Sigorta	5.40	2.60	5.44	2.57	-0.77	6.27	6.95
8	A-QROUP Sigorta Shirketi JSC	4.92	2.35	5.10	2.86	-3.57	5.72	6.52
9	XALQ Sigorta JSC	4.72	0.95	4.47	0.89	5.50	5.48	5.71
10	STANDART Insurance JSC	4.70	1.01	4.25	0.98	10.54	5.45	5.42
11	ATESHGAAH-Hayat (Life) JSIC	4.04	0.09	0.49	0.01	726.50	4.69	0.62
12	PASHA Sigorta JSC	3.22	0.95	3.98	1.10	-19.24	3.74	5.09
13	QALA Life Insurance JSC	3.10	-	0.08	0.01	3,708	3.60	0.10
14	QARANT Sigorta JSC	2.49	0.46	2.84	0.44	-12.27	2.90	3.63
15	AZERBAIJAN Senaye Sigorta JSC	2.44	0.86	2.72	0.58	-10.35	2.83	3.47
16	BAKI Sigorta JSC	2.25	0.34	1.60	0.51	40.44	2.61	2.04
17	ATASIGORTA JSC	2.12	0.75	1.59	0.26	33.40	2.46	2.03
18	ALFA Insurance JSC	1.53	0.16	1.22	0.10	25.26	1.78	1.56
19	BASHAK INAM Sigorta Shirketi JSC	1.29	0.57	1.20	0.45	7.41	1.50	1.53
20	ERA-TRANS Sigorta Shirketi JSC	0.93	0.37	0.96	0.33	-2.70	1.08	1.22
21	RAVAN Sigorta JSC	0.79	0.38	0.91	0.59	-13.35	0.91	1.16
22	CHARTIS Azerbaijan Sigorta	0.57	0.01	1.07	0.04	-46.96	0.66	1.37
23	AZERQARANT Sigorta JSC	0.50	0.08	0.30	0.01	69.49	0.58	0.38
24	THAMES Insurance Group JSC	0.30	0.07	0.23	0.10	26.05	0.34	0.30
25	EMRAH Sigorta JSC	0.25	0.10	0.41	0.16	-38.08	0.29	0.52
26	GUNAY Sigorta JSC	0.21	0.07	0.45	0.09	-53.09	0.24	0.57
27	FIDAN Sigorta JSC	0.18	0.08	0.23	0.11	-24.61	0.21	0.30
28	MEQA Sigorta JSC	0.10	0.02	-	-	-	0.12	-
29	AZ INVEST Sigorta JSC	-	-	-	-	-	-	-
30	BE&G Ins. and Reins. Company	-	-	0.29	0.21	-	-	0.36
<b>TOTAL TOP 10</b>		<b>59.80</b>	<b>18.07</b>	<b>57.73</b>	<b>17.79</b>	<b>3.59</b>	<b>69.45</b>	<b>73.71</b>
<b>TOTAL TOP 20</b>		<b>83.21</b>	<b>22.63</b>	<b>74.41</b>	<b>21.57</b>	<b>11.83</b>	<b>96.64</b>	<b>95.02</b>
<b>TOTAL MARKET</b>		<b>86.10</b>	<b>23.43</b>	<b>78.31</b>	<b>22.91</b>	<b>9.95</b>	<b>100.00</b>	<b>100.00</b>

## Winner of Eurovision has insured her face for USD1.9m

The chairman of ATESHGAAH Insurance has announced that his company has insured Winner of Eurovision Song Contest 2011, Nigar JAMAL's face. He said that the singer's face has been insured for AZN1.5m, equivalent of USD1.9m. The insurance contract has been drawn up for one year.





**Belarus**



Life insurance	5.32%
Non-Life insurance	94.68%

**Source:**

*The Belarusian Association of Insurers*

**Belarusian currency exchange rate for calculations:**

1 EUR = 7,152.13 Ruble - BYR  
(June 30<sup>th</sup> 2011)  
1 EUR = 3,689.81 Ruble - BYR  
(June 30<sup>th</sup> 2010)



Photo: www.panoramio.com

# Exchange rate dependency

The high volatility of the exchange rate in Belarus, determined by the series of economic phenomena that took place in the last years, in the same time with the beginning of the economic and financial crisis in the country, has adversely affected the insurance market. In other words, the exchange rate forced the decrease of the market. This is the conclusion we can draw from viewing the results recorded by the Belarusian insurance market after the first six months of 2011.

Belarusian insurance sector structure was constant during the recent years, the absolute leader in terms of written premiums being BELGOSSTRAKH. Out of EUR117.4m written premiums in the non-life sector, in January-June 2011, it took EUR64m (about 54.5% of the market). Also, Belarusian insurance business concentration is very high, top 10 companies holding 95% of the market.

Also, exchange rate difference recorded at the end of June 2011, compared with June 2010, in the respect of the national currency depreciation compared to the EUR, by about BYR3,400/EUR (almost double), from 1H/2011 until 1H/2010, has made that, in the first six months of the current year, the cumulated business of the insurance companies totaled EUR124m, a 25% decrease in European currency compared to the corresponding period of 2010.

In national currency, the insurance market has achieved an underwritten premiums' volume of about BYR887bn, up 45% compared to the total of the market in June of the previous year.

*Belarusian insurance market continued to maintain steady growth in the first half of 2011. A gradual increase in welfare, business development and expansion of international contacts helped to inject additional financial resources in the insurance market,*

commented the market indicators Anton NEDVEDSKY, External Relations Manager, Belarusian Association of Insurers.

## Need for foreign capital

In 2011, 24 insurance companies operated in the Belarusian insurance market, including 20 non-life insurers and four life insurers. On the other hand, Belarusian insurance sector is currently underdeveloped. Insurance capital and resources are moderate. The sector is highly concentrated, monopolized and dominated by the state ownership. Also, as the share of the insurance sector as a percentage of GDP is low, the insurance sector does not transmit force to the economy.

*In the first half, the insurance market has the traditional view - more than 80 percent of insurance premiums were provided by the state-owned companies. This is due to the fact that the state gives to its insurance companies a number of significant preferences that allow state-owned insurance companies dominate the market,* said Anton NEDVEDSKY.

*Despite the steady growth of insurance market, insurance density in Belarus is rather low, only USD49. The share of insurance premiums in the country's GDP is 0.85 percent,* added Mr. NEDVEDSKY.

The small percentage of insurance companies with foreign capital in the market can be explained by the Belarusian legislation, which is required as some compulsory insurance can be provided only by state-owned insurers or insurers with more than 50% state ownership.

There is a need to attract strategic investors to the insurance industry of Belarus, and one of the ways to expand the insurance market is to make it more attractive for foreign investors. This will allow attracting additional resources to

### Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.		
<b>TOTAL MARKET</b>	124.04	74.41	166.19	97.81	-25.36	100.00
<b>TOTAL LIFE</b>	6.60	1.91	9.64	1.92	-31.53	5.32
<b>TOTAL NON-LIFE</b>	117.44	72.50	156.55	95.89	-24.98	94.68



**Anton NEDVEDSKY**  
External Relations  
Manager, Belarusian  
Association of Insurers

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)

the economy, and new technologies to the insurance business. In this sense *the insurance market expects the introduction of new insurance classes, improving the quality of insurance services and the possibility for private insurers to practice mandatory MTPL insurance.*

Also, speaking about legislative changes, Anton NEDVEDSKY declared to XPRIMM that *in the second half of 2011, insurers expect an adoption of a presidential decree, which includes a number of liberal moments for the insurance market. Insurers hope that the decree will lift restrictions for foreign investors in life insurance. According to the current legislation, legal entities, which are served in state-owned insurance companies, may refer costs for some types of insurance to the cost of production. At the same time, if a company is served by a private insurance company, insurance costs have to be paid at the expense of profits. This concerns only life insurance, insurance of additional pension and voluntary health insurance. It is expected that a presidential decree will put an end to this discrimination,* explained Anton NEDVEDSKY.

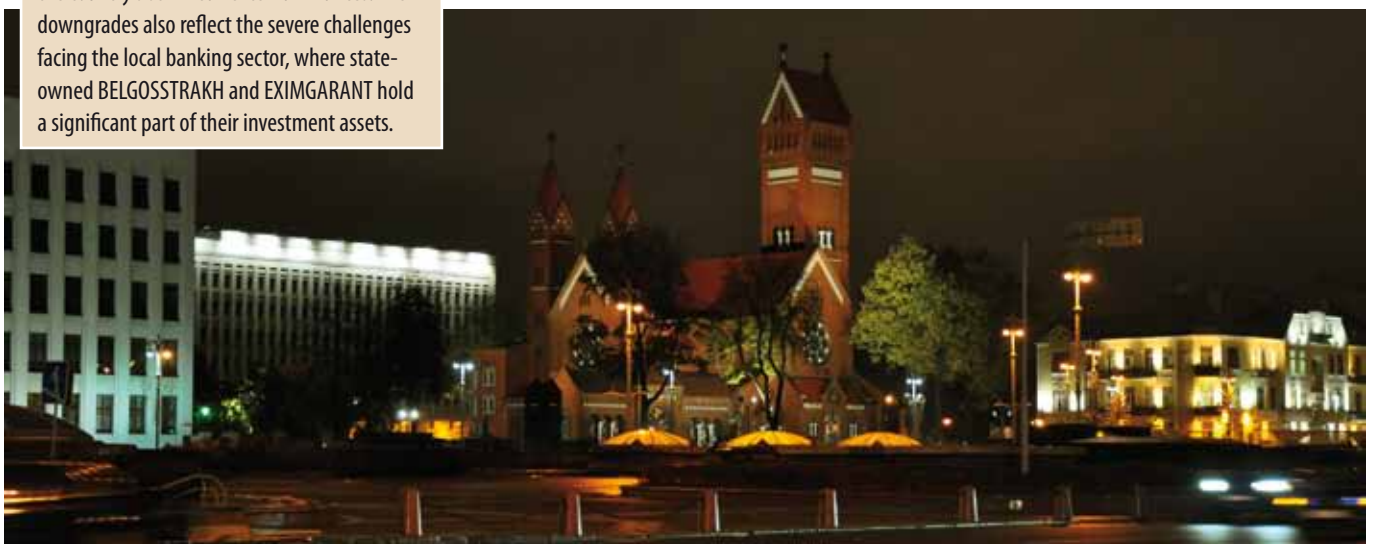
FITCH Ratings has downgraded in August the financial strength ratings of the Belarusian insurance market leader BELGOSSTRAKH and of the sixth company in the market, EXIMGARANT, to "B-" from "B". The downgrades reflect FITCH's revised assessment of Belarusian sovereign and country risks, in particular as a result of the country's still weak external finances. The downgrades also reflect the severe challenges facing the local banking sector, where state-owned BELGOSSTRAKH and EXIMGARANT hold a significant part of their investment assets.

### Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	STRAVITA	5.00	1.33	7.04	1.09	-29.00	75.78	73.08
2	Nat. Belarusian Ins. Pension Fund	1.11	0.44	1.89	0.76	-41.34	16.81	19.62
3	SEDYMAIA LINYA	0.38	0.14	0.61	0.06	-38.55	5.71	6.36
4	PENSIONNIE GARANTYI	0.11	0.01	0.09	0.02	23.68	1.70	0.94
<b>TOTAL MARKET</b>		<b>6.60</b>	<b>1.91</b>	<b>9.64</b>	<b>1.92</b>	<b>-31.53</b>	<b>100.00</b>	<b>100.00</b>

### Non-life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	BELGOSSTRAKH	64.01	44.54	87.73	56.54	-27.04	54.51	56.04
2	TASK	10.40	6.06	12.08	7.85	-13.91	8.86	7.72
3	PromTransInvest	7.92	4.52	10.59	3.90	-25.20	6.74	6.76
4	BELNEFTESTRAKH	7.24	3.09	8.09	3.94	-10.44	6.17	5.17
5	B&B Insurance	6.29	5.52	12.22	11.37	-48.52	5.36	7.80
6	EXIMGARANT OF BELARUS	5.70	1.67	7.36	2.60	-22.57	4.85	4.70
7	BELKOOPTSSTRAKH	4.57	1.97	5.65	2.55	-19.17	3.89	3.61
8	BELROSSTRAKH	3.04	1.61	3.77	2.72	-19.33	2.59	2.41
9	BELINGOSSTRAKH	1.85	0.97	2.42	1.43	-23.48	1.57	1.54
10	KUPALA	1.63	0.67	1.58	0.82	2.96	1.39	1.01
11	GENERALI	1.13	0.00	1.04	0.00	8.63	0.96	0.66
12	BELVNEESHSTRAKH	1.02	0.44	1.35	0.61	-24.12	0.87	0.86
13	KENTAVR	0.85	0.36	0.60	0.53	42.89	0.73	0.38
14	ERGO	0.62	0.37	0.57	0.39	7.85	0.53	0.37
15	GARANTYA	0.61	0.03	0.43	0.04	43.00	0.52	0.27
16	ZEPTER Insurance	0.34	0.55	0.85	0.41	-60.14	0.29	0.54
17	BAGACH	0.14	0.12	0.18	0.15	-23.45	0.12	0.12
18	ROSGOSSTRAH	0.07	0.01	-	-	-	0.06	-
19	DELTA Insurance	0.00	-	0.01	-	-70.62	0.00	0.00
20	VICTORIA	-	-	0.04	0.06	-	-	0.02
<b>TOTAL TOP 10</b>		<b>112.66</b>	<b>70.62</b>	<b>151.49</b>	<b>93.72</b>	<b>-25.64</b>	<b>95.92</b>	<b>96.77</b>
<b>TOTAL MARKET</b>		<b>117.44</b>	<b>72.50</b>	<b>156.55</b>	<b>95.89</b>	<b>-24.98</b>	<b>100.00</b>	<b>100.00</b>





**Georgia**  
*ex. CIS*



Life insurance	3.96%
Health	63.77%
Motor Hull	8.02%
MTPL	1.14%
Property	13.38%
GTP/L	1.85%
Aviation	1.11%
Suretyship	2.93%
Other	3.86%

**Source:**

National Bank of Georgia

**Georgian currency exchange rate for calculations:**

1 EUR = 2.4054 Lari - GEL  
(June 30<sup>th</sup> 2011)  
1 EUR = 2.2484 Lari - GEL  
(June 30<sup>th</sup> 2010)



# Eastern European regress

As of June 30<sup>th</sup>, 2011, the Georgian insurance market comprised 16 insurance companies. Of this, two insurance companies were registered in 2010. Also, 10 insurance companies perform both non-life and life insurance, while 6 remaining companies are involved only in non-life insurance activities. The founding structure of the companies is quite diversified. According to the National Bank of Georgia, one insurer represents a branch establishment of an insurance company registered in the OECD member country, 2 insurance companies have a 100% foreign ownership, 4 insurance companies are partially owned by non-residents, while 9 insurance companies are fully owned by resident investors.

The gross insurance premium of insurance companies in 1H/2011 totaled EUR78.2m, representing a nominal decrease of 21%, compared to previous year. In national currency, the decrease rate was smaller: -15.5%. Thus, it can be concluded that the Georgian insurance market is comparable in this regard with some Eastern European

**VIG plans the merger of its companies**

VIENNA Insurance Group, main shareholder of insurance companies GPI Holding and IRAO, intend to start the merger process of the two companies, so the Austrian group will have over 25% market share, according to representatives of the National Bank of Georgia.

markets, such as Croatia, Hungary and Romania, which under the crisis pressure, decreased (in local currency) in the analyzed period.

In terms of life gross written premiums, the concentrations of the insurance market (top 5 largest insurers) increased from 82.4% to 90.5%, because the insurance company ALFA has a much higher activity this year. On the non-life insurance segment, the concentration of the first players decreased from 73% to 70%, indicating an increase in the activity of smaller insurance companies.

According to the National Bank of Georgia, in 1H/2011 the number of issued po-

**Economic points (as of June 30<sup>th</sup>, 2011)**

- GDP at current prices (USD m): 3,511.5
- GDP per capita (USD): 785.7
- Real GDP growth (%): 4.7
- Inflation rate (Over June 2010): 10%
- Inflation rate (Over May 2011): 10%
- Average monthly salary of employees: EUR282.5 (GEL679.5)

Source: National Statistics Office of Georgia

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>78.24</b>	<b>48.57</b>	<b>99.03</b>	<b>40.85</b>	<b>-21.00</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>3.10</b>	<b>0.57</b>	<b>1.95</b>	<b>0.55</b>	<b>58.55</b>	<b>100.00</b>	<b>3.96</b>
<b>TOTAL NON-LIFE</b>	<b>75.14</b>	<b>48.01</b>	<b>97.08</b>	<b>40.30</b>	<b>-22.60</b>	<b>100.00</b>	<b>96.04</b>
Health	49.89	36.19	72.47	32.90	-31.16	66.40	63.77
<b>Overall motor insurance</b>	<b>7.16</b>	<b>3.18</b>	<b>7.13</b>	<b>3.81</b>	<b>0.46</b>	<b>9.53</b>	<b>9.15</b>
Motor Hull	6.27	2.84	6.33	3.35	-0.83	8.35	8.02
MTPL	0.89	0.34	0.80	0.46	10.55	1.18	1.14
Property	10.47	0.28	8.99	1.59	16.41	13.93	13.38
GTP/L	1.45	0.01	1.81	0.02	-20.32	1.92	1.85
Aviation	0.87	5.26	0.49	-	75.19	1.15	1.11
Suretyship	2.29	2.85	3.69	1.71	-38.00	3.05	2.93
Other	3.02	0.25	2.48	0.26	21.58	4.02	3.86

licies equaled 1.47 million, 150 thousand less than a year earlier.

On insurance classes, the businesses of Georgian insurers focused to a share of 63.8% on health insurance (EUR50m). Also, the motor insurance generates EUR7m, of which 8% related to Motor Hull policies, and 1% - MTPL. Property insurance generated 13.4% (EUR10.5m) of total underwritings made at market level. A significant share in the insurance market portfolio was represented by life insurance, which came to represent 3% of the total, with about one percent more compared with the situation recorded on June 30th, 2010. Moreover, worthy to mention is the increasing of underwritings on this insurance class, of over 58%, from EUR1.95m in 1H/2010 to EUR3.10m at the end of June 2011.

### About the Supervisory Authority

The insurance market has been supervised by the National Bank of Georgia since 2009. With the purpose of improving regulation, in 2009-2010 the legal basis was refined. At the end of 2009, significant changes were introduced to the legal acts regulating the insurance market. The functions of NBG as the state institution exercising control over insurance activities were expanded and described in detail.

National Bank of Georgia also carries out registration of founders of pension schemes, evaluation and registration of pension schemes, further monitoring and abolishing of registration.

For the purpose of effective implementation of insurance supervision objectives and international practice, the National Bank of Georgia has become a member of the International Association of Insurance Supervisors and actively participates in international conferences, seminars and trainings.

### Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	IMEDI-L International	0.97	0.06	0.51	0.09	92.78	31.46	25.87
2	GPI Holding	0.72	0.09	0.43	0.18	66.72	23.32	22.18
3	ALDAGI BCI	0.61	0.38	0.60	0.20	0.43	19.53	30.84
4	ALPHA	0.29	0.02	0.02	0.00	1,546.54	9.27	0.89
5	TAO	0.22	0.00	0.05	0.00	321.00	6.97	2.63
6	PSP Insurance	0.14	-	-	-	-	4.39	-
7	IC Group	0.07	0.00	0.25	0.05	-72.38	2.23	12.80
8	ARCHIMEDES Global Georgia	0.07	0.01	0.07	0.01	-3.06	2.13	3.49
9	INTERNATIONAL Irao	0.02	-	0.02	0.02	-10.42	0.51	0.90
10	PARTNER	0.01	0.00	0.01	-	-25.73	0.18	0.38
11	CARTU	-	-	0.00	-	-	-	0.02
<b>TOTAL MARKET</b>		<b>3.10</b>	<b>0.57</b>	<b>1.95</b>	<b>0.55</b>	<b>58.55</b>	<b>100.00</b>	<b>100.00</b>

### Non-life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	GPI Holding	13.24	7.61	13.31	6.62	-0.54	17.62	13.71
2	ALDAGI BCI	12.63	7.49	15.82	8.61	-20.22	16.80	16.30
3	IMEDI-L International	10.86	6.75	24.89	7.63	-56.37	14.45	25.64
4	ALPHA	8.94	6.67	7.34	0.41	21.83	11.90	7.56
5	IC Group	7.36	9.04	9.55	5.68	-22.92	9.80	9.84
6	INTERNATIONAL Irao	5.98	4.25	12.41	5.84	-51.84	7.96	12.79
7	UNISON	5.25	0.01	-	-	-	6.98	-
8	CARTU	3.89	1.37	4.57	2.21	-15.05	5.17	4.71
9	VEST	1.62	1.47	3.73	1.07	-56.53	2.16	3.84
10	ARCHIMEDES Global Georgia	1.41	0.88	2.80	1.08	-49.60	1.88	2.88
11	TAO	1.03	1.11	0.77	0.71	34.69	1.38	0.79
12	PARTNER	0.96	0.35	1.01	0.41	-5.36	1.27	1.04
13	PSP Insurance	0.79	0.39	-	-	-	1.05	-
14	ARDI Group	0.61	0.09	0.03	-	1,747.85	0.81	0.03
15	CHARTIS Europe	0.35	0.05	0.27	0.00	30.57	0.47	0.28
16	STANDARD Ins. Georgia	0.24	0.47	-	-	-	0.31	-
17	MOBIUS	-	-	0.58	0.01	-	-	0.59
<b>TOTAL MARKET</b>		<b>75.14</b>	<b>48.01</b>	<b>97.08</b>	<b>40.30</b>	<b>-22.60</b>	<b>100.00</b>	<b>100.00</b>





## Kazakhstan



Category	Percentage
Life insurance	1.34%
Annuity (v)	9.81%
Accidents (v)	4.77%
Sickness (v)	8.37%
Property insurance (v)	28.97%
Motor Hull (v)	1.90%
MTPL (c)	12.94%
Aviation insurance (v)	1.23%
CARGO (v)	2.95%
GTPL (v)	6.67%
Financial losses (v)	8.22%
Worker against accidents (c)	7.52%
Others (c)+(v)	5.29%

**Source:**

Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations

**Kazakh currency exchange rate for calculations:**

1 EUR = 210.29 Tenge - KZT (June 30<sup>th</sup> 2011)  
1 EUR = 179.81 Tenge - KZT (June 30<sup>th</sup> 2010)

# Driven by non-life segment

Kazakhstan, geographically the largest of the former Soviet republics, excluding Russia, possesses enormous fossil fuel reserves and plentiful supplies of other minerals and metals, such as uranium, copper and zinc.

Also, the resources have determined, in case of Kazakhstan, the third position in the CIS Region, for the insurance market, behind Russia and Ukraine. Shortly, the annual growth in GDP, followed naturally by increasing the standard of living of the population and the income per capita increase, determined an increase of non-food categories like property and motor vehicles segment, followed by a natural need for insurance.

Thus, in recent years, Kazakhstan insurance market recorded impressive growth rates. Despite this reality, only the non-life insurance segment recorded spectacular growth rates, the life insurance segment being still in nascent stage and it accounts for a very small share of the domestic insurance market.

According to local insurance specialists, the non-development of life-insurance is due to the low grade of trust of the local people in using the Financial Institution as a way of long-time savings and investments.

Also, the gross written premiums of insurance companies in Kazakhstan increased in local currency by 22.2%, reaching KZT102.19bn (EUR486m) in the first half of 2011, compared with total underwritings

**Kazakhstan and the economic crisis**

According to CIA - The World Factbook, the sharp fall of oil and commodity prices in 2008 aggravated the economic situation, and Kazakhstan plunged into recession. While the global financial crisis took a significant toll on Kazakhstan's economy, it has rebounded well. In response to the crisis, Kazakhstan's Government devalued the tenge to stabilize market pressures and injected USD19bn in economic stimulus. Rising commodity prices have helped revive Kazakhstan's economy, which registered 7% growth in 2010. Barring a dramatic decline in oil prices, strong growth is expected to continue in 2011.

in the correspondent period of 2010.

Claims paid by insurers amounted to KZT18.52bn (EUR88m), up by about KZT6.0bn, compared to the correspondent period of 2010, according to official data published by the Supervisory Commission of Financial Markets.

On July 1<sup>st</sup>, underwritings on life insurance increased by 29.5% compared to the corresponding period of 2010, reaching KZT11.4bn (almost EUR54m).

Currently, on the Kazakhstan insurance market, 38 insurance and reinsurance companies and 14 brokerage companies operate.

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.			
<b>TOTAL MARKET</b>	<b>485.98</b>	<b>88.08</b>	<b>465.06</b>	<b>68.95</b>	<b>4.50</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>54.16</b>	<b>23.90</b>	<b>42.54</b>	<b>12.17</b>	<b>27.32</b>	<b>100.00</b>	<b>11.14</b>
Life insurance (v)	6.51	0.56	4.10	0.45	58.51	12.01	1.34
Annuity (v)	47.66	23.35	38.44	11.72	23.98	87.99	9.81
<b>TOTAL NON-LIFE</b>	<b>431.82</b>	<b>64.18</b>	<b>422.52</b>	<b>56.78</b>	<b>2.20</b>	<b>100.00</b>	<b>88.86</b>
Accidents (v)	23.17	1.03	15.28	1.32	51.67	5.37	4.77
Sickness (v)	40.68	19.60	34.83	19.07	16.81	9.42	8.37
Property insurance (v)	140.80	6.43	147.91	2.64	-4.81	32.61	28.97
<b>Overall motor insurance</b>	<b>72.13</b>	<b>17.64</b>	<b>68.49</b>	<b>16.02</b>	<b>5.31</b>	<b>16.70</b>	<b>14.84</b>
Motor Hull (v)	9.25	3.13	9.58	3.66	-3.47	2.14	1.90
MTPL (c)	62.88	14.51	58.91	12.35	6.74	14.56	12.94
Aviation insurance (v)	5.99	2.34	5.92	1.13	1.14	1.39	1.23
CARGO (v)	14.35	0.62	11.66	0.73	23.03	3.32	2.95
GTPL (v)	32.44	1.46	62.84	0.17	-48.38	7.51	6.67
Financial losses (v)	39.97	0.51	26.17	1.90	52.76	9.26	8.22
Worker against accidents (c)	36.56	12.94	23.08	12.97	58.39	8.47	7.52
Others (c)+(v)	25.73	1.62	26.34	0.83	-2.33	5.96	5.29

(v) - voluntary insurance / (c) - compulsory insurance

## Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	State Annuity Company	14.57	7.62	9.64	3.87	51.16	26.90	22.66
2	HALYK-Life	9.05	4.16	7.43	2.47	21.82	16.71	17.47
3	BTA Life	8.08	3.36	6.78	1.81	19.17	14.91	15.93
4	KAZKOMMERTS Life	8.05	3.47	7.00	1.61	14.98	14.86	16.45
5	ALLIANCE Life Insurance	7.82	3.68	7.74	1.91	0.98	14.44	18.21
6	ASTANA-FINANCE Life	4.22	1.37	3.29	0.41	28.29	7.80	7.74
7	GENERALI Life	2.37	0.24	0.66	0.10	260.16	4.38	1.55
<b>TOTAL MARKET</b>		<b>54.16</b>	<b>23.90</b>	<b>42.54</b>	<b>12.17</b>	<b>27.32</b>	<b>100.00</b>	<b>100.00</b>

## Non-life insurance ranking (First 30 companies)

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	HALYK-KAZAKHINSTRAKH	77.54	9.93	57.34	12.43	35.23	17.96	13.57
2	EURASIA	71.76	8.32	67.80	5.16	5.85	16.62	16.05
3	NOMAD Insurance	27.50	2.57	10.60	1.73	159.50	6.37	2.51
4	KAZKOMMERTS-Policy	26.26	4.19	66.85	2.85	-60.71	6.08	15.82
5	OIL Insurance	22.95	4.34	23.92	4.06	-4.04	5.32	5.66
6	LONDON-ALMATY	20.31	1.57	4.71	2.83	330.89	4.70	1.12
7	VICTORY	17.09	0.55	9.08	1.14	88.25	3.96	2.15
8	AMANAT Insurance	17.00	1.77	20.95	0.97	-18.83	3.94	4.96
9	ALMATY Int.Ins. Group	15.41	1.18	10.63	-1.25	44.94	3.57	2.52
10	CHARTIS Kazakhstan	14.82	1.90	30.10	0.22	-50.77	3.43	7.13
11	KAZAKHMYS	14.72	2.28	4.62	2.41	218.21	3.41	1.09
12	ALLIANZ Kazakhstan	14.20	1.12	22.84	0.63	-37.80	3.29	5.41
13	BTA Insurance	11.34	3.41	4.73	1.97	139.97	2.63	1.12
14	PANA Insurance	9.45	1.04	5.17	0.47	82.66	2.19	1.22
15	ALLIANCE-Policy	6.83	2.37	7.94	3.19	-13.89	1.58	1.88
16	KOMMESK-Omir	6.70	2.56	6.80	1.52	-1.45	1.55	1.61
17	InterTeach	6.55	3.76	7.14	4.39	-8.20	1.52	1.69
18	CENTRAS Insurance	6.43	2.64	15.37	2.82	-58.14	1.49	3.64
19	TSASO	6.25	0.01	4.85	0.13	28.92	1.45	1.15
20	ALATAU	5.71	0.63	4.60	0.06	24.02	1.32	1.09
21	EKO Policy	5.67	1.33	3.08	0.68	84.14	1.31	0.73
22	ASTANA-FINANCE	4.39	1.46	4.45	0.86	-1.23	1.02	1.05
23	GENERALI Life	4.00	0.03	1.35	0.17	197.39	0.93	0.32
24	ASKO	3.80	0.57	3.71	0.52	2.45	0.88	0.88
25	TransOil	3.78	0.68	4.28	1.08	-11.50	0.88	1.01
26	SAYA	2.04	0.75	3.24	0.45	-36.92	0.47	0.77
27	NURPOLICY	1.67	0.48	3.64	1.04	-54.12	0.39	0.86
28	TSESNA GARANT	1.43	0.02	0.31	-	354.69	0.33	0.07
29	HALYK-Life	1.34	0.08	0.45	0.23	202.08	0.31	0.11
30	KazExportGarant	1.25	0.06	-	-	-	0.29	-
<b>TOTAL TOP 10</b>		<b>310.67</b>	<b>36.32</b>	<b>301.98</b>	<b>30.14</b>	<b>2.88</b>	<b>71.94</b>	<b>71.47</b>
<b>TOTAL TOP 20</b>		<b>398.86</b>	<b>56.12</b>	<b>386.04</b>	<b>47.72</b>	<b>3.32</b>	<b>92.37</b>	<b>91.37</b>
<b>TOTAL TOP 30</b>		<b>428.23</b>	<b>61.57</b>	<b>410.53</b>	<b>52.76</b>	<b>4.31</b>	<b>99.17</b>	<b>97.16</b>
<b>TOTAL MARKET</b>		<b>431.82</b>	<b>64.18</b>	<b>422.52</b>	<b>56.78</b>	<b>2.20</b>	<b>100.00</b>	<b>100.00</b>

## insurance PROFILE

# Insurance Market Reports

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## AZERBAIJAN



## BULGARIA



## MOLDOVA





## Kyrgyzstan



Personal insurance	19.85%
Property insurance	44.41%
Liability insurance	16.52%
Mandatory insurance	19.22%

**Source:**

National Bank of the Kyrgyz Republic  
FSC - Gosfinnadzor

**Kyrgyzstan currency exchange rate for calculations:**

1 EUR = 64.8392 Som - KGS (Aug. 31<sup>st</sup> 2011)  
1 EUR = 59.3683 Som - KGS (Aug. 31<sup>st</sup> 2010)



# Development challenges

According to Financial Supervisory Commission, on the 30th June, 2011, on the local insurance market 19 companies were active, of which two are reinsurance companies and 5 are non-resident insurance companies. Also, at present, all re/insurance companies are private, none of them being state owned.

The geography of the Kyrgyz Republic makes it a highly hazard prone country. These include hydrometeorological, geological and natural hazards. *The country is classified as the most seismically dangerous territory in Central Asia and 3,000 to 5,000 earthquakes are registered annually, according to Disaster Risk Management Notes for Priority Countries 2009-2015 in Europe and Central Asia.*

Despite major loss potentials from natural disasters, the level of insurance density in Kyrgyzstan is the lowest in CIS Region, and insurance penetration is *much too low to mitigate the adverse financial consequences of future natural disasters on the economy, central government and households budgets*, shows the study.

The development of the insurance industry will be a real challenge for local authorities, as *population culture regarding insurance is now being formed. (...)* In developed countries, people know from childhood the benefits of insurance and how important it is to be insured, stated in the local press Burul KALMATOVA, Head of Insurance Development Department in FSC – GOSFINNADZOR.

### Market portfolio as of August 31<sup>st</sup>, 2011

Business line	Jan.-Aug. 2011		Jan.-Aug. 2010		NOMINAL EVOLUTION (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.	EUR	%
<b>TOTAL MARKET</b>	<b>3.76</b>	<b>0.35</b>	<b>3.59</b>	<b>0.20</b>	<b>4.80</b>	<b>100.00</b>
Life insurance	-	-	0.00	0.00	-	-
Personal insurance	0.75	0.13	0.86	0.06	-13.07	19.85
Property insurance	1.67	0.21	1.83	0.12	-8.62	44.41
Liability insurance	0.62	0.01	0.80	0.02	-22.81	16.52
Mandatory insurance	0.72	-	0.09	-	677.33	19.22

### All insurance lines ranking

No.	Company	Jan.-Aug. 2011		Jan.-Aug. 2010		NOMINAL EVOLUTION (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		2011	2010
		EUR m.	EUR m.	EUR m.	EUR m.	EUR	2011	2010
1	KYRGYZINSTRAKH	1.14	0.13	0.60	0.03	90.58	30.20	16.61
2	KYRGYZSTAN	0.62	0.03	0.46	0.05	32.82	16.37	12.92
3	NSK Ins.	0.50	0.04	0.61	0.01	-18.48	13.33	17.14
4	LONDON-BISHKEK	0.41	0.04	0.42	0.02	-3.80	10.82	11.78
5	MEGA Ins. Group	0.32	0.01	0.34	0.00	-5.29	8.54	9.45
6	ROSSTRAKH- KYRGYSTAN	0.22	0.01	0.20	0.02	10.73	5.91	5.59
7	AK-JOL	0.16	0.00	0.25	0.00	-33.35	4.35	6.84
8	FCB INSURANCE	0.10	0.05	0.11	0.03	-5.90	2.77	3.09
9	ZDOROVYE	0.08	0.02	0.07	0.02	2.50	2.01	2.05
10	STRAKHOVOY REZERV	0.07	-	0.07	-	8.43	1.98	1.91
11	FAVORIT	0.07	-	0.12	-	-46.44	1.74	3.40
12	ATH Polis	0.05	0.01	0.07	0.01	-32.67	1.25	1.94
13	DOSINVEST	0.02	0.00	0.02	0.00	20.59	0.49	0.43
14	INKOM POLIS	0.01	0.00	0.04	0.00	-79.41	0.24	1.22
15	ANGLO-KYRGYZSKAYA Ins.	-	-	0.05	0.00	-	-	1.27
16	AUB insurance	-	-	0.05	0.00	-	-	1.48
17	KIRGIZ Re	-	-	0.10	0.00	-	-	2.87
	<b>TOTAL TOP 10</b>	<b>3.62</b>	<b>0.34</b>	<b>3.13</b>	<b>0.18</b>	<b>15.47</b>	<b>96.28</b>	<b>87.38</b>
	<b>TOTAL MARKET</b>	<b>3.76</b>	<b>0.35</b>	<b>3.59</b>	<b>0.20</b>	<b>4.80</b>	<b>100.00</b>	<b>100.00</b>



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**Republic of Moldova**



Life insurance	6.44%
Accidents insurance	1.81%
Health - valid in Moldova	1.99%
Health - valid outside Moldova	2.97%
Fire and allied perils	10.79%
Damages to property	1.82%
Motor Hull	18.34%
MTPL	24.58%
Green Card	20.34%
Other motor insurance	2.58%
Aircraft insurance	2.80%
Aircraft liability	1.54%
GTPL	1.93%
Financial loss	1.30%
Other non-life insurance	0.78%

**Source:**

National Commission of Financial Market  
National Bank  
Insurance PROFILE

Currency conversions were calculated for an average exchange rate of:

MDL 16.6068/EUR - in 1H/2011  
MDL 16.7763/EUR - in 1H/2010



# The cycles of growth

**Exclusive on www.xprimm.com**

- Accidents insurance ranking
- Health (valid in Moldova) ins. ranking
- Health (valid outside Moldova) ins. ranking
- Fire and allied perils insurance ranking
- Damages to property insurance ranking
- Motor hull insurance ranking
- MTPL insurance ranking
- Green Card insurance ranking
- Aircraft insurance ranking
- Aircraft liability insurance ranking
- Goods in transit insurance ranking
- GTPL insurance ranking

Insurance market in Moldova registered in the first six months of the current year about EUR28.07m (MDL466.21m), a nominal increase in European currency of 7.32% compared to January-June 2010. In national currency, the nominal evolution of the insurance industry in Moldova was lower, of 6.24%, due to appreciation of MDL against EUR.

On insurance classes, the businesses of Moldavian insurers focused to a share of 65.83% on motor insurance, of which 24.58% related to compulsory MTPL policies, 20.34% - Green Card, 18.34% - Motor Hull, respectively 2.58% - other types of motor insurance.

A significant share in the insurance market portfolio was represented by life insurance, which came to represent 6.44% of the total, about one percent more compared with the situation recorded on June 30th, 2010. Moreover, worthy to mention is the increasing of underwritings on this insurance class, of over 26%, from EUR1.4m to EUR1.8m at the end of June 2011.

During the analyzed period, insurers from Moldova paid claims worth EUR10.4m, about EUR1.2m more. Of this total, more than 79% was correspondent to motor segment, and about 12% - to property insurance.

The total value of premiums ceded in reinsurance by Moldavian insurers was EUR5.98m, about EUR700,000 less. According to data, 18 insurers have ceded premiums in reinsurance, compared with 17, the year before. Thus, given the increasing volume of underwritings, added to the

**Market portfolio as of June 30<sup>th</sup>, 2011**

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in LIFE/ NON-LIFE GWP	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS			
	EUR m.	EUR m.	EUR m.	EUR m.	EUR	%	%
<b>TOTAL MARKET</b>	<b>28.07</b>	<b>10.41</b>	<b>26.16</b>	<b>9.24</b>	<b>7.32</b>	<b>-</b>	<b>100.00</b>
<b>TOTAL LIFE</b>	<b>1.81</b>	<b>0.29</b>	<b>1.43</b>	<b>0.43</b>	<b>26.46</b>	<b>100.00</b>	<b>6.44</b>
<b>TOTAL NON-LIFE</b>	<b>26.26</b>	<b>10.12</b>	<b>24.73</b>	<b>8.82</b>	<b>6.21</b>	<b>100.00</b>	<b>93.56</b>
Accidents insurance	0.51	0.10	0.56	0.20	-10.25	1.93	1.81
<b>Overall health insurance</b>	<b>1.39</b>	<b>0.49</b>	<b>1.24</b>	<b>0.25</b>	<b>12.46</b>	<b>5.30</b>	<b>4.96</b>
Health - valid in Moldova	0.56	0.42	0.46	0.14	21.35	2.12	1.99
Health - valid outside Moldova	0.83	0.07	0.78	0.11	7.20	3.17	2.97
<b>Overall property insurance</b>	<b>3.54</b>	<b>1.23</b>	<b>3.27</b>	<b>0.44</b>	<b>8.23</b>	<b>13.48</b>	<b>12.61</b>
Fire and allied perils	3.03	1.20	2.34	0.16	29.44	11.53	10.79
Damages to property	0.51	0.03	0.93	0.28	-45.17	1.94	1.82
<b>Overall motor insurance</b>	<b>18.48</b>	<b>8.25</b>	<b>17.23</b>	<b>7.83</b>	<b>7.26</b>	<b>70.37</b>	<b>65.83</b>
Motor Hull	5.15	3.78	4.83	4.00	6.53	19.60	18.34
MTPL	6.90	2.59	6.63	2.57	4.07	26.27	24.58
Green Card	5.71	1.86	5.16	1.25	10.70	21.74	20.34
Other motor insurance	0.72	0.02	0.61	0.01	18.57	2.75	2.58
Aircraft insurance	0.79	-	0.91	0.01	-13.48	2.99	2.80
Aircraft liability	0.43	0.00	0.45	-	-3.37	1.65	1.54
Goods in transit	0.54	0.00	0.12	0.00	358.15	2.06	1.93
GTPL	0.37	0.04	0.41	0.07	-11.50	1.39	1.30
Other non-life insurance	0.22	0.00	0.54	0.02	-59.05	0.84	0.78

reduction of premiums ceded in reinsurance, the degree of coverage decreased to 21.3%, after that, a year earlier, it had stood at 25.6%.

## Negative dynamic for the market profitability

Gross profit in the first half of this year for the players in the insurance market was MDL41.5m (EUR2.5m), which represents an evolution in absolute value of about EUR1.9m. Also, losses accounted by insurers amounted to MDL20.9m (EUR1.3m).

Also, a total of 13 insurance companies have registered profit, 4 less than in 1H/2010. In this sense, "champion companies" were MOLDASIG (profit of EUR1.61m), MOLDOVA-ASTROVAZ (EUR0.23m) and ACORD-GRUP (EUR0.21m). Added-up, these three companies had 82% of the entire insurance market profit: EUR2.05m.

Also, the greatest losses were registered by the companies DONARIS-GROUP (EUR0.48m), GRAWE CARAT ASIGURARI (EUR0.24m) and AFES MOLDOVA (EUR0.12m).

Overall, the aggregated result of the "profit and loss account" for the insurance market was MDL20.6m (EUR1.2m), 69% less than in 1H/2010, when the same indicator was MDL67.5m (EUR4m).

## The first "victims" of the capitalization

The underwritten share capital of insurance companies from the Republic of Moldova has reached the value of MDL451.8m (about EUR27.2m). In absolute value, the share capital at insurance industry level has increased by over MDL45.5m. This continuous market capitalization comes as an effect of the reforms initiated in the insurance industry in 2007, by the publishing in the Official Gazette, on April 6th, of the Law no. 407, which provided among others the change of requirements referring to the minimum share capital of insurers, that must reach, gradually, for general insurance business, MDL15m by 2012, respectively MDL22.5m - life insurance, and for the reinsurance activity the minimum capital requirement reaches MDL30m.

Thus, 20 insurers were meeting the minimum capitalization requirement to be achieved by April 2011 (MDL12m). The new requirements have made the first "victims" among insurance companies in May 2011, reducing the number of profile companies from 24 to 22, as ARTAS and EDICT ceased their activity due to failure to meet minimum capitalization requirements.

## Life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	GRAWE CARAT ASIG.	1.67	0.02	1.29	0.10	29.77	92.59	90.23
2	SIGUR-ASIGUR	0.10	0.00	0.10	-	-0.36	5.71	7.24
3	ASITO	0.02	0.26	0.03	0.30	-21.34	1.30	2.09
4	ASTERRA GRUP	0.01	-	0.01	-	16.52	0.40	0.44
5	ALIANȚA-MOLDCOOP	-	-	-	0.02	-	-	-
6	VICTORIA ASIGURĂRI	-	0.00	-	0.00	-	-	-
<b>TOTAL MARKET</b>		<b>1.81</b>	<b>0.29</b>	<b>1.43</b>	<b>0.43</b>	<b>26.46</b>	<b>100.00</b>	<b>100.00</b>

## Non - life insurance ranking

No.	Company	1H/2011		1H/2010		Nominal Evolution (%)	MARKET SHARE (%)	
		GWP	CLAIMS	GWP	CLAIMS		1H/2011	1H/2010
		EUR m.	EUR m.	EUR m.	EUR m.			
1	MOLDASIG	7.40	2.93	7.37	2.67	0.38	28.18	29.82
2	ASITO	4.95	1.87	6.04	1.80	-18.06	18.84	24.42
3	MOLDCARGO	2.64	0.55	1.12	0.48	136.41	10.06	4.52
4	DONARIS-GROUP	2.33	0.79	1.75	0.79	33.17	8.88	7.09
5	GRAWE CARAT ASIG.	1.82	0.65	1.80	0.48	0.98	6.93	7.29
6	EUROASIG	1.15	0.58	0.86	0.26	33.12	4.37	3.48
7	ACORD-GRUP	1.09	0.01	0.91	0.04	19.75	4.16	3.69
8	VICTORIA ASIGURĂRI	0.90	0.53	0.49	0.31	82.86	3.44	2.00
9	TRANSELIT	0.71	0.17	0.56	0.16	27.62	2.71	2.25
10	KLASSIKA ASIGURĂRI	0.69	0.30	0.52	0.30	33.79	2.63	2.09
11	GARANȚIE	0.48	0.54	0.34	0.21	38.50	1.81	1.39
12	AUTO-SIGURANȚA	0.39	0.15	0.31	0.12	26.13	1.50	1.26
13	MOLDOVA-ASTROVAZ	0.33	0.23	0.85	0.45	-61.51	1.25	3.45
14	ASTERRA GRUP	0.30	0.10	0.26	0.06	14.85	1.14	1.05
15	GALAS	0.29	0.27	0.36	0.17	-20.43	1.09	1.46
16	EXIM-ASINT	0.28	0.15	0.52	0.17	-45.60	1.08	2.11
17	IDEEA ASIGURĂRI	0.20	0.11	0.18	0.06	12.18	0.77	0.73
18	VITORIASIG	0.16	0.05	0.18	0.05	-12.52	0.60	0.73
19	ARTAS	0.12	0.10	0.18	0.14	-33.34	0.46	0.74
20	ALIANȚA-MOLDCOOP	0.02	0.01	0.02	0.00	0.46	0.09	0.09
21	SIGUR-ASIGUR	0.00	0.00	0.01	0.00	-58.60	0.01	0.03
22	GARANT	0.00	0.01	0.05	0.05	-98.85	0.00	0.20
23	AFES-MOLDOVA	-	0.01	0.02	0.04	-	-	0.08
24	EDICT	-	0.00	0.01	0.00	-	-	0.04
<b>TOTAL TOP 10</b>		<b>23.69</b>	<b>8.39</b>	<b>21.43</b>	<b>7.29</b>	<b>10.57</b>	<b>90.20</b>	<b>86.65</b>
<b>TOTAL MARKET</b>		<b>26.26</b>	<b>10.12</b>	<b>24.73</b>	<b>8.82</b>	<b>6.21</b>	<b>100.00</b>	<b>100.00</b>



Mihail CIBOTARU  
President, NCFM

The Moldavian insurance market celebrated, in June 2011, 20 years of existence. On this anniversary occasion, a conference dedicated to the profile market was held in Chisinau. Referring to the state of the insurance market in Moldova, the President of NCFM, Mihail CIBOTARU, considers that the development of this sector, important for the economy, is characterized by increasing the degree of penetration in GDP and by developing its infrastructure.

At the same time, according to NCFM President, to achieve all objectives in view, the Commission will continue to improve the legal framework to ensure market development in accordance with European practices. But all these things can not be achieved without support from the companies involved and without measures to inform and educate the public.



Russia

# Strong growth



Life insurance (V)	2.36%
Personal insurance (V)	13.82%
Property insurance (V)	26.50%
Liabilities (V)	2.14%
Mandatory health ins.	46.82%
MTPL	7.20%
Other mandatory ins.	1.15%

Sources:

Central Bank of the Russian Federation  
Federal Insurance Supervision Service  
Media Information Group  
REMARK

Russian currency exchange rate for calculations:

1 EUR = 40.3870 Ruble - RUB  
(June 30<sup>th</sup> 2011)  
1 EUR = 38.1863 Ruble - RUB  
(June 30<sup>th</sup> 2010)

Figures presented by the supervisory authority of the insurance market in Moscow indicate for the first half of the current year an increasing evolution of the profile industry of over 13% in EUR, the market reaching more than EUR15.4bn.

For the development of the market, the greatest influences were the significant increase in car sales, the revival of the construction market, increasing trade and goods transportation. As a result, the market grew, and grew significantly in almost all segments, explained the market evolution Andrey VESELKOV, General Manager, Media-Information Group, "Insurance Today".

Analyzing each market segment separately, traditionally, travel insurance, followed by liability insurance were the most profitable for insurers. Despite this reality, the highest growth rates were for life insurance, agricultural insurance respectively, added VESELKOV.

According to Andrey VESELKOV, in full global crisis, many insurance companies have revised their strategy at regional level, eliminating the unprofitable branches. Almost all large companies have revised their pricing policies, with the main benefit of reducing the phenomenon of dumping prices.

The most important change in insurance law is the requirement regarding the increase of the underwritten share capital.

In the first half of the year, some insurers - medium and small - have taken steps to eliminate or postpone the deadline of this law. However, it seems that, starting next year, the insurance companies that do not meet minimum capitalization requirement will face the withdrawal of license and termination of activity, said Andrey VESELKOV.

Other important changes carried out in 2011 were due to the increased MTPL tariffs, as well as due to the launching of the draft law regarding mandatory insurance of highly dangerous objects.

Speaking about the near future of the insurance market, Andrey VESELKOV considers that the market will continue its growth. In this industry, as in all the Russian economy, everything depends on oil prices and therefore on the welfare of the world economy. If by the end of this year there isn't a new wave of crisis, then I am convinced that the insurance market in our country will continue to grow, at least until the end of 2011.

Market portfolio as of June 30<sup>th</sup>, 2011

v - voluntary

Business line	1H/2011		1H/2010		NOMINAL EVOLUTION (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.		
TOTAL MARKET	15,443.80	10,493.09	13,645.01	9,616.95	13.18	100.00
LIFE INSURANCE (V)	364.24	89.46	234.30	71.75	55.46	2.36
NON-LIFE INSURANCE	15,079.55	10,403.63	13,410.71	9,545.20	12.44	97.64
Personal insurance (V)	2,134.98	955.50	1,925.96	851.33	10.85	13.82
Accidents (V)	545.92	94.21	439.07	67.72	24.33	3.53
Health (V)	1,589.05	861.29	1,486.88	783.62	6.87	10.29
Property insurance (V)	4,093.17	1,714.06	3,639.84	1,820.78	12.45	26.50
MOTOR HULL (V)	1,892.53	1,256.00	1,657.17	1,360.03	14.20	12.25
Properties insurance (V)	1,475.67	301.89	1,380.14	316.49	6.92	9.56
Other goods (V)	246.46	28.64	219.69	20.13	12.19	1.60
Agricultural ins. (V)	223.51	87.05	150.93	50.56	48.09	1.45
Railway, aircraft and ships (V)	130.65	30.36	143.70	42.66	-9.08	0.85
Financial risks (V)	124.35	10.12	88.21	30.91	40.97	0.81
Liabilities (V)	330.86	37.58	369.39	33.83	-10.43	2.14
Mandatory health ins.	7,230.84	6,909.08	6,168.67	6,084.14	17.22	46.82
MTPL	1,111.65	703.91	1,138.03	683.45	-2.32	7.20
Other mandatory ins.	178.06	83.50	168.83	71.66	5.46	1.15
TOTAL VOLUNTARY INSURANCE	6,923.25	2,796.60	6,169.49	2,777.70	12.22	44.83
TOTAL MANDATORY INSURANCE	8,520.54	7,696.49	7,475.52	6,839.25	13.98	55.17



**Andrey VESELKOV**,  
General Director,  
Media-Information  
Group, "Insurance  
Today"

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)

## "Troop movements" in the reinsurance market

According to the Specialty Magazine RE-MARK and the Federal Service of Insurance Supervision, since the beginning of 2011, the reinsurance market in Russia has decreased by about 20 companies. Also, 104 companies do not meet the minimum requirement regarding the share capital according to the law that will entry into force at the beginning of 2012. According to this, starting January first 2012, only companies with a share capital of at least RUB480m will be able to carry on the insurance activity.

Thus, at the beginning of the current year, 131 companies operate on the reinsurance segment, of which 18 are specialized companies. A year before, on the reinsurance market in Russia, 23 specialized reinsurance companies and 150 composite companies (re/insurance) were activating.

According to REMARK Magazine, in the first quarter of 2011, two large reinsurance companies switched from companies specialized strictly on reinsurance to composite companies, through merger. Therefore, in February, the company MEGARUSS RE merged with MEGARUSS - D, and in March, EASTERN Re merged with insurance company MEGAPOLIS, being then renamed EASTERN Insurance and Reinsurance Company.

### ALLIANZ Russia S&P's rating revised to STABLE outlook

STANDARD & POOR's Ratings Services said on September 6th that they had revised the outlook on ALLIANZ Insurance JSC (ALLIANZ Russia) to stable from negative. At the same time, S&P's affirmed its "BBB-" counterparty credit and financial strength and "ruAA+" Russia national scale ratings on the company. The outlook revision reflects a gradual recovery in ALLIANZ Russia's risk-based capital adequacy to a level commensurate with its stand-alone credit profile. The ratings on ALLIANZ Russia reflect its strategic importance to its parent, Germany-based ALLIANZ SE ("AA"/Stable/"A-1+"), as well as ALLIANZ Russia's good investment-portfolio quality and sound operating results.

### TOP 25 - Life insurance

Company	Region	GWP	MARKET
		1H/2011	SHARE
		EUR m.	%
ROSGOSSTRAKH Life	Moscow	48.53	13.32
ALICO	Moscow	44.12	12.11
ALFASTRAKHOVANIE	Moscow	37.28	10.23
SOGAZ Life	Moscow	35.04	9.62
RUSSIAN Standard Ins.	Moscow	30.43	8.36
SOGEKAP Life Ins.	Moscow	23.31	6.40
ALLIANZ Rosno Life	Moscow	21.77	5.98
CIV Life	Moscow	18.68	5.13
GENERALI PPF Life	Moscow	15.02	4.12
RAIFFEISEN Life	Moscow	12.86	3.53
CHULPAN Life	Almetyevsk	10.02	2.75
RENAISSANS Life	Moscow	8.66	2.38
DISKONT	Saratov	7.08	1.94
ROSSIA	Moscow	6.61	1.82
AVIVA	Moscow	5.51	1.51
ZHASO Life	Moscow	5.18	1.42
INGOSSTRAKH Life	Moscow	4.65	1.28
KOLYMSKAYA	Khabarovsk	3.86	1.06
ERGO Life	Moscow	3.02	0.83
URALSIB Life	Moscow	2.73	0.75
ASKO Life	N. Chelny	2.69	0.74
MSK Life	Moscow	2.30	0.63
SURGUTNEFTEGAZ Life	Moscow	2.21	0.61
SOYUZ Life	R.-on-Don	2.20	0.60
VSK - LIFE LINE	Moscow	1.27	0.35
FIRST 10 COMPANIES		287.03	78.80
FIRST 25 COMPANIES		355.03	97.47
TOTAL MARKET		364.24	100.00

### TOP 25 - Personal insurance

Company	Region	GWP	MARKET
		1H/2011	SHARE
		EUR m.	%
SOGAZ	Moscow	377.70	17.69
ROSNO	Moscow	139.32	6.53
ALFASTRAKHOVANIE	Moscow	120.12	5.63
ROSGOSSTRAKH*	Lyubertsy	109.69	5.14
RESO-Garantia	Moscow	99.46	4.66
ZHASO	Moscow	91.57	4.29
INGOSSTRAKH	Moscow	89.45	4.19
TRANSNEFT	Moscow	72.12	3.38
GENERALI PPF Life	Moscow	69.06	3.23
VSK	Moscow	54.25	2.54
SOGLASIE	Moscow	52.31	2.45
VBT Insurance	Moscow	47.17	2.21
MAKS	Moscow	46.33	2.17
RENAISSANS Ins.	Moscow	40.56	1.90
SURGUTNEFTEGAZ	Surgut	37.40	1.75
KAPITAL Insurance	Kogalym	36.93	1.73
AVIVA	Moscow	33.71	1.58
URALSIB	Moscow	33.01	1.55
MSK Ins. Group	Kazan	21.28	1.00
CHULPAN	Almetyevsk	20.57	0.96
YUGORIA	K. Mansiysk	19.93	0.93
KARDIF	Moscow	19.25	0.90
PROGRESS-GARANT	Moscow	17.86	0.84
ALIKO	Moscow	16.60	0.78
ENERGOGARANT	Moscow	16.47	0.77
FIRST 10 COMPANIES		1,222.75	57.27
FIRST 25 COMPANIES		1,682.14	78.79
TOTAL MARKET		2,134.98	100.00

\* ex ROSGOSSTRAKH STOLITA

### TOP 25 - Mandatory health insurance

Company	Region	GWP	MARKET
		1H/2011	SHARE
		EUR m.	%
MAKS - M	Moscow	987.45	13.66
ROSNO - MS	Moscow	870.99	12.05
SOGAZ MED	Moscow	687.03	9.50
ROSGOSSTRAKH MED	S. Petersburg	383.42	5.30
KAPITAL MED Insurance	Kogalym	376.28	5.20
SIBIRI	Kemerovo	338.79	4.69
SOVITA	Moscow	294.08	4.07
RESO-MED	P. Pasad	243.89	3.37
SPASSKIE VOROTA - M	Moscow	231.12	3.20
YUGORIA - MED	Surgut	214.22	2.96
INGOSSTRAKH-M	Moscow	185.19	2.56
AK BARS-MED	Kazan	154.95	2.14
URALSIB	Klimovsk	143.08	1.98
ALFASTRAKHOVANIE	Moscow	111.35	1.54
ASTRAMED-MC	Yekaterinburg	100.07	1.38
NADEJDA	Krasnoyarsk	96.35	1.33
DALI-ROSMED	Khabarovsk	93.84	1.30
ASK-MED	S. Petersburg	88.06	1.22
MEDSTRAKH	Moscow	85.86	1.19
SAHAMEDSTRAKH	Yakutsk	83.86	1.16
EMESK	Stavropol	70.25	0.97
RUSSKIY MIR	S. Petersburg	61.26	0.85
GSMK	S. Petersburg	56.78	0.79
MEDINKOM	Yekaterinburg	56.49	0.78
MEDICA-VOSTOK	Krasnoyarsk	53.51	0.74
FIRST 10 COMPANIES		4,627.28	63.99
FIRST 25 COMPANIES		6,068.18	83.92
TOTAL MARKET		7,230.84	100.00

### TOP 25 - Property insurance

Company	Region	GWP	MARKET
		1H/2011	SHARE
		EUR m.	%
ROSGOSSTRAKH*	Lyubertsy	483.03	11.80
INGOSSTRAKH	Moscow	411.85	10.06
SOGAZ	Moscow	394.50	9.64
RESO-Garantia	Moscow	313.68	7.66
ALFASTRAKHOVANIE	Moscow	215.37	5.26
VSK	Moscow	195.68	4.78
SOGLASIE	Moscow	191.35	4.67
MSK Ins. Company	Kazan	117.82	2.88
RENAISSANS Ins.	Moscow	109.46	2.67
ROSNO	Moscow	94.60	2.31
KAPITAL Insurance	Kogalym	83.25	2.03
URALSIB	Moscow	67.03	1.64
YUGORIA	K. Mansiysk	65.07	1.59
TRANSNEFT	Moscow	56.55	1.38
MASK	Moscow	56.54	1.38
ZURICH	Moscow	49.47	1.21
GUTA Insurance	Moscow	40.89	1.00
ROSAGROSTRAKH	Korolev	40.88	1.00
ENERGOGARANT	Moscow	37.43	0.91
RUSSIAN INS. CENTER	Moscow	36.60	0.89
PROGRESS-GARANT	Moscow	36.08	0.88
VTB Insurance	Moscow	34.69	0.85
ROSTRA	Moscow	29.72	0.73
ORANTA	Moscow	25.69	0.63
GEFEST	Moscow	24.87	0.61
FIRST 10 COMPANIES		2,527.34	61.75
FIRST 25 COMPANIES		3,212.10	78.47
TOTAL MARKET		4,093.17	100.00

\* ex ROSGOSSTRAKH STOLITA

## Reinsurance companies activity

No	Company	Region	PREMIUMS (EUR m)		CLAIMS (EUR m)	
			1H 2011	1H 2010	1H 2011	1H 2010
<b>Specialized entities</b>						
1	ASIATRANS RE	Khabarovsk	1.27	2.03	1.25	1.64
2	CAPITAL CENTER Reinsurance	Vidnoe	2.38	3.70	0.50	0.45
3	CONCEPTIA RE	Moscow	2.37	3.42	0.23	0.38
4	EAST EUROPEAN Reins. Company	Moscow	0.02	7.05	0.07	2.61
5	FINANCIAL Reinsurance Company	Moscow	8.05	-	0.02	-
6	KAMA RE	Kazan	3.89	1.14	0.31	0.25
7	KAPITAL REINSURANCE	Moscow	9.28	8.71	6.08	3.60
8	MOSCOW RE	Moscow	18.08	16.80	4.87	3.96
9	MUNICH RE	Moscow	4.02	4.35	1.61	1.20
10	NAKHODKA-RE	Nakhodka	-	2.46	-	0.89
11	NATIONAL RE	Moscow	0.24	0.99	1.03	0.97
12	PROFILE RE	Moscow	1.76	1.30	0.62	1.24
13	ROSLES RE	Moscow	4.69	4.63	1.44	1.11
14	RUSSIAN RE	Moscow	8.21	7.77	2.62	1.35
15	SCOR REINSURANCE	Moscow	9.48	3.30	0.16	0.00
16	SOTIS	Moscow	12.05	10.87	1.22	0.77
17	TRANSIB RE	Krasnoyarsk	8.08	5.83	4.08	2.94
18	VOLGA	Samara	1.09	0.75	0.52	0.46
<b>TOTAL SPECIALIZED REINSURENCE COMPANIES</b>			<b>94.94</b>	<b>85.10</b>	<b>26.61</b>	<b>23.79</b>
<b>Insurance and reinsurance companies</b>						
1	AIS Insurance Company	Moscow	15.51	12.45	0.80	0.32
2	ALFASTRAKHOVANIE	Moscow	6.14	3.24	4.06	1.93
3	ALLIANCE	Moscow	13.63	9.61	4.30	0.03
4	AVRORA-GARANT	Vidnoe	4.02	0.39	0.02	-
5	BASTION Line	Moscow	2.81	3.82	0.30	0.57
6	DELOVOE SOOBSCESTVO	Krasnodar	8.36	13.44	5.44	0.55
7	EASTERN Ins. and Reins. Company*	Moscow	4.67	-	2.97	-
8	FINANCIAL Reinsurance Company	Moscow	8.05	-	0.02	-
9	GHIALIT-POLIS	Moscow	-	6.43	-	0.00
10	INGOSSTRAKH	Moscow	44.77	47.03	29.24	28.17
11	KAPITAL Insurance	Kogalym	10.67	27.03	2.18	8.13
12	KAPITAL REINSURANCE	Moscow	9.28	8.71	6.08	3.60
13	MOSCOW RE	Moscow	18.08	16.80	4.87	3.96
14	MY Insurance Company	Moscow	7.72	15.33	2.19	1.88
15	ONIX	Balashiha	2.63	7.54	0.47	0.47
16	POKROVITELI	Moscow	7.32	9.36	0.65	0.42
17	POMOSCH	Saint Petersburg	5.45	3.24	0.46	0.01
18	RESO GARANTIA	Moscow	7.45	5.07	1.49	2.43
19	ROSGOSSTRAKH	Lyubertsy	7.53	0.44	0.14	5.00
20	ROSLES RE	Moscow	4.69	4.63	1.44	1.11
21	ROSNO	Moscow	5.01	9.61	7.90	12.08
22	RUSSIAN RE	Moscow	8.21	7.77	2.62	1.35
23	SCOR REINSURANCE	Moscow	9.48	3.30	0.16	0.00
24	SOGAZ	Moscow	40.27	30.11	16.60	9.37
25	SOGLASIE	Moscow	10.03	16.21	2.60	1.20
26	SOTIS	Moscow	12.05	10.87	1.22	0.77
27	TRANSIB RE	Krasnoyarsk	8.08	5.83	4.08	2.94
28	UNITY RE	Moscow	14.95	13.08	3.44	3.64
29	VOSTOK ALLIANCE	Moscow	12.27	9.61	0.16	0.00
30	VSK	Moscow	4.92	4.57	1.24	0.67
<b>PRESENTED INSURANCE AND REINSURANCE COMPANIES</b>			<b>314.02</b>	<b>305.51</b>	<b>107.16</b>	<b>90.57</b>
<b>TOTAL REINSURANCE MARKET</b>			<b>442.70</b>	<b>456.08</b>	<b>136.48</b>	<b>143.28</b>

\* the company finalized the merger with MEGAPOLIS

# ИНГОССТРАХ

## Ingosstrakh

According to preliminary data, the volume of gross premiums underwritten by insurance companies that are part of the INGO Group, in the first six months of the year, amounted to RUB39.8bn (EUR985.4m), up by 11.3% compared to the same period in 2010; at the same time, the claims paid by insurers fell by 2.6%, to RUB25bn (EUR620.3m). The following insurance companies are part of INGO Group: INGOSSTRAKH, INGOSSTRAKH Life, INGOSSTRAKH - M, Emergency Ins. Company, EMESK and INGOSSTRAKH ONDD Credit Insurance from Russia, INGO Ukraine and INGO Ukraine-Life from Ukraine, INGONORD (Finland), BELINGOSTRAKH (Belarus), INGO Armenia (Armenia), KYRGYZINSTRAKH (Kyrgyzstan), INGO Uzbekistan (Uzbekistan).



In the first six months of 2011, RESO Garantia has underwritten premiums worth RUB21.70bn (approx. EUR537m) - a growth, in local currency, of 22% compared to the same period in 2010. During the reported period, the amount of claims paid by the insurance company has increased by about 18% compared to 1H/2010, reaching RUB10.72bn (approx. EUR265m). According to a press release issued by the company in mid-September, RESO Garantia will merge with Strakhovoy Dom VSK, creating a new legal entity under the name RESO-VSK. AXA Group - 36.6% and EBRD - 6.3% are part of the RESO Group shareholders.

# SOGAZ

## INSURANCE GROUP

The cumulative insurance fees collected by the companies of SOGAZ Group based on the results of the first six months of 2011 equaled RUB65.64bn (EUR1.63bn), which is a 19% growth in national currency. The total volume of insurance payments made by the Group amounted to RUB41.80bn (EUR1.03bn). By the end of the first six months of 2011, the overall value of SOGAZ Group companies' assets amounted to RUB109.71bn (EUR2.72bn). Also, the aggregate capital of the Group increased by 27%, to RUB24.93bn (EUR617m), while the net profit, compared to the first six months of 2010, increased by 33%, to RUB5.19bn (EUR129m).



## Tajikistan



Mandatory insurance	75.00%
Voluntary insurance	25.00%

**Source:**

National Bank of Tajikistan  
TOJIKSUGURTA website

**Tajikistan's currency exchange rate for calculations:**

1 EUR = 6.7315 Somoni - TJS (June 30<sup>th</sup> 2011)  
1 EUR = 5.4644 Somoni - TJS (June 30<sup>th</sup> 2010)

## Entry level

The insurance industry in Tajikistan is still developing, many forms of insurance protection common in other parts of the world being not yet available. Speaking about the insurance companies, the first private one appeared on the market in 1992. At the end of 2010, there are 16 insurance companies, including two state owned companies: TOJIKSUGURTA and TAJIKSARMOYAGUZOR. Ranked by underwritings criterion, the biggest insurance company in the market is TOJIKSUGURTA (45% market share, equivalent to EUR3.5m). Also, the Tajik's Insurance Law stipulates 16 types of mandatory insurance products, which defines the market portfolio, approximately 75% being covered by this type of insurance.

### Market portfolio as of June 30<sup>th</sup>, 2011

Business line	1H 2011	% in all
	GWP* EUR m.	GWP* %
<b>TOTAL MARKET</b>	<b>8.00</b>	<b>100.00</b>
Mandatory insurance	6.00	75.00
Voluntary insurance	2.00	25.00

\* Estimate based on figures presented by the State Insurance Company TAJIKSUGURTA

## TEAM XPRIMM INSURANCE REPORT



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## Turkmenistan



Mandatory insurance	5.00%
Voluntary insurance	95.00%

**Source:**

The Central Bank of Turkmenistan  
State Insurance Organization of Turkmenistan

**Turkmenistan currency exchange rate for calculations:**

1 EUR = 4.0955 Manat - TMT (June 30<sup>th</sup> 2011)  
1 EUR = 3.4727 Manat - TMT (June 30<sup>th</sup> 2010)

## Monopoly area

According to allbusiness.com, the insurance market from Turkmenistan is on a reformed road. *It is one of the main financial instruments of a market economy. The policy conducted towards insurance proceeds not only from its development as a form of market services, but also from the realization that insurance is one of the levers of serious economic support and social stability,* stated a local newspaper.

The only company that operates on Turkmenistan's insurance market is the State Insurance Organization of Turkmenistan, that has a network over the country, which includes more than 40 branches.

### Market portfolio as of June 30<sup>th</sup>, 2011

Business line	1H 2011	% in all
	GWP* EUR m.	GWP* %
<b>TOTAL MARKET</b>	<b>25.00</b>	<b>100.00</b>
Mandatory insurance	1.25	5.00
Voluntary insurance	23.75	95.00
Personal insurance	0.63	2.50
Property insurance	21.38	85.50
Liability insurance	1.75	7.00

\* Estimate based on annual figures presented by the State Insurance Organization of Turkmenistan



Ukraine



Life insurance	4.85%
Non-life insurance	95.15%

Source:

Insurance TOP Magazine  
Federal Insurance Supervision Service

Ukrainian currency exchange rate for calculations:

1 EUR = 11.500043 Hryvnia - UAH  
(June 30<sup>th</sup> 2011)  
1 EUR = 9.644959 Hryvnia - UAH  
(June 30<sup>th</sup> 2010)



# End of crisis?

The Ukrainian insurance companies have underwritten in the first six months of 2011 over UAH11bn (EUR960m) in premiums, according to preliminary figures. In this regard, the market recorded a 15% increase in local currency compared with the same period of the previous year. In European currency, the market registered a decrease of 4 percent.

In the second quarter of 2011, the Ukrainian insurance market continued the underwritings positive evolution, the motor line of business still occupying the first position in the insurers' portfolio. At the same time, the health insurance line of business increased by 20%.

## The economy reflected in the insurance market indicators

According to Ukrainian insurance specialists, the high growth rates in industry and constructions, together with the gradual intensification of other economic activities have contributed to the increase of the business conducted by insurance companies on the property segment.

Also, the first six months of the year were marked by the increase of the transportation sector: *Both the air transportation, as well as the road transportation for passengers have increased, accounting for more than half of total traffic. Impressive increases were mainly on the international transportation sector, due to increased population income and to the beginning of the holiday period. This led to an increase in sales of travel insurance, aviation insurance and goods insurance*, stated for XPRIMM Alexandr ZALETOV, Deputy Chairman of the Council of the League of Insurance Organizations of Ukraine and Editor in Chief, Insurance TOP Magazine.

Also, increased prices for medicines and medical services contributed to the growth of voluntary health insurance

volume. In the same way, *adoption of the law regarding the pension reform was a catalyst for increasing the life segment, and the change pricing criteria on MTPL has also led to the increase of this type of insurance*, added ZALETOV.

The Entry into force of the Tax Code has created new opportunities for the development of voluntary medical insurance, life insurance. The introduction of the European system of amicable report for road accidents will facilitate the development of MTPL, increasing losses.

## The amicable report... now in Ukraine

The form of amicable report of damages due to road accidents can be used in Ukraine since September 19th this year. *This corresponds with European standards in the field and provides that road accidents which resulted only in material damage and in which only two vehicles were involved can be solved without the Police documents, by filling up the amicable report*, stated for XPRIMM Vladimir ROMANISHIN, Director of Motor Insurers Bureau of Ukraine, during the International Financial Forum in Yalta.

According to his estimates, by using this form, approximately 80-87% of the vehicle accidents in the territory of Ukraine will be regulated. It can also be used for damages not exceeding EUR900 per accident. With the popularization of this practice among the population, it is expected a gradual increase of these amounts in the future.

*Insurance industry supports this approach and we believe it will significantly simplify the procedure of finding car accidents. We do not exclude an increase in tariff policies in the future, but the most important is that people correctly understand the use of this form*, said, during the same event, Natalia GUDIMA, President of LIOU.

## Market portfolio as of June 30<sup>th</sup>, 2011

Business line	1H 2011 GWP	1H 2010 GWP	NOMINAL EVOLUTION (%)	% in all GWP
	EUR m.	EUR m.	%	%
TOTAL MARKET	960.17	999.06	-3.89	100.00
TOTAL LIFE	46.61	34.85	33.75	4.85
TOTAL NON-LIFE	913.56	964.20	-5.25	95.15





**Alexandr ZALETOV**  
Deputy Chairman of  
the Council of the  
League of Insurance  
Organizations of  
Ukraine and Editor in  
Chief, Insurance TOP  
Magazine

Read the full interview on  
[www.xprimm.com](http://www.xprimm.com)

## How will 2011 end?

Talking about the Motor Hull segment, *despite increasing sales of new cars, we do not expect an increase of the premiums in 2011. In the best case, the Motor Hull volume will correspond with the previous year, and in the worst case, it will be reduced by 5%. At the same time, due to poor car sales growth and reduced Motor Hull share in the portfolios of insurance companies, it is unlikely that rates will rise*, said Alexander ZALETOV.

In this respect, in 2011 it is expected for MTPL segment to surpass for the first time the Motor Hull segment, in terms of gross written premiums.

The Ukrainians insurance specialists consider that, by the end of 2011, the GWP will reach and even surpass the level reported before the financial crisis, of UAH24bn

### Life insurance ranking

Nr.	Company	1H/2011	MARKET
		GWP	SHARE
		EUR m.	%
1	RENESANS Life	8.90	19.10
2	TAS	6.25	13.41
3	UNIQA Life	3.63	7.78
4	PZU Life Ukraine	2.80	6.01
5	FIDEM Life	2.00	4.28
6	LEMMA Life	1.39	2.97
7	DELYTA Life	1.02	2.19
8	VIG - Yupiter Life	0.90	1.94
9	KD Life	0.72	1.55
10	GARANT - Life	0.70	1.51
11	Ilyichevskaya Ins	0.59	1.27
12	ORANTA Life	0.53	1.14
13	ASKA Life	0.46	0.98
14	UNIVERSALNA	0.37	0.79
15	UKRAINIAN Ins. "LIFE"	0.30	0.65
16	INGO Life Ukraine	0.28	0.59
17	SEB Life Ukraine	0.25	0.53
18	PLANETA Life	0.17	0.36
19	TEKOM Life	0.13	0.28
20	BROKBUSINESS Life	0.04	0.09
<b>TOTAL MARKET</b>		<b>46.61</b>	<b>100.00</b>

(EUR2bn), while the life insurance market will represent UAH1.95bn (EUR170m), as a result of the loaning development. This evolution is a consequence of the positive

### Non - Life insurance ranking

Nr.	Company	1H/2011	MARKET
		GWP	SHARE
		EUR m.	%
1	KREMENY	64.02	7.01
2	AXA Ins	28.96	3.17
3	ORANTA	28.09	3.07
4	PROVIDNA	27.03	2.96
5	LEMMA	22.88	2.50
6	UNIQA	20.83	2.28
7	INGO UKRAINE	20.22	2.21
8	UPSK	19.75	2.16
9	TAS	16.59	1.82
10	UKRAINIAN Ins.	16.29	1.78
11	ASKA	14.80	1.62
12	GARANT-AUTO	13.26	1.45
13	PZU UKRAINE	12.98	1.42
14	ARSENAL Ins	11.47	1.26
15	AlfaStrakhovanie	9.95	1.09
16	UNIVERSALNA	9.90	1.08
17	DOBROBUT	9.73	1.06
18	PRO100 Insurance	7.26	0.79
19	ALLIANZ UKRAINE	6.87	0.75
20	BROKBUSINESS	6.45	0.71
<b>TOTAL MARKET</b>		<b>913.56</b>	<b>100.00</b>

signs of economic revival, given the constantly increasing of the purchase power; for example, the number of sold cars has grown by 40%.

# XPRIMM EVENTS

autumn 2011 - spring 2012

## Chisinau, Moldova

November 14<sup>th</sup>, 2011  
Codru Hotel

[www.xprimm.com](http://www.xprimm.com)

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- Claims Management in Motor Insurance

2<sup>nd</sup> Edition

## Istanbul, Turkey

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Grand Hyatt Hotel

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## Sinaia, Romania

May 20<sup>th</sup> - 24<sup>th</sup>, 2012  
Sinaia Casino

[www.fiar.ro](http://www.fiar.ro)

**FIAR** The International  
Insurance - Reinsurance  
Forum

15<sup>th</sup> Edition



## Uzbekistan



■ Mandatory	30.12%
■ Voluntary	69.88%

**Source:**

Information - Rating Agency SAIPRO

**Uzbekistan's currency exchange rate for calculations:**

1 EUR = 2451.01 Som - UZS (June 30<sup>th</sup> 2011)  
 1 EUR = 2073.50 Som - UZS (June 30<sup>th</sup> 2010)



# Voluntary insurance is the future

The first half of this year marks for the Uzbek insurance market a strengthening of the phenomenon that we have seen in recent years: rapid growth.

Thus, the volume of the gross written premiums of insurance companies activating on the profile market has registered an increase in local currency by over 42% percent, reaching UZS121.5bn, equivalent to EUR49.6m. Also, in the analyzed period, claims paid by insurance companies totaled approximately EUR5.7m.

Looking at the risks undertaken by insurance companies, it is noticeable a tendency of accentuated growth on the voluntary insurance segment: in the first six months of 2011, gross written premiums on this insurance line have increased in local currency by 50.8%, to UZS84.9bn, equivalent to about EUR35m.

On the other hand, mandatory insurance, mainly based on MTPL insurance and employers liability insurance, has generated a premium volume of UZS36.6bn (EUR15m), up by 25.3% compared to the similar period of 2010.

Also, according to Uzbek insurance specialists, MTPL insurance segment has reached this year the maximum level of maturity, so in the coming years there will no longer be registered spectacular evolutions on this insurance class, but growth rates can be influenced by growth of the auto fleet, respectively that of the official exchange rate between the national currency and USD. It is expected that, in coming years, positive dynamics of required mandatory insurance be supported by market segments such as employers liability, health, environment insurance or by the mandatory construction and erection all risk insurance.

During this period, on the insurance market of Uzbekistan, 34 insurance companies have carried out their activity, 31 of them activating on the general insurance segment, two life insurance companies and a company that dealt exclusively with reinsurance, these concluding over 2.9 million insurance contracts.

Courtesy to  
**Information-Rating Agency SAIPRO**

### Market portfolio as of June 30<sup>th</sup>, 2011

Business Line	1H/2011		1H/2010		Nominal Evolution (%)	% in all GWP
	GWP	CLAIMS	GWP	CLAIMS		
	EUR m.	EUR m.	EUR m.	EUR m.		
<b>TOTAL MARKET</b>	<b>49.57</b>	<b>5.71</b>	<b>41.23</b>	<b>6.48</b>	<b>20.22</b>	<b>100.00</b>
MANDATORY	14.93	na	14.08	na	6.04	30.12
VOLUNTARY	34.64	na	27.15	na	27.57	69.88

### All insurance lines ranking

No.	Company	GWP 1H/2011	GWP 1H/2010	Nominal Evolution (%)	MARKET SHARE(%)	
		EUR m.	EUR m.		EUR	1H/2011
1	UZAGRO Insurance	9.11	8.35	9.17	18.38	20.24
2	UZBEKINVEST	6.84	5.98	14.41	13.80	14.50
3	UVT Insurance	2.89	3.29	-12.02	5.84	7.98
4	KAFOLAT	3.51	3.18	10.54	7.08	7.70
5	ALFA Invest	2.28	2.38	-4.20	4.59	5.76
6	ASIA Insurance	3.40	2.12	60.76	6.86	5.13
7	INGO Uzbekistan	2.21	1.94	13.82	4.45	4.70
8	KAPITAL Insurance	2.36	1.85	27.45	4.76	4.49
9	ALSKOM	1.91	1.55	23.09	3.86	3.77
10	TRANSINSURANCE PLUS	3.78	-	-	7.63	na
<b>TOTAL TOP 10</b>		<b>38.29</b>	<b>30.62</b>	<b>25.04</b>	<b>77.25</b>	<b>na</b>
<b>TOTAL MARKET</b>		<b>49.57</b>	<b>41.23</b>	<b>20.22</b>	<b>100.00</b>	<b>100.00</b>



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**Dr. Helmut Aden**  
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 BVV Versicherungsverein  
 des Bankgewerbes a. G.,  
 Berlin



**Gabriel Bernardino**  
 Chairman, EIOPA,  
 Frankfurt am Main



**Cornelia Coman**  
 Chair, Romanian Pension  
 Funds Association (ARAFPS),  
 Bucharest,  
 President of the Board of  
 Administration,  
 ING FENSI SA/FSAP SA  
 Romania, Bucharest



**Ralf Jacob**  
 Head of Unit 'Active Ageing,  
 Pensions, Healthcare',  
 Directorate-General Employ-  
 ment, Social Affairs and  
 Inclusion, European  
 Commission, Brussels



**Heribert Karich**  
 Chairman, aba – Arbeits-  
 gemeinschaft für betrieb-  
 liche Altersversorgung e.V.,  
 Heidelberg, Managing  
 Director, MetaRente-  
 GmbH, Berlin



**Jan Kragt**  
 Chief Risk Officer,  
 PGGM, Zest



**József Németh**  
 Deputy General Secretary,  
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 Rapporteur of the Green  
 Paper on Pensions,  
 European Parliament,  
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**Chris Verhaegen**  
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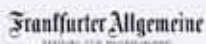
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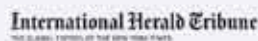
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# ASTRA ASIGURĂRI

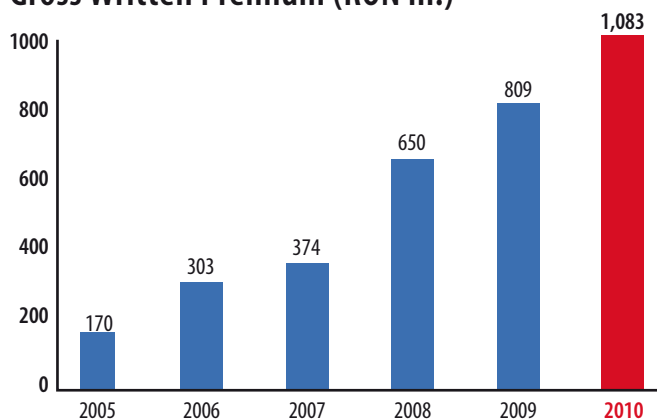
## The largest insurance company in Romania

ASTRA ASIGURARI is Romania's biggest full-line insurers by gross written premiums (GWP). Founded in 1991 it has witnessed tremendous growth and professionalization after it has been taken private by The Nova Group. ASTRA ASIGURARI has written premiums worth 1.083 billion RON in 2010. It has a very solid financial standing with solvency capital of 192.712.534 RON.

The company improved its performance year after year, made it in top 3 of the Romanian insurance companies in 2009 and 2010 finds the company in the insurance market leader position.

**We did not listen to those who told us that our products and ideas were impossible to implement and we created the most advanced sales and portfolio management systems on the Romanian insurance market.**

### Gross Written Premium (RON m.)



### 2011 targets

- » Market share - 20%
- » Turnover – EUR 330 million
- » Preserving the market leader status
- » Expansion towards Germany and other EU states
- » Improvement of the prices over claims ratio policy

**Address:** No. 3, Nerva Traian Street,  
Block M101, 10th floor, district 3, Bucharest

**Phone:** 004 021 318 80 80

**Fax:** 004 021 318 80 74

**e-mail:** office@astrasig.ro

#### SHAREHOLDERS

**TNG –The Nova Group** 99.69%

**Individuals and legal persons** 0.31%

#### SUPERVISORY BOARD

**Dan Grigore ADAMESCU** President

**Alexander ADAMESCU** Vice President

**Ovidiu BOTOCAN** Member

#### DIRECTORATE

**Radu MUSTATEA** President

**Dacian VINEREANU** Vice President

**Razvan IEREMIA** Member

**While the players from the Romanian market regrouped, faced with an end of year that looked negative, Astra Insurance Company was getting ready for a surprising mode- in October 2010 it opened its first branch in Hungary. The expansion was a first for insurance companies from Romania, and also for the Hungarian market.**



## CERTASIG is a non-life insurer selling specialized products, primarily to corporate and SME clients through insurance brokers.

Since December 2007, CertAsig has been majority-owned by Royalton Capital Investors II, a private equity fund focused on acquiring and developing service sector companies throughout the new EU members of Central and Eastern Europe. Royalton Capital Investors II's investors include the European Bank for Reconstruction and Development (EBRD) and the European Investment Fund (EIF).

### Who we are and what we do

- » CertAsig is a niche, non-life insurance company, primarily selling to corporate and SME customers through brokers
- » CertAsig differentiates itself from competitors by offering brokers fast response time to offer-requests and efficient claims service
- » Relying on a professional team, a solid financial standing and first-class reinsurance programmes, we provide tailor-made products to meet our clients' needs

### Executive Summary

- » Company active in non-life insurance market since 2003
- » Clean balance sheet without long-tail legacy from historical underwriting
- » Oriented to low-loss ratio and high growth classes
- » Pioneer in introducing new innovative products to the market such as construction bonds and event insurance
- » Experienced and dynamic management led by former Lloyd's of London professional
- » Managed as a 'Lloyd's box', CEO manages the firm from the underwriting desk

### Main developments in 2011

- » Insurance portfolio split by class has diversified with less emphasis on motor CASCO
- » Liability, property, bonds and other profitable classes are now more prominent following better broker management and product innovation
- » Over 85% of CERTASIG's portfolio derives from more than 100 insurance brokers in Romania – brokers are at the heart of our development strategy



James GRINDLEY, CEO

### Specialized products offered:

- » Liabilities including professional indemnity
- » Bonds
- » Marine - Black Sea Hull & Machinery and P&I
- » Motor CASCO (low premium-high deductible)
- » Cargo
- » CMR
- » General Aviation
- » Event insurance (concerts, weddings, shows etc.)
- » Personal Accident / Health / Travel
- » Health

### Reinsurance

- » Our Reinsurance Programme is placed with a panel of carefully selected top-rated reinsurers including Lloyd's, SCOR, Hannover Re, Munich Re and Partner Re with others mainly rated A- or better
- » Provides comfort to our clients and brokers
- » Protects the company's balance sheet from a series of losses arising from single events (e.g. earthquake, flood) or individual, large losses (e.g. large explosion or fire)
- » Supports the start-up of new classes of business
- » For excess of loss treaties, adequacy of reinstatements is assessed based on expected loss frequency and number of exposures

### CertAsig Management

#### » James Grindley (37) British

**Chief Executive Officer:** 16 years insurance experience. Prior to joining CertAsig he was a Director at AON Romania and founding partner of International Risk Solutions Limited, a Lloyd's Broker

#### » Mihai Blajan (44) Romanian

**Deputy Chief Executive Officer & Chief Marine Underwriter:** marine mechanical engineer with 19 years underwriting experience. Prior to joining CertAsig he was Director of the Marine Division in ARDAF

#### » Mihaela Cojocaru (44) Romanian

**Chief Underwriter:** 15 years experience in financial markets. Prior to joining CertAsig she was a board member of Astra-UNIQA

#### » Andrei Mirauta (30) Romanian

**Reinsurance Manager:** 7 years experience in reinsurance. Previously Head of Inward Reinsurance at OMNIASIG

#### CertAsig Group non-executive directors

##### » Nigel Williams (55) British

**Chairman:** 35 years experience in financial markets. Managing Partner of Royalton

##### » Ivan Vohlmuth (47) Czech

**Vice-Chairman:** 22 years experience in financial markets. Founding Partner of Royalton

##### » Rupert Villers (59) British

More than 35 years experience in insurance and reinsurance. Former Lloyd's Active Underwriter and currently Chief Executive Officer of Aspen Insurance

##### » Willem Wynaedts (50), Dutch

More than 20 years experience in financial markets. Former Chief Executive of AXA CEE, AXA Switzerland

##### » Roger Ackman (58), Australian/ British

More than 30 years experience in financial markets. Former Global Head of Product Development for the Life Division in Zurich Financial Services



**Exim Romania Insurance and Reinsurance (EximAsig Romania) is an insurance company specialized in financial risks insurance and those complementary to them like property, general liability, goods in transit, constructor's risks.**

Authorised initially for credit and suretyship insurance, the company expanded, in less than 1 year, its lines of business as a natural phase in its growing path, in its desire to offer broad coverage through complex products and thus positively responding to its clients' solicitations.

The company's main objective is to provide effective protection to the Romanian business environment, both for export and import operations.

With a core business strongly focused on financial risk insurance, EximAsig Romania promotes alternative means to the classic guarantee instruments, counting on the many advantages these additionally bring: cash flow non-interference, faster issuing procedure, tailor made, flexibility.

EximBank Romania, state owned bank, is the founder and majority shareholder of EximAsig Romania, controlling over 90% of total shares.

EximAsig's paid up share capital is RON 29,209,990 (about EUR 7 mil.)

EximAsig Romania has in its team well-known, experienced specialists from the insurance market, who are constantly generating solutions to the clients' requests and needs.

The company's products are suitable to serve the financial protection interests of constructors, producers, exporters, service providers, IT suppliers.

**Product portfolio**

- › Credit Insurance – export and domestic
- › Suretyship Insurance (Bid Bond, Performance Bond, Maintenance Bond, Advance Payment Bond)
- › Property Insurance
- › Electronic Equipment Insurance
- › Machinery Breakdown Insurance
- › Constructor's All Risks
- › Cargo
- › General Liability (producers, D&O, ship builder, service provider, employer's liability)
- › Professional Liability (lawyers, dentists, legal staff, real estate, insurance brokers)
- › Accidents Insurance (sportsmen, groups, employees)



**Radu FRÎNCU, CEO**

<b>Address:</b>	Metropolis Center, 6 <sup>th</sup> floor, 89-97 Grigore Alexandrescu St., District 1, Bucharest
<b>Phone:</b>	004 021 211 06 50
<b>Fax:</b>	004 021 211 06 57
<b>e-mail</b>	<a href="mailto:office@eximasig.ro">office@eximasig.ro</a>
<b>web</b>	<a href="http://www.eximasig.ro">www.eximasig.ro</a>

<b>Shareholders:</b>	
<b>Exim Bank Romania</b>	90.84%
<b>Individuals</b>	9.16%

**MANAGEMENT BOARD**

**Radu FRÎNCU** – President of the Board, 15 years experience on the domestic and international insurance market;

**Marius BANU** – Member of the Board, 10 years experience in insurance field and insurance legislation.

**Reinsurance Manager**

**Dragoş CIOCAN**

e-mail: [dragos.ciocan@eximasig.ro](mailto:dragos.ciocan@eximasig.ro)

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# AZ Re



AzRe Reinsurance Company is only reinsurance company in Azerbaijan with a paid-up capital AZN26m, which commenced its operation on November 01, 2007. Today, AzRe Reinsurance is not only a leading reinsurer of the local market, but also operates very successfully in foreign markets. Its daughter company GALA Life Insurance Company is one of the leading life insurance companies in Azerbaijan insurance market.

Chairman of AzRe Reinsurance is Mr. Chingiz MEHDIYEV, with extensive experience in the field of insurance, banking and finance. Before holding this position, he worked on a leading positions in Azerbaijani financial institutions, as well as in investment and commercial banks in the United States.

AzRe has been a leading underwriter of many big onshore and offshore energy and construction projects in Azerbaijan. Starting its operation in local insurance market, AzRe currently writes businesses in foreign insurance markets as well, which includes but not limited to CIS countries, Russia, Gulf Countries and Middle East, North Africa and other regions. One of the main aims of the company is to develop its relations with foreign reinsurance brokers, in order to increase its reinsurance portfolio out of Azerbaijan.

2010 was a successful year for AzRe in terms of collected premium which is AZN22m. AzRe has paid more than AZN9m reinsurance claims last year. In 2010 we paid reinsurance payment exceeding USD2m on Marine Hull Insurance, which is one of the biggest claims in the history of Azerbaijan insurance market.

For the past 3 years AzRe Reinsurance was able to collect well-balanced and diversified reinsurance portfolio due to careful underwriting. In this period total premium collected was about USD80m, while claims was more than USD36m. Currently total assets of the company exceeds USD45m. Together with its own financial resources, AzRe's qualitative retrocession program allows it to write very complex risks.

Main business lines that we write are the followings: Property, Engineering, Liability, Motor.

## Chingiz MEHDIYEV is Chairman of the Executive Board of AzRe Reinsurance and Vice-Chairman of Banking and Finance Committee with American Chamber of Commerce

He was born on December 15<sup>th</sup>, 1975. Completed Business studies at New York University in USA (International Business & Finance). Obtained MBA in Financial Management in New York, USA. Has experience working in The United States of America for investment and commercial banks like CitiBank Salomon Smith Barney and DEUTSCHE Bank. Since 2003, after returning to Azerbaijan,



working on Top Management positions in Baku Azerbaijan as Chairman of the Executive Board of IlkBank, General Manager of ALFA Insurance, Member of Supervisory Board of RESPUBLIKA Bank.

Became a Chairman of Executive Board of AzRe Reinsurance since its establishment in 2007. In 2008 established subsidiary company GALA Life Insurance Company where AzRe is holding 89% shares.

## Management

### Chingiz MEHDIYEV - Chairman of the Executive Board

#### Head office:

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**Phone:** +994 12 404 50 51

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**Website:** [www.azre.az](http://www.azre.az)

## AzRe paid one of the biggest claims in the insurance history of Azerbaijan

On November 1<sup>st</sup>, 2010, AzRe celebrated its 3<sup>rd</sup> year of activity. The period was very successful for the company, AzRe increased both the sphere of its activity and the territory of operation. Now AzRe cooperates not only with the local insurance companies, but also with Russian, CIS and Middle East markets.

Since it started the activity, AzRe has confirmed itself as a reliable reinsurance partner, by paying several big claims.

In 2010, AzRe paid reinsurance payment exceeding USD2m on Marine Hull Insurance, which is one of the biggest claims in the history of Azerbaijan insurance market. This type of payments confirms financial stability and right reinsurance strategy of the company.

In order to strengthen its financial stability, AzRe has increased its authorized capital 5 times, up to AZN10.85m, and its total capital by 11 times, up to AZN22m in this 3 years period. The main target of AzRe is to become an international reinsurer and the company to successfully realize its strategy.

## Financial data (EUR m.)

Indicators	6 months 2011	6 months 2010
Gross written premiums	17.01	19.42
Paid claims	3.36	3.66
Share capital	22.60	11.06
Gross financial result	5.05	5.52
Total assets	40.86	38.04
Net assets	26.87	16.14
Reserves and insurance funds	12.97	21.30
Liquid assets for covering technical reserves	13.77	21.74

Source: Azerbaijan Insurers Association

## HISTORY

> **October 2007 - AzRe is registered by the Ministry of Justice of Azerbaijan Republic.**

> **November 2007 - AzRe receives license for providing reinsurance services from the Ministry of Finance of Azerbaijan Republic.**

# INTERNATIONAL INSURANCE



Beynəlxalq Sığorta Şirkəti

## Company

The INTERNATIONAL INSURANCE Company commenced its operations in 2002 and currently is one of the 5 leading insurance companies in Azerbaijan. The founder of the company is the International Bank of Azerbaijan, that is the largest bank in Azerbaijan and one of the 50 largest banks in the CIS. The INTERNATIONAL INSURANCE Company currently offers full range of services for 5 types of compulsory and 32 types of voluntary insurance.

### An awarded company

During the years of its operations, the INTERNATIONAL INSURANCE Company received a number of awards, including the UGHUR NATIONAL Award "For introducing innovations on the insurance market of Azerbaijan", the AZERI BUSINESS Award in the "Insurance Company of the Year" Category, the PROGRESS Award established by the Trade Mission of the Russian Federation in Azerbaijan and the Embassy of the Russian Federation in Azerbaijan "For close cooperation with insurance companies on the Russian insurance market", and many other awards.

### "B2" from MOODY'S

In October 2009, the International Rating Agency MOODY'S Investors Service assigned to the INTERNATIONAL INSURANCE Company a "B2" financial stability rating with a stable outlook. This was another important accomplishment in the company's history.

### Financial performance

Another prove of the company's stability is its financial performance. According to the results of the first 7 months of 2011, company ranked first in terms of claims paid in the country's private sector. The total amount of claims paid exceeded AZN3.5m (approximately EUR3.35m) which constitutes 13.5 percent of the market. In terms of the total amount of insurance premiums the INTERNATIONAL INSURANCE Company is among the 4 best-performing companies, with the value of the collected premiums exceeding AZN7m (approximately EUR6.64m). The corresponding market share is 7.1 percent.

### International activity

Having a solid position on the local market, the INTERNATIONAL INSURANCE Company also operates at the international level. In accordance with the national laws of Azerbaijan, objects of insurance

### Management

**Mamed-Sadikh MAMEDOV** – Chairman of the Board  
**Narmin MURADOV** – First Deputy Chairman of the Board  
**Ilham AGAYEV** – Vice-Chairman of the Board  
**Elshad ALIYEV** – Vice-Chairman of the Board

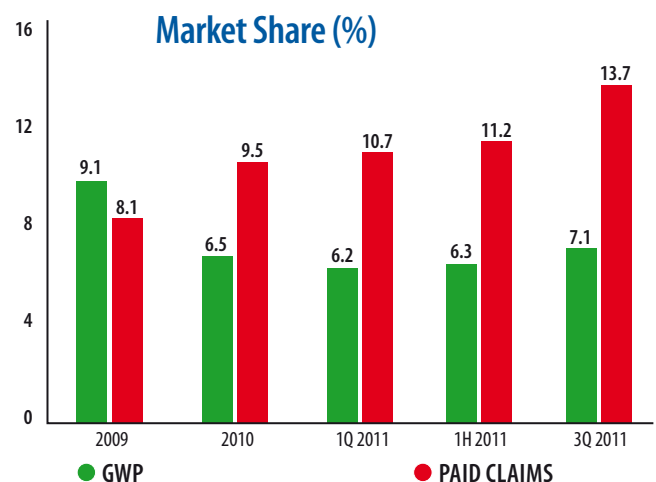
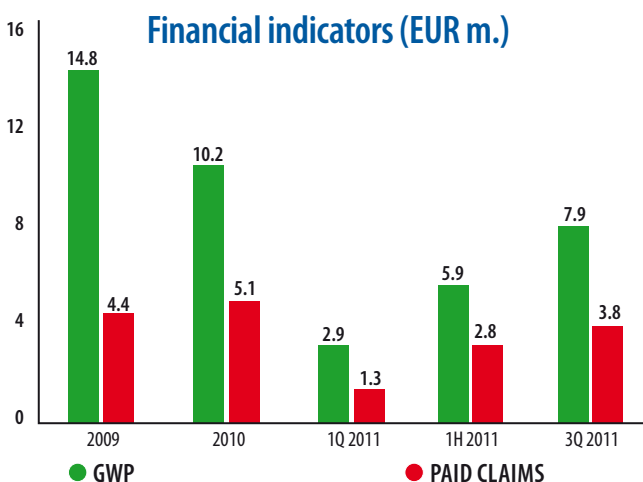
### Head office

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located in Azerbaijan must be insured by local companies. This makes it crucial for international insurance companies that want to provide their customers with the insurance coverage in Azerbaijan to have a reliable partner for fronting operations on the local market. Taking into account rapid rate of growth of economic development in Azerbaijan, this becomes increasingly more important. The INTERNATIONAL INSURANCE Company is experienced in this area of operations and has actively worked with ALLIANZ Global Corporate and Specialty AG, ANADOLU Sigorta and GREAT NORTHERN Insurance (CHUBB & SON) since 2009. The volume of transactions for fronting services has exceeded EUR2.5m.

### Partners and Reputation

Another direction of the company's operations is reinsurance where correct estimation of risks is one of the major factors for a successful cooperation. The INTERNATIONAL INSURANCE Company attaches great importance to this issue as it values its partners and reputation. In this area, the company cooperates with a number of partners, including CHARTIS, HANNOVER Re, ALLIANZ Global Corporate and Specialty AG, RUSSIAN Re, Great Northern Insurance, EURASIA Insurance Company, ANADOLU Sigorta, INGOSSTRAXH and SOGAZ. All this indicates that the INTERNATIONAL INSURANCE Company pays particular attention to the level of the services provided, to the expansion of its network of contacts with the insurance and reinsurance companies and is always open for the partnership.





# Eiopa Conference 2011

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## Conference topics

- Solvency II - A Different View
- Occupational Pensions - Looking Ahead
- Consumer Protection - Taking a Leading Role

## Among the speakers are



**Oliver Bäte**  
Representative of Eiopa  
Insurance & Reinsurance  
Stakeholder Group  
Member of the Board,  
Allianz SE, Munich



**Michel Barnier**  
Commissioner for Internal  
Market and Services, European  
Commission, Brussels



**Gabriel Bernardino**  
Chairman, Eiopa,  
Frankfurt am Main



**Kay Blair**  
Vice-Chair, UK Financial  
Services Consumer Panel,  
London



**Sharon Bowles, MEP**  
Chair of the Economic  
and Monetary Affairs  
Committee (ECOM),  
European Parliament,  
Brussels



**Patrick Burke**  
Chairman, European  
Federation for Retirement  
Provision (EFRP), Brussels;  
Director Investment Develop-  
ment, Irish Life Investment  
Managers, Dublin



**Michaela Keller**  
Director General,  
Comité Européen des  
Assurances (CEA),  
Brussels



**Daniela Weber-Roy**  
Representative of Eiopa  
Insurance & Reinsurance  
Stakeholder Group;  
Parties, Clifford Chance  
LLP, Frankfurt am Main



**Bernhard Wiesner**  
Representative of Eiopa  
Occupational Pensions  
Stakeholder Group;  
Senior VP Corporate  
Pensions, Bosch Group,  
Stuttgart



**Karel Van Hulle**  
Head of Unit, Internal Market  
and Services DG,  
Directorate H - Financial  
Institutions, Insurance and  
Pensions, European  
Commission, Brussels

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## Competent Authorities included in Eiopa Board of Supervisors:



The first half year provided plenty of losses to preoccupate the mind of the reinsurers, as 2011 is still not over. The fear of an important catastrophic event occurring until the year's end is the main concern of reinsurers around the world. Such an event, along with the financial crisis, low investment returns and the implementation of Solvency II could persuade companies to expose themselves even more on the international markets by keeping rates at a low level.

## Reinsurers remain resilient, diversification is being sought



Mihai CRĂCEA  
Editor

### 2011 – Smoothing volatility

*2011 will go down in history as the year of great catastrophes. The most dramatic include the earthquake in Japan and floods in Australia and New Zealand. Regardless of that events, the world struggled with the*

*economic slowdown and enormous instability of financial markets, Marek CZER-SKI, President of the Executive Board of POLISH Re, pointed out.*

The written premiums on the global insurance market amounted EUR3,272 bn. In 2010, while reinsurers accounted for EUR150 bn, MUNICH Re was the market leader with EUR21,6bn, followed by SWISS Re (EUR14,5bn) and BERKSHIRE Hathaway (EUR11.1bn).

Although paid claims were substantial, they were caused by predictable events and the volume didn't affect the insurance market decisively. Even more, on the market there is an excess of capital still not being used. As an example, the capital available for the top 40 reinsurers in the world was over EUR252 bn, the

majority of which remained in the cash registers.

*Reinsurers remain resilient, diversification is being sought. In terms of reinsurance mediation, the emphasis is on the analytical offering. A volatile and uncertain market in a year of losses and with a background of severe economic recession often means clients want more insurance and insurers want more reinsurance, but they might not feel happy in paying more money, said Guy HUDSON, Partner, JLT Re.*

### Fears and opportunities

After the Monte Carlo Meeting, important brokers around the world, including GUY CARPENTER, AON Benfield, rating agencies (A.M. BEST, MOODY's, FITCH, STANDARD



& Poor's), as well as the most important reinsurers signaled the fact that the losses over the first half of the year reached the alarming level of EUR51bn, making the first 6 months of 2011 the costliest period for the insurance industry. On the other hand, we can easily say that this can be interpreted as good news by reinsurers, because it can lead to rate increases in many areas around the globe.

As a result, many reinsurers believe that, because of all these factors, losses from the reinsurance activity are getting more and more difficult to compensate through investments, so this situation will definitely affect the prices in the reinsurance sector.



**Marek CZERSKI**  
President of the  
Executive Board of  
POLISH Re

Nowadays many see diversification of the portfolio as a good thing, as it opens more lines of business. It has resulted in "smoothing volatility," according to A.M. BEST. However, A.M. BEST also pointed out that diversifying increases execution risks and "distracts" a company from its core business.

## Are higher prices to be expected for the renewals season?

There is, as yet, no sign of any significant hardening in the reinsurance rates, even in the catastrophe exposed territories, as plenty of capacity is available, any more losses or significant deterioration of earlier cat losses might change this position.

*It all depends on how the mega reinsurers react. If they do what they say, we will face 10-15% rate increases. If they don't do as they say, we can expect 0-5% increases,* said Anders NORSKOV, Underwriter, CHAUCER.

*The answer to this question will be known in Baden-Baden and during the period directly after Baden-Baden. It is not the first time that global players announce something and do something else. The scenario that global reinsurers may want to compensate losses on other markets in our region of Europe is possible.*

*Such situation creates opportunity to act for regional reinsurers such as ourselves,* Marek CZERSKI added.

Global reinsurers generally set the tone for the market. A tightening of conditions is expected, but regardless of that, the trend of increasing capital requirements



**Guy HUDSON**  
Partner, JLT Re

by regulators can be observed. During the following year, new regulations will be binding, among others, in Russia. It may cause greater interest in proportional reinsurance, which in some sense constitutes a substitute for capital.

For primary carriers, while catastrophe-exposed risks experienced tough insurance market conditions, pricing decreases in other lines of business fostered a stable rate environment over the last three months, according to MARSH'S Insurance Market Update Third Quarter 2011. Overall, despite significant insurance losses in the first half of the year, insurers have remained competitive but cautious.

Dean KLISURA, MARSH'S U.S. Risk Practices Leader, said: *Across lines of business, insurers priced risks competitively and retained a healthy appetite for new business. Although rates remained relatively stable, reductions were common in many lines. The size of global insurance market capacity remains very strong, but is more challenged in loss-affected regions.*

Peter den DEKKER, President of the Federation of European Risk Managers (FERMA), and the risk manager for the Netherlands Stork BV said, in a conference organized by MUNICH Re, that the clients are *not just focused on price; what your customers want is capacity, solutions and availability.* He explained that there are over 4.000 large commercial companies in Europe, and they don't particularly want "raised prices". If there's a good reason for the rates' hike, and it's explained to the clients, they will probably accept it, but, *if the price isn't good, chances are the coverage won't be written.*

## Eyes turn to the CEE, CIS and Middle Asia region

HANNOVER Re anticipates rising demand for reinsurance protection in Central and



**Anders NORSKOV**  
Underwriter  
CHAUCER

Eastern European countries. This is supported by the ongoing implementation of the risk-based solvency regime Solvency II in Europe. The continuous uncertainties on financial markets and the challenge of generating adequate investment income will lead to the disciplined technical pricing of reinsurance programs.

*We expect the market hardening observed in April and July to be continued at the January renewals. With regard to Central and Eastern European markets, we believe the stable pace of growth will continue unchanged, with reinsurance prices likely to remain commensurate with the risks,* Serguei ZAITSEV, General Manager, HANNOVER Re, said.

*The 2011 successes of JLT Re in the region were significant in the marine and aviation lines. Clients are our focus more than countries and we live up to our shared message: "Client First; Independent; Results based",* Guy HUDSON declared.



**Serguei ZAITSEV**  
General Manager  
HANNOVER Re

Although these regions are growing at a steady pace, class underwriters may be reluctant to write business in certain territories due to political uncertainty and legal confusion.

*Every market is treated individually by us. We assess its degree of development, perspectives and needs regarding products and capacity. We attempt to adapt to individual requirements and needs of our partners. We are rated "A-", have broad support from our parent holding FAIRFAX and we occupy an excellent position of the leading regional reinsurer dedicated to CEE. Our premium for the past 12 months has increased by 30 percent,* said Marek CZERSKI.

To sum up, despite the difficult environment on the international financial markets, the CEE markets, as well as Asia continue to grow and to provide new business opportunities for foreign investors and for insurers. The low level of penetration for life insurance and the development of specialty lines open the gates for companies that want to expand and diversify their portfolio.

# Les Rendez-Vous de Septembre CLEARer skies over the Côte d'Azur



For over 50 years, the beginning of September has been a traditional meeting time for the global insurance-reinsurance industry. Following the same tradition, on September 10th, the most reputed leaders and experts in these fields arrived in the capital of the Monegasque principality, to negotiate the renewal of reinsurance contracts for the next year.

At the 2011 Edition of the Rendez-Vous (RVS), Media XPRIMM was represented by Alexandru CIUNCAN, Business Development Director, Vlad PANCIU, Project Manager, and Oleg DORONCEANU, International Markets Coordinator. Also, XPRIMM Publications had, for the first time, a dedicated booth in the main location of the event, Sporting d'Hiver, along with well-known industry names such as Reaction, Business Insurance, Global Reinsurance, L'Argus de l'Assurances, Insurance Journal etc.

This year, the main concerns of the participants were the changes in reinsurance pricing and capacity, as consequences of the catastrophic events in Japan, Australia and New Zealand.

According to the MUNICH Re officials present at the RVS, the losses registered by the insurance industry in the first quarter of this year exceeded the total volume registered for the whole year 2010 (including the catastrophe in Japan). The second quarter was much more "relaxed" in this respect, except for the U.S., where

there have been several devastating storms.

In the meantime, a SWISS Re report estimated losses caused by natural disasters in the first half to about USD70bn, more than double compared to last year. This figure was exceeded only in 2005, when losses reached USD120bn, of which USD90bn due to the Katrina, Wilma and Rita storms.

In terms of capital, the total amount accounted for USD445bn at the end of June, according to the latest AON BENFIELD Aggregate (ABA) report. Mike Van SLOOTEN, Director, International Markets Analysis, AON BENFIELD, considers that *despite rising losses due to natural disasters in the last 18 months, financial stability ratings have remained, mostly, unchanged, reflecting the stability of companies in terms of capital.*

The RVS has been taking place for 54 years in the Monaco Principality and reunites the most important players on the insurance, reinsurance and brokerage industries, being one of the two major international reunions, along with the one in Baden-Baden, Germany.



On September 27th, Bulgaria's capital hosted the first edition of the Motor Insurance Conference - Bulgaria 2011, titled "Cross-border Cooperation", organized by Media XPRIMM and INSMARKET.BG. The significance of the event was even higher as the number of accidents caused on Romanian territory by vehicles registered in Bulgaria is increasing and there are uncertainties regarding the current means of compensation.

# SEE motor insurers, face to face in Sofia



The event was attended by insurers, brokers, representatives of supervisory authorities in both countries and of other institutions involved, leasing companies, repair shops and loss adjusters.

The motor insurance segment holds a significant share both in the Romanian profile market, as well as in the Bulgarian one and it represents an important source of revenue for the entire industry. In 2010, the motor insurance segment in Bulgaria held 71.2% of total underwritings, while in Romania - 60.5% of the underwritings.

As the number of accidents involving cars registered in Bulgaria is increasing, Romanian and Bulgarian authorities search for ways to improve the legal framework

In the first six months of 2011, the number of approved claims files as a result of road accidents caused on the Romanian territory by vehicles registered in Bulgaria has increased by 31% compared to the same period last year, reaching 1,798 files, according to data presented by Mona CUCU, Director of Mandatory Insurance Department of the ISC. Meanwhile, in 2010, over 10,000 claims on Green Card have been accounted for, of which 3,155 were produced by cars from Bulgaria.

Due to these problems, the authorities in Sofia are preparing a set of changes of the vehicle registration legal framework. These include the introduction of a period of 45 days for the transfer of ownership of the vehicle, the withdrawal of Bulgarian license plates as soon as a foreigner buys the car and a new system of collecting taxes and fees.

According to Bulgarian officials, most of the claims paid by local companies based on the Green Card insurance are due to accidents that take place on Romanian territory. The total amount of Green Card related claims amounted to over EUR30m last year.



*Figures provided by Insurance Supervisory Commission in Romania in clearly reveal the severity of the problem, said Konstantin VELEV, Member of the Council, The Insurers' Association of Bulgaria.*

Many Romanians have resorted, over the past few years, to registering their own car in Bulgaria, because of the cheaper taxes and a lower price for MTPL insurance.

The core markets from the CEE Region begin to be more attractive to the foreign investors as they managed to achieve in 2011 double digit annual growth rates of evolution, "forgotten" since 2008. One example is Ukraine, where the insurance market has recovered from the crisis faced in previous years.

## XI<sup>th</sup> Yalta Finance Forum – Lets' get back to business!



These perspectives of evolution within the Region represented the perfect platform for beginning the discussions at the International Finance Forum in Yalta, held on September 19th-23rd, an event that reached its eleventh Edition. The Forum was organized by the League of Insurance Organizations of Ukraine (LIOU) and supported by the major profile companies in the region and brought together leaders of the insurance and reinsurance industry from over 20 countries. During the 3 days of the event, organizers have prepared not less than 7 thematic conferences and seminars, having as main themes the ana-

lysis of the situation in the financial sector, evolution tendencies of the specific markets, bancassurance and reinsurance trends.

### 15% increase for Ukrainian insurers in the first half

Debates and presentations held in the first days of the Forum had as main theme the evolution of the Ukrainian insurance segment and its positive results in 2011. Thus, after a period of stagnation and decrease on the market, in 1H/2011, insurance com-

panies have increased their underwritings by 14.6%, totaling EUR1bn. Speaking about the results of the market, of the total underwritings, about EUR291m has been collected from individuals and EUR480m - from legal persons. Also, the premiums cashed from reinsurers accounted for EUR232m, of which non-resident reinsurers have "contributed" with EUR15.7m. At the same time, the concentration degree of the market was in a slight increase, so that the share of the top three insurers in total underwritings increased to 17.7%, and that of the top 50 companies - to 79%.

Among the other subjects addressed in the thematic conferences in Yalta we can mention: the regulations of financial activities, Financing of Voluntary Hull Insurance, bancassurance, presentation of the Uzbek insurance market and many others. Besides conferences and debates, Yalta Forum represents a good opportunity for business meetings, both in a formal environment and in a less official one, during the festive evenings: Ukrainian Evening, Uzbek Traditional Evening, Official Banquet and many others.





Established in 2004, up to date Unity Re has gained a position of a market leading specialist reinsurer within the territories of Russian Federation and former Soviet Union.

A fully open market player, Unity Re is the part of Group RESO, one of the leading insurance groups in Russia. The activities of the company are based on the License No. 1643 77 of 04.07.2007 issued by Federal Service on Insurance Supervision of Russian Federation.

The core position of Unity Re is the specialist reinsurance center of Group RESO where the company provides reinsurance cover for all general lines of business and accounts situated both domestically and overseas:

- ▶ commercial property
- ▶ energy
- ▶ marine hull & cargo
- ▶ accident & health
- ▶ construction & engineering
- ▶ motor
- ▶ aviation
- ▶ liability & professional risks

Thanks to a solid, experienced and active team, within this scope for 2004-2011 Unity Re has managed to create, maintain and develop a balanced and well diversified reinsurance portfolio based on large commercial, energy and industrial risks.

Unity Re's stable and efficient market offer is backed by a significant financial strength and professional skills. With total assets of over \$80m and gross premium income of \$34m in 2010, the company performed at a combined ratio of 78% with a return on equity exceeding 29%.

The main territorial scope of Unity Re's activities is outlined by the borders of Russian Federation and CIS, where the partners are over 300 market leading insurance companies and brokers. Along, since 2007 Unity Re has actively promoted to overseas markets where the company now provides reinsurance cover for clients from about 40 countries from Europe, South America, South-East Asia and Middle East.

Unity Re is currently rated «B+» (Good) by A.M.Best Company.



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