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INSURANCE REPORT

by Media XPRIMM

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1H 2012

Regional & country profiles
Market rankings
Trends & facts

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



SURVEY

Eastern engines are heating up	4
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COUNTRY PROFILE

CEE

ALBANIA	14	HUNGARY	28	POLAND	38
BOSNIA & HERZEGOVINA	16	KOSOVO TERRITORY	30	ROMANIA	42
BULGARIA	20	LATVIA	31	SERBIA	44
CROATIA	22	LITHUANIA	32	SLOVAKIA	46
CZECH REPUBLIC	24	MACEDONIA (FYROM)	34	SLOVENIA	48
ESTONIA	26	MONTENEGRO	36		

COUNTRY PROFILE

SEE

CYPRUS	50	GREECE	52	TURKEY	54
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COUNTRY PROFILE

CIS

ARMENIA	58	KAZAKHSTAN	70	TAJIKISTAN	79
AZERBAIJAN	60	KYRGYZSTAN	72	TURKMENISTAN	80
BELARUS	62	MOLDOVA	74	UKRAINE	82
GEORGIA	68	RUSSIA	76	UZBEKISTAN	84

INTERVIEW

Mikhail I. BULAVKIN, Director General , Republican Unitary Enterprise "Belarusian National Reinsurance Organization"	66
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Daniela GHEȚU
Editorial Director

Changes to come

Every time we see a new report, the first question arising is: what's new in this industry? This time, probably the answer should be ... nothing really new, but lots of things changing.

Shrinking business, improved (or, at least steady) profitability ... seems to be, at first sight, the statement which summarizes the trends registered in the first half of 2012 on the Central and South-Eastern European markets. Or, slightly changing the angle, while most of the markets across the region are doing rather bad in terms of volume, their main players show good results, at least in terms of profitability. A step further to the East, the CIS markets are step by step consolidating their status of "future growth markets", as not only many of the old barriers are removed, but consistent efforts are made to make markets more attractive to potential investors.

The months to come will provide some interesting novelties both in the CEE and CIS landscape: ownership changes for the big regional players, new territorial expansion moves, legal changes in the ex-Yugoslavian markets, as well as in the CIS countries and lots of new names in the top management teams ... Some of them are already done or at least firmly announced, some are just ... presumed or yet to come.

The next pages are offering you a flavour of the main trends, both in financial and structural terms. Nevertheless, don't forget that the whole statistical picture is available on www.xprimm.com, where you can always find the latest news. Don't miss it!

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insurance news & statistics for 32 countries





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).

Under the **CIS** generic name we have considered, in this Report, both countries which are currently members of the Commonwealth of Independent States (CIS) - Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine -, and Georgia, who left the organization in 2008.

In this Report, **SEE** designates a group of three South European countries: Cyprus, Greece and Turkey.

Note from the editor

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

Domestic financial press represented a valuable source of information regarding the local tendencies and events, as well as interviews with local insurance professionals.

Conversion of the national currencies into euro currently use the official exchange rate valid in the last day of the period considered.

Disclaimer

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.

Eastern engines are heating up



Daniela GHEȚU
Editorial Director

Growth in the transition region is expected to drop from 4.6 per cent in 2011 to 2.7 per cent in 2012 before modestly picking up to 3.2 per cent in 2013, as negative spillovers from the Eurozone crisis spread further East. Most exposed countries in central and south-eastern Europe have already seen lower growth but falling commodity prices have now begun to affect Russia and other commodity exporters as well. The biggest downside risk for the transition region is a possible further deterioration of the Eurozone crisis; a timely implementation of the latest EU summit decisions may reduce such risks says the EBRD Report on Regional Economic Prospects, released in July 2012.

Unsurprisingly, consider the Report's authors, most of the Central Europe and Baltic countries, which are the most vulnerable to developments in the EURO area, saw slower expansion. While Croatia and Hungary already entered in recession, Poland and Slovak Republic seem

to remain the *two brighter spots in the region with continued healthy growth*". On the other hand, Romania and Bulgaria slowed down – partly because of their higher exposure to the Greek crisis' effects, while Serbia continues to remain on a downward path. In Eastern Europe and Caucasus, Ukraine and Moldova, the two economies more closely intertwined with the Eurozone, according EBRD, saw their growth rates *diminish to zero and even negative territory, respectively*. Further East, countries in the Central Asia and particularly Russia are facing a visible slow down of their economies, as they are *negatively impacted oil and other commodity prices as well as investor confidence*.

The long and the short of it, insurers from the 32 countries under consideration in this report were once again challenged by the weak economic and uncertain environment in the first half of 2012. Moreover, the macroeconomic constraints translated into a generalized governmental eagerness to cut public debt and budgetary deficits which, in turn, brought further austerity measures. All these resulted in a prolonged decrease of the public and private spending, also meaning lower corporate budgets and household allocations for insurance. *Complicated economic situation changed the behaviour of the market participants: both households and the business sector were ready to reduce their insurance coverage or to refuse unnecessary "nice-to-have"*

insurance services to cut expenditure, commented Ramunas BARAVYKAS, Head of Risk Modelling Division of the Prudential Supervision Department of the Supervision Service of the Bank of Lithuania for XPRIMM. Voluntary non-life insurance lines and life insurance *were the main candidates for being cut*. Moreover, the volatile economic environment also affected the financial investment results, putting an additional strain on insurers' profitability and on public's appetite for saving via life insurance products, except for those providing some sort of warranty.

Ups and downs

The 32 insurance markets considered by the present Report recorded a premium production of about EUR 36.7 billion in 1H2012, up by about 6% y-o-y. Yet, considering their very different characteristics, it would be at least irrelevant to further consider them as a single market in our review. Thus, a regional approach, taking into consideration the economic, legislative and cultural similarities makes sense.

The Central and East European (CEE) region comprises 17 countries, as listed in the adjacent tables, of which 10 are EU members, with fairly developed insurance markets. Except for Croatia, the non-EU countries of the region have young, emerging insurance markets, currently going through a transition

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 Inhabitants m.
	1H2012	1H2011	Nominal change	1H2012	1H2011	Nominal change	1H2012	1H2011		
	million	million	%	million	million	%				
Central and Eastern Europe - CEE										
Albania	4,071.99	4,311.75	-5.56	1,500.86	1,103.88	35.96	138.17	141.41	ALL	3.00
Bosnia & Herzegovina	248.91	246.64	0.92	-	-	-	1.96	1.96	BAM	3.88
Bulgaria	796.11	816.82	-2.54	378.38	369.66	2.36	1.96	1.96	BGN	7.04
Croatia	4,897.13	4,948.40	-1.04	2,254.22	2,120.76	6.29	7.51	7.37	HRK	4.48
Czech Republic	80,595.51	80,931.07	-0.41	44,363.30	44,052.71	0.71	25.64	24.35	CZK	10.18
Estonia	176.16	158.12	11.41	99.08	97.86	1.25	-	-	EUR	1.27
Hungary	409,199.31	429,452.00	-4.72	307,098.77	280,590.37	9.45	288.22	265.61	HUF	9.96
Kosovo Territory	39.58	38.06	4.00	13.92	13.44	3.59	-	-	EUR	1.84
Latvia	124.69	123.15	1.25	63.39	64.87	-2.28	0.70	0.70	LVL	2.19
Lithuania	855.32	865.68	-1.20	499.36	546.63	-8.65	3.45	3.45	LTL	3.53
Macedonia (FYROM)	3,409.66	3,326.60	2.50	1,390.48	1,418.29	-1.96	61.62	61.62	MKD	2.08
Montenegro	34.03	32.00	6.37	-	-	-	-	-	EUR	0.66
Poland	33,233.08	29,494.74	12.67	19,110.97	19,290.87	-0.93	4.26	3.99	PLN	38.42
Romania	4,166.26	4,014.91	3.77	2,296.25	2,234.20	2.78	4.39	4.18	RON	21.85
Serbia	32,488.98	30,582.95	6.23	11,333.20	11,688.00	-3.04	115.82	102.46	RSD	7.28
Slovakia	1,052.97	1,044.22	0.84	594.31	582.45	2.04	-	-	EUR	5.48
Slovenia	1,094.13	1,136.64	-3.74	702.11	639.88	9.73	-	-	EUR	2.00
Southeast Europe - SEE										
Cyprus (1Q)	224.90	220.41	2.04	-	-	-	-	-	EUR	1.14
Greece	2,252.79	2,444.74	-7.85	-	-	-	-	-	EUR	10.77
Turkey	10,049.26	8,912.65	12.75	-	-	-	2.27	2.34	TRY	79.75
Commonwealth of Independent States - CIS										
Armenia	23,867.89	14,387.36	65.89	5,967.43	na	-	525.61	534.26	AMD	2.97
Azerbaijan	169.46	98.28	72.43	41.44	26.74	54.98	0.99	1.14	AZN	9.49
Belarus	1,966,984.26	887,170.09	121.71	968,188.68	532,161.62	81.94	10,370.00	7,152.13	BYR	9.64
Georgia	233.91	188.19	24.30	118.22	116.84	1.18	2.04	2.41	GEL	4.57
Kazakhstan	94,069.51	102,196.64	-7.95	32,783.00	18,522.58	76.99	187.90	210.29	KZT	17.52
Kyrgyzstan (January-April)	106.80	94.20	13.38	11.30	10.50	7.62	69.50	61.89	KGS	5.50
Moldova	501.03	466.21	7.47	187.17	172.86	8.28	15.41	16.61	MDL	3.66
Russia	412,422.87	335,512.54	22.92	168,484.51	145,964.18	15.43	41.32	40.39	RUB	142.52
Tajikistan (estimations)	56.98	53.85	5.81	-	-	-	6.00	6.73	TJS	7.77
Turkmenistan (estimations)	114.70	102.39	12.03	-	-	-	3.58	4.10	TMT	5.05
Ukraine	9,582.00	11,042.00	-13.22	-	-	-	9.97	11.50	UAH	44.85
Uzbekistan	137,800.00	121,500.00	13.42	24,500.00	14,000.00	75.00	2,382.81	2,451.01	UZS	28.39

Exchange rates used are at the end of the period. In the case of Romania and Moldova, the used exchange rates are average for the analyzed period. Population is estimated according to CIA World Factbook.

period for which the main target remains the compliance with the European standards and practices. The first half of 2012 ended for the CEE markets with a consolidate GWP figure of EUR 17.7 billion, almost unchanged as compared to 1H2011. Paid claims amounted for EUR 10.07 billion, 3.5% less y-o-y. The overall dynamic needs yet a careful consideration, as the strong depreciation of some of the national currencies during the last 12 months had a negative impact on the markets results denominated in European currency. Hungary, Poland, Romanian and Serbia are the most relevant exam-

ples in this respect. Thus, aiming to get a more accurate picture of the regional dynamic, we have weighted national growth rates with corresponding regional market shares of each country. The result shows an about 5.3% CEE growth rate, when considering each market's evolution in its own currency. On the claims side, a similar operation shows a 2.6% decrease of the claims expenses in local currency.

Disregarding the currency influence, Poland and Estonia are the only markets recalling the "traditional" double-digit growth rates, once defining the entire

region, with 1H2012 premium figures higher by 12.6% and 11.4% respectively, as compared to the 1H2011 results. Serbia, Romania, Montenegro, Macedonia, Latvia, Bosnia&Herzegovina and Kosovo have also recorded, at a lower extent, positive evolutions of their GWP volumes. For some of them, however, the currency conversion has pushed results in the negative zone.

As far as insurance density is concerned, the 1H2012 figures are fairly consistent with the 1H2011 ones at regional level. Still, there are some notable changes to observe. In Poland the average indi-

CEE - Overall market data

Country	Overall GWP			Overall paid claims			Regional market share		Insurance density (EUR/capita)	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	EUR/capita	EUR/capita
Albania	29.47	30.49	-3.35	10.86	7.81	39.15	0.17	0.17	9.81	10.15
Bosnia and Herzegovina	127.27	126.11	0.92	-	-	-	0.72	0.71	32.81	32.51
Bulgaria	407.05	417.63	-2.54	193.46	189.00	2.36	2.30	2.36	57.84	59.34
Croatia	652.07	671.06	-2.83	300.16	287.60	4.37	3.69	3.78	145.55	149.79
Czech Republic	3,143.35	3,324.34	-5.44	1,730.24	1,809.52	-4.38	17.77	18.75	308.86	326.64
Estonia	176.16	158.12	11.41	99.08	97.86	1.25	1.00	0.89	138.19	124.04
Hungary	1,419.75	1,616.85	-12.19	1,065.50	1,056.40	0.86	8.03	9.12	142.57	162.36
Kosovo Territory	39.58	38.06	4.00	13.92	13.44	3.59	0.22	0.21	21.55	20.72
Latvia	177.42	175.23	1.25	90.19	92.30	-2.28	1.00	0.99	80.95	79.95
Lithuania	247.72	250.72	-1.20	144.63	158.32	-8.65	1.40	1.41	70.26	71.11
Macedonia (FYROM)	55.34	53.99	2.50	22.57	23.02	-1.95	0.31	0.30	26.57	25.93
Montenegro	34.03	32.00	6.37	-	-	-	0.19	0.18	51.77	48.67
Poland	7,798.81	7,398.47	5.41	4,484.78	4,838.93	-7.32	44.10	41.72	203.01	192.59
Romania	949.29	960.57	-1.17	523.21	534.54	-2.12	5.37	5.42	43.45	43.97
Serbia	280.51	298.48	-6.02	97.85	114.07	-14.22	1.59	1.68	38.55	41.02
Slovakia	1,052.97	1,044.22	0.84	594.31	582.45	2.04	5.95	5.89	192.04	190.44
Slovenia	1,094.13	1,136.64	-3.74	702.11	639.88	9.73	6.19	6.41	547.99	569.28
CEE REGION	17,684.92	17,732.98	-0.27	10,072.87	10,445.12	-3.56	100.00	100.00	141.37	141.72

vidual expenditure for insurance grew by 5.4%, to EUR 203 for the first six months of 2012. An even higher growth rate was recorded in Estonia (11.4%), while among the young CEE markets Montenegro and Kosovo reported for the same indicator increasing figures by 6.3% and 4%, respectively. On the opposite side, half year insurance density in Hungary decreased by over 12%. Slovenia continues to lead in respect of the insurance density, with EUR 548/capita for 1H2012, followed by Czech Republic, Poland, Slovakia, Croatia, Hungary, to mention only the countries with an above average value of the indicator.

As far as the regional market share is concerned, 1H2012 brought no major changes. Poland's leadership position not only that remained unchallenged, but but even strengthened by gaining 3pp, up to 44%. Czech Republic and Hungary rank second and third, both of them losing

about 1pp of their respective market shares, to 17.8% and 8%. No other country recorded a significant change of its weight in the regional market.

Greece, Cyprus and Turkey form the group of South East European countries analyzed, and accounted together for a GWP volume of EUR 6.89 billion, 6.5% higher y-o-y. By far, Turkey was the SEE champion, with a 12.75% growth rate in national currency (16% denominated in EUR) and a total GWP reaching EUR 4.42 billion. At the same time, the Greek insurance market still remained challenged by the economic crisis hardships, recording a negative change in GWP of 7.8%, to EUR 2.25 billion.

Looking at the 1H2012 results recorded by the 12 ex-soviet countries integrated in the Commonwealth of Independent States – CISi, the most impressive issue, a real catch eye for any analyst, is that of the

exceptional growth rates recorded by some of the very young markets in the region. Double-digit rates exceeding 50%, or even attempting to reach 100% (in EUR) were rarely seen even in the CEE markets' infancy. Moreover, although this rates usually belong to very small markets in absolute terms, they are a realistic confirmation of the region's tremendous potential.

All in all, the CIS market recorded EUR 12.1 billion in GWP and an average growth rate of almost 19%. Undisputed, Russia is by far the largest market in the region, accounting for more than 80% of the premium production, not only because of its dimensions, but also because of its development degree and sophistication, as compared to the other markets in the region. A sizeable difference in terms of insurance density is relevant in this context. Thus, while the average Russian citizen has spent for insurance about EUR 70 during the first half of 2012, the second best performance belongs to Kazakhstan, with an EUR 28.5/capita insurance density. It is also noticeable that in countries as Azerbaijan, Georgia or Armenia the value of this indicator almost doubled in the last 12 months, yet not exceeding EUR 25/capita for 1H2012.

A closer look to CEE

Life insurance GWP accounted for EUR 8.24 billion in 1H2012, 2.06% up y-o-y, reaching a 46.63% share in the regional insurance portfolio. Only in Poland, Slovakia and Hungary life's share in the



Life insurance	46.6%
Non-life insurance	53.4%
Unit-Linked insurance	17.8%
Other life insurance	28.8%
Motor Hull	11.0%
MTPL	16.5%
Property insurance	12.3%
GTPL insurance	4.2%
Other non-life insurance	9.4%

CEE - Life insurance market data

Country	LIFE GWP			Indemnities			Weight in all GWP		Regional market share	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	3.32	3.63	-8.56	0.56	0.24	134.03	11.26	11.90	0.04	0.04
Bosnia and Herzegovina	21.16	19.74	7.18	-	-	-	16.62	15.65	0.26	0.24
Bulgaria	66.24	66.32	-0.13	24.59	26.11	-5.79	16.27	15.88	0.80	0.82
Croatia	155.56	155.41	0.09	94.07	81.79	15.01	23.86	23.16	1.89	1.92
Czech Republic	1,452.20	1,530.36	-5.11	924.77	874.46	5.75	46.20	46.03	17.61	18.94
Estonia	36.35	34.24	6.19	23.85	18.50	28.90	20.64	21.65	0.44	0.42
Hungary	730.56	858.02	-14.85	773.07	695.86	11.09	51.46	53.07	8.86	10.62
Kosovo Territory	-	-	-	-	-	-	-	-	-	-
Latvia	12.97	15.60	-16.88	7.93	6.61	19.93	7.31	8.90	0.16	0.19
Lithuania	73.75	83.06	-11.21	44.96	40.83	10.10	29.77	33.13	0.89	1.03
Macedonia (FYROM)	4.14	3.39	22.12	0.71	0.61	15.97	7.48	6.28	0.05	0.04
Montenegro	4.38	4.24	3.26	-	-	-	12.87	13.25	0.05	0.05
Poland	4,608.27	4,198.55	9.76	2,818.70	3,087.00	-8.69	59.09	56.75	55.88	51.96
Romania	187.96	199.94	-5.99	20.32	23.88	-14.90	19.80	20.81	2.28	2.47
Serbia	47.73	45.94	3.90	11.99	10.13	18.36	17.02	15.39	0.58	0.57
Slovakia	549.21	532.71	3.10	358.63	324.31	10.58	52.16	51.02	6.66	6.59
Slovenia	292.54	329.08	-11.11	240.17	156.50	53.47	26.74	28.95	3.55	4.07
CEE REGION	8,246.33	8,080.24	2.06	5,344.33	5,346.84	-0.05	46.63	45.57	100.00	100.00

CEE - Life Unit-Linked insurance

Country	Life Unit-Linked GWP			Life Unit-Linked CLAIMS			Weight in all GWP		Weight in life GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	-	-	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-
Bulgaria	4.17	5.47	-23.85	1.82	2.53	-28.31	1.02	1.31	6.29	8.25
Croatia	9.35	9.74	-3.98	4.92	3.53	39.19	1.43	1.45	6.01	6.27
Czech Republic	780.94	770.57	1.34	323.74	245.88	31.67	24.84	23.18	53.78	50.35
Estonia	-	-	-	-	-	-	-	-	-	-
Hungary	474.53	586.11	-19.04	468.83	412.33	13.70	33.42	36.25	64.95	68.31
Kosovo Territory	-	-	-	-	-	-	-	-	-	-
Latvia	2.84	4.72	-39.68	2.92	0.82	255.70	1.60	2.69	21.94	30.23
Lithuania	50.31	61.32	-17.96	24.63	25.78	-4.43	20.31	24.46	68.22	73.83
Macedonia (FYROM)	-	-	-	-	-	-	-	-	-	-
Montenegro	-	-	-	-	-	-	-	-	-	-
Poland	1,411.61	1,311.27	7.65	712.96	708.05	0.69	18.10	17.72	30.63	31.23
Romania	64.20	76.90	-16.52	1.17	0.89	30.67	6.76	8.01	34.15	38.46
Serbia	-	-	-	-	-	-	-	-	-	-
Slovakia	179.31	158.13	13.39	57.47	33.75	70.29	17.03	15.14	32.65	29.68
Slovenia	169.87	207.67	-18.20	131.38	49.82	163.72	15.53	18.27	58.07	63.11
CEE REGION	3,147.13	3,191.89	-1.40	1,729.84	1,483.38	16.62	17.80	18.00	38.16	39.50

aggregated GWP exceeds 50%. In fact, Poland is the only relevant insurance market in the region where the life insurance segment recorded a positive y-o-y change, of 9.76%, increasing its weight in the national portfolio from 56.7% to 59%. All the other CEE markets witnessed, in the best case scenario, a steady evolution of their life insurance

markets. Almost everywhere, the Unit-Linked life insurance portfolio was the most affected following the poor investment results and the renewed public distrust in the financial markets' stability. Thus, double digit y-o-y decline rates were seen in many cases, as well as high growth rates for the indemnities paid as a result of a large number of policies

surrendered. Poland and Slovakia are again the exceptions from this trend. On the other hand, indemnities paid in 1H2012 amounted to EUR 5.34 billion, a stable value as compared to 1H2011. On the non-life insurance side, the dominant trend is a moderate negative one, except for most of the young

CEE - Non- Life insurance market data

Country	NON-LIFE GWP			Paid claims			Weight in all GWP		Regional market share	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	26.12	26.79	-2.51	10.30	7.57	36.13	88.63	87.87	0.28	0.28
Bosnia and Herzegovina	106.11	106.37	-0.24	-	-	-	83.38	84.35	1.12	1.10
Bulgaria	340.81	351.31	-2.99	168.87	162.90	3.67	83.73	84.12	3.61	3.64
Croatia	496.52	515.65	-3.71	206.09	205.81	0.14	76.14	76.84	5.26	5.34
Czech Republic	1,691.15	1,793.98	-5.73	805.46	935.06	-13.86	53.80	53.97	17.92	18.59
Estonia	139.81	123.89	12.85	75.23	79.36	-5.20	79.36	78.35	1.48	1.28
Hungary	689.18	758.83	-9.18	292.43	360.54	-18.89	48.54	46.93	7.30	7.86
Kosovo Territory	39.58	38.06	4.00	13.92	13.44	3.59	100.00	100.00	0.42	0.39
Latvia	164.45	159.62	3.02	82.26	85.68	-3.99	92.69	91.10	1.74	1.65
Lithuania	173.97	167.66	3.76	99.67	117.48	-15.16	70.23	66.87	1.84	1.74
Macedonia (FYROM)	51.20	50.60	1.19	21.86	22.41	-2.44	92.52	93.72	0.54	0.52
Montenegro	29.66	27.76	6.85	-	-	-	87.13	86.75	0.31	0.29
Poland	3,190.54	3,199.92	-0.29	1,666.08	1,751.93	-4.90	40.91	43.25	33.80	33.15
Romania	761.34	760.64	0.09	502.89	510.66	-1.52	80.20	79.19	8.07	7.88
Serbia	232.78	252.54	-7.82	85.86	103.94	-17.39	82.98	84.61	2.47	2.62
Slovakia	503.77	511.51	-1.51	235.68	258.14	-8.70	47.84	48.98	5.34	5.30
Slovenia	801.59	807.56	-0.74	461.94	483.38	-4.44	73.26	71.05	8.49	8.37
CEE REGION	9,438.56	9,652.67	-2.22	4,728.54	5,098.28	-7.25	53.37	54.43	100.00	100.00

ex-Yugoslavian markets and for the Baltic countries. In fact, Estonia is the undisputed best performer in relative terms, with an y-o-y growth rate of 12.85%. The overall GWP volume reached EUR 9.44 billion, 2.2% less y-o-y. Paid claims for non-life insurance amounted EUR 4.73 billion, 7.25% less y-o-y, mostly because of the better claims management on the motor insurance lines and the absence of large weather related damages in property insurance.

Motor insurance still holds the largest share of the non-life portfolio, of 51.5% and the second largest share in the overall portfolio, of 27.5%, despite the continuous decreasing trend. Thus, total GWP for this lines amounted to EUR 4.86 billion, 4.3% less y-o-y. Again, the Baltic and some of the small ex-Yugoslavian markets are making the only notable exceptions to this trend. The Motor Hull line saw an almost generalized negative trend, with Serbia, Romania and Croatia recording decreases of 10 – 15%. Only the Baltic countries witnessed significant positive dynamics, with a 14.6% peak in Lithuania. For the MTPL class, Hungary and Czech Republic saw the worst performance, with depreciations of their GWP amounts of over 10%. Estonia placed the best performance in relative terms, with an over 13% growth rate for the MTPL written premiums.

Yet, it is worth mentioning that there are also some good news in motor insurance. On one hand, it seems that the

“price war” is coming to an end, at least in some of the most developed markets in the region. On the other hand, paid claims for motor insurance decreased by almost 9% y-o-y, to EUR 2.95 billion.

Property insurance share in the CEE insurance business remained almost unchanged: 23% of the non-life portfolio or 12.3% of the overall portfolio. Thus, GWP amounted to EUR 2.17 billion, 2.7% less y-o-y. Estonia, Latvia and Slovakia recorded the best dynamics among the region's most developed markets, while Albania, Macedonia and Montenegro also recorded strong increases of their property business. Yet, in Lithuania, Bosnia & Herzegovina, Romania and Serbia, property insurance classes saw a significant y-o-y depreciation. Paid claims for property insurance amounted to EUR 815 million, almost 6% less y-o-y, but it fair to take under consideration that a somehow important amount of claims generated by the summer storms in the Central Europe were not included in this figure and will be only visible in the end year results.

What's next?

Expectations for the 2012 year end are hardly optimistic, mostly depending on the future overall economic status of the region. According to Martina Bozadzhieva, senior analyst for CEE with Frontier Strategy Group, *companies need to prepare for a continued deterioration of the macroeconomic environment in Central and Eastern Europe through the end*

of 2012 and at least the first half of 2013. Demand from both the business sectors as well as the consumers in the region will slow, and public spending cuts will limit opportunity for companies selling into the public sector.

Russia, Kazakhstan, and, to a small extent, Ukraine will also benefit from commodity exports. However, both consumer demand and energy exports stand substantial risk of rapid deterioration of the eurozone crisis, such as may be triggered by an exit by Greece and/or Spain. In this case, no CEE economy will be spared and the starting point of the recovery will be delayed even further. In short, the eurozone's future is vital for the emerging CEE and CIS economies and, by extension, for their insurance markets well being.

Yet, besides the hard to assess overall economic picture and its effects on the local insurance markets, there are some future developments already visible. In all ex-Yugoslavian markets as well as in most of the CIS markets, there is an ongoing sustained effort to legislative modernization and harmonization with the EU requirements. Obviously, the CEE markets are more advanced in this process, given their already existing close relationship with the EU markets or even the future EU enlargement. Nevertheless, the strong willingness of harmonization manifested in many CIS countries, added to this countries' interest for foreign investments, will soon offer a very promising growth market for the European insurers and not only.

CEE - Motor insurance

Country	OVERALL MOTOR INSURANCE GWP			Change	OVERALL MOTOR INSURANCE CLAIMS			Change	Weight in all GWP		Weight in non-life GWP	
	1H2012	1H2011	%		1H2012	1H2011	%		1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	15.43	15.70	-1.69	7.56	6.07	24.56	52.36	51.48	59.08	58.58		
Bosnia and Herzegovina	75.52	74.10	1.92	-	-	-	59.34	58.76	71.17	69.66		
Bulgaria	240.04	251.43	-4.53	142.82	143.29	-0.33	58.97	60.20	70.43	71.57		
Croatia	254.12	261.39	-2.78	112.63	124.84	-9.77	38.97	38.95	51.18	50.69		
Czech Republic	702.67	777.92	-9.67	428.45	491.16	-12.77	22.35	23.40	41.55	43.36		
Estonia	77.31	71.32	8.39	47.32	56.74	-16.60	43.88	45.10	55.30	57.57		
Hungary	287.20	331.73	-13.42	177.97	221.71	-19.73	20.23	20.52	41.67	43.72		
Kosovo Territory	39.58	38.06	4.00	13.92	13.44	3.59	100.00	100.00	100.00	100.00		
Latvia	91.94	89.99	2.16	55.35	58.84	-5.93	51.82	51.36	55.91	56.38		
Lithuania	123.03	114.21	7.73	77.35	78.66	-1.66	49.67	45.55	70.72	68.12		
Macedonia (FYROM)	30.59	30.54	0.16	15.21	15.84	-4.00	55.29	56.58	59.76	60.37		
Montenegro	18.01	16.96	6.20	-	-	-	52.91	53.00	60.72	61.09		
Poland	1,741.87	1,762.93	-1.19	1,060.00	1,171.79	-9.54	22.34	23.83	54.59	55.09		
Romania	475.93	514.99	-7.59	437.48	443.78	-1.42	50.13	53.61	62.51	67.71		
Serbia	113.14	124.28	-8.97	54.91	65.29	-15.89	40.33	41.64	48.60	49.21		
Slovakia	284.32	296.65	-4.16	166.86	177.62	-6.06	27.00	28.41	56.44	57.99		
Slovenia	293.15	308.79	-5.07	159.42	173.92	-8.33	26.79	27.17	36.57	38.24		
CEE REGION	4,863.84	5,080.98	-4.27	2,957.27	3,242.99	-8.81	27.50	28.65	51.53	52.64		

Country	MOTOR HULL				MTPL			
	GWP		CLAIMS		GWP		CLAIMS	
	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011
EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Albania	2.02	2.22	1.58	1.55	13.41	13.47	5.99	4.52
Bosnia and Herzegovina	15.53	15.77	-	-	59.99	58.33	-	-
Bulgaria	106.52	113.23	68.11	76.84	133.52	138.20	74.71	66.45
Croatia	52.50	58.13	40.77	43.89	201.62	203.26	71.86	80.95
Czech Republic	289.67	314.18	209.61	250.54	413.00	463.74	218.85	240.62
Estonia	42.44	40.63	25.47	32.16	34.87	30.69	21.86	24.58
Hungary	126.92	139.50	73.16	101.92	160.27	192.23	104.81	119.79
Kosovo Territory	11.80	11.94	4.45	3.86	27.79	26.12	9.48	9.59
Latvia	31.72	29.51	20.10	22.44	60.23	60.48	35.25	36.40
Lithuania	40.13	35.01	29.00	32.21	61.70	59.05	35.20	34.32
Macedonia (FYROM)	6.03	6.43	4.07	4.12	24.57	24.11	11.13	11.72
Montenegro	2.94	2.87	-	-	15.07	14.09	-	-
Poland	682.54	719.71	408.07	487.43	1,059.32	1,043.22	651.94	684.36
Romania	218.37	243.97	223.17	247.82	257.56	271.02	214.31	195.96
Serbia	31.57	37.07	19.51	23.21	81.57	87.21	35.40	42.08
Slovakia	129.38	136.99	90.77	95.38	154.93	159.66	76.09	82.25
Slovenia	139.50	146.11	84.99	91.39	153.65	162.68	74.43	82.53

Moreover, in a closer perspective, significant changes in the CEE's insurance market will soon become a reality, if it is only to consider the announced ownership transfers of some of the most relevant players in the region. Thus, Slovenian insurers TRIGLAV and MARIBOR are for sale, as well as the Croatian market leader CROATIA

Osiguranje. Nevertheless, rumors about the government's intention to sell another part of its participation in PZU puts "the Polish giant" also on the list of the most interesting acquisition targets. On the other hand, PZU's expansion plans are becoming reality, starting with the Group's entrance on the Baltic market, while recently the Czech

market leader, ČESKÁ pojišťovna confirmed its intention to enter the Polish market. Of course, most of this operations are still in their early phases and probably will be not finalized by the end of the year. Yet, if it is to try a conclusion, this is should definitely be: prepare yourselves for a changing landscape!

CEE - Property insurance

Country	OVERALL PROPERTY INSURANCE GWP			Change	OVERALL PROPERTY INSURANCE CLAIMS			Change	Weight in all GWP		Weight in non-life GWP	
	1H2012	1H2011	%		1H2012	1H2011	%		1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	5.70	3.96	44.19	1.91	0.69	175.03	19.35	12.97	21.83	14.76		
Bosnia and Herzegovina	15.41	17.35	-11.19	-	-	-	12.11	13.76	14.52	16.32		
Bulgaria	62.53	62.28	0.41	16.96	10.06	68.59	15.36	14.91	18.35	17.73		
Croatia	115.75	122.30	-5.36	46.09	36.32	26.92	17.75	18.22	23.31	23.72		
Czech Republic	437.35	446.46	-2.04	155.50	212.19	-26.71	13.91	13.43	25.86	24.89		
Estonia	36.20	31.81	13.80	16.61	13.44	23.58	20.55	20.12	25.89	25.68		
Hungary	288.99	302.78	-4.56	82.38	97.63	-15.62	20.35	18.73	41.93	39.90		
Kosovo Territory	-	-	-	-	-	-	-	-	-	-		
Latvia	27.88	26.20	6.38	9.86	11.85	-16.79	15.71	14.95	16.95	16.42		
Lithuania	34.30	38.71	-11.40	14.06	32.55	-56.79	13.85	15.44	19.72	23.09		
Macedonia (FYROM)	11.52	10.00	15.17	3.53	3.35	5.50	20.82	18.53	22.50	19.77		
Montenegro	4.29	4.01	7.19	-	-	-	12.62	12.52	14.48	14.44		
Poland	644.98	654.97	-1.52	325.12	296.03	9.83	8.27	8.85	20.22	20.47		
Romania	144.07	159.51	-9.68	31.19	35.53	-12.22	15.18	16.61	18.92	20.97		
Serbia	73.30	81.24	-9.78	15.32	17.97	-14.77	26.13	27.22	31.49	32.17		
Slovakia	127.93	123.71	3.41	45.28	48.20	-6.05	12.15	11.85	25.39	24.19		
Slovenia	144.49	148.96	-3.00	52.16	51.09	2.11	13.21	13.10	18.02	18.45		
CEE REGION	2,174.69	2,234.27	-2.67	815.98	866.89	-5.87	12.30	12.60	23.04	23.15		

Country	FIRE AND ALLIED PERILS				DAMAGES TO PROPERTY			
	GWP		CLAIMS		GWP		CLAIMS	
	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Albania	3.87	3.40	1.87	0.69	1.83	0.55	0.04	0.00
Bosnia and Herzegovina	8.00	9.72	-	-	7.41	7.64	-	-
Bulgaria	46.17	46.87	11.61	6.62	16.36	15.41	5.36	3.45
Croatia	48.05	48.90	21.04	11.55	67.70	73.40	25.05	24.77
Czech Republic	266.27	274.68	85.86	132.58	171.08	171.78	69.64	79.60
Estonia	23.90	20.89	9.12	6.22	12.30	10.92	7.50	7.23
Hungary	176.38	183.05	49.49	58.05	112.61	119.74	32.89	39.57
Kosovo Territory	-	-	-	-	-	-	-	-
Latvia	20.80	19.36	7.07	9.40	7.08	6.85	2.80	2.45
Lithuania	-	-	-	-	-	-	-	-
Macedonia (FYROM)	5.31	4.35	0.83	0.94	6.21	5.66	2.71	2.41
Montenegro	2.10	2.18	-	-	2.20	1.83	-	-
Poland	397.74	423.49	116.96	166.12	247.24	231.48	208.15	129.90
Romania	123.55	142.10	24.43	31.89	20.52	17.41	6.75	3.63
Serbia	24.35	27.85	4.61	4.16	48.95	53.39	10.70	13.81
Slovakia	-	-	-	-	-	-	-	-
Slovenia	67.90	61.13	20.79	20.11	76.59	87.83	31.37	30.98

CEE - GTPL insurance

Country	GTPL INSURANCE GWP			GTPL INSURANCE CLAIMS			Weight in all GWP		Weight in non-life GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011	1H2012	1H2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	1.85	1.65	11.79	0.07	0.21	-68.60	6.27	5.42	7.07	6.17
Bosnia and Herzegovina	1.56	1.37	14.30	-	-	-	1.23	1.08	1.47	1.28
Bulgaria	8.57	8.80	-2.59	1.63	1.57	3.77	2.11	2.11	2.51	2.50
Croatia	22.00	22.62	-2.76	7.78	7.00	11.17	3.37	3.37	4.43	4.39
Czech Republic	262.19	269.87	-2.84	124.88	132.12	-5.48	8.34	8.12	15.50	15.04
Estonia	5.73	4.61	24.29	1.92	1.37	39.74	3.25	2.92	4.10	3.72
Hungary	32.95	35.16	-6.30	6.34	8.92	-28.89	2.32	2.17	4.78	4.63
Kosovo Territory	-	-	-	-	-	-	-	-	-	-
Latvia	7.74	7.92	-2.31	1.71	0.86	99.34	4.36	4.52	4.71	4.96
Lithuania	9.80	9.51	3.03	2.11	1.66	27.67	3.96	3.79	5.63	5.67
Macedonia (FYROM)	1.23	1.11	11.18	0.12	0.14	-9.35	2.22	2.05	2.40	2.19
Montenegro	0.65	0.60	8.42	-	-	-	1.91	1.88	2.20	2.16
Poland	239.73	206.86	15.89	70.15	81.20	-13.60	3.07	2.80	7.51	6.46
Romania	60.54	21.40	182.93	3.19	6.46	-50.56	6.38	2.23	7.95	2.81
Serbia	6.31	6.83	-7.56	1.13	1.01	12.46	2.25	2.29	2.71	2.70
Slovakia	35.64	35.30	0.96	7.20	6.36	13.09	3.38	3.38	7.07	6.90
Slovenia	38.83	33.88	14.61	13.39	14.69	-8.88	3.55	2.98	4.84	4.20
CEE REGION	735.32	667.49	10.16	241.63	263.57	-8.32	4.16	3.76	7.79	6.92

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TOP 120 life insurance companies in CEE Region - as at June 30th, 2012

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				1H2012	1H2011	Change
				EUR m	EUR m	%
1	PL	1	PZU ŻYCIE	1,218.28	1,321.57	-7.82
2	PL	2	BENEFIA TUnŻ VIG	574.98	114.55	401.94
3	PL	3	OPEN LIFE TU Życie	402.84	-	-
4	SL	1	TRIGLAV	372.65	395.54	-5.79
5	PL	4	ALLIANZ Życie Polska	306.80	217.08	41.33
6	PL	5	TUnŻ WARTA	287.37	320.98	-10.47
7	PL	6	ING TUnŻ	234.39	257.30	-8.90
8	PL	7	AVIVA TUnŻ	217.57	235.47	-7.60
9	CZ	1	ČESKÁ Pojišťovna	214.37	229.32	-6.52
10	PL	8	TUnŻ EUROPA	194.13	412.34	-52.92
11	PL	9	AMPLICO Life	193.93	169.17	14.64
12	PL	10	NORDEA POLSKA TUnŻ	179.15	223.39	-19.80
13	SL	2	MARIBOR	153.27	150.70	1.71
14	SL	3	ADRIATIC SLOVENICA	135.18	136.30	-0.82
15	SL	4	VZAJEMNA	130.79	126.74	3.20
16	SK	1	ALLIANZ - Slovenská	123.77	124.71	-0.75
17	CZ	2	KOOPERATIVA VIG	118.59	120.30	-1.42
18	PL	11	GENERALI Życie	118.53	112.97	4.92
19	SK	2	KOOPERATIVA VIG	115.59	110.44	4.66
20	HU	1	ING	110.80	130.16	-14.87
21	CZ	3	PČS VIG	108.40	104.82	3.41
22	PL	12	STUnŻ ERGO HESTIA	104.48	103.58	0.87
23	PL	13	AXA Życie	101.34	125.96	-19.55
24	HU	2	ALLIANZ	100.66	122.56	-17.87
25	CZ	4	ING ŽP	96.94	101.14	-4.16
26	PL	14	AEGON TUnŻ	92.72	98.97	-6.32
27	HU	3	MPÉ Hungarian Post Life	84.88	70.69	20.07
28	PL	15	BZ WBK - AVIVA TUnŻ	80.72	84.14	-4.06
29	PL	16	COMPENSA TUnŻ VIG	72.50	58.74	23.42
30	CZ	5	ČSOB Pojišťovna	72.19	71.99	0.28
31	HU	4	GENERALI-PROVIDENCIA	66.57	74.83	-11.04
32	HU	5	AEGON	64.18	77.54	-17.23
33	SK	3	AMSLICO poisťovňa	61.44	60.18	2.09
34	RO	1	ING Asig. de Viață	61.22	65.00	-5.82
35	HU	6	GROUPAMA	57.95	92.72	-37.50
36	CZ	6	GENERALI Pojišťovna	54.72	55.36	-1.15
37	SK	4	KOMUNÁLNA VIG	52.40	50.97	2.82
38	CZ	7	ALLIANZ Pojišťovna	49.31	43.16	14.24
39	PL	17	HDI-GERLING Życie	48.43	88.51	-45.29
40	SL	5	TILIA	48.07	44.66	7.65
41	SL	6	MODRA	47.80	77.38	-38.23
42	SL	7	GENERALI	47.38	46.73	1.39
43	PL	18	SKANDIA Życie	45.68	51.59	-11.45
44	SL	8	TRIGLAV ZDRAVSTVENA	42.88	39.61	8.24
45	PL	19	UNIQA TUnŻ	40.91	64.67	-36.75
46	HU	7	UNIQA	40.17	48.08	-16.45
47	RO	2	BCR Asig. de Viață VIG	40.02	39.86	0.40
48	SK	5	ING Životná poisťovňa	39.28	39.37	-0.24
49	SK	6	GENERALI Slovensko	38.42	43.12	-10.88
50	PL	20	TUnŻ CARDIF Polska	37.25	43.25	-13.87
51	HU	8	ERSTE	32.92	19.20	71.46
52	CZ	8	AMCICO Pojišťovna	32.79	34.84	-5.88
53	HU	9	CIG PANNÓNIA Life	32.13	-	-
54	CZ	9	AXA ŽP	32.01	36.00	-11.07
55	HU	10	AVIVA	28.21	39.74	-29.00
56	SK	7	ČSOB Poistovňa	27.39	28.05	-2.35
57	HR	1	ALLIANZ Zagreb	27.10	23.37	15.98
58	SL	9	KD ŽIVLJENJE	26.46	32.23	-17.89
59	CZ	10	KOMERČNÍ Pojišťovna	26.17	31.14	-15.96
60	SK	8	PSS VIG	24.50	17.16	42.80

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				1H2012	1H2011	Change
				EUR m	EUR m	%
61	SL	10	MERKUR	23.59	23.50	0.36
62	CZ	11	ČPP VIG	23.44	24.40	-3.93
63	SK	9	AXA životní poisťovňa	23.01	25.80	-10.81
64	CZ	12	UNIQA Pojišťovna	23.01	23.34	-1.44
65	RO	3	ALICO România	22.56	22.68	-0.54
66	HU	11	AXA	22.02	32.91	-33.09
67	HR	2	CROATIA	21.94	22.49	-2.45
68	HU	12	K&H	20.91	24.72	-15.42
69	PL	21	PRAMERICA Życie TUIR	19.79	18.48	7.06
70	SL	11	NLB VITA	19.54	17.19	13.65
71	CZ	13	AEGON Pojišťovna	19.28	17.13	12.57
72	LT	1	SWEDBANK Life Insurance	18.39	20.70	-11.16
73	EE	1	SWEDBANK Life Ins. SE	17.10	18.14	-5.71
74	HU	13	UNION	17.03	13.71	24.20
75	SL	12	GRAWE	16.92	17.06	-0.79
76	CZ	14	AVIVA ŽP	16.86	17.88	-5.71
77	SK	10	WÜSTENROT poisťovňa	16.21	14.65	10.64
78	HR	3	MERKUR	15.97	16.48	-3.09
79	HR	4	GRAWE Hrvatska	15.90	15.60	1.88
80	SK	11	AEGON Životná poisťovňa	15.77	13.67	15.43
81	SK	12	UNIQA poisťovňa	15.42	14.20	8.64
82	LT	2	SEB Gyvybės draudimas	14.28	14.08	1.42
83	BG	1	ALLIANZ Bulgaria Life	13.93	13.81	0.83
84	PL	22	POLISA-ŻYCIE	13.81	14.81	-6.75
85	LT	3	AVIVA Lietuva	13.64	13.73	-0.66
86	SB	1	DELTA GENERALI	12.84	11.40	12.63
87	HU	14	SIGNAL	12.75	14.95	-14.73
88	HR	5	AGRAM životno	12.10	12.30	-1.63
89	HR	6	BASLER osig. Zagreb	12.00	12.17	-1.39
90	HU	15	GRAWE	11.90	12.88	-7.60
91	SL	13	WIENER STÄDTISCHE	11.64	10.16	14.62
92	EE	2	COMPENSA Life VIG SE	11.17	8.33	34.07
93	RO	4	ALLIANZ-TIRIAC	11.14	11.28	-1.24
94	HR	7	KVARNER VIG	10.93	12.59	-13.15
95	SB	2	WIENER	10.90	11.30	-3.53
96	PL	23	TU SKOK Życie	10.56	14.85	-28.90
97	RO	5	GENERALI România	10.46	10.91	-4.19
98	RO	6	ASIROM VIG	10.11	10.58	-4.48
99	SL	14	SID-PKZ	10.05	10.35	-2.87
100	HU	16	AHICO (MetLife)	9.51	12.42	-23.39
101	BG	2	DZI	9.29	9.10	2.05
102	SB	3	GRAWE	8.68	9.25	-6.19
103	BG	3	BULSTRAD Life VIG	8.26	6.97	18.61
104	HR	8	GENERALI	7.85	8.70	-9.73
105	HR	9	HELIOS VIG	7.64	8.05	-5.17
106	BG	4	UNIQA Life	7.55	7.70	-1.96
107	LT	4	MANDATUM Life	7.54	17.92	-57.91
108	HR	10	ERSTE VIG	7.19	6.69	7.48
109	LT	5	ERGO Life Insurance SE	7.06	6.55	7.85
110	RO	7	BRD Asig. de Viață	6.89	4.62	49.06
111	RO	8	GRAWE România	6.35	6.65	-4.46
112	HU	17	DIMENZIÓ	6.30	8.08	-22.02
113	EE	3	SEB Elu- ja Pensionikindlustus	6.18	5.78	6.81
114	HR	11	UNIQA	5.82	6.56	-11.32
115	HU	18	MKB LIFE	5.69	5.97	-4.70
116	BG	5	UBB-ALICO Life	5.51	4.56	20.77
117	BiH/FBiH	1	MERKUR BH	5.49	5.25	4.63
118	SK	13	UNION poisťovňa	5.32	5.59	-4.85
119	SK	14	ERGO životná poisťovňa	5.29	1.11	376.13
120	RO	9	GROUPAMA Asigurări	5.09	7.21	-29.33

The insurance companies from Latvia and Kosovo are not included

TOP 120 non-life insurance companies in CEE Region - as at June 30th, 2012

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				1H2012	1H2011	Change
				EUR m	EUR m	%
1	PL	1	PZU	1,041.14	1,056.92	-1.49
2	CZ	1	ČESKÁ Pojišťovna	381.15	418.05	-8.83
3	CZ	2	KOOPERATIVA VIG	334.84	362.00	-7.50
4	PL	2	STU ERGO HESTIA	331.86	346.47	-4.22
5	PL	3	WARTA	300.57	286.02	5.09
6	SL	1	TRIGLAV	274.50	294.06	-6.65
7	PL	4	ALLIANZ Polska	213.48	233.90	-8.73
8	HR	1	CROATIA	200.43	212.32	-5.60
9	SK	1	ALLIANZ - Slovenská	185.85	192.27	-3.34
10	HU	1	ALLIANZ	180.39	212.13	-14.96
11	CZ	3	ALLIANZ Pojišťovna	144.28	152.78	-5.56
12	PL	5	UNIQA	144.03	133.38	7.98
13	SK	2	KOOPERATIVA VIG	140.65	140.70	-0.03
14	HU	2	GENERALI-PROVIDENCIA	133.05	159.70	-16.69
15	PL	6	GENERALI	131.88	122.91	7.30
16	SL	2	VZAJEMNA	130.79	126.74	3.20
17	SL	3	ADRIATIC SLOVENICA	129.01	130.02	-0.78
18	PL	7	COMPENSA VIG	126.79	127.92	-0.88
19	PL	8	HDI Asekuracja	126.66	126.30	0.29
20	PL	9	INTERRISK VIG	126.45	139.70	-9.48
21	RO	1	OMNIASIG VIG	125.06	159.03	-21.36
22	RO	2	ASTRA Asigurări	115.88	131.89	-12.14
23	SL	4	MARIBOR	114.69	113.46	1.08
24	CZ	4	GENERALI Pojišťovna	111.23	127.74	-12.92
25	CZ	5	ČPP VIG	95.53	97.59	-2.11
26	RO	3	ALLIANZ-ȚIRIAC	92.81	98.14	-5.43
27	CZ	6	ČSOB Pojišťovna	86.68	82.15	5.51
28	PL	10	MTU	86.64	78.11	10.92
29	CZ	7	UNIQA Pojišťovna	83.20	83.21	-0.01
30	SB	1	DUNAV	80.81	83.59	-3.33
31	RO	4	GROUPAMA Asigurări	79.97	76.70	4.26
32	HU	3	GROUPAMA	75.56	81.82	-7.64
33	HU	4	AEGON	74.58	80.48	-7.33
34	HR	2	EUROHERC	63.13	66.18	-4.60
35	PL	11	PTU	62.47	58.73	6.36
36	EE	1	If P&C Insurance AS	61.04	59.91	1.89
37	RO	5	ASIROM VIG	60.27	77.61	-22.34
38	HU	5	UNIQA	59.57	59.56	0.02
39	SK	3	GENERALI Slovensko	56.60	56.81	-0.37
40	LT	1	LIETUVOS draudimas	53.20	49.04	8.49
41	RO	6	EUROINS România	53.09	27.85	90.64
42	PL	12	PTR	52.52	40.93	28.33
43	PL	13	TUW TUW	52.16	45.24	15.30
44	HR	3	ALLIANZ Zagreb	51.46	49.30	4.37
45	RO	7	UNIQA Asigurări	50.12	47.80	4.86
46	RO	8	GENERALI România	48.66	52.60	-7.48
47	BG	1	LEV INS	45.28	32.91	37.56
48	BG	2	BULSTRAD VIG	44.23	43.31	2.12
49	PL	14	AVIVA Ogólnych	43.82	40.88	7.19
50	RO	9	CITY Insurance	43.68	12.72	243.30
51	SB	2	DELTA GENERALI	43.33	44.66	-2.98
52	SL	5	TILIA	43.03	39.50	8.93
53	SL	6	TRIGLAV ZDRAVSTVENA	42.88	39.61	8.24
54	BG	3	ARMEEC	42.68	38.77	10.07
55	HR	4	JADRANSKO	41.50	43.50	-4.60
56	SB	3	DDOR	39.30	52.45	-25.06
57	CZ	8	CARDIF Pojišťovna	39.18	38.72	1.21
58	PL	15	EUROPA	38.89	62.29	-37.57
59	BG	4	DZI - General Ins.	38.74	43.57	-11.07
60	PL	16	LINK4 TU	38.50	38.19	0.83

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				1H2012	1H2011	Change
				EUR m	EUR m	%
61	SL	7	GENERALI	37.22	37.17	0.15
62	PL	17	CONCORDIA Polska TUW	36.34	29.58	22.88
63	HU	6	UNION	35.96	33.67	6.78
64	SK	4	UNIQA poisťovňa	35.84	34.82	2.93
65	PL	18	EULER HERMES	34.94	34.53	1.17
66	BG	5	ALLIANZ Bulgaria	34.77	36.14	-3.80
67	HU	7	K&H	33.37	44.25	-24.60
68	PL	19	BENEFIA VIG	30.68	32.64	-6.01
69	SK	5	KOMUNÁLNA VIG	30.41	28.65	6.13
70	RO	10	CARPATICA Asig.	29.34	20.95	40.00
71	EE	2	SEESAM Insurance AS	24.37	13.08	86.39
72	BG	6	BUL INS	24.06	41.42	-41.90
73	LT	2	BTA	23.62	19.30	22.44
74	LT	3	PZU Lietuva	23.44	19.29	21.51
75	HR	5	TRIGLAV	23.32	26.24	-11.11
76	PL	20	TUZ TUW	22.80	15.27	49.33
77	LT	4	ERGO Lietuva	22.36	20.65	8.29
78	PL	21	TUW SKOK	21.89	33.96	-35.54
79	PL	22	BRE UBEZPIECZENIA	21.78	17.05	27.77
80	PL	23	AXA TUİR	21.53	18.53	16.21
81	PL	24	PZM VIG	21.25	23.25	-8.60
82	EE	3	ERGO Kindlustus	21.07	20.05	5.12
83	BG	7	UNIQA Insurance	20.84	18.52	12.55
84	EE	4	SWEDBANK Varakindlustus	20.58	18.82	9.37
85	BG	8	EUROINS	19.78	18.43	7.32
86	PL	25	BZ WBK - AVIVA Ogólnych	17.69	15.49	14.17
87	HR	6	KVARNER VIG	17.32	18.67	-7.25
88	BG	9	VICTORIA	16.64	14.51	14.72
89	HU	8	MP Hungarian Post	16.28	15.31	6.36
90	BiH/FBiH	1	SARAJEVO	16.27	16.22	0.36
91	SK	6	UNION poisťovňa	16.01	15.97	0.29
92	HR	7	GENERALI	15.08	15.02	0.37
93	SB	4	UNIQA Neživot	14.90	14.60	2.03
94	HR	8	BASLER osig. Zagreb	14.81	16.02	-7.55
95	PL	26	INTER POLSKA	14.66	11.85	23.75
96	HU	9	KÖBE	14.26	14.56	-2.07
97	LT	5	If P&C Insurance AS Lf.	14.15	15.37	-7.92
98	CZ	9	TRIGLAV Pojišťovna	14.13	14.41	-1.93
99	MN	1	Lovćen Insurance JSC	14.04	16.31	-13.91
100	HU	10	CHARTIS Branch Office	14.00	13.61	2.88
101	SK	7	ČSOB Poistovňa	13.66	12.79	6.84
102	CZ	10	SLAVIA Pojišťovna	13.59	16.26	-16.47
103	LT	6	AAS "Gjensidige Baltic" Lf.	13.47	10.76	25.12
104	HR	9	HOK	13.01	12.77	1.95
105	SK	8	WÜSTENROT poisťovňa	12.97	13.67	-5.13
106	SB	5	WIENER	12.81	13.05	-1.91
107	BG	10	OZK Insurance	12.20	7.83	55.87
108	BG	11	GENERALI Insurance	11.69	12.67	-7.74
109	HU	11	AIM	11.13	3.85	188.86
110	BiH/FBiH	2	EUROHERC	11.10	10.86	2.16
111	BiH/FBiH	3	BOSNA-SUNCE	10.83	11.03	-1.74
112	HR	10	SUNCE	10.37	11.37	-8.82
113	RO	11	GARANTA Asigurări	10.34	11.46	-9.83
114	RO	12	ASITO KAPITAL	10.25	12.36	-17.09
115	MK	1	TRIGLAV	10.22	11.29	-9.41
116	SL	8	SID-PKZ	10.05	10.35	-2.87
117	CZ	11	Hasičská Vzájemná Pojišťovna	9.97	10.84	-8.00
118	HR	11	GRAWE Hrvatska	9.73	9.83	-1.01
119	SB	6	TAKOVO	9.58	10.50	-8.69
120	CZ	12	ČESKÁ Pojišťovna ZDRAVÍ	9.38	8.90	5.38

The insurance companies from Latvia and Kosovo are not included



Albania



Debtor's life	6.66%
Group life	1.92%
Life with savings	1.64%
Other life insurance	1.04%
Accidents insurance	4.93%
Health insurance	3.56%
Fire and allied perils	13.15%
Damages to property	6.20%
Motor Hull	6.84%
MTPL	45.52%
Goods in transit	0.57%
GTPL	6.27%
Suretyship	1.38%
Other non-life insurance	0.21%
Reinsurance accepted	0.10%



SOURCE:

ALBANIAN FINANCIAL SUPERVISORY AUTHORITY (AFSA)
BANK OF ALBANIA

ALBANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

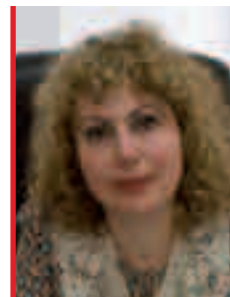
1 EUR = 141.41 LEK - ALL (JUNE 30TH, 2011)
1 EUR = 138.17 LEK - ALL (JUNE 30TH, 2012)

The tariffs' challenge

Albanian insurers ended the first half of 2012 with underwritings of ALL 4.07 billion (EUR 29.5 million), 5.56% less in local currency as compared to the same period last year, *mainly attributed to the transition in the MTPL pricing*, as Enkeleda SHEHI, Chairperson, Albanian Financial Supervisory Authority (FSA) explained for XPRIMM Publications. During this reporting period, the number of concluded insurance contracts was of 469,449, 25.40% less, compared to the similar period of 2011.

The market continued to be dominated by non-life insurance, which contributed with 88.63% of the total premium volume. *Similar to most other Balkan countries, motor insurance, especially MTPL has dominated the market structure for a long time, since the market establishment. This is basically the first insurance type, with which the public has its first acquaintance and basically it serves as marketing tool for other insurance products. In Albania, MTPL is the main insurance product sold and currently is entering a pricing transition period, after the removal of fixed-tariff regime*, pointed SHEHI. She also emphasized that the Domestic MTPL was the most dynamic line in the insurance market during the first half of 2012, with an increase by 24% in gross written premiums, mainly originating in the *upward correction of market premiums during this period*. According to our calculation, the average DMTPL tariff went up by 17.5%. Thus, gross written premiums for domestic MTPL insurance amounted EUR 10.23 million, rising the line's share in the market portfolio by 1pp, to 34.7%.

Not the same ascending trend was recorded on the other MTPL insurance lines, namely the Green Card and Border insurance categories. *The portfolio that experienced the sharpest decrease, during that period is the Green card portfolio, about 51% less than in the first half of 2011. This was due to the effect after the*



Enkeleda SHEHI
Chairperson
Albanian FSA

Read the full interview on www.xprimm.com

liberalization of the MTPL, worsening in the first half of the year 2012, explains the Albanian official. As a result, GWP for the entire class of mandatory MTPL decreased by about 2.7% in local currency, while the number of policies sold went down by about 5.5%, to 177,809.

A noticeable growth dynamic was also recorded in property insurance, mainly attributable to "underwriting of some big, complex risks". Thus GWP for the "Fire and allied perils" line of business grew by 11% growth, while on the "damages to property" line a 224.2% growth rate was recorded. "Property insurance is still at low penetration levels, mainly being influenced by private banks as a requirement to insure their collateral", explains Enkeleda SHEHI, also pointing out that Albania has a significant exposure to earthquakes and floods. *Consequently, one major challenge in these conditions remains the public awareness and its confidence in the industry.*

Life insurance only accounts for 11.26% of the market portfolio, with GWP of about ALL 459 million (EUR 3.32 million) in 1H2012, 10.66% less y-o-y. *In the current operating environment, the sharp competition and the slowdown in credit- ing activity by banks do have their share in the visible decrease of the life insurance market, the latter especially in debtor's life insurance, which is the main portfolio written in life business*, explained the

LEADERS

According to the data, Albanian insurance market is dominated by the Austrian insurance group UNIQA. On the life insurance segment, the first position is held by SIGAL Life UNIQA Group Austria - EUR 1.4 million (41.8% market share). At the same time, on the non-life insurance segment, SIGAL UNIQA Group Austria ranks first, with underwritings amounting EUR 8.3 million (31.8% market share), leading the motor, property, accidents and health insurance rankings.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	29.47	30.49	-3.35	10.86	7.81	39.15	100.00	100.00
TOTAL LIFE	3.32	3.63	-8.56	0.56	0.24	134.03	11.26	11.90
Debtor's life	1.96	2.44	-19.62	0.42	0.22	90.80	6.66	8.00
Group life	0.57	0.46	22.73	0.10	0.01	1,452.12	1.92	1.51
Life with savings	0.48	0.49	-1.21	-	-	-	1.64	1.61
Other life insurance	0.31	0.24	29.13	0.05	0.02	195.35	1.04	0.78
TOTAL NON-LIFE	26.12	26.79	-2.51	10.30	7.57	36.13	88.63	87.87
Accidents insurance	1.45	2.79	-47.92	0.21	0.08	149.30	4.93	9.15
Health insurance	1.05	0.81	29.81	0.51	0.43	16.59	3.56	2.65
Overall property insurance	5.70	3.96	44.19	1.91	0.69	175.03	19.35	12.97
Fire and allied perils	3.87	3.40	13.82	1.87	0.69	171.00	13.15	11.16
Damages to property	1.83	0.55	231.87	0.04	0.00	988.31	6.20	1.81
Overall motor insurance	15.43	15.70	-1.69	7.56	6.07	24.56	52.36	51.48
Motor Hull	2.02	2.22	-9.30	1.58	1.55	1.78	6.84	7.29
MTPL	13.41	13.47	-0.43	5.99	4.52	32.37	45.52	44.19
DMTPL	10.23	8.04	27.17	4.37	3.61	21.01	34.71	26.38
Green Card	2.28	4.59	-50.25	1.40	0.79	76.28	7.75	15.06
Border	0.90	0.84	7.61	0.22	0.12	85.16	3.05	2.74
Goods in transit	0.17	0.10	73.54	0.01	0.03	-81.14	0.57	0.32
Aircraft liability	-0.09	0.95	-	-	-	-	-0.31	3.11
GTPL	1.85	1.65	11.79	0.07	0.21	-68.60	6.27	5.42
Suretyship	0.41	0.75	-46.10	0.04	0.04	-12.98	1.38	2.47
Other non-life insurance	0.15	0.09	68.73	-	-	-	0.52	0.30
REINSURANCE ACCEPTED	0.03	0.07	-54.41	-	-	-	0.10	0.22

supervising authority's representative.

During the first half of 2012, the total paid claims reached about ALL 1.50 billion (EUR 10.9 million), showing a nominal increase in local currency of 35.96% compared to 1H2011. Most of the gross paid claims were related to motor insurance, reaching about ALL 1.05 million (EUR 7.6 million) or 69.63% of total gross paid claims.

For the remaining part of 2012, insurers will have to manage very carefully their risks and investment activity, in order to be resilient to an already shaping slow-down in terms of overall revenues. Careful management of the resources is crucial in the current environment in order to avoid to the maximum extent possible any unnecessary fluctuations in the technical results, concluded Enkeleda SHEHI.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SIGAL Life UNIQA Group Austria	1.39	1.84	-24.59	0.19	0.13	40.78	41.81	50.69
2	SICRED	1.02	1.13	-9.35	0.08	0.08	3.68	30.82	31.09
3	INSIG	0.91	0.66	37.36	0.29	0.03	997.18	27.38	18.22
	TOTAL MARKET	3.32	3.63	-8.56	0.56	0.24	134.03	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		ALL m	ALL m	%	ALL m	ALL m	%	%	%
1	SIGAL UNIQA Group Austria	1,148.93	1,293.51	-11.18	372.31	296.17	25.71	31.83	34.14
2	INTERBANIAN	525.37	379.87	38.30	137.27	188.04	-27.00	14.56	10.03
3	SIGMA VIG	448.26	512.55	-12.54	100.65	142.46	-29.35	12.42	13.53
4	EUROSIG	323.15	274.59	17.69	59.27	56.96	4.05	8.95	7.25
5	INTERSIG VIG	302.28	351.17	-13.92	391.49	79.00	395.55	8.38	9.27
6	ALBSIG	299.99	306.06	-1.99	88.77	55.74	59.25	8.31	8.08
7	ATLANTIK	285.91	343.01	-16.65	76.93	59.21	29.91	7.92	9.05
8	INSIG	275.25	328.14	-16.12	196.40	192.28	2.14	7.63	8.66
	TOTAL MARKET	3,609.14	3,788.89	-4.74	1,423.07	1,069.86	33.01	100.00	100.00

D.G.



Bosnia & Herzegovina



Life insurance	16.62%
Accidents insurance	7.54%
Health insurance	1.07%
Fire and allied perils	6.28%
Damages to property	5.83%
Motor Hull	12.21%
MTPL	47.14%
Goods in transit	1.27%
GTPL	1.23%
Other non-life insurance	0.82%

SOURCE:

INSURANCE AGENCY OF REPUBLIKA SRPSKA (AZORS)
INSURANCE SUPERVISORY AGENCY OF FEDERATION OF BOSNIA AND HERZEGOVINA (NADOS)

BOSNIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 1.95583 CONVERTIBLE MARKS - BAM (FIXED)

Facing challenges

The Bosnian insurance market recorded an overall steady evolution in 1H2012, as compared to 1H2011. Yet, if by the end of June 2012 the total GWP showed only a less than 1pp change, to EUR 127.27 million, from the EUR 126.11 million figure of 2011, a closer look reveals a different situation when considering the figures for each business line. Thus, while life insurance recorded a positive change of over 7%, on the non-life insurance lines the results were less encouraging. *I would say that we kept overall steady evolution of the insurance sector thanks to the increment in life insurance* Samir OMERHODZIC, Director, Insurance Agency of Bosnia and Herzegovina told to XPRIMM. He also added that *it is very important to emphasise the fact that life insurance, which represents a dominant type of insurance in developed markets, has been still in development in BiH, as available data over past 6 years show.*

Considering the bipolar character of the Bosnian insurance market, comprising two local quasi independent markets – Federation of Bosnia and Herzegovina (FBiH) and Republic of Srpska (RS) -, one should easily notice that, although the FBiH market remains the most important, the RS one recorded higher growth rates for certain business lines. Thus *total gross written premium in FBiH amounted EUR 95,08 million while in the RS reached EUR*

32,19 million, pointed out the Insurance Agency's official.

Life insurance accounts for 16.6% of the Bosnian portfolio - 1pp more than in 1H2011 -, totaling EUR 21.16 million in GWP. Although less than 13% of this volume comes from the market of Srpska Republic (RS), the very small RS market showed a higher growth rate than the one of the FBiH (Federation of Bosnia and Herzegovina) - of 12.40% to 6.46% respectively.



Samir OMERHODZIC, Director, Insurance Agency of Bosnia and Herzegovina

Read the full interview on www.xprimm.com

On the **non-life insurance** side, property insurance showed a significant negative change, of 11.2%, mostly generated by the 17.7% fall in Fire and allied perils GWP. Again, the RS market showed a better evolution on this line, in fact a positive one, while FBiH insurers' underwritings fell by almost 15%. All in all, property GWP

Bosnia and Herzegovina insurance market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS						Weight in all GWP		
	1H2012	1H2011	Change	1H2012 Market share (%)		1H2011 Market share (%)		1H2012	1H2011
	EUR m	EUR m	%	FBiH insurers	RS insurers	FBiH insurers	RS insurers	%	%
TOTAL MARKET	127.27	126.11	0.92	74.71	25.29	74.49	25.51	100.00	100.00
TOTAL LIFE	21.16	19.74	7.18	87.33	12.67	87.92	12.08	16.62	15.65
TOTAL NON-LIFE	106.11	106.37	-0.24	72.19	27.81	72.00	28.00	83.38	84.35
Accidents insurance	9.60	9.77	-1.81	79.44	20.56	79.12	20.88	7.54	7.75
Health insurance	1.36	1.41	-3.46	86.44	13.56	84.93	15.07	1.07	1.12
Overall property insurance	15.41	17.35	-11.19	77.37	22.63	80.68	19.32	12.11	13.76
Fire and allied perils	8.00	9.72	-17.67	77.14	22.86	82.38	17.62	6.28	7.70
Damages to property	7.41	7.64	-2.95	77.62	22.38	78.52	21.48	5.83	6.06
Overall motor insurance	75.52	74.10	1.92	68.79	31.21	67.75	32.25	59.34	58.76
Motor Hull	15.53	15.77	-1.52	84.13	15.87	85.59	14.41	12.21	12.51
MTPL	59.99	58.33	2.85	64.82	35.18	62.93	37.07	47.14	46.25
Goods in transit	1.62	1.44	12.44	93.74	6.26	92.53	7.47	1.27	1.14
GTPL	1.56	1.37	14.30	90.17	9.83	90.20	9.80	1.23	1.08
Other non-life insurance	1.04	0.92	12.32	95.88	4.12	95.36	4.64	0.82	0.73



amounted EUR 15.4 million, 77.3% of this volume being reported by the insurers licensed in FBiH.

The **motor insurance** lines registered different evolutions, with MTPL on the positive track (2.85% growth), while Motor Hull fell by 1.5%. The overall motor GWP figure stood at EUR 75.52 million, representing almost 60% of the market portfolio. FBiH insurers produced almost 69% of this volume.

Nine of the Bosnian Top 10 insurance companies are licensed in FBiH, the only RS insurer, JAHORINA, ranking 7th. SARAJEVO Osigurange in the market leader, holding a steady 13.4% market share, followed by BOSNA-SUNCE and EUROHERC, with almost equal market weights, of 8.95% and 8.72%. MERKUR BH, UNIQA and GRAWE, registered all in FBiH, are leading the life insurance market, totalizing almost 68% of the Bosnian life insurance market.

Challenges ...

We have certain problems in harmonizing our regulations, because there are differences between the entities' insurance legislative frame. An important improvement is that until a few years ago it was impossible to imagine a company from one entity operating in the other, and now we have a significant increase in premiums from the Federation in Republika Srpska, and vice versa. This increases competitiveness and improves the quality of services, and

Total BiH - All insurance lines ranking

No.	Company	Region	GROSS WRITTEN PREMIUMS			MARKET SHARE	
			1H2012	1H2011	Change	1H2012	1H2011
			EUR m	EUR m	%	%	%
1	SARAJEVO	FBiH	17.12	16.94	1.07	13.46	13.44
2	BOSNA-SUNCE	FBiH	11.38	11.64	-2.22	8.95	9.23
3	EUROHERC	FBiH	11.10	10.86	2.16	8.72	8.61
4	UNIQA	FBiH	10.87	10.32	5.38	8.54	8.18
5	TRIGLAV	FBiH	9.27	8.47	9.52	7.29	6.71
6	CROATIA	FBiH	8.98	10.01	-10.35	7.05	7.94
7	JAHORINA	RS	6.30	5.73	9.84	4.95	4.55
8	VGT	FBiH	6.29	6.26	0.46	4.94	4.96
9	MERKUR BH	FBiH	5.69	5.31	7.24	4.47	4.21
10	GRAWE	FBiH	5.43	5.00	8.71	4.27	3.96
11	DUNAV	RS	4.41	4.00	10.36	3.47	3.17
12	ZOVKO	FBiH	3.71	2.83	31.28	2.92	2.24
13	DRINA	RS	3.59	3.45	3.93	2.82	2.74
14	BRČKO-GAS	RS	3.54	3.50	1.18	2.78	2.77
15	BOBAR	RS	3.32	4.22	-21.32	2.61	3.34
16	NEŠKOVIĆ	RS	2.78	2.84	-1.99	2.18	2.25
17	ASA	FBiH	2.62	2.74	-4.36	2.06	2.17
18	GRAWE	RS	2.37	2.21	7.44	1.87	1.75
19	CAMELIJA	FBiH	1.89	1.86	1.74	1.49	1.48
20	TRIGLAV	RS	1.85	2.84	-34.84	1.45	2.25
21	KRAJINA	RS	1.72	1.67	3.20	1.35	1.32
22	AURA	RS	1.30	0.99	30.94	1.02	0.79
23	MIKROFIN	RS	1.01	0.73	38.91	0.80	0.58
24	LIDO	FBiH	0.67	1.65	-59.10	0.53	1.31
25	LOK	FBiH	0.04	0.06	-24.28	0.03	0.04
RS COMPANIES			32.19	32.17	0.06	25.29	25.51
FBiH COMPANIES			95.08	93.94	1.22	74.71	74.49
TOTAL Bosnia&Herzegovina			127.27	126.11	0.92	100.00	100.00



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FBiH - Life insurance Ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	MERKUR BH	5.49	5.25	4.63	29.73	30.25
2	UNIQA	4.43	4.05	9.30	23.96	23.33
3	GRAWE	4.42	4.23	4.47	23.90	24.35
4	CROATIA	1.50	1.50	0.44	8.14	8.62
5	TRIGLAV	1.20	0.93	28.00	6.47	5.38
6	SARAJEVO	0.85	0.73	17.07	4.60	4.18
7	BOSNA-SUNCE	0.55	0.62	-10.72	2.98	3.56
8	LOK	0.04	0.06	-24.28	0.23	0.32
TOTAL MARKET		18.48	17.35	6.46	100.00	100.00

ultimately contributes to the final consumer satisfaction, which should be the goal of all participants of the insurance market in BiH", explained OMERHODZIC.

Other challenges are arising from the early stage of development of the market. As our interlocutor mentioned, the low pricing level for motor insurance is a huge barrier for enforcing a real bonus-malus system, as long as companies have difficulties in covering the claims. *We believe that in the near future the premium rate will be raised becoming more appropriate. The premiums system certainly remained for a too long period unchanged in BiH*, the Agency's official said.

Also, insurance sector in BiH is burdened with other numerous problems that greatly hamper the growth of this financial activity. *I shall only mention the most important: unfair competition, disrespect of the system of bonus and malus, insurance fraud and uninsured vehicles. Above all, the biggest problem on the market is dumping in premiums and violation of tariffs by market competitors*, told us the Agency's Director.

... and expectations

Samir OMERHODZIC is not very optimistic when talking about the short term perspectives of the Bosnian market: *According to the data available, the recession is felt strongly this first half of year in Bosnia and Herzegovina. In fact, a large number of people had already lost their job and further decline in employment is expected too.*

Although the insurance industry has not felt the impact of the recession until now, in the next 2-3 years we shall see the consequences. It is expected that there will be a drop of premiums, particularly in life insurance. We are expecting that many insured persons will be forced to cancell their life insurance contracts as they economically will not be able to maintain them.

This is why insurers need to pay more attention in the near future to enhancing public awareness with regard to the benefits of optional types of insurance, as well as confidence in insurance companies.

Also, although Bosnia and Herzegovina is still not a member of the EU, the requirements of Solvency II directive relating to risk management and review of current capital adequacy requirements will certainly be the focus of events in Bosnia and Herzegovina in the future.

FBiH - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	SARAJEVO	16.27	16.22	0.36	21.25	21.18
2	EUROHERC	11.10	10.86	2.16	14.49	14.18
3	BOSNA-SUNCE	10.83	11.03	-1.74	14.14	14.40
4	TRIGLAV	8.08	7.53	7.23	10.54	9.83
5	CROATIA	7.47	8.52	-12.25	9.75	11.12
6	UNIQA	6.45	6.27	2.84	8.42	8.19
7	VGT	6.29	6.26	0.46	8.21	8.18
8	ZOVKO	3.71	2.83	31.28	4.85	3.69
9	ASA	2.62	2.74	-4.36	3.42	3.57
10	CAMELIJA	1.89	1.86	1.74	2.47	2.43
11	GRAWE	1.01	0.77	31.97	1.32	1.00
12	LIDO	0.67	1.65	-59.10	0.88	2.15
13	MERKUR BH	0.20	0.06	247.20	0.26	0.07
TOTAL MARKET		76.60	76.58	0.03	100.00	100.00

RS - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	GRAWE	2.37	2.20	7.47	88.41	92.46
2	JAHORINA	0.19	0.12	57.29	7.16	5.11
3	DUNAV	0.12	0.06	105.56	4.44	2.43
TOTAL MARKET		2.68	2.38	12.40	100.00	100.00

RS - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	JAHORINA	6.10	5.61	8.81	20.68	18.83
2	DUNAV	4.29	3.94	8.96	14.55	13.23
3	DRINA	3.59	3.45	3.93	12.15	11.58
4	BRČKO-GAS	3.54	3.50	1.18	11.99	11.74
5	BOBAR	3.32	4.22	-21.32	11.25	14.16
6	NEŠKOVIĆ	2.78	2.84	-1.99	9.42	9.52
7	TRIGLAV	1.85	2.84	-34.84	6.26	9.52
8	KRAJINA	1.72	1.67	3.20	5.84	5.61
9	AURA	1.30	0.99	30.94	4.40	3.33
10	MIKROFIN	1.01	0.73	38.91	3.43	2.45
11	GRAWE	0.00	0.01	-5.94	0.02	0.02
TOTAL MARKET		29.51	29.78	-0.92	100.00	100.00

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Bulgaria



Insurance Class	Share (%)
Life ins. and annuities	12.10%
Unit-linked	1.02%
Other life insurance	3.15%
Accidents insurance	1.90%
Goods in transit	0.97%
Fire and allied perils	11.34%
Damages to property	4.02%
Motor Hull	26.17%
MTPL	32.80%
GTPL	2.11%
Credit insurance	0.57%
Travel	0.77%
Other non-life insurance	3.08%

SOURCE:

THE FINANCIAL SUPERVISION COMMISSION OF BULGARIA (FSC)

BULGARIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 1.95583 LEVA, BGN (FIXED)

Still in red

The gross premiums written by Bulgarian insurers in 1H2012 amounted to BGN 796 million (EUR 407 million), declining by 2.5% on an annual basis, showed the financial data report published by the Financial Supervision Commission. At the end of 1H2011, when the market increased by almost one percent (0.8%), the same indicator reached EUR 417.6 million.

At the end of June 2012, **non-life insurance** amounted to BGN 666 million (EUR 341 million), recording a reduction of 3% on a y-o-y basis. At the same time, the gross premiums written by the life insurance companies amounted to almost BGN 130 million (EUR 66.2 million), decreasing by 0.1% y-o-y. Obviously, the Bulgarian insurance market is still dominated by non-life insurance, whose share in total GWP decreased to 83.7% in 1H2012, compared to 84.1% at the end of June 2011.

Motor insurance was the main line of business, in terms of GWP, with a 59% share. The premium income realized by the Bulgarian motor insurers amounted to BGN 470 million (EUR 240 million), compared to BGN 492 million in 1H2011. This decrease can be explained by the second successive semester in which a fall in the motor hull insurance class premium income was reported: in January-June 2012, the GWP from Motor Hull insurance amounted to BGN 208 million (EUR 106.5 million), 6% y-o-y less than

in 1H2011, after the 12% fall recorded in 1H2011 vs. 1H2010. At the same time, the GWP from MTPL declined by 3.4% year-on-year and amounted to BGN 261 million (EUR 133.5 million).

Property insurance showed an overall steady evolution, the GWP for this class reaching a similar value as in 1H2011, of BGN 122.3 million (EUR 62.5 million) and maintaining a 15.0% share of the entire insurance market. Yet, looking closer to the main business lines of this segment one should notice that the 6% enhancement on the "other property damage" line scarcely succeeded to offset the 1.5% decrease recorded on the "fire and natural forces" line.

The **paid claims** in non-life insurance reached BGN 330 million (EUR 169 million), recording a 3.7% increase on an annual basis. Also, thirteen insurers (out of 18 active ones) recorded an increase for this indicator. In the structure of the paid compensations by class of insurance, the biggest share of 38.6% was held by the MTPL, followed by motor hull (35.2%) and property insurance (8.8% share).

As far as **life insurance** is concerned, in regard to the portfolio structure of life insurance companies by insurance classes, no substantial change was observed in comparison with 1H2011 and the traditional segment continued to hold a major share (12.1% of the total market or almost 75% of total life GWP).

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	407.05	417.63	-2.54	193.46	189.00	2.36	100.00	100.00
TOTAL LIFE	66.24	66.32	-0.13	24.59	26.11	-5.79	16.27	15.88
Life ins. and annuities	49.23	49.31	-0.16	18.65	19.64	-5.01	12.10	11.81
Unit-linked	4.17	5.47	-23.85	1.82	2.53	-28.31	1.02	1.31
Other life insurance	12.84	11.54	11.28	4.13	3.94	4.84	3.15	2.76
TOTAL NON-LIFE	340.81	351.31	-2.99	168.87	162.90	3.67	83.73	84.12
Accidents insurance	7.73	7.50	3.10	1.89	1.35	39.69	1.90	1.80
Goods in transit	3.95	3.97	-0.46	0.68	0.67	2.44	0.97	0.95
Overall property insurance	62.53	62.28	0.41	16.96	10.06	68.59	15.36	14.91
Fire and allied perils	46.17	46.87	-1.48	11.61	6.62	75.46	11.34	11.22
Damages to property	16.36	15.41	6.15	5.36	3.45	55.41	4.02	3.69
Overall motor insurance	240.04	251.43	-4.53	142.82	143.29	-0.33	58.97	60.20
Motor Hull	106.52	113.23	-5.93	68.11	76.84	-11.36	26.17	27.11
MTPL	133.52	138.20	-3.39	74.71	66.45	12.43	32.80	33.09
GTPL	8.57	8.80	-2.59	1.63	1.57	3.77	2.11	2.11
Credit insurance	2.33	2.68	-13.18	1.14	2.00	-42.98	0.57	0.64
Travel	3.12	2.60	20.30	0.79	0.70	13.38	0.77	0.62
Other non-life insurance	12.53	12.05	3.93	2.96	3.26	-9.28	3.08	2.89

The sums and compensations paid by life insurance companies reached BGN 48.10 million (EUR 24.6 million), compared to BGN 51 million in 2011. In the total structure of the paid claims, the biggest share was held by traditional life insurance - BGN 36.5 million, while in the case of unit-linked contracts, the payments totalled BGN 3.5 million.

According to Bulgarian FSC, there are 34 active insurers in Bulgaria, out of which 18 represent non-life insurance companies and 16 - life insurance companies.

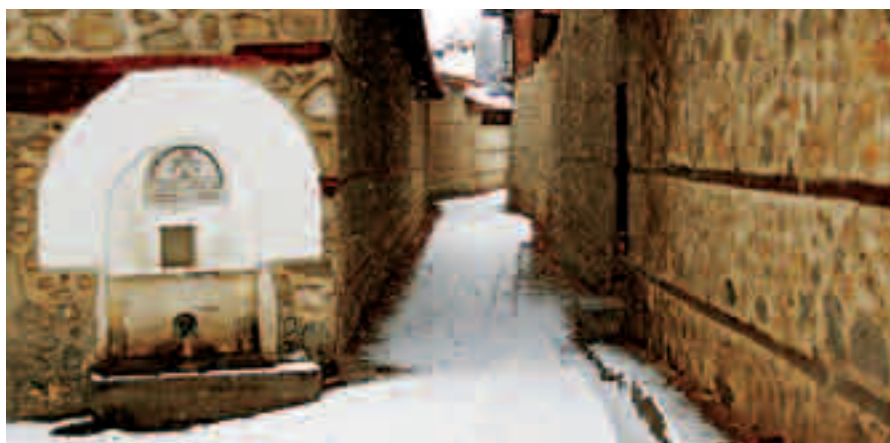
LEV INS leads the non-life segment in terms of GWP, with a market share of 13.3%, followed by BULSTRAD VIG (13.0%) and ARMEEC (12.5%). In the life insurers' ranking, the first three places are occupied by ALLIANZ Bulgaria Life (21.0%), DZI (14.0%) and BULSTRAD Life VIG (12.5%).

In terms of profitability, it is worth mentioning that despite slight contraction of the market volume, Bulgarian insurers reported an aggregated positive financial result for 1H2012 of BGN 52.55 million (EUR 26.47 million). Only three of the 18 non-life insurers and three of the 16 life insurers reported losses for 1H2012. The most profitable non-life insurers were: ENERGIA (EUR 4.3 million), DZI - General Insurance (EUR 3.71 million) and BUL Ins (EUR 2.65 million). On the life insurance side, the best results in terms of profit were reported by DZI (EUR 6.01 million), ALLIANZ Bulgaria Life (EUR 2.74 million), UBB-ALICO Life Insurance (EUR 1.24 million).

The May 22nd earthquake who shacked Western Bulgaria with a 5.8 magnitude (Richter), causing insured damages assessed at EUR 10 million, has revived the mandatory buildings' insurance topic. The tremor damaged 56 municipal buildings in Pernik and neighbouring villages, along with many homes.

According to official statistics, there were about 3.9 million dwellings in Bulgaria in 2011 and no more than 8.5 -10% of them are covered by insurance policies for natural catastrophe risks as earthquake or floods.

The quake and its hundreds of after-shocks have reopened the debate about the necessity of legislative changes to make home insurance compulsory. Currently, insurance is required for state and municipal properties only.



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALLIANZ Bulgaria Life	13.93	13.81	0.83	6.49	7.07	-8.20	21.03	20.83
2	DZI	9.29	9.10	2.05	5.30	5.60	-5.34	14.02	13.72
3	BULSTRAD Life VIG	8.26	6.97	18.61	3.04	2.94	3.41	12.48	10.50
4	UNIQA Life	7.55	7.70	-1.96	2.86	3.87	-26.05	11.40	11.61
5	UBB-ALICO Life	5.51	4.56	20.77	0.80	0.92	-12.98	8.32	6.88
6	ALICO Bulgaria Life	4.82	5.00	-3.60	1.83	1.55	17.71	7.28	7.54
7	SyVZK	3.80	5.95	-36.15	0.06	0.14	-55.17	5.74	8.97
8	GENERALI Life	3.68	3.50	5.30	1.55	1.76	-11.98	5.56	5.27
9	GRAWE Bulgaria Life	3.27	3.18	2.69	1.29	0.88	47.15	4.94	4.80
10	GROUPAMA Life	2.71	3.43	-21.13	0.55	0.53	3.85	4.09	5.18
11	SOGE LIFE Bulgaria	1.89	1.61	17.47	0.31	0.31	0.23	2.86	2.43
12	INTERAMERICAN Life	0.49	0.43	15.45	0.14	0.07	106.32	0.74	0.64
13	CCB Life	0.36	0.35	2.70	0.10	0.18	-48.09	0.54	0.53
14	Life Ins. Co. SAGLASIE	0.34	0.44	-23.80	0.10	0.09	7.52	0.51	0.67
15	JZI	0.33	0.23	44.26	0.16	0.16	-4.83	0.49	0.34
16	VZK Dobrudja-M-Life	0.01	0.05	-88.41	0.01	0.03	-48.23	0.01	0.08
TOTAL MARKET		66.24	66.32	-0.13	24.59	26.11	-5.79	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	LEV INS	45.28	32.91	37.56	18.66	13.94	33.90	13.29	9.37
2	BULSTRAD VIG	44.23	43.31	2.12	23.69	27.59	-14.11	12.98	12.33
3	ARMEEC	42.68	38.77	10.07	19.15	17.19	11.41	12.52	11.04
4	DZI - General Ins.	38.74	43.57	-11.07	23.13	23.90	-3.23	11.37	12.40
5	ALLIANZ Bulgaria	34.77	36.14	-3.80	15.42	15.04	2.54	10.20	10.29
6	BUL INS	24.06	41.42	-41.90	15.34	17.12	-10.43	7.06	11.79
7	UNIQA Insurance	20.84	18.52	12.55	9.46	9.17	3.23	6.12	5.27
8	EUROINS	19.78	18.43	7.32	9.26	7.96	16.33	5.80	5.25
9	VICTORIA	16.64	14.51	14.72	4.65	4.20	10.65	4.88	4.13
10	OZK Insurance	12.20	7.83	55.87	4.13	1.95	111.82	3.58	2.23
11	GENERALI Insurance	11.69	12.67	-7.74	6.06	5.31	14.15	3.43	3.61
12	ENERGIA	8.38	8.26	1.44	1.09	0.33	229.04	2.46	2.35
13	INTERAMERICAN	8.22	11.48	-28.46	4.00	3.38	18.61	2.41	3.27
14	HDI Insurance	5.48	4.52	21.34	2.25	2.51	-10.32	1.61	1.29
15	BULGARSKI IMOTI	3.34	14.12	-76.36	11.35	12.45	-8.83	0.98	4.02
16	BG Export Ins. Agency	1.88	1.97	-4.22	0.62	0.61	0.87	0.55	0.56
17	GROUPAMA Insurance	1.38	1.31	5.53	0.53	0.19	176.92	0.40	0.37
18	UBB - CHARTIS Insurance	1.21	1.53	-21.41	0.06	0.05	15.46	0.35	0.44
19	GRAWE Bg. General Ins.	-	0.03	-	-	0.00	-	-	0.01
TOTAL MARKET		340.81	351.31	-2.99	168.87	162.90	3.67	100.00	100.00

D.G.



Croatia



Insurance Type	Percentage
Life insurance	20.60%
Supplementary insurance	1.64%
Unit-Linked	1.43%
Other life insurance	0.18%
Accident insurance	5.29%
Health insurance	2.99%
Boat insurance	2.84%
Fire and allied perils	7.37%
Damages to property	10.38%
Motor Hull	8.05%
MTPL	30.92%
GTPL	3.37%
Credit insurance	1.38%
Financial loss insurance	1.28%
Other non-life insurance	2.27%

The accession countdown

Croatia is set to become the 28th member state of the European Union on July 1st, 2013 – a change which makes it more interesting to the European insurers than ever. The rumors concerning the possible privatization of CROATIA Osiguranje, the country's biggest insurance company, are also of great interest for all the foreign players interested to enter this market directly on a leading position.

Currently, as Hrvoje PAUKOVIC, Director, Croatian Insurance Bureau told XPRIMM, although there are no restrictions for the foreign players, domestic insurance companies are still holding a 58% share of the market. *The "state" insurer CROATIA Osiguranje Co holds over 34% of the total gross written premium and about 40% of non-life sector (data for the first half 2012), the next AGRAM group holds over 17%. The leading position on market as a foreign company belongs to ALLIANZ Zagreb, with 17,4% of the life insurance business, followed again by CROATIA Osiguranje, with 14,1%. This market situation is rather frustrating for the foreign insurance companies which wish to build up their market shares in the lead-up to Croatia's accession to the EU. The obvious way to grow is by acquisition, but most of the small domestic companies have already been taken over. Thus, the market leaders' privations looks even more interesting.*

In this context, Croatia's 27 insurers posted combined GWP of HRK 4.89 billion (EUR 652 million) in the first half of 2012, down 1.0% from a year earlier, showed the financial figures published by the Croatian Insurance Bureau. Gross written premiums from non-life insurance fell by 1.9%, to HRK 3.73 billion (EUR 497 million), while the life insurance segment posted premiums of HRK 1.17 billion (EUR 156 million), 1.9% higher y-o-y.



Hrvoje PAUKOVIC
Director, Croatian Insurance Bureau

Read the full interview on www.xprimm.com

Of all types of general insurance, Croatian insurance companies reported a minor increase in premiums in MTPL (+1%), while, by adding Motor hull production, GWP for the whole motor insurance segment went down almost 1% to HRK 1.9 billion (EUR 254 million). During 1H2012, the property segment decreased by 3.6%,

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	652.07	671.06	-2.83	300.16	287.60	4.37	100.00	100.00
TOTAL LIFE	155.56	155.41	0.09	94.07	81.79	15.01	23.86	23.16
Life insurance	134.34	133.90	0.33	85.37	75.13	13.63	20.60	19.95
Supplementary insurance	10.70	10.52	1.69	2.24	2.38	-5.89	1.64	1.57
Unit-Linked	9.35	9.74	-3.98	4.92	3.53	39.19	1.43	1.45
Other life insurance	1.16	1.25	-7.04	1.54	0.75	105.95	0.18	0.19
TOTAL NON-LIFE	496.52	515.65	-3.71	206.09	205.81	0.14	76.14	76.84
Accident insurance	34.51	35.13	-1.76	8.77	8.53	2.74	5.29	5.24
Health insurance	19.47	21.06	-7.56	13.06	12.62	3.50	2.99	3.14
Boat insurance	18.52	21.23	-12.75	7.25	6.17	17.51	2.84	3.16
Overall property insurance	115.75	122.30	-5.36	46.09	36.32	26.92	17.75	18.22
Fire and allied perils	48.05	48.90	-1.75	21.04	11.55	82.20	7.37	7.29
Damages to property	67.70	73.40	-7.76	25.05	24.77	1.15	10.38	10.94
Overall motor insurance	254.12	261.39	-2.78	112.63	124.84	-9.77	38.97	38.95
Motor Hull	52.50	58.13	-9.69	40.77	43.89	-7.09	8.05	8.66
MTPL	201.62	203.26	-0.80	71.86	80.95	-11.23	30.92	30.29
GTPL	22.00	22.62	-2.76	7.78	7.00	11.17	3.37	3.37
Credit insurance	9.00	9.08	-0.88	7.09	7.03	0.78	1.38	1.35
Financial loss insurance	8.31	7.90	5.20	0.98	0.66	47.25	1.28	1.18
Other non-life insurance	14.83	14.94	-0.71	2.43	2.64	-7.60	2.27	2.23

SOURCE:

 CROATIAN NATIONAL BANK
 CROATIAN INSURANCE BUREAU

CROATIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

 1 EUR = 7.373946 KUNA - HRK (JUNE 30th, 2011)
 1 EUR = 7.510100 KUNA - HRK (JUNE 30th, 2012)

while GTPL insurance GWP decreased by approximately 1%.

Hrvoje PAUKOVIC commented on these results: *MTPL insurance notes a huge decrease of number of uninsured vehicles due to Croatian Police and Croatian Insurance Bureau mutual campaign "STOP uninsured driving". One of the reasons for non insuring many vehicles is the average age of the national fleet, which is over 11 years, meaning that its technical conditions are not sufficient for the passing technical exam. On the other side, we have witnessed a significant decrease in pricing for the Casco policies. There are two reasons for the continuous premium drop in this insurance class. First, in the Croatian fully comprehensive coverage market, lacking franchise tradition and culture, motor vehicle Casco insurance is primarily linked to new vehicles, so the stagnation in sale of new motor vehicles (the number of new vehicles sold has been halved since 2008) and an aging vehicle fleet brought to a decrease in this insurance class. Secondly, in 2011 this market segment was besieged by an intense competition in the market regardless of the weak profitability of this segment, which was negative again with the majority of insurers.*

At the same time, non-life claims totaled HRK 1.55 billion (EUR 206 million) and accounted for 69% of total paid claims through June, while the share of life claims rose to 31% from 28% a year earlier.

Referring to the upcoming challenges PAUKOVIC pointed out that the Croatian insurance market will face significant challenges in the near future, all of which will take place against the backdrop recession and currency re-alignment in the euro zone:

- the privatization of the state insurer Croatia Osiguranje,
- the abandonment of rating uniformity in the motor third party liability (MTPL) market and multiple rising of the upper limit of the insurer's liability per insured event separately for personal injury and for damage to property
- accession to the EU on July 2013, accompanied by the opening up of the insurance market to other EU insurers on a "freedom of establishment" or "freedom of services" basis
- implementation the requirements of Solvency II.



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ALLIANZ Zagreb	27.10	23.37	15.98	17.42	15.04
2	CROATIA	21.94	22.49	-2.45	14.10	14.47
3	MERKUR	15.97	16.48	-3.09	10.27	10.61
4	GRAWE Hrvatska	15.90	15.60	1.88	10.22	10.04
5	AGRAM životno	12.10	12.30	-1.63	7.78	7.91
6	BASLER osig. Zagreb	12.00	12.17	-1.39	7.71	7.83
7	KVARNER VIG	10.93	12.59	-13.15	7.03	8.10
8	GENERALI	7.85	8.70	-9.73	5.05	5.60
9	HELIOS VIG	7.64	8.05	-5.17	4.91	5.18
10	ERSTE VIG	7.19	6.69	7.48	4.62	4.30
11	UNIQA	5.82	6.56	-11.32	3.74	4.22
12	TRIGLAV	4.63	4.84	-4.15	2.98	3.11
13	SOCIETE GENERALE	3.00	2.21	35.82	1.93	1.42
14	VICTORIA životno	1.87	2.26	-17.33	1.20	1.45
15	KD Life	0.86	0.66	30.00	0.55	0.43
16	VELEBIT životno	0.64	0.45	44.18	0.41	0.29
17	WÜSTENROT životno	0.11	-	-	0.07	-
TOTAL MARKET		155.56	155.41	0.09	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	CROATIA	200.43	212.32	-5.60	40.37	41.18
2	EUROHERC	63.13	66.18	-4.60	12.72	12.83
3	ALLIANZ Zagreb	51.46	49.30	4.37	10.36	9.56
4	JADRANSKO	41.50	43.50	-4.60	8.36	8.44
5	TRIGLAV	23.32	26.24	-11.11	4.70	5.09
6	KVARNER VIG	17.32	18.67	-7.25	3.49	3.62
7	GENERALI	15.08	15.02	0.37	3.04	2.91
8	BASLER osig. Zagreb	14.81	16.02	-7.55	2.98	3.11
9	HOK	13.01	12.77	1.95	2.62	2.48
10	SUNCE	10.37	11.37	-8.82	2.09	2.21
11	GRAWE Hrvatska	9.73	9.83	-1.01	1.96	1.91
12	UNIQA	9.07	9.15	-0.88	1.83	1.78
13	CROATIA zdravstveno	8.65	8.68	-0.39	1.74	1.68
14	VELEBIT	4.71	4.76	-1.10	0.95	0.92
15	BNP Paribas Cardif	4.57	4.90	-6.73	0.92	0.95
16	HELIOS VIG	4.38	3.30	32.79	0.88	0.64
17	IZVOR	2.27	0.92	145.34	0.46	0.18
18	MERKUR	2.20	2.18	0.87	0.44	0.42
19	HKO	0.39	0.44	-11.34	0.08	0.08
20	VICTORIA	0.11	0.09	21.57	0.02	0.02
TOTAL MARKET		496.52	515.65	-3.71	100.00	100.00

D.G.



Czech Republic



Business line	Percentage
Assurance on death, survival etc.	13.44%
Unit-linked	24.84%
Personal injury or sickness	5.80%
Other life insurance	2.11%
Accidents	1.69%
Sickness	1.87%
Fire and allied perils	8.47%
Damages to property	5.44%
Motor Hull	9.22%
MTPL	13.14%
GTPL	8.34%
Credit insurance	1.93%
Financial loss	1.55%
Travel insurance	1.35%
Other non-life	0.81%

Stable, but alert

The Czech insurance market reported a steady evolution in 1H2012. According to the Czech National Bank (CNB), GWP amounted CZK 80.6 billion (~EUR 3.14 billion). Denominated in national currency, the GWP overall figure shows almost no change as compared to 1H2011. Yet, following the 5% weakening of the Czech kroun (CZK) in proportion to the European currency, the total GWP denominated in euro recorded a 5.4% y-o-y fall.

Thus, life insurance GWP amounted CZK 37.23 billion (EUR 1.45 billion), 0.06% down y-o-y in national currency. Unit-linked products and personal injury or sickness insurance were the single business lines recording a positive change of 6.7% and 10.8% respectively, while on the traditional assurance on death and survival segment, a drop of 12.7% was recorded. A positive trend, as the insurance association (CAP) observed in its recent release, is growth in regular premium insurance (3%), building a stable foundations for the long-term development of the insurance market. Conversely, single-premium life insurance - usually attracting customers as a savings product rather than as a quality coverage of insurance risks - decreased by about 4%. According CAP's representatives, low life insurance covers that stay well below the level needed to secure a family in the event of unforeseen circumstances continue to represent a challenge, and also potential, of the Czech insurance market.

The non-life insurance segment has stagnated or even decreased for several years and 1H2012 results do nothing else than confirm this trend. Thus, GWP for non-life insurance reached CZK 43.36 billion (EUR 1.69 billion), 0.7% less y-o-y in national currency. Yet, non-life insurance continues to hold the largest share of the Czech insurance portfolio (53.8%).

Motor insurance remains the main line of business, accounting for about 22% of the market's total underwritings. In 1H2012 GWP for motor insurance amounted CZK 18 billion (EUR 702 million), 4.8% less than in 1H2011. Premiums written in third-party liability insurance fell about 6% y-o-y, and a similar trend was reported for the Motor Hull insurance line (3% down y-o-y) despite continued growth in the number of insured vehicles. At this point, as the association representatives told us, *at the current price level, the segment is teetering on the brink of economic sustainability and, in some respects, below that. A critical factor in this development is that costs of insurance benefits as well as average damage claims keep climbing in spite of falling prices. This is evident in particular in damage to health that has doubled in the last decade.*

Finally, the segment of business and industrial insurance showed an upturn, as GWP for this lines of business grew by about 2.7% y-o-y. At a time of the economic crisis, companies are more acutely aware of risks that may threaten

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012 EUR m	1H2011 EUR m	Change %	1H2012 EUR m	1H2011 EUR m	Change %	1H2012 %	1H2011 %
TOTAL MARKET	3,143.35	3,324.34	-5.44	1,730.24	1,809.52	-4.38	100.00	100.00
TOTAL LIFE	1,452.20	1,530.36	-5.11	924.77	874.46	5.75	46.20	46.03
Assurance on death, survival etc.	422.52	509.54	-17.08	426.53	451.51	-5.53	13.44	15.33
Unit-linked	780.94	770.57	1.34	323.74	245.88	31.67	24.84	23.18
Personal injury or sickness	182.37	173.29	5.24	69.27	64.83	6.85	5.80	5.21
Other life insurance	66.38	76.95	-13.74	105.23	112.24	-6.25	2.11	2.31
TOTAL NON-LIFE	1,691.15	1,793.98	-5.73	805.46	935.06	-13.86	53.80	53.97
Accident	52.98	55.68	-4.86	18.95	17.58	7.79	1.69	1.68
Sickness	58.75	59.36	-1.02	13.36	13.82	-3.34	1.87	1.79
Overall property insurance	437.35	446.46	-2.04	155.50	212.19	-26.71	13.91	13.43
Fire and allied perils	266.27	274.68	-3.06	85.86	132.58	-35.24	8.47	8.26
Damages to property	171.08	171.78	-0.41	69.64	79.60	-12.51	5.44	5.17
Overall motor insurance	702.67	777.92	-9.67	428.45	491.16	-12.77	22.35	23.40
Motor Hull	289.67	314.18	-7.80	209.61	250.54	-16.34	9.22	9.45
MTPL	413.00	463.74	-10.94	218.85	240.62	-9.05	13.14	13.95
GTPL	262.19	269.87	-2.84	124.88	132.12	-5.48	8.34	8.12
Credit	60.68	74.77	-18.84	29.54	29.66	-0.40	1.93	2.25
Financial loss	48.76	43.57	11.89	9.60	16.49	-41.78	1.55	1.31
Travel	42.28	38.93	8.62	15.10	15.75	-4.12	1.35	1.17
Other non-life	25.49	27.42	-7.05	10.08	6.28	60.45	0.81	0.82

In case of Czech Republic, the market portfolio is according to data published by CNB. For the rankings, the values are according to the data published by CAP.

SOURCE:

THE CZECH NATIONAL BANK (CNB)
CZECH INSURANCE ASSOCIATION (CAP)

CZECH CURRENCY EXCHANGE RATE FOR
CALCULATIONS:

1 EUR = 24.345 KROON - CZK (JUNE 30th, 2011)

1 EUR = 25.640 KROON - CZK (JUNE 30th, 2012)



their business and opt for a better-quality insurance protection, commented the association representative.

Face-to-face communication with clients remains the most widely used form of distribution of insurance products for both intermediaries and direct sales forces. Besides, distance selling via phone or internet is getting on popularity for certain categories of insurance products. This distribution channel has been rapidly developing and it is recently providing for up to 10% of the newly concluded insurance policies. Insurers also widely use cross-selling and cooperate with banks. The largest share of total production (about 70%) goes to insurance brokers.

As far as the near future is concerned, CAP's members say they are still faced with new challenges arising from new draft legislation, such as regulation of the financial market, an amendment to the Insurance Act stipulating more stringent requirements for capital adequacy, and an amendment to the law on intermediaries. Thus, the center point of the sector will be the implementation of the new EU regulatory framework – Solvency II which requires financial institutions operating within the scope of the Europe-wide financial market to increase capital to a level ensuring security of the financial system.

D.G.

Life insurance ranking - according to CAP

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ČESKÁ Pojišťovna	214.37	229.32	-6.52	23.74	24.73
2	KOOPERATIVA VIG	118.59	120.30	-1.42	13.13	12.98
3	PČS VIG	108.40	104.82	3.41	12.00	11.31
4	ING ŽP	96.94	101.14	-4.16	10.73	10.91
5	ČSOB Pojišťovna	72.19	71.99	0.28	7.99	7.76
6	GENERALI Pojišťovna	54.72	55.36	-1.15	6.06	5.97
7	ALLIANZ Pojišťovna	49.31	43.16	14.24	5.46	4.66
8	AMCICO Pojišťovna	32.79	34.84	-5.88	3.63	3.76
9	AXA ŽP	32.01	36.00	-11.07	3.54	3.88
10	KOMERČNÍ Pojišťovna	26.17	31.14	-15.96	2.90	3.36
11	ČPP VIG	23.44	24.40	-3.93	2.60	2.63
12	UNIQA Pojišťovna	23.01	23.34	-1.44	2.55	2.52
13	AEGON Pojišťovna	19.28	17.13	12.57	2.14	1.85
14	AVIVA ŽP	16.86	17.88	-5.71	1.87	1.93
15	CARDIF Pojišťovna	5.06	5.15	-1.75	0.56	0.56
16	WÜSTENROT ŽP	4.72	4.98	-5.21	0.52	0.54
17	VICTORIA VOLKSBANKEN	4.04	5.04	-19.89	0.45	0.54
18	D.R. Lebensversicherungs	0.90	0.99	-8.59	0.10	0.11
19	Hasičská Vzájemná Pojišťovna	0.16	0.19	-18.34	0.02	0.02
20	MAXIMA Pojišťovna	0.06	0.02	243.20	0.01	0.00
TOTAL MARKET (CAP)		903.01	927.20	-2.61	100.00	100.00

Non-Life insurance ranking - according to CAP

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ČESKÁ Pojišťovna	381.15	418.05	-8.83	27.39	28.16
2	KOOPERATIVA VIG	334.84	362.00	-7.50	24.06	24.39
3	ALLIANZ Pojišťovna	144.28	152.78	-5.56	10.37	10.29
4	GENERALI Pojišťovna	111.23	127.74	-12.92	7.99	8.60
5	ČPP VIG	95.53	97.59	-2.11	6.86	6.57
6	ČSOB Pojišťovna	86.68	82.15	5.51	6.23	5.53
7	UNIQA Pojišťovna	83.20	83.21	-0.01	5.98	5.61
8	CARDIF Pojišťovna	39.18	38.72	1.21	2.82	2.61
9	TRIGLAV Pojišťovna	14.13	14.41	-1.93	1.02	0.97
10	SLAVIA Pojišťovna	13.59	16.26	-16.47	0.98	1.10
11	Hasičská Vzájemná Pojišťovna	9.97	10.84	-8.00	0.72	0.73
12	ČESKÁ Pojišťovna ZDRAVÍ	9.38	8.90	5.38	0.67	0.60
13	KOMERČNÍ Pojišťovna	7.82	7.72	1.32	0.56	0.52
14	HDI Versicherung	7.71	7.95	-2.93	0.55	0.54
15	WÜSTENROT Pojišťovna	6.63	6.79	-2.33	0.48	0.46
16	DIRECT Pojišťovna	6.56	6.92	-5.23	0.47	0.47
17	AXA Pojišťovna	6.23	3.45	80.34	0.45	0.23
18	Pojišťovna VZP	6.11	8.66	-29.47	0.44	0.58
19	EVROPSKÁ CP	5.87	6.07	-3.29	0.42	0.41
20	MAXIMA Pojišťovna	5.82	5.88	-0.86	0.42	0.40
21	D.A.S.	5.46	5.56	-1.87	0.39	0.37
22	AMCICO Pojišťovna	3.93	4.84	-18.69	0.28	0.33
23	VICTORIA VOLKSBANKEN	2.89	4.19	-31.17	0.21	0.28
24	PČS VIG	2.65	2.64	0.30	0.19	0.18
25	AXA ŽP	0.95	1.20	-20.78	0.07	0.08
26	Česká Kancelář Pojistitelů	0.00	0.01	-79.20	0.00	0.00
TOTAL MARKET (CAP)		1,391.81	1,484.53	-6.25	100.00	100.00



Estonia



Life insurance	20.64%
Accidents insurance	4.84%
Health insurance	2.68%
Fire and allied perils	13.57%
Damages to property	6.98%
Motor Hull	24.09%
MTPL	19.79%
GTPL	3.25%
Other non-life insurance (reinsurance included)	4.16%

SOURCE:

FINANCIAL SUPERVISION AUTHORITY OF ESTONIA

ESTONIAN CURRENCY: EURO

ESTONIA ADOPTED THE EUROPEAN SINGLE CURRENCY IN 2011 AS THE 17TH MEMBER OF THE EUROZONE

Encouraging results

Estonian insurance companies underwrote about EUR 176 million in premium during the first half of the current year, according to the figures published by the Financial Supervision Authority of Estonia, up by 11.4% as compared to June 2011. Paid claims have increased by 1.2%, reaching EUR 99 million.

Life insurers collected insurance premiums within the amount of EUR 36.4 million, up 6.2% in comparison with June 2011 (EUR 34.2 million in the first half of 2011).

Of all four life insurers, the market leader was SWEDBANK Life Insurance SE. Although the company recorded a 5.7% lower volume of GWP than in 1H2011, losing about 6pp of its market weight, its leading position was not threatened as it still holds by far the largest slice of the Estonian life insurance business (47%). COMPENSA Life VIG SE ranks second, with a 30.7% market share after recording an

impressive double digit growth rate, of over 34% y-o-y, followed by SEB Elu-ja Pensionikindlustus (about 17%). Top 3 collected 94.75% of insurance premiums (94.20% of GWP a year earlier).

In comparison with the previous period, the volume of insurance premiums decreased in case of SWEDBANK Life Insurance SE and MANDATUM Life Ins. Baltic SE, except for COMPENSA Life VIG SE and SEB Elu- ja Pensionikindlustus. In case of the VIG insurer, the company collected 34% more of insurance premiums in the first half of 2012, and therefore its market share increased from 24% to 31%.

On the non-life insurance side, in the first half of 2012, the GWP amount increased by almost 13% to about EUR 140 million. It is worth mentioning that, positive changes in the underwriting volume were recorded for all the major non-life business lines. The biggest increases was seen in the GTPL insurance where the



Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	176.16	158.12	11.41	99.08	97.86	1.25	100.00	100.00
TOTAL LIFE	36.35	34.24	6.19	23.85	18.50	28.90	20.64	21.65
TOTAL NON-LIFE	139.81	123.89	12.85	75.23	79.36	-5.20	79.36	78.35
Accidents insurance	8.53	6.62	28.74	4.00	3.21	24.68	4.84	4.19
Health insurance	4.72	3.13	50.72	3.07	1.84	66.27	2.68	1.98
Overall property insurance	36.20	31.81	13.80	16.61	13.44	23.58	20.55	20.12
Fire and allied perils	23.90	20.89	14.42	9.12	6.22	46.62	13.57	13.21
Damages to property	12.30	10.92	12.62	7.50	7.23	3.75	6.98	6.91
Overall motor insurance	77.31	71.32	8.39	47.32	56.74	-16.60	43.88	45.10
Motor Hull	42.44	40.63	4.46	25.47	32.16	-20.82	24.09	25.69
MTPL	34.87	30.69	13.60	21.86	24.58	-11.09	19.79	19.41
GTPL	5.73	4.61	24.29	1.92	1.37	39.74	3.25	2.92
Other non-life insurance (reinsurance included)	7.33	6.40	14.56	2.31	2.74	-15.90	4.16	4.04



GWP amount went up by 24%, to EUR 5.7 million.

The Motor hull insurance captured as previously the largest market share - 24% (EUR 42.4 million), while the market share of MTPL insurance was of 19.8% (EUR 34.9 million).

At the end of June 2012, the If P&C Insurance AS captured the biggest share of the non-life insurance market (44%). The market share of SEESAM Insurance AS reached 17.4%, up by about 4pp following the high growing pace of the company's business, while ERGO Kindlustus's ranks 3 in the non-life insurance market, with a 15% share.

Estonian insurers did well in 1H2012 also in terms of profitability. Thus, the aggregated net profit figure for the life insurance sector amounted to EUR 12.73 million, almost 48% up y-o-y, while over 73% of this result being reported by the market leader, SWEDBANK Life Insurance SE (EUR 9.33 million). Non-life insurers ended 1H2012 with a total net profit of EUR 31.44 million, a significantly better result than in 1H2011 when the total profit amounted to EUR 9.9 million. Again the market leader, If P&C Insurance AS recorded the best result, with a net financial result of EUR 12.36 million. The aggregated net combined ration stood at 83.8%, almost 10 pp less than in 1H2011.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SWEDBANK Life Insurance SE	17.10	18.14	-5.71	15.79	12.77	23.71	47.04	52.98
2	COMPENSA Life VIG SE	11.17	8.33	34.07	4.00	2.91	37.57	30.72	24.33
3	SEB Elu- ja Pensionikindlustus	6.18	5.78	6.81	2.85	2.04	39.90	16.99	16.89
4	MANDATUM Life Ins. Baltic SE	1.91	1.99	-3.98	1.20	0.79	52.60	5.25	5.80
TOTAL MARKET		36.35	34.24	6.19	23.85	18.50	28.90	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	If P&C Insurance AS	61.04	59.91	1.89	29.69	35.92	-17.33	43.66	48.35
2	SEESAM Insurance AS	24.37	13.08	86.39	13.31	10.37	28.31	17.43	10.55
3	ERGO Kindlustus	21.07	20.05	5.12	15.78	16.08	-1.87	15.07	16.18
4	SWEDBANK Varakindlustus	20.58	18.82	9.37	9.77	10.30	-5.17	14.72	15.19
5	SALVA Kindlustus	7.95	7.76	2.33	3.92	5.00	-21.55	5.68	6.27
6	INGES Kindlustus	3.44	3.35	2.72	2.21	1.62	36.34	2.46	2.70
7	AS KredEx Krediidikindlustus	0.77	0.58	33.91	0.44	-	-	0.55	0.47
8	D.A.S. Õigusabikulude Kindlustus	0.58	0.35	65.81	0.11	0.06	64.06	0.42	0.28
TOTAL MARKET		139.81	123.89	12.85	75.23	79.36	-5.20	100.00	100.00

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Hungary



Insurance Class	Percentage
Assurance on death	2.47%
Endowment	10.80%
Unit linked	33.42%
Other life insurance	4.77%
Accidents insurance	2.00%
Health insurance	0.71%
Fire and allied perils	12.42%
Damages to property	7.93%
Motor Hull	8.94%
Motor liability	11.29%
GTPL	2.32%
Financial loss	0.75%
Other non-life insurance	2.17%

Downward trend

Once again, the strong depreciation of the Hungarian Forint, has put a dramatic accent on the Hungarian insurance markets' negative dynamic, translating the 4.72% y-o-y nominal decrease recorded in local currency by the end of 1H2012, into a double digit falling rate of 12.19% when denominating the market results in EUR. Thus, the overall underwritings of the Hungarian insurers totalized EUR 1.42 billion, EUR 197 million less than in 1H2011.

Motor insurance classes posted the worst performance, dropping by 13.3%, to EUR 287.2 million, mostly because the sharp depreciation, of almost 17%, recorded for the MTPL business. Nevertheless, gross written premiums for Casco insurance also decreased by about 9%, to EUR 126.9 million. As the number of active policies remained quasi-stable for MTPL (approx. 3.9 million) and almost came back to the 2009 level for Casco (approx. 850,000), the sole explanation of the fall in premium remains the ongoing war price for the motor insurance policies. Fortunately, the claims paid by Hungarian insurers for the motor lines also decreased by almost 20%. The most significant digression was observed for

the Casco chapter, where 1H2012 claims paid were 28% lower y-o-y.

Property insurance also lost about 4.5% in terms of GWP, to EUR 289 million, while claims paid during the first half of 2012 decreased by over 15%. Yet, the 1H2012 statistics could be contradicted in the following period, as the summer months brought a large number of claims (over 37,000) following the storms which occurred in June and July. According MABISZ, the Hungarian association of insurance companies, most of the reported damages were produced by storms, lightning and thunderbolts, while the total insured loss following the mid-summer stormy weather could amount about EUR 10 million.

Finally, a few words regarding life and health insurance lines. With Unit linked class showing a 19% decrease, the overall GWP volume for life insurance decreased by 14.8%, to EUR 730 million. Moreover, indemnities paid in 1H2012 were 11% higher y-o-y, most of this increasing coming from the UL and Endowment classes, mainly because of a still high rate of early termination of the contracts.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,419.75	1,616.85	-12.19	1,065.50	1,056.40	0.86	100.00	100.00
TOTAL LIFE	730.56	858.02	-14.85	773.07	695.86	11.09	51.46	53.07
Assurance on death	35.05	33.20	5.55	10.19	10.20	-0.15	2.47	2.05
Endowment	153.27	163.69	-6.36	233.33	206.38	13.06	10.80	10.12
Unit linked	474.53	586.11	-19.04	468.83	412.33	13.70	33.42	36.25
Other life insurance (mutual companies included)	67.72	75.03	-9.74	60.72	66.95	-9.32	4.77	4.64
TOTAL NON-LIFE	689.18	758.83	-9.18	292.43	360.54	-18.89	48.54	46.93
Accidents insurance	28.42	29.67	-4.24	8.19	8.24	-0.53	2.00	1.84
Health insurance	10.09	10.65	-5.32	2.97	3.15	-5.79	0.71	0.66
Overall property insurance	288.99	302.78	-4.56	82.38	97.63	-15.62	20.35	18.73
Fire and allied perils	176.38	183.05	-3.64	49.49	58.05	-14.75	12.42	11.32
Damages to property	112.61	119.74	-5.95	32.89	39.57	-16.90	7.93	7.41
Overall motor insurance	287.20	331.73	-13.42	177.97	221.71	-19.73	20.23	20.52
Motor Hull	126.92	139.50	-9.01	73.16	101.92	-28.22	8.94	8.63
Motor liability, of which:	160.27	192.23	-16.62	104.81	119.79	-12.50	11.29	11.89
- compulsory MTPL	158.28	190.22	-16.79	104.38	119.13	-12.38	11.15	11.76
GTPL	32.95	35.16	-6.30	6.34	8.92	-28.89	2.32	2.17
Financial loss	10.71	9.84	8.83	2.17	5.19	-58.27	0.75	0.61
Other non-life insurance (mutual companies included)	30.84	38.99	-20.91	12.42	15.70	-20.89	2.17	2.41

In case of Hungary, the market portfolio is according to data published by PSZAF. For the rankings, the values are according to the data published by MABISZ.

SOURCE:

 ASSOCIATION OF HUNGARIAN INSURANCE COMPANIES
(MABISZ)

NATIONAL BANK OF HUNGARY

**HUNGARIAN CURRENCY EXCHANGE RATE FOR
CALCULATIONS:**

 1 EUR = 265.61 FORINTS - HUF (JUNE 30th, 2011)

 1 EUR = 288.22 FORINTS - HUF (JUNE 30th, 2012)

Health insurance recorded a 2.74% growth in local currency, according to PSZAF figures, to a total GWP volume of HUF 2.9 billion (EUR 10 million). Yet, perspectives seem to be bright for this particular insurance line, as increasing health consciousness and an ever sluggish public health sector are solid drivers for the segment's development. Moreover, according to modifications in the Personal Income Tax Act that took effect on January 1, 2012, employers can provide their workers with health insurance free of charge and contributions, which may be a relevant incentive for using health insurance as a valuable item of the employees' benefits packages.

Total assets of Hungarian insurers reached HUF 2,267.19 billion (EUR 7.87 billion), of which over 76%, or HUF 1,726.75 billion, belong to life insurers. Investments on technical provisions for unit linked life insurance policies amounted HUF 898,92 billion (EUR 3.12 billion). In terms of profitability, it is worth mentioning that the aggregated market profit before tax amounted to HUF 19.93 billion in 1H2012, diminished to HUF 16.16 billion after tax payment.

Yet, insurers' profitability remains under pressure, both because of the softening market trends and of the fiscal obligations imposed by the state. According a recent statement of the National Economy Ministry mentioned by the local financial press, Hungarian insurers will no longer pay the extraordinary levy on financial sector companies starting 2013. "From December 31, 2012 insurers' obligation to pay the extraordinary tax will be eliminated," the ministry said. However, under the Széll Kálmán Plan 2.0, a unified tax on insurance products is to replace the bank levy, the accident tax and the fire prevention tax that Hungarian insurers pay at present.

The unified tax will vary according to product type: the rate for accident and asset insurances will be of 10%, the rate for comprehensive vehicle insurance will be 15% and the rate for mandatory vehicle insurance will be 30%. Life insurance products will be exempt from the tax. The government aims to achieve a fiscal improvement of HUF 15 billion in 2013 from the measures.

D.G.
Life insurance ranking - according to MABISZ

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ING	110.80	130.16	-14.87	15.29	16.25
2	ALLIANZ	100.66	122.56	-17.87	13.89	15.30
3	MPÉ Hungarian Post Life	84.88	70.69	20.07	11.71	8.82
4	GENERALI-PROVIDENCIA	66.57	74.83	-11.04	9.19	9.34
5	AEGON	64.18	77.54	-17.23	8.86	9.68
6	GROUPAMA	57.95	92.72	-37.50	8.00	11.57
7	UNIQA	40.17	48.08	-16.45	5.54	6.00
8	ERSTE	32.92	19.20	71.46	4.54	2.40
9	CIG PANNÓNIA Life	32.13	-	-	4.43	-
10	AVIVA	28.21	39.74	-29.00	3.89	4.96
11	AXA	22.02	32.91	-33.09	3.04	4.11
12	K&H	20.91	24.72	-15.42	2.89	3.09
13	UNION	17.03	13.71	24.20	2.35	1.71
14	SIGNAL	12.75	14.95	-14.73	1.76	1.87
15	GRAWE	11.90	12.88	-7.60	1.64	1.61
16	AHICO (MetLife)	9.51	12.42	-23.39	1.31	1.55
17	DIMENZIÓ	6.30	8.08	-22.02	0.87	1.01
18	MKB LIFE	5.69	5.97	-4.70	0.78	0.74
19	ASTRA	0.06	-	-	0.01	-
TOTAL MARKET (MABISZ)		724.65	801.15	-9.55	100.00	100.00

Non - Life insurance ranking - according to MABISZ

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ALLIANZ	180.39	212.13	-14.96	25.42	27.27
2	GENERALI-PROVIDENCIA	133.05	159.70	-16.69	18.75	20.53
3	GROUPAMA	75.56	81.82	-7.64	10.65	10.52
4	AEGON	74.58	80.48	-7.33	10.51	10.35
5	UNIQA	59.57	59.56	0.02	8.40	7.66
6	UNION	35.96	33.67	6.78	5.07	4.33
7	K&H	33.37	44.25	-24.60	4.70	5.69
8	MP Hungarian Post	16.28	15.31	6.36	2.29	1.97
9	KÖBE	14.26	14.56	-2.07	2.01	1.87
10	CHARTIS Branch Office	14.00	13.61	2.88	1.97	1.75
11	AIM	11.13	3.85	188.86	1.57	0.50
12	QBE EUROPE Branch Office	8.66	10.91	-20.66	1.22	1.40
13	SIGNAL	8.64	9.08	-4.83	1.22	1.17
14	GENERTEL	8.36	6.93	20.66	1.18	0.89
15	WABARD	7.77	7.01	10.88	1.10	0.90
16	EULER HERMES	6.91	6.23	10.90	0.97	0.80
17	ASTRA	4.95	6.95	-28.70	0.70	0.89
18	CIG PANNÓNIA General	4.69	-	-	0.66	-
19	MKB GENERAL	4.66	4.51	3.32	0.66	0.58
20	EUROPEAN Travel	3.42	3.77	-9.36	0.48	0.48
21	PORSCHE Branch Office	1.21	1.16	4.21	0.17	0.15
22	AXA	1.10	1.14	-3.42	0.15	0.15
23	AHICO (MetLife)	0.91	1.09	-16.73	0.13	0.14
24	TIR BE	0.10	0.19	-45.75	0.01	0.02
TOTAL MARKET (MABISZ)		709.53	777.91	-8.79	100.00	100.00



Kosovo Territory



■ MTPL	56.87%
■ Border policies	13.33%
■ Other (non TPL)	29.80%

SOURCE:
CENTRAL BANK OF THE REPUBLIC OF KOSOVO
KOSOVO CURRENCY: EURO

Adjusted for growth

As the whole economy, Kosovo's insurance industry is new and dynamic, especially because, over time, its foundation has been transformed to a free-market. The current goal is to increase competition, to develop new products and to popularize the need for insurance. The rising market's attractiveness for foreign investors and the visible improvement of the insurance indicators, especially of the insurance density degree, are achievements worth mentioning.

The total premiums collected by the insurance companies operating in Kosovo territory rose by 4% in 1H2012, to EUR 39.58 million, as Central Bank data show. This value was generated by the over 304 thousand policies sold in the analyzed period, 60 thousand more compared to 1H2011. At the same time, the overall value of the claims paid by insurers amounted to EUR 13.92 million.

MTPL premiums accounted for 56.87% of total underwritings by the end of June

2012, while the share of border policies premiums rose to 13.33% from 7.47% a year earlier, data published by the Central Bank of the Republic of Kosovo indicate.

According to the Central Bank's statistics, insurers' technical reserves amounted EUR 58.3 million by the end of June 2012, while the aggregated profit of Kosovar insurers amounted EUR 0.6 million.

Currently, there are 10 active non-life insurers on the Kosovar insurance market, which has been liberalized since 2000, some of them belonging to well-known European insurance entities like VIENNA Insurance Group, UNIQA, GRAWE, CROATIA Osiguranje or SAVA Re. At the same time, private life insurance has only been available since 2008 and three life insurers are acting on the Kosovo's life insurance market.

V.B.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	39.58	38.06	4.00	13.92	13.44	3.59	100.00	100.00
MTPL	22.51	23.28	-3.31	9.01	9.17	-1.77	56.87	61.17
Border policies	5.28	2.84	85.57	0.47	0.41	12.78	13.33	7.47
Other (non TPL)	11.80	11.94	-1.18	4.45	3.86	15.34	29.80	31.36

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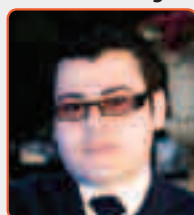
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Latvia



Life insurance with savings	5.38%
Unit-linked	1.60%
Other life insurance	0.33%
Accidents insurance	2.16%
Health insurance	10.59%
Fire and allied perils	11.72%
Damages to property	3.99%
Motor hull	17.88%
compulsory MTPL	10.95%
Transport ownership liability insurance	22.99%
GTPL	4.36%
Suretyship insurance	2.62%
Assistance insurance	2.25%
Other non-life insurance	3.18%

SOURCE:

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)

Stable in GWP, fast in GDP

In the second quarter of 2012, Latvian economy has grown by 5.0% y-o-y (whereas in the 1st half, as compared to the 1st half of 2011, GDP has grown by 5.9%), titled the Bank of Latvia, Latvian GDP growth remaining the fastest in EU.

By comparison, the insurance market ended the first half of 2012 with a modest y-o-y increase of 1.25% in terms of gross written premiums (Latvian insurance industry being sixth-ranked in the CEE), and amounted to EUR 177.42 million.

Yet, the life insurance sector maintained a negative trend, the overall business on life insurance lines shrinking by almost 17%, to EUR 12.97 million. The aggregated positive trend of the market was driven by the 3% growth recorded on the non-life segment, which totaled GWP of EUR 164.45 million.

On the claims side, developments were also of the opposite sign: while indemnities paid for life insurance grew by almost 20% - with a peak of over 255% for the unit-linked policies -, the non-life segment claims paid diminished by about 4%. All in all, Latvian insurers paid EUR 90 million in claims, about 2.3% less than one year before. Property insurance recorded the best performance in terms of growth, GWP reaching EUR 27.88 million, 6.4% up y-o-y. On the "fire and allied perils" class, the increase in GWP was even higher, of 7.4% y-o-y. According to a SWED-BANK P&C Insurance research published by

Baltic News Network, "the average amount of money for a full insurance coverage is LVL 55,000 for apartments and LVL 125,000 for private houses.

Poland's insurance giant PZU and COMPENSA T.U. SA (non-life insurer registered in Poland and belongs to VIENNA INSURANCE Group) has taken decision to further expand its activities in Baltic States by starting insurance operations in Latvia in the fourth quarter of year 2012.

Apartment owners pay an average of LVL 5 per month for insurance. Private house owners pay LVL 12 per month. 65% of residents that voluntarily choose to insure their real estate property also insure its belongings. Civic responsibility insurance has become especially popular among Latvian residents (46% of clients chose it)". Motor insurance showed an overall 2.16% growth in GWP, to EUR 91.94 million. The biggest change was recorded on the "transport ownership liability" class, with a 410% growth rate, while on the MTPL line, premiums declined by over 62%.

Non-life insurance companies reported an aggregated profit of EUR 2.57 million, while life insurers' financial result raised at EUR 0.774 million.

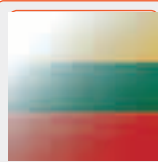
V.B.

Market portfolio as of June 30th, 2012*

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	177.42	175.23	1.25	90.19	92.30	-2.28	100.00	100.00
TOTAL LIFE	12.97	15.60	-16.88	7.93	6.61	19.93	7.31	8.90
Life insurance with savings	9.54	10.30	-7.43	4.95	5.73	-13.56	5.38	5.88
Unit-linked	2.84	4.72	-39.68	2.92	0.82	255.70	1.60	2.69
Other life insurance	0.59	0.58	0.50	0.06	0.07	-9.64	0.33	0.33
TOTAL NON-LIFE	164.45	159.62	3.02	82.26	85.68	-3.99	92.69	91.10
Accidents insurance	3.83	4.11	-7.01	1.08	1.19	-9.85	2.16	2.35
Health insurance	18.78	16.96	10.73	9.57	9.23	3.72	10.59	9.68
Overall property insurance	27.88	26.20	6.38	9.86	11.85	-16.79	15.71	14.95
Fire and allied perils	20.80	19.36	7.42	7.07	9.40	-24.83	11.72	11.05
Damages to property	7.08	6.85	3.43	2.80	2.45	14.02	3.99	3.91
Overall motor insurance	91.94	89.99	2.16	55.35	58.84	-5.93	51.82	51.36
Motor hull	31.72	29.51	7.46	20.10	22.44	-10.44	17.88	16.84
Compulsory MTPL	19.43	52.48	-62.97	13.54	30.20	-55.18	10.95	29.95
Transport ownership liability	40.79	8.00	410.02	21.71	6.19	250.58	22.99	4.56
GTPL	7.74	7.92	-2.31	1.71	0.86	99.34	4.36	4.52
Suretyship insurance	4.66	4.25	9.46	0.64	0.16	294.86	2.62	2.43
Assistance insurance	3.99	4.61	-13.41	0.96	1.23	-21.54	2.25	2.63
Other non-life insurance**	5.63	5.56	1.29	3.08	2.32	32.96	3.18	3.17

*Foreign insurance companies not included

**Accepted reinsurance included



Lithuania



Insurance Type	Percentage
Life assurance	9.10%
Unit-linked	20.31%
Marriage and birth	0.36%
Health insurance	6.72%
Property insurance	13.85%
Motor Hull	16.20%
MTPL	24.91%
Goods in transit	0.50%
GTPL	3.96%
Credit insurance	0.78%
Suretyship insurance	2.41%
Financial loss insurance	0.64%
Other non-life insurance	0.28%

SOURCE:

BANK OF LITHUANIA

LITHUANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 3.4528 LITAS, LTL (FIXED)

Betting on the non-life lines

Gross written insurance premiums in Lithuania dropped by 1.2% in the first six months of 2012, led by an 11.2% decrease in life insurance policies, according to the financial figures recently published by the Central Bank of the Republic of Lithuania. The premiums reached LTL 855.3 million (EUR 247.7 million), with non-life premiums accounting for 70.2% and life policies for 29.8% of the total, show the statistics published by the central bank. A year earlier, the proportion was 60.9% against 33.1%.

Although the number of insurance contracts concluded in the first half of this year was 2.2% higher than in the corresponding period last year, the volume of insurance premiums declined by 1.2%, compared with the same period, pointed out for XPRIMM Ramunas BARAVYKAS, Head of Risk Modelling Division of the Prudential Supervision Department of the Supervision Service of the Bank of Lithuania. Such market contraction was basically determined by the decline in life assurance. Although consumer confidence indicator grew in the first half of the year, its more prominent positive influence on the insurance market development has not been observed yet - the volume of life assurance activity is declining. On the other hand, the volumes of all main insurance groups in non-life insurance increased, with the exception of property insurance group, whose decline was exclusively determined by the decrease

of the crop insurance volume by almost three times. The largest growth was observed in transport-related insurance types.

As reflected by the aggregated data published by the supervisory authority, the volume of the non-life insurance activity comprised LTL 600.7 million of premiums written, or 3.8% more than in the same period last year, due to a 5% increase of the number of contracts. Transport insurance related classes recorded the largest growth. Thus, the number of effective contracts in the MTPL insurance group increased by 72 thousand contracts to 1.4 million contracts and exceeded the pre-crisis level, whereas the number of effective contracts of Casco insurance of motor vehicles increased by one-tenth to 179 thousand contracts, stated BARAVYKAS.

At the same time, in the first half of 2012, insurers paid claims for the total amount of LTL 499.4 million (EUR 144.6 million), or 8.7% less than over the same period a year ago. Life insurance claims grew by 10.1% to LTL 155.2 million, whereas non-life insurance claims declined by 15.2% to LTL 344.1 million. The growth of life insurance claims paid was affected by the increase of traditional insurance claims by 44% (to LTL 60 million). The decline in non-life insurance claims was determined by the contraction of the amounts of Motor hull (-10%) and

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	247.72	250.72	-1.20	144.63	158.32	-8.65	100.00	100.00
TOTAL LIFE	73.75	83.06	-11.21	44.96	40.83	10.10	29.77	33.13
Life assurance*	22.53	20.61	9.33	17.40	12.09	43.91	9.10	8.22
Unit-linked	50.31	61.32	-17.96	24.63	25.78	-4.43	20.31	24.46
Marriage and birth	0.90	1.13	-19.91	2.92	2.96	-1.45	0.36	0.45
TOTAL NON-LIFE	173.97	167.66	3.76	99.67	117.48	-15.16	70.23	66.87
Health insurance	16.64	14.74	12.90	8.25	6.28	31.35	6.72	5.88
Property insurance	34.30	38.71	-11.40	14.06	32.55	-56.79	13.85	15.44
Overall motor insurance	123.03	114.21	7.73	77.35	78.66	-1.66	49.67	45.55
Motor Hull	40.13	35.01	14.62	29.00	32.21	-9.97	16.20	13.97
MTPL	61.70	59.05	4.50	35.20	34.32	2.56	24.91	23.55
Goods in transit	1.23	1.21	2.30	0.92	0.59	56.77	0.50	0.48
GTPL	9.80	9.51	3.03	2.11	1.66	27.67	3.96	3.79
Credit insurance	1.93	1.85	4.06	9.01	7.83	14.97	0.78	0.74
Suretyship insurance	5.98	5.58	7.20	0.74	0.41	80.45	2.41	2.23
Financial loss insurance	1.57	1.42	10.86	0.26	1.48	-82.52	0.64	0.57
Other non-life insurance	0.68	0.58	17.51	0.12	0.17	-26.20	0.28	0.23

*Annuities, death and survival insurance, summed



Ramunas BARAVYKAS
Head of Risk Modelling
Division of the
Prudential Supervision
Department of the
Supervision Service of
the Bank of Lithuania

Read the full interview on
www.xprimm.com

property insurance claims paid (-57%).

On life insurance segment, SWEDBANK Life Insurance SE - 25% market share, SEB Gyvybes draudimas - 19.4% (member of SEB Bank Group - the largest commercial bank in Lithuania) and AVIVA Lietuva - 18,5% - are the top three biggest among 11 life insurers on the market, said the central bank. LIETUVOS draudimas (part of RSA Group) is the leader on the non-life insurance market with a 30.6% share. BTA Insurance Company comes in second with underwritings of around EUR 23.6 million, while PZU Lietuva completes the podium with business worth almost EUR 23.4 million.

Talking about the Lithuanian insurance market perspectives in the future, Ramunas BARAVYKAS told us: *It is clear that in the nearest future the non-life insurance profitability will largely depend on "price" trends. Besides, insurers will face tighter solvency requirements and the challenges related to the market growth in the short run. Therefore, the declining investment yield will not create possibilities for compensating large losses on the technical result or maintaining the overall profitability of an insurer. Creativeness and innovation will be necessary conditions for ensuring a long-term success of an insurer. Those insurers, which will be capable to respond to changes fast and adapt to the new conditions flexibly in order to create value added for their customers, will become market leaders.*

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SWEDBANK Life Lf.	18.39	20.70	-11.16	18.69	13.87	34.72	24.94	24.93
2	SEB Gyvybės draudimas	14.28	14.08	1.42	7.82	6.92	13.03	19.37	16.96
3	AVIVA Lietuva	13.64	13.73	-0.66	4.73	7.11	-33.46	18.50	16.53
4	MANDATUM Life Lf.	7.54	17.92	-57.91	5.09	6.43	-20.90	10.23	21.58
5	ERGO Life Insurance SE	7.06	6.55	7.85	3.82	2.44	56.56	9.58	7.89
6	COMPENSA Life VIG Lf.	4.75	3.07	54.95	1.27	0.55	129.83	6.44	3.69
7	PZU Lietuva	2.89	2.53	14.10	1.00	0.64	55.91	3.91	3.04
8	BONUM PUBLICUM	2.57	2.43	5.56	0.90	0.67	35.28	3.48	2.93
9	AMPLICO Life filialas	2.09	1.44	45.01	0.26	0.15	72.84	2.84	1.74
10	NORDEA Life Lf.	0.44	0.39	12.86	0.01	0.00	111.03	0.59	0.47
11	LIETUVOS draudimas	0.09	0.21	-58.78	1.37	2.04	-33.00	0.12	0.25
TOTAL MARKET		73.75	83.06	-11.21	44.96	40.83	10.10	100.00	100.00

Lf = Lietuvos filialas

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	LIETUVOS draudimas	53.20	49.04	8.49	28.10	29.12	-3.52	30.58	29.25
2	BTA	23.62	19.30	22.44	11.80	12.88	-8.42	13.58	11.51
3	PZU Lietuva	23.44	19.29	21.51	11.39	9.83	15.84	13.48	11.51
4	ERGO Lietuva	22.36	20.65	8.29	12.24	11.37	7.64	12.85	12.32
5	If P&C Insurance AS Lf.	14.15	15.37	-7.92	7.84	11.52	-31.97	8.13	9.17
6	AAS "Gjensidige Baltic" Lf.	13.47	10.76	25.12	6.93	6.17	12.34	7.74	6.42
7	SEESAM Insurance AS Lf.	6.09	5.73	6.31	3.26	6.43	-49.32	3.50	3.42
8	COMPENSA TU S.A. VIG Lf.	5.07	7.81	-35.12	4.02	1.85	117.43	2.91	4.66
9	VH Lietuva	3.19	9.31	-65.71	0.09	15.39	-99.44	1.84	5.55
10	LAMANTINAS	1.94	1.75	10.79	0.04	0.07	-43.57	1.12	1.05
11	ERGO Life Insurance SE	1.68	1.84	-8.25	1.18	1.01	16.67	0.97	1.09
12	SEB Gyvybės draudimas	1.37	2.05	-33.38	1.63	1.47	10.31	0.79	1.22
13	COFACE Austria	1.24	1.03	20.34	0.49	0.54	-8.74	0.71	0.61
14	BALTIKUMS Lf.	1.13	0.68	65.68	0.08	0.03	185.99	0.65	0.41
15	COMPENSA Life VIG SE Lf.	0.89	0.81	9.34	0.51	0.55	-7.09	0.51	0.48
16	Būsto paskolų draudimas	0.69	0.82	-16.27	8.52	7.30	16.71	0.40	0.49
17	SWEDBANK P&C Lf.	0.41	-	-	0.93	-	-	0.24	-
18	BONUM PUBLICUM	0.01	0.00	199.59	0.00	0.00	213.79	0.01	0.00
19	PZU Lietuva	0.00	0.00	-28.19	0.00	0.00	131.00	0.00	0.00
20	INDUSTRIJOS Garantis	0.00	1.40	-99.99	0.64	1.91	-66.49	0.00	0.84
21	LÄNSFÖRSÄKRINGAR	-	-0.00	-	-	0.03	-	-	-0.00
TOTAL MARKET		173.97	167.66	3.76	99.67	117.48	-15.16	100.00	100.00



Macedonia (FYROM)



Life insurance	7.48%
Fire and allied perils	9.60%
Damages to property	11.22%
Motor Hull	10.89%
MTPL	44.39%
GTPL	2.22%
Other non-life insurance	14.19%

SOURCES:

INSURANCE SUPERVISION AGENCY
NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

MACEDONIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 61.6200 DENARS, MKD (JUNE 30th, 2011)
1 EUR = 61.6160 DENARS, MKD (JUNE 30th, 2012)

Ongoing changes

Macedonian insurers recorded combined GWP of MKD 3.4 billion (EUR 55.3 million) in 1H2012, up from MKD 3.32 billion a year earlier, as data provided by the Insurance Supervision Agency (ISA) show. Non-life insurance premiums accounted for 92.5% of the total insurance premiums (MKD 3.15 billion), while the life insurance segment accounted for the remainder of the market (MKD 255 million). *Notwithstanding the fall of the GDP in first half of the year, the insurance segment was growing. The growth of the total GWP was 2.50% y-o-y, i.e. the growth of the non-life insurance was 1.18%, while the life insurance maintained a high growth rate of 22.11%,* Klime POPOSKI, Head of ISA told XPRIMM.

Overall, the structure of the GWP portfolio in non-life insurance for 1H2012 is almost unchanged as compared to 1H2011. The only notable change is the 15% increase in premiums for the property lines, with a peak of 22% for the *fire and allied perils class*, leading to a 2pp growth of the segment's weight in the overall market portfolio. Yet, MTPL remains the dominant insurance class in portfolio, with a 44.4% share of the total business. *Compared to other markets across the region, what is Macedonia really lacking of, is a development of the private health insurance,* commented Klime POPOSKI.

MTPL rules also on the claims side, almost 50% of the overall MKD 1.39 billion (EUR 22.57 million) compensations paid the Macedonian insurers in 1H2012 being related this class. Another 18% share belongs to Motor Hull claims, while the property lines have generated 15% of the total payments.

According to ISA, an important legislative change is expected in the remaining

months of 2012. *The most important event in 2012 will be the new Law on Voluntary Health Insurance which regulates the form and the types of voluntary health insurance. With this law, the past legislative constraint, by which the insurance undertakings were allowed to offer only a limited scope of private health insurance products, will be surpassed. Therefore, we believe that the insurance undertakings will have greater possibilities and challenges for development of this new line of business as well,* explained ISA's Head.



Klime POPOSKI, PhD
President of the Council of Experts of the Insurance Supervision Agency

Read the full interview on www.xprimm.com

On the other hand, speaking about challenges and opportunities, Klime POPOSKI pointed out that *under conditions when the Government corrected the expected GDP growth, we expect that the insurance market will still grow, but with a slower pace, especially in the non-life insurance segment. The reduced demand for vehicles sale will represent a major factor that will slow down the growth of the MTPL and Casco, as a dominant line of business in the non-life insurance segment. Our expectation in the life insurance segment is a two-digit growth rate. An important moment in the life insurance development will be the issuance of the*

Market portfolio as of June 30th 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	55.34	53.99	2.50	22.57	23.02	-1.95	100.00	100.00
TOTAL LIFE	4.14	3.39	22.12	0.71	0.61	15.97	7.48	6.28
TOTAL NON-LIFE	51.20	50.60	1.19	21.86	22.41	-2.44	92.52	93.72
Overall property insurance	11.52	10.00	15.17	3.53	3.35	5.50	20.82	18.53
Fire and allied perils	5.31	4.35	22.17	0.83	0.94	-11.51	9.60	8.05
Damages to property	6.21	5.66	9.79	2.71	2.41	12.09	11.22	10.48
Overall motor insurance	30.59	30.54	0.16	15.21	15.84	-4.00	55.29	56.58
Motor Hull	6.03	6.43	-6.30	4.07	4.12	-1.25	10.89	11.92
MTPL	24.57	24.11	1.89	11.13	11.72	-4.97	44.39	44.66
GTPL	1.23	1.11	11.18	0.12	0.14	-9.35	2.22	2.05
Other non-life insurance	7.85	8.94	-12.19	3.00	3.08	-2.75	14.19	16.56

The figures for 1H2012 are preliminary and unofficial and they are not guaranteed by Macedonian ISA



first license for bankassurance to OHRIDSKA Banka, a member of the Société Générale, as a distributor of GRAWE Life insurance.

Another notable change, reported by the Macedonian press, is related to VIENNA Insurance Group's recent agreement to acquire around 75% of the voting rights with the Macedonian insurer QBE Makedonija. The transaction, following which VIG's market share will rise to about 20%, is currently subjected to regulatory approval.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE	1.92	1.79	7.28	0.14	0.15	-4.26	46.39	52.81
2	CROATIA	1.74	1.45	20.12	0.20	0.06	214.59	41.92	42.62
3	UNIQA	0.36	-	-	-	-	-	8.73	-
4	QBE	0.08	0.10	-26.74	0.36	0.39	-8.85	1.81	3.02
5	WINNER	0.05	0.05	-9.89	-	-	-	1.15	1.55
TOTAL MARKET		4.14	3.39	22.12	0.71	0.61	15.98	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	TRIGLAV	10.22	11.29	-9.41	4.91	6.25	-21.52	19.97	22.31
2	WINNER	6.37	4.74	34.45	2.21	1.39	59.20	12.44	9.36
3	QBE	5.92	6.08	-2.55	2.50	3.10	-19.35	11.57	12.01
4	EUROLINK	5.38	5.10	5.62	2.15	1.93	11.43	10.52	10.08
5	SAVA	5.32	6.64	-19.93	3.71	3.77	-1.61	10.39	13.13
6	INSUR. POLICY	4.33	4.30	0.89	1.81	1.69	6.64	8.46	8.49
7	EVROINS	3.70	3.52	5.21	1.49	1.45	3.11	7.23	6.96
8	UNIQA	3.70	3.57	3.56	1.30	1.12	16.03	7.22	7.06
9	CROATIA	2.44	1.63	49.51	0.55	0.40	37.67	4.76	3.22
10	ALBSIG	2.43	2.42	0.38	0.78	0.72	8.46	4.74	4.78
11	INSIG	1.38	1.32	4.47	0.46	0.59	-22.31	2.69	2.60
TOTAL MARKET		51.20	50.60	1.19	21.86	22.41	-2.44	100.00	100.00



Montenegro



Life insurance	10.68%
Supplementary insurance	1.59%
Other life insurance	0.60%
Accident	10.48%
Health	1.33%
Fire and allied perils	6.16%
Damages to property	6.46%
Motor hull	8.63%
MTPL	44.28%
GTPL	1.91%
Other non-life insurance	7.88%



SOURCE:
INSURANCE SUPERVISION AGENCY OF MONTENEGRO

MONTENEGRO CURRENCY:
EURO

Small, but safe

What makes the Montenegrin insurance market unique, among the other countries of the ex-Yugoslavian space, is the size of the market. Montenegro has only 625,000 inhabitants. This means the market is very small, but flexible. Also, there are no big risks, no significant cat exposure, Boris SABAN, Executive Director, National Bureau of Montenegrin Insurers told XPRIMM.

In fact, the Montenegrin insurance market ended the first half of 2012 with a 6.37% growth in terms of GWP, to EUR 34 million. With few exceptions, all insurance lines recorded a positive dynamic, in spite of a difficult economic environment which led to rising unemployment rate - up by 1.5pp as compared to July 2011, to 12.65% -, and decreasing average wage of the Montenegrin citizens.

As the structure of the market portfolio registered only marginal changes compared to 2011, motor insurance is still the dominant line of business, with an almost 53% market share. Out of this overall figure, MTPL represents more than 44% and posted in 1H2012 one of the highest growth rates in the market, of 7%, to EUR 15.07 million. On the other hand, Motor Hull remains at a very low level, holding just a 8.6% market share (down from 8.97% in 1H2011) and reporting a slower than average development rate, of 2.35%, to EUR 2.94 million.

Property insurance lines showed mixed results in 1H2012: while on the "fire and allied perils" class a decrease in GWP of

3.6% was recorded, on the "damages to property" line, underwriting grew by 20%. All in all, the two lines of business have almost equal shares in the portfolio, of about 6%.

Accident insurance is the third significant non-life line of business, with 10.5% share in the portfolio and recorded the second best performance in terms of growth in 1H2012: 11%.

The underwriting in life insurance remained on the positive path, although at a slower pace than the market average. With a growth of 3.26%, GWP for life classes reached EUR 4.38 million.

LOVCEN Insurance, member of the Slovenian group TRIGLAV, is the leader market, with a 41% market share, although it lost in the last 12 months about 9pp of its weight, mostly on behalf of its main competitors SAVA Montenegro, DELTA Generali Insurance and UNIQA Non-Life Insurance. The change came as a result of the negative change registered by the market leader in GWP, of almost 14% y-o-y, while its competitors reported significantly growing business levels.

As for the Montenegrin market's perspectives, Boris SABAN told us that *the biggest challenge for local non-life insurance market is adopting the new limits of liability in MTPL which have to be raised in order to meet the European requirements. The first reaction of the market was that we cannot maintain this level of MTPL premium. We will see by the end of this year how the*

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	34.03	32.00	6.37	100.00	100.00
TOTAL LIFE	4.38	4.24	3.26	12.87	13.25
Life insurance	3.63	3.52	3.27	10.68	11.00
Supplementary insurance	0.54	0.52	4.94	1.59	1.61
Other life insurance	0.20	0.21	-1.11	0.60	0.64
TOTAL NON-LIFE	29.66	27.76	6.85	87.13	86.75
Accident	3.57	3.21	10.99	10.48	10.04
Health	0.45	0.42	7.99	1.33	1.31
Overall property insurance	4.29	4.01	7.19	12.62	12.52
Fire and allied perils	2.10	2.18	-3.65	6.16	6.80
Damages to property	2.20	1.83	20.07	6.46	5.72
Overall motor insurance	18.01	16.96	6.20	52.91	53.00
Motor hull	2.94	2.87	2.35	8.63	8.97
MTPL	15.07	14.09	6.99	44.28	44.03
GTPL	0.65	0.60	8.42	1.91	1.88
Other non-life insurance	2.68	2.56	4.83	7.88	8.00



Boris SABAN, MBA
Executive Director
National Bureau of
Montenegro Insurers

Read the full interview on
www.xprimm.com

regulator will react on these demands form of the market. Also, the life insurance market will have to respond to the new legal requirements, namely to comply with the higher levels established for the minimum capital. Considering the size of our market and premiums' volume, this is going to be a big issue for the companies. By the end of 2011 there were seven life insurance companies in Montenegro, collecting about EUR 9 million in premiums. Thus, it will be a hard task for all of them in the following year to keep the business running on the limited level of premium.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	GRAWE Insurance JSC	2.14	2.29	-6.59	48.76	53.91
2	LOVČEN Life Insurance JSC	0.75	0.64	17.59	17.06	14.98
3	UNIQA Life Insurance JSC	0.72	0.69	4.18	16.38	16.24
4	MERKUR Insurance JSC	0.38	0.34	11.46	8.66	8.02
5	WIENER STAEDTISCHE Life Ins. JSC	0.23	0.12	91.20	5.35	2.89
6	ATLAS Life JSC	0.09	0.08	21.63	2.14	1.81
7	DELTA GENERALI Life Insurance JSC	0.07	0.09	-20.63	1.65	2.15
TOTAL MARKET		4.38	4.24	3.26	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	LOVČEN Insurance JSC	14.04	16.31	-13.91	47.34	58.75
2	SAVA Montenegro JSC	5.52	4.58	20.42	18.60	16.51
3	DELTA GENERALI Insurance JSC	5.40	3.30	63.50	18.20	11.89
4	UNIQA Non-Life Insurance JSC	3.78	2.93	28.70	12.73	10.57
5	SWISS Insurance JSC	0.93	0.63	46.61	3.12	2.28
TOTAL MARKET		29.66	27.76	6.85	100.00	100.00

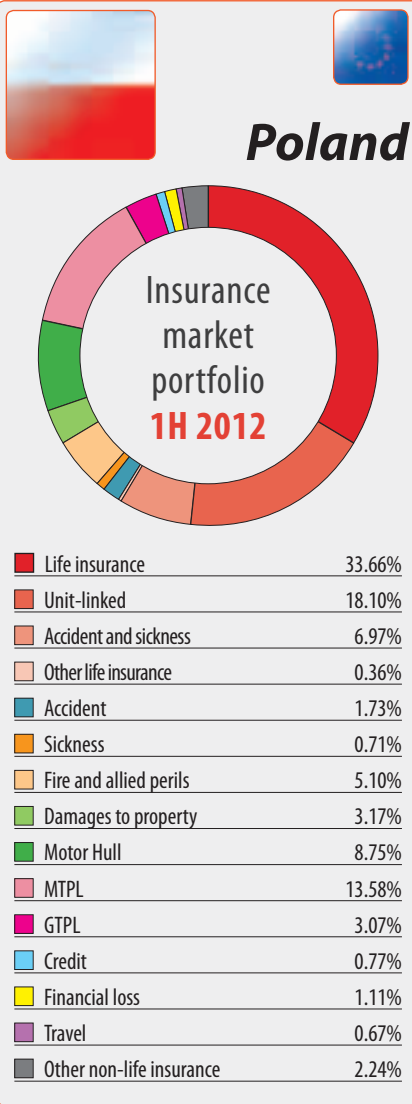
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Playing in the “double digit” league

The Polish insurance market ended the first half of 2012 with a 12.67% y-o-y increase in GWP, thus confirming rapid growth trend outlined in the first quarter of the year. As a result, underwritten premiums amounted to PLN 33.23 billion or EUR 7.8 billion, while the aggregated gross profit reached PLN 4.85 billion (~ EUR 1.14 billion). Paid claims worked out to PLN 19.11 billion, almost 1% less than in 1H2011. However, considering the market results denominated in euro, the overall picture seems somewhat less bright following the y-o-y 7% devaluation of the Polish Zloty (PLN).

Life insurance accounted by the end of 1H2012 for 59% of the Polish insurance portfolio, about 2.5 pp more y-o-y, its increase in weight being due to the highly above average growth rate recorded, of 17.32%. Thus, GWP for life insurance reached PLN 19.67 billion (EUR 4.6 billion). Premium written for traditional life insurance products rose by over 21%, reaffirming, at a slightly reduced level, the tendency installed in Q1. Polish customers also maintained their interest for Unit-Linked products, premiums for this line of business recording a 15% growth and representing almost one third of the entire life insurance portfolio.

Benefits paid in respect of life insurance contracts remained similar to last year's level and amounted PLN 12 billion, 2.4% less y-o-y. As in previous quarters, payments related to Group I were dominant and may be associated with the collapsing of short-term contracts for investment.

On the **non-life insurance** side, the most dynamic lines were sickness insurance (14.5% growth y-o-y), damages to property (14.17%), GTPL (23.88%) and travel insurance (15.44%). Yet, as all these classes have a modest presence in the market portfolio, the high growth rates recorded have not a significant influence on the overall non-life dynamic, which stood at about 6.58% (local currency). Both motor and property insurance segments recorded positive growth rates of about 5.5%. All in all, non-life GWP amounted to PLN 13.59 billion (EUR 3.19 billion), claims rose by 1.6%, to PLN 6.97 billion.

Motor insurance

Polish motor insurers underwrote in 1H2012, 5,035,238 motor hull policies, worth PLN 2.9 billion in premiums and 16,077,871 MTPL policies, amounting PLN 4.5 billion in premiums. By comparing

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	7,798.81	7,398.47	5.41	4,484.78	4,838.93	-7.32	100.00	100.00
TOTAL LIFE	4,608.27	4,198.55	9.76	2,818.70	3,087.00	-8.69	59.09	56.75
Life insurance	2,625.23	2,315.49	13.38	1,881.18	2,139.93	-12.09	33.66	31.30
Unit-linked	1,411.61	1,311.27	7.65	712.96	708.05	0.69	18.10	17.72
Accident and sickness	543.25	541.45	0.33	200.47	212.03	-5.45	6.97	7.32
Other life insurance (reinsurance accepted included)	28.18	30.34	-7.13	24.09	26.99	-10.74	0.36	0.41
TOTAL NON-LIFE	3,190.54	3,199.92	-0.29	1,666.08	1,751.93	-4.90	40.91	43.25
Accident	134.85	134.93	-0.06	37.08	39.76	-6.73	1.73	1.82
Sickness	55.61	51.91	7.12	20.23	21.14	-4.34	0.71	0.70
Overall property insurance	644.98	654.97	-1.52	325.12	296.03	9.83	8.27	8.85
Fire and allied perils	397.74	423.49	-6.08	116.96	166.12	-29.59	5.10	5.72
Damages to property	247.24	231.48	6.81	208.15	129.90	60.24	3.17	3.13
Overall motor insurance	1,741.87	1,762.93	-1.19	1,060.00	1,171.79	-9.54	22.34	23.83
Motor Hull	682.54	719.71	-5.16	408.07	487.43	-16.28	8.75	9.73
MTPL	1,059.32	1,043.22	1.54	651.94	684.36	-4.74	13.58	14.10
GTPL	239.73	206.86	15.89	70.15	81.20	-13.60	3.07	2.80
Credit	60.28	67.32	-10.46	21.90	21.06	3.95	0.77	0.91
Financial loss	86.67	98.69	-12.18	17.11	23.25	-26.42	1.11	1.33
Travel	52.21	48.35	8.00	27.86	28.76	-3.14	0.67	0.65
Other non-life insurance (reinsurance accepted included)	174.33	173.95	0.22	86.64	68.94	25.68	2.24	2.35

SOURCE:

 THE POLISH FINANCIAL SUPERVISION AUTHORITY (KNF)
 NATIONAL BANK OF POLAND

POLISH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

 1 EUR = 3.9866 ZLOTS - PLN (JUNE 30TH, 2011)
 1 EUR = 4.2613 ZLOTS - PLN (JUNE 30TH, 2012)

these figures with those of the previous year, one should observe that both the number of Motor Hull and MTPL contracts grew by about 2%, namely with 100,000 and 355,876 policies respectively.

Still, in terms of gross written premiums, while the Motor Hull GWP remained almost unchanged, on the MTPL side an 8% increase in GWP was recorded. Thus, the average policy price for Motor Hull decreased from PLN 582 in 1H2011, to PLN 577.6 in 1H2012. For MTPL, the average tariff recorded an about 6% hike, to PLN 245, from PLN 231.6 in 1H2011. In fact, this increase in tariffs came almost entirely from the MTPL policies sold to corporate clients, which recorded an about 15% hike of the average price.

Looking at the claims paid for motor insurance, it is noteworthy that Polish insurers paid out in the first half of 2012, PLN 2.7 billion claims arising out of MTPL insurance – an amount almost unchanged as compared to 1H2011 -, and PLN 1.74 billion for Motor Hull, which is 10.5% less than one year before. Yet, it is interesting to observe that while on the Motor Hull line the average claim's value remained fairly stable in the last 12 months, on the MTPL segment this indicator recorded a 7.5% increase, to PLN 5,160. Consequently, while the 10.5% decrease of the total payments amount mainly originates in the lower number of claims, on the MTPL side, the small decrease of the number of claims was completely offset by the raising value of the claims. According to John Gregory PRĄDZYŃSKI, CEO of PIU, the significant abatement of the number of Motor Hull claims is *continuing the trend already apparent in the first quarter of this year. Drivers report fewer minor damage. This is due probably to the launch of the Insurance Guarantee Fund tool for verifying the law for insurance discounts.* Another favorable factor mentioned by the PIU official is related to *favorable weather conditions in the first quarter and a lack of snow and bumps caused by temperature variations.*

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU ŻYCIE	1,218.28	1,321.57	-7.82	945.85	748.34	26.39	26.44	31.48
2	BENEFIA TUnŻ VIG	574.98	114.55	401.94	93.88	48.77	92.51	12.48	2.73
3	OPEN LIFE TU Życie	402.84	-	-	13.51	-	-	8.74	-
4	ALLIANZ Życie Polska	306.80	217.08	41.33	112.63	188.22	-40.16	6.66	5.17
5	TUnŻ WARTA	287.37	320.98	-10.47	205.15	283.97	-27.76	6.24	7.65
6	ING TUnŻ	234.39	257.30	-8.90	234.62	281.46	-16.64	5.09	6.13
7	AVIVA TUnŻ	217.57	235.47	-7.60	171.43	182.88	-6.26	4.72	5.61
8	TUnŻ EUROPA	194.13	412.34	-52.92	333.05	453.33	-26.53	4.21	9.82
9	AMPLICO Life	193.93	169.17	14.64	106.75	97.19	9.84	4.21	4.03
10	NORDEA POLSKA TUnŻ	179.15	223.39	-19.80	179.48	262.74	-31.69	3.89	5.32
11	GENERALI Życie	118.53	112.97	4.92	58.15	85.21	-31.76	2.57	2.69
12	STUnŻ ERGO HESTIA	104.48	103.58	0.87	27.52	17.99	53.03	2.27	2.47
13	AXA Życie	101.34	125.96	-19.55	43.93	36.92	18.99	2.20	3.00
14	AEGON TUnŻ	92.72	98.97	-6.32	90.08	103.12	-12.64	2.01	2.36
15	BZ WBK - AVIVA TUnŻ	80.72	84.14	-4.06	24.49	35.77	-31.53	1.75	2.00
16	COMPENSA TUnŻ VIG	72.50	58.74	23.42	52.21	27.38	90.68	1.57	1.40
17	HDI-GERLING Życie	48.43	88.51	-45.29	35.32	29.24	20.77	1.05	2.11
18	SKANDIA Życie	45.68	51.59	-11.45	29.16	30.05	-2.96	0.99	1.23
19	UNIQA TUnŻ	40.91	64.67	-36.75	33.70	100.16	-66.35	0.89	1.54
20	TUnŻ CARDIF Polska	37.25	43.25	-13.87	4.23	5.53	-23.58	0.81	1.03
21	PRAMERICA Życie TUIR	19.79	18.48	7.06	5.33	4.58	16.47	0.43	0.44
22	POLISA-ŻYCIE	13.81	14.81	-6.75	10.43	10.49	-0.61	0.30	0.35
23	TU SKOK Życie	10.56	14.85	-28.90	3.00	3.04	-1.10	0.23	0.35
24	CONCORDIA CAPITAL	5.03	4.86	3.49	1.81	1.42	27.65	0.11	0.12
25	SIGNAL IDUNA Życie Polska	4.10	4.73	-13.15	1.94	2.39	-18.96	0.09	0.11
26	TUW REJENT-LIFE	1.44	1.51	-4.57	0.54	0.51	6.48	0.03	0.04
27	MACIF ŻYCIE TUW	1.13	0.98	14.80	0.20	0.28	-29.14	0.02	0.02
28	INTER-ŻYCIE Polska	0.43	0.29	48.43	0.31	0.15	108.65	0.01	0.01
29	METLIFE TUnŻ	-	33.81	-	-	45.87	-	-	0.81
30	MYLIFE TUnŻ	-	-	-	-	-	-	-	-
TOTAL MARKET		4,608.27	4,198.55	9.76	2,818.70	3,087.00	-8.69	100.00	100.00



Insurance line	Number of policies		GWP (000 PLN)		Average price (PLN)	
	1H2012	1H2011	1H2012	1H2011	1H2012	1H2011
Motor Hull	5,035,238	4,929,594	2,908,517	2,869,199	577.63	582.04
MTPL	17,933,887	17,578,011	4,397,671	4,071,135	245.22	231.6

Insurance line	Number of claims		Claims paid (000 PLN)		Average claim (PLN)	
	2012	2011	2012	2011	2012	2011
Motor Hull	377,723	429,542	1,738,893	1,943,047	4,603.62	4,523.53
MTPL	521,382	546,388	2,690,801	2,623,948	5,160.90	4,802.35



Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU	1,041.14	1,056.92	-1.49	550.14	667.10	-17.53	32.63	33.03
2	STU ERGO HESTIA	331.86	346.47	-4.22	140.07	166.99	-16.12	10.40	10.83
3	WARTA	300.57	286.02	5.09	165.27	152.72	8.22	9.42	8.94
4	ALLIANZ Polska	213.48	233.90	-8.73	122.67	137.77	-10.96	6.69	7.31
5	UNIQA	144.03	133.38	7.98	68.75	77.40	-11.18	4.51	4.17
6	GENERALI	131.88	122.91	7.30	58.84	58.70	0.23	4.13	3.84
7	COMPENSA VIG	126.79	127.92	-0.88	66.91	67.43	-0.78	3.97	4.00
8	HDI Asekuracja	126.66	126.30	0.29	79.17	70.53	12.25	3.97	3.95
9	INTERRISK VIG	126.45	139.70	-9.48	62.53	71.93	-13.06	3.96	4.37
10	MTU	86.64	78.11	10.92	49.06	45.54	7.72	2.72	2.44
11	PTU	62.47	58.73	6.36	34.25	37.13	-7.74	1.96	1.84
12	PTR	52.52	40.93	28.33	22.17	22.47	-1.32	1.65	1.28
13	TUW TUW	52.16	45.24	15.30	28.15	23.06	22.08	1.63	1.41
14	AVIVA Ogólnych	43.82	40.88	7.19	21.14	20.88	1.21	1.37	1.28
15	EUROPA	38.89	62.29	-37.57	2.82	1.87	50.46	1.22	1.95
16	LINK4 TU	38.50	38.19	0.83	19.83	18.68	6.13	1.21	1.19
17	CONCORDIA Polska TUW	36.34	29.58	22.88	85.27	29.92	185.00	1.14	0.92
18	EULER HERMES	34.94	34.53	1.17	12.48	9.66	29.23	1.09	1.08
19	BENEFIA VIG	30.68	32.64	-6.01	18.23	15.98	14.04	0.96	1.02
20	TUZ TUW	22.80	15.27	49.33	6.09	3.94	54.58	0.71	0.48
21	TUW SKOK	21.89	33.96	-35.54	1.77	1.60	10.66	0.69	1.06
22	BRE UBEZPIECZENIA	21.78	17.05	27.77	7.87	5.76	36.49	0.68	0.53
23	AXA TUIR	21.53	18.53	16.21	8.37	6.25	34.03	0.67	0.58
24	PZM VIG	21.25	23.25	-8.60	14.82	16.86	-12.09	0.67	0.73
25	BZWBK - AVIVA Ogólnych	17.69	15.49	14.17	1.48	1.19	24.10	0.55	0.48
26	INTER POLSKA	14.66	11.85	23.75	4.02	4.36	-7.71	0.46	0.37
27	SIGNAL IDUNA Polska	8.08	7.15	12.98	4.57	5.45	-16.17	0.25	0.22
28	TUW- CUPRUM	7.66	7.50	2.16	0.68	2.98	-77.10	0.24	0.23
29	KUKE	4.57	5.33	-14.29	3.52	3.59	-1.89	0.14	0.17
30	T.U.W. POCZTOWE	3.76	4.99	-24.78	3.54	3.53	0.18	0.12	0.16
31	MEDICA POLSKA	2.85	2.57	10.92	1.06	0.09	1,034.15	0.09	0.08
32	D.A.S. Ochrony Prawnej	2.05	2.21	-7.34	0.47	0.52	-9.61	0.06	0.07
33	TUIR PARTNER	0.15	0.13	15.32	0.07	0.03	111.23	0.00	0.00
	TOTAL MARKET	3,190.54	3,199.92	-0.29	1,666.08	1,751.93	-4.90	100.00	100.00

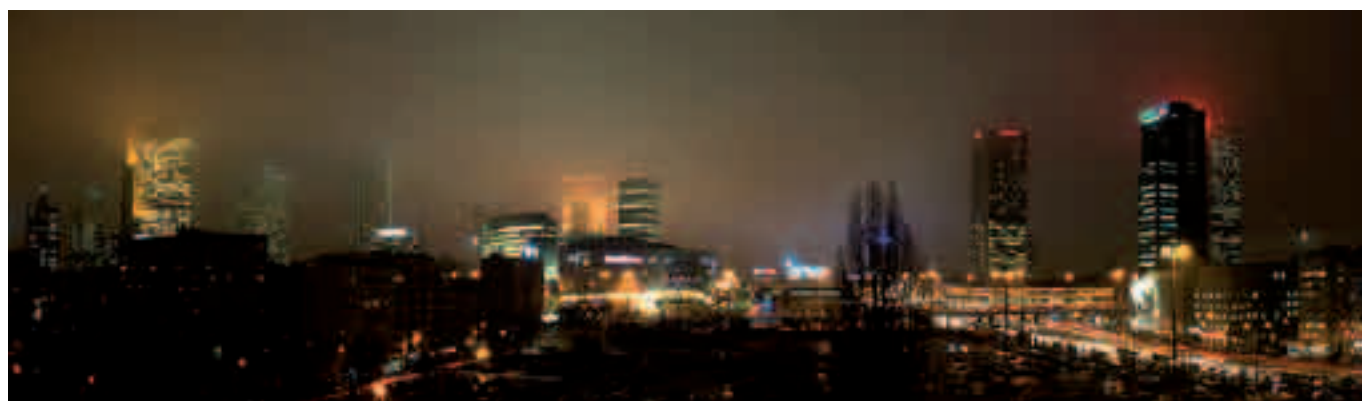
Underwritings for the “**fire and natural forces**” class amounted PLN 1.7 billion in 1H2012, a quasi unchanged figure as compared to 1H2011, while paid claims decreased by about 25%, to PLN 498 million. Concurrently, GWP for “**other damage and loss to property**” class rose by 14%, to PLN 1 billion, while paid claims for the same line went up by more than 70%, to PLN 887 million. Yet, as the PIU representatives emphasized, claims data for 1H2012 do not cover damages resulting from recent weather disasters, which *will be visible only in the financial statements for the third quarter of this year*, meaning a valid assessment of the property lines’ results will be only available later.

PZU – a regional leader in full expansion

PZU remains the main player, not only of the Polish market, but also in CEE. In Poland, PZU holds 26.4 of the life insurance market through PZU ZYCIE and 32.6% of the non-life insurance market, through PZU Insurance. Gross premiums written by PZU Group in the first half of 2012 amounted PLN 8.25 billion (~ EUR 1.93 billion), 7.5% up y-o-y. Net income from investment activities increased by more than 41.2%, yielding the first half of 2012 a record 10.6% higher net profit of PLN 1.72 billion (~ EUR 400 million). PZU remains leader of the Polish insurance market, also in terms of profitability, with a return on equity (ROE) was in this period reaching close to 26.8%, up by 2pp y-o-y.

Recently, PZU announced its plans regarding the Group’s expansion to the Baltic states. Thus, the Polish insurer will launch operations in Latvia in the fourth quarter of 2012 and in Estonia in the second quarter of 2013. Nevertheless, PZU’s international expansion plans could address the Slovenian insurer TRIGLAV, which is rumoured to be for sale.

D.G.





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 risk, a.o.

Authorised initially for credit and bonds 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.

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.

In just two years, the company has earned recognition for its products and prompt feedback to the clients' last minute requests. EximAsig Romania holds the third position on the Romanian bond insurance market and the fifth on the credit insurance market.

The company's business volume increased year after year. In June 2012, EximAsig Romania registered a GWP of 3.8 mil Euros, 81% higher than in June 2011. Its market share increased from 5.64% in June 2011 to 17.61% in June 2012, on the bonds insurance segment.

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

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

Product portfolio

- › Credit Insurance – export and domestic;
- › Bond Insurance (Bid Bond, Performance Bond, Maintenance Bond, Advance Payment Bond)
- › Property Insurance
- › Electronic Equipment Insurance
- › Machinery Breakdown Insurance
- › Constructor's All Risks
- › Cargo
- › General Aviation Insurance
- › 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

Address:	Metropolis Center, 6 th floor, 89-97 Grigore Alexandrescu St., District 1, Bucharest
Phone:	004 021 211 06 50
Fax:	004 021 211 06 57
e-mail	office@eximasig.ro
web	www.eximasig.ro

Shareholders:

Exim Bank Romania	90.84%
Individuals	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;

Alexandru NEFEROIU – Member of the Board, 10 years experience in insurance field.

Reinsurance Manager

Dragoş CIOCAN

e-mail: dragos.ciocan@eximasig.ro



Romania



■ Annuities and supplementary ins.	12.99%
■ Unit-linked	6.76%
■ Other life insurance	0.04%
■ Accidents and illness	1.45%
■ Health	0.99%
■ Fire and allied perils	13.02%
■ Damages to property	2.16%
■ Motor Hull	23.00%
■ MTPL	27.13%
■ GTPL	6.38%
■ Credit	1.27%
■ Warranties	2.23%
■ Travel	0.65%
■ Other non-life insurance	1.92%

SOURCE:
INSURANCE PROFILE REVIEW
WWW.INSURANCEPROFILE.RO

ROMANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:
RON 4.1797/EUR - IN 1H 2011
RON 4.3888/EUR - IN 1H 2012

Close to EUR 1 billion

During the first half of 2012, the Romanian insurers underwrote almost EUR 945 million, according to insuranceprofile.ro calculations based on data provided by the companies. Thus, in the mentioned period, the insurance market decreased by 1.5% in European currency. The currency conversion RON/EUR was calculated using the medium exchange rates communicated by the National Romanian Bank in the analyzed time periods.

In national currency, the total market amounted to RON 4.15 billion, this meaning a real increase of over 1.7% in RON. The non-life insurance segment grew by almost 3% in national currency, thus weighting about 80% of the market GWP, while life insurance decreased by 3%, the value of underwritings on this segment reaching RON 825 million (EUR 188 million).

Maintaining this growth pace and with a medium exchange rate estimated to 4.5 RON/EUR for 2012, the insurance market could close this year with underwritings of around EUR 1.8 billion.

life insurance segment decreased by 1 percentage point in the total underwritings, to almost 19.8%.

Motor insurance lines cumulated almost EUR 476 million in GWP and hold over 50% of the insurance market. In terms of weight, MTPL and Motor Hull have lost together almost 3.5pp. MTPL still represents the insurance class with the largest market share, of over 27%, decreasing by 1 pp as compared to 1H2011. Motor Hull insurance class diminished its portfolio contribution with over 2pp, reaching to 23.

With an over 15% share, property insurance lost 1.4pp, decreasing by more than EUR 15 million in absolute value compared to the similar period in 2011. GTPL insurance holds almost 6.4% of the insurance market and, due to the almost EUR 40 million increase compared to 1H2011, the mentioned class increased its share with over 4pp.

Market portfolio slightly reconfigured

In 1H2012, the insurance classes progressed differently, and thus, the market structure was slightly reconfigured. The

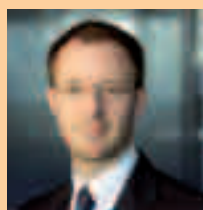
A new market leader

The new leader of the Romanian insurance market is OMNIASIG VIG. The company resulting after VIENNA Insurance Group's decision to merge two of its most successful subsidiaries in Romania, OMNIASIG and BCR Asigurări, under-

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	949.29	960.57	-1.17	523.21	534.54	-2.12	100.00	100.00
TOTAL LIFE	187.96	199.94	-5.99	20.32	23.88	-14.90	19.80	20.81
Annuities and supplementary ins.	123.35	122.77	0.47	19.13	22.97	-16.72	12.99	12.78
Unit-linked	64.20	76.90	-16.52	1.17	0.89	30.67	6.76	8.01
Other life insurance	0.42	0.27	53.91	0.02	0.01	63.72	0.04	0.03
TOTAL NON-LIFE	761.34	760.64	0.09	502.89	510.66	-1.52	80.20	79.19
Accidents and illness	13.81	9.48	45.68	1.74	1.67	4.38	1.45	0.99
Health	9.35	4.51	107.20	1.96	0.99	98.26	0.99	0.47
Overall property insurance	144.07	159.51	-9.68	31.19	35.53	-12.22	15.18	16.61
Fire and allied perils	123.55	142.10	-13.05	24.43	31.89	-23.39	13.02	14.79
Damages to property	20.52	17.41	17.82	6.75	3.63	85.84	2.16	1.81
Overall motor insurance	475.93	514.99	-7.59	437.48	443.78	-1.42	50.13	53.61
Motor Hull	218.37	243.97	-10.49	223.17	247.82	-9.95	23.00	25.40
MTPL	257.56	271.02	-4.97	214.31	195.96	9.37	27.13	28.21
GTPL	60.54	21.40	182.93	3.19	6.46	-50.56	6.38	2.23
Credit	12.10	17.92	-32.46	19.77	13.70	44.33	1.27	1.87
Warranties	21.19	9.81	116.00	0.81	0.33	145.97	2.23	1.02
Travel	6.14	6.22	-1.24	2.49	2.47	0.66	0.65	0.65
Other non-life insurance	18.21	16.79	8.43	4.26	5.74	-25.83	1.92	1.75

Remi VRIGNAUD steps in ALLIANZ-ȚIRIAC



Starting August 1st, Remi VRIGNAUD (photo) took over the General Manager position at ALLIANZ-ȚIRIAC Asigurări, the

Romanian subsidiary of ALLIANZ SE. VRIGNAUD (36 years old) had previously occupied various management positions at ALLIANZ Elementar in Vienna. Rangam BIR, the former General Manager of the company was given a position in ALLIANZ Asia, as a member of the regional management team in Singapore.

wrote premiums worth RON 550 million, or a little more than EUR 125 million. Compared to cumulated results of the two companies in 1H2012, OMNIASIG VIG decreased with a little over 21% in European currency, losing almost 3pp from the market share.

The first 10 companies on the Romanian insurance market underwrote together GWP of almost EUR 770 million, less by almost 3% in European currency y-o-y. Only 4 companies out of these 10 reported a positive change in their business volume in EUR: GROUPAMA Asigurări +1.3%, EUROINS Romania +86.5%, UNIQA Asigurări +4.9% and CITY Insurance +243%.

Brokers have withstood the crisis

In 1H2012, the cumulated business of the Romanian brokerage companies totaled more than EUR 375 million, recording a 10% increase in European currency compared to the corresponding period of last year. Despite adverse economic conditions and declining business recorded by a significant number of insurers, the brokerage market share in the total insurance market went up, to about 40%.

Life insurance generated 3.9% (equivalent to EUR 14.5 million) of the total mediated premiums, 16% less compared with 1H2011. On the other hand, the non-life insurance line saw an increase of 11%, with mediated premiums of EUR 361 million. Despite the crash of the auto and financial leasing markets, motor insurance represented the "cornerstone" of the insurance brokerage market, as it generated more than 73% of the total business of insurance brokers.

MARSH Romania, PORSCHE Broker and UniCredit Insurance Broker lead the insurance intermediation market, with an cumulated market share of 17%.

V.B.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ING Asig. de Viață	61.22	65.00	-5.82	2.58	1.94	32.90	32.57	32.51
2	BCR Asig. de Viață VIG	40.02	39.86	0.40	2.60	3.22	-19.31	21.29	19.94
3	ALICO România	22.56	22.68	-0.54	-	-	-	12.00	11.34
4	ALLIANZ-ȚIRIAC	11.14	11.28	-1.24	0.84	0.72	16.20	5.93	5.64
5	GENERALI România	10.46	10.91	-4.19	1.14	1.25	-8.30	5.56	5.46
6	ASIROM VIG	10.11	10.58	-4.48	6.96	9.57	-27.22	5.38	5.29
7	BRD Asig. de Viață	6.89	4.62	49.06	0.75	0.40	84.60	3.66	2.31
8	GRAWE România	6.35	6.65	-4.46	0.20	0.26	-23.75	3.38	3.33
9	GROUPAMA Asigurări	5.09	7.21	-29.33	2.29	2.52	-9.14	2.71	3.60
10	EUREKO Asigurări	3.51	3.67	-4.56	1.88	1.53	22.80	1.87	1.84
11	AXA Life Insurance	2.48	2.14	16.15	0.27	0.25	11.43	1.32	1.07
12	CARDIF România	2.21	-	-	0.18	-	-	1.18	-
13	ASTRA Asigurări	1.85	1.74	6.34	0.14	0.18	-24.51	0.98	0.87
14	ERGO Asig. de Viață	1.60	2.03	-21.24	0.03	0.01	174.50	0.85	1.01
15	AEGON Asig. de Viață	0.81	0.81	-0.67	0.01	0.01	-37.60	0.43	0.41
16	EFG Eurolife Viață	0.69	1.92	-63.99	0.19	0.51	-62.05	0.37	0.96
17	GARANTA Asigurări	0.42	0.52	-19.01	0.24	0.16	51.50	0.22	0.26
18	UNIQA Asig. de Viață	0.42	0.03	1,213	0.00	-	-	0.22	0.02
19	SIGNAL IDUNA	0.15	0.16	-9.19	0.00	0.00	-84.76	0.08	0.08
	TOTAL MARKET	187.96	199.94	-5.99	20.32	23.88	-14.90	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	OMNIASIG VIG	125.06	159.03	-21.36	121.69	113.68	7.04	16.43	20.91
2	ASTRA Asigurări	115.88	131.89	-12.14	72.79	76.00	-4.23	15.22	17.34
3	ALLIANZ-ȚIRIAC	92.81	98.14	-5.43	60.53	71.95	-15.88	12.19	12.90
4	GROUPAMA Asigurări	79.97	76.70	4.26	63.79	63.76	0.04	10.50	10.08
5	ASIROM VIG	60.27	77.61	-22.34	42.38	30.35	39.61	7.92	10.20
6	EUROINS România	53.09	27.85	90.64	32.02	19.53	63.96	6.97	3.66
7	UNIQA Asigurări	50.12	47.80	4.86	33.54	42.97	-21.94	6.58	6.28
8	GENERALI România	48.66	52.60	-7.48	32.70	56.51	-42.13	6.39	6.92
9	CITY Insurance	43.68	12.72	243.30	2.08	0.55	276.73	5.74	1.67
10	CARPATICA Asig.	29.34	20.95	40.00	19.58	13.25	47.76	3.85	2.75
11	GARANTA Asigurări	10.34	11.46	-9.83	7.74	9.61	-19.45	1.36	1.51
12	ASITO KAPITAL	10.25	12.36	-17.09	0.90	1.11	-19.31	1.35	1.63
13	CREDIT EUROPE Asig.	4.93	3.88	26.98	1.84	2.48	-25.95	0.65	0.51
14	PORSCHE Asigurări	4.93	4.33	13.69	2.96	2.45	20.92	0.65	0.57
15	CERTASIG	4.30	3.28	31.17	3.64	2.21	64.97	0.56	0.43
16	EximAsig România	3.93	0.78	405.38	0.01	0.01	106.23	0.52	0.10
17	ALICO România	3.65	3.64	0.24	-	-	-	0.48	0.48
18	PLATINUM Asigurări	3.30	1.65	100.27	0.41	0.67	-38.03	0.43	0.22
19	FATA Asigurări	3.24	2.78	16.56	0.67	1.43	-53.31	0.43	0.37
20	CARDIF România	3.02	-	-	0.26	-	-	0.40	-
21	ABC Asigurări	2.04	1.99	2.58	0.92	0.98	-5.68	0.27	0.26
22	FORTE Asigurări	1.90	0.21	785.09	0.12	0.11	11.61	0.25	0.03
23	BCR Asig. de Viață VIG	1.49	0.10	1,404.63	0.72	-	-	0.20	0.01
24	EUREKO Asigurări	1.44	1.56	-7.83	0.81	0.87	-6.64	0.19	0.21
25	SIGNAL IDUNA	1.18	1.26	-5.82	0.33	0.09	280.35	0.16	0.17
26	AXA Life Insurance	0.98	0.49	102.26	0.19	0.01	2,516.31	0.13	0.06
27	EFG Eurolife Generale	0.64	0.54	18.17	0.02	0.02	7.30	0.08	0.07
28	QBE Insurance	0.44	0.40	11.69	-	0.02	-	0.06	0.05
29	ING Asig. de Viață	0.22	0.24	-11.37	0.05	0.03	51.21	0.03	0.03
30	ATE INSURANCE	0.13	0.06	130.91	0.19	0.01	1,920.94	0.02	0.01
31	GRAWE România	0.10	0.13	-17.10	0.01	0.01	75.75	0.01	0.02
	TOTAL MARKET	761.34	760.64	0.09	502.89	510.66	-1.52	100.00	100.00



Serbia



Category	Percentage
Life insurance	17.02%
Accidents insurance	6.27%
Health insurance	2.07%
Goods in transit	1.34%
Fire and allied perils	8.68%
Damages to property	17.45%
Motor Hull	11.25%
MTPL	29.08%
GTPL	2.25%
Travel	1.49%
Other non-life insurance	3.10%

SOURCE:

NATIONAL BANK OF SERBIA

SERBIAN CURRENCY EXCHANGE RATE FOR

CALCULATIONS:

1 EUR = 102.4631 DINARS - RSD (JUNE 30th, 2011)1 EUR = 115.8203 DINARS - RSD (JUNE 30th, 2012)

Harmonization efforts

Gross written insurance premiums in Serbia rose by 6.23% in local currency in 1H2012, led by growth in life insurance lines. The premiums totalled RSD 32.49 billion, with life insurance growing 17.44% to RSD 5.53 billion, and non-life insurance expanding by 4.19% to RSD 26.96 billion, according to the National Bank of Serbia. In European currency, due the devaluation of RSD in relation to EUR, the insurance market did not show growth in terms of written premiums, which amounted EUR 280.51 million, 6.02% less y-o-y.

The share of non-life insurance in total premium was of 82.98%, while the share of life insurance rose from 15.39% in 1H2011 to 17.02% in 1H2012. At the same time, among the non-life insurance classes, the premium structure in January-June 2012 broadly resembled that from the same period last year, with motor third party liability (MTPL) insurance accounting for the largest share of total premium (29.08%), followed by property insurance (26.13%) and Motor hull insurance for 11.25% of total premium.

As last year, the top three insurers in the Serbia are DUNAV Osiguranje (the oldest company in Serbia) - 30.39% market share, DELTA GENERALI Osiguranje (a unit of GENERALI PPF Holding) - 20.02% and DDOR Novi Sad (which operating as a member of the FONDIARIA SAI Group) - 14.91%.

With 28 insurance companies operating in 2012, the Serbian insurance market added two more companies from the last year (AXA Nezivot and Russian company SOGAZ Osiguranje - licensed in December 2011). Of the 28 companies, 24 engaged in insurance and four in reinsurance only.

According to the ownership structure in the second quarter of the 2012, 21 of 28 insurance companies are foreign-owned, while 7 companies are majority domestic-owned. In the second quarter of the 2012, foreign owned insurance companies were holding a prevailing share in the life insurance premium of 90.7%, in non-life insurance premiums of 57.7%, as well as in total assets of 67.7% and the number of employees, 65.2%. Such prevailing participation of those insurance companies in premium, total assets and number of employees is dating from 2007.

Legal changes

The first amendments to the Insurance Law and the Law on Compulsory Traffic Insurance have been adopted in 2011 and are in force since January 2012 and October 2011, respectively. Further amendments to this Law have been adopted on the 29th December 2011 and are in force from the 7th January 2012, covering approximately 10% of the basic text of the Law. They relate to the refining and legal and technical

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	280.51	298.48	-6.02	97.85	114.07	-14.22	100.00	100.00
TOTAL LIFE	47.73	45.94	3.90	11.99	10.13	18.36	17.02	15.39
TOTAL NON-LIFE	232.78	252.54	-7.82	85.86	103.94	-17.39	82.98	84.61
Accidents insurance	17.60	19.05	-7.59	9.12	9.97	-8.47	6.27	6.38
Health insurance	5.82	6.11	-4.81	2.50	2.46	1.83	2.07	2.05
Goods in transit	3.75	4.19	-10.51	0.78	0.96	-18.34	1.34	1.40
Overall property insurance	73.30	81.24	-9.78	15.32	17.97	-14.77	26.13	27.22
Fire and allied insurance	24.35	27.85	-12.56	4.61	4.16	10.84	8.68	9.33
Damages to property	48.95	53.39	-8.33	10.70	13.81	-22.48	17.45	17.89
Overall motor insurance	113.14	124.28	-8.97	54.91	65.29	-15.89	40.33	41.64
Motor Hull	31.57	37.07	-14.83	19.51	23.21	-15.93	11.25	12.42
MTPL	81.57	87.21	-6.48	35.40	42.08	-15.88	29.08	29.22
GTPL	6.31	6.83	-7.56	1.13	1.01	12.46	2.25	2.29
Travel	4.17	4.35	-4.13	1.53	1.32	15.80	1.49	1.46
Other non-life insurance	8.69	6.48	34.08	0.56	4.96	-88.80	3.10	2.17

amendments to the Law. However, there are few important novelties:

■ The most important novelty relates to the right of recourse of The Republic Fund for Health Insurance towards insurance companies that provide compulsory traffic insurance services;

■ The list of risks covered by insurance of aircraft owners against liability for damages caused to third parties and passengers is expanded and now includes the risk of aircraft hijacking, sabotage, unlawful seizure of aircraft, as well as the risk of civil commotion;

■ The list of persons who are not entitled to make demands for compensation for damages arising from motor third party liability insurance has been stated more precisely and the list now includes persons who have suffered damage due to the effects of hazardous cargo during its transportation;

■ The Ministry of Finance gives its consent to the decisions of the Association of Insurers of Serbia, relating to the amount of contributions paid by the insurance company for providing funds necessary to carry out tasks that are assigned by the Law.

Legal measures that will allow faster development and harmonization with *acquis communautaire* will be provided by the new Draft Insurance Law, which is in the process of finalization. The provisions of the Draft Law are harmonized with *acquis* regulating insurance services in the following areas: freedom to provide services and right of establishment, insurance group supervision, information for policy holders, professional secrecy and exchange of information, qualifying holdings and close links, insurance intermediation and risk management and internal control system. The Draft law also envisages basis for regulation and implementation of the Solvency II Directive.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DELTA GENERALI	12.84	11.40	12.63	2.27	2.03	11.66	26.89	24.81
2	WIENER	10.90	11.30	-3.53	3.19	2.71	17.80	22.84	24.60
3	GRAWE	8.68	9.25	-6.19	2.49	2.11	17.70	18.19	20.14
4	DUNAV	4.45	3.63	22.62	0.78	0.68	14.76	9.33	7.91
5	UNIQA Zivot	3.87	3.43	12.81	0.87	1.42	-38.90	8.11	7.47
6	DDOR	2.52	2.65	-4.89	1.95	0.88	121.67	5.27	5.76
7	MERKUR	2.25	2.07	8.72	0.22	0.08	168.02	4.71	4.50
8	AXA Zivot	0.47	0.64	-25.81	0.06	0.04	76.28	0.99	1.39
9	METLIFE	0.44	0.24	87.93	0.03	0.00	799.86	0.93	0.51
10	SOCIETE Gen.	0.40	0.57	-29.97	0.01	-	-	0.84	1.24
11	SAVA Zivotno	0.35	0.26	32.06	0.03	0.00	1,661.10	0.73	0.57
12	TRIGLAV	0.29	0.30	-2.70	0.07	0.16	-55.32	0.61	0.65
13	BASLER Zivot	0.27	0.21	30.54	0.01	0.01	-23.56	0.57	0.45
TOTAL MARKET		47.73	45.94	3.90	11.99	10.13	18.36	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DUNAV	80.81	83.59	-3.33	26.09	34.59	-24.59	34.71	33.10
2	DELTA GENERALI	43.33	44.66	-2.98	11.19	13.47	-16.96	18.61	17.68
3	DDOR	39.30	52.45	-25.06	20.29	23.94	-15.23	16.88	20.77
4	UNIQA Nezivot	14.90	14.60	2.03	4.84	5.69	-14.98	6.40	5.78
5	WIENER	12.81	13.05	-1.91	6.12	6.73	-8.95	5.50	5.17
6	TAKOVO	9.58	10.50	-8.69	4.65	4.01	16.11	4.12	4.16
7	TRIGLAV	8.07	10.18	-20.77	3.47	4.20	-17.46	3.47	4.03
8	MILENIJUM	5.94	5.59	6.35	2.57	2.00	28.79	2.55	2.21
9	AMS	5.82	6.84	-14.91	2.77	3.45	-19.69	2.50	2.71
10	SAVA Nezivot	5.27	5.88	-10.42	2.42	3.66	-34.02	2.26	2.33
11	GLOBOS	1.85	1.82	1.59	0.46	0.68	-33.33	0.79	0.72
12	SOGAZ	1.53	-	-	-	-	-	0.66	-
13	BASLER Nezivot	1.38	0.45	207.02	0.16	0.05	202.13	0.59	0.18
14	AS osiguranje	1.11	1.85	-39.89	0.68	1.39	-50.99	0.48	0.73
15	ENERGOPROJEKT	0.51	0.90	-42.87	0.09	0.04	140.91	0.22	0.36
16	AXA Nezivot	0.39	-	-	0.00	-	-	0.17	-
17	GRAWE	0.19	0.18	4.57	0.05	0.03	78.16	0.08	0.07
TOTAL MARKET		232.78	252.54	-7.82	85.86	103.94	-17.39	100.00	100.00

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Slovakia



Category	Percentage
Traditional life insurance	26.07%
Unit-Linked	17.03%
Death insurance	1.65%
Other life insurance	7.41%
Accident and health	1.60%
MTPL	14.71%
Motor Hull	12.29%
Overall property insurance	12.15%
GPL	3.38%
Travel	0.97%
Other non-life	2.74%

SOURCE:

NATIONAL BANK OF SLOVAKIA (NBS)
SLOVAK INSURERS ASSOCIATION (SLASPO)

SLOVAK CURRENCY: EURO

Softening market

The Slovak insurance market ended the first half of 2012 with an almost unchanged overall GWP figure, as compared to 1H2011. Thus, written premiums amounted to EUR 1.09 billion in 1H2012, up EUR 9.5 million in absolute value, compared with January-June 2011, according to industries figures published by SLASPO (Slovak Insurance Association). Yet, in relative terms, a 0.9% growth rate shows a quasi steady evolution.

Life insurance premiums increased by 2.6%, to EUR 573.09 million, representing 47.4% of the total market, while premiums for the non-life sector decreased by 0.95% to EUR 516.34 million.

The largest increase of life insurance was in Unit-Linked products where technical premium increased by 13.4%. The share of Unit-Linked products on the whole life sector reached 30%. At the same time, there were significant growth of costs in this life sector mainly due to surrenders (e.g. in Unit-Linked products was 70% growth) and also because of survival, Julia CILLIKOVA, Director of the Regulation and Financial Analyses Department of National Bank of Slovakia (NBS) told XPRIMM. She also pointed out that classical life products seems to be stagnated as technical provision in this products slightly decreased by 2.7% and new production increased just by 6%. A positive fact is that

life insurance has higher ratio (52.6 percent) on the total technical premiums. In the first half of 2012 the tendency of growth of this proportion was even raising, added Ivan PODSTUPKA, Policy Advisor of Communications & PR with the Slovak Insurance Association.

At the same time, the negative trend of non-life insurances is shown by motor lines: the motor hull insurance segment experienced a downturn of 5.26%, while MTPL premiums recorded an annual decrease of 1.96%.

Overall, premiums collected for both classes of motor insurance totalled EUR 292.71 million, representing 26.87% of the total, or 56.69% of the non-life insurance segment. Although the total number of Motor Hull insurance policies in new production increased by 9.9%, the premiums' volume decreased, mostly because of the softening pricing caused by market competition. Paid claims also diminished by 4.8%. The similar was recorded in MTPL, where premium decreased by 3% and total number of policies increased by 2.7%. The average price of policy decreased by 4.9%, a phenomenon which may be also explained by the bonus-malus policy, explained the NBS representative.

On the property lines, a 3.4% increase in GWP was also recorded, while claims decreased by 6.1% due to a calm weather during spring and summer.

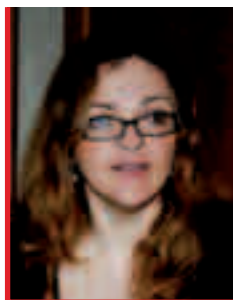
Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,052.97	1,044.22	0.84	594.31	582.45	2.04	100.00	100.00
TOTAL LIFE	549.21	532.71	3.10	358.63	324.31	10.58	52.16	51.02
Traditional life ins.	274.47	284.17	-3.41	270.70	263.40	2.77	26.07	27.21
Unit-Linked	179.31	158.13	13.39	57.47	33.75	70.29	17.03	15.14
Death insurance	17.35	15.61	11.16	2.16	2.67	-19.32	1.65	1.50
Other life insurance*	78.08	74.80	4.38	28.31	24.49	15.59	7.41	7.16
TOTAL NON-LIFE	503.77	511.51	-1.51	235.68	258.14	-8.70	47.84	48.98
Accident and health	16.82	15.62	7.67	6.44	5.39	19.62	1.60	1.50
Overall motor insurance	284.32	296.65	-4.16	166.86	177.62	-6.06	27.00	28.41
MTPL	154.93	159.66	-2.96	76.09	82.25	-7.49	14.71	15.29
Motor Hull	129.38	136.99	-5.55	90.77	95.38	-4.83	12.29	13.12
Overall property insurance	127.93	123.71	3.41	45.28	48.20	-6.05	12.15	11.85
GPL	35.64	35.30	0.96	7.20	6.36	13.09	3.38	3.38
Travel	10.24	9.48	7.97	3.10	3.45	-10.06	0.97	0.91
Other non-life**	28.82	30.74	-6.26	6.80	17.12	-60.29	2.74	2.94

*supplementary non-life insurance included

**active reinsurance included

In case of Slovakia, the market portfolio is according to preliminary data provided by NBS. For the rankings, the values are according to the data published by SLASPO.



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

Read the full interview on
www.xprimm.com



Ivan Podstupka
Policy Advisor of
Communications & PR
Slovak Insurance
Association

Read the full interview on
www.xprimm.com

As in 1H2011, ALLIANZ - Slovenska is still the leader of the local market. In the period analyzed, the company underwrote gross premiums of over EUR 309 million (the market share was 28.42%). As of the end of June, top 3 included KOOPERATIVA VIG (EUR 256.23 million) and GENERALI Slovensko (EUR 95.03 million).

A specific feature of the Slovak market is a high market concentration. Two largest insurance companies – ALLIANZ - Slovenska poistovna and KOOPERATIVA – by the technical premiums have together a share of 51,9 percent of the market presented by the members of the Slovak Insurance Association. If we add up to KOOPERATIVA's share two affiliated VIG members (KOMUNALNA poistovna and SLSP) the share is 61.75 percent. There is still a highly competitive environment though, which is proven by the product prices, their development and differentiation, commented Ivan PODSTUPKA. He also pointed out for XPRIMM that in 1H2012 brokers had realized premiums of EUR 274 million, which is almost exactly one quarter of the total premiums.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ALLIANZ - Slovenská	123.77	124.71	-0.75	21.60	22.33
2	KOOPERATIVA VIG	115.59	110.44	4.66	20.17	19.77
3	AMSLICO poistovňa	61.44	60.18	2.09	10.72	10.77
4	KOMUNÁLNA VIG	52.40	50.97	2.82	9.14	9.12
5	ING Životná poistovňa	39.28	39.37	-0.24	6.85	7.05
6	GENERALI Slovensko	38.42	43.12	-10.88	6.70	7.72
7	ČSOB Poistovňa	27.39	28.05	-2.35	4.78	5.02
8	Poistovňa Slovenskej sporitelne VIG	24.50	17.16	42.80	4.28	3.07
9	AXA životní poistovna	23.01	25.80	-10.81	4.02	4.62
10	WÜSTENROT poistovňa	16.21	14.65	10.64	2.83	2.62
11	AEGON Životná poistovňa	15.77	13.67	15.43	2.75	2.45
12	UNIQA poistovňa	15.42	14.20	8.64	2.69	2.54
13	UNION poistovňa	5.32	5.59	-4.85	0.93	1.00
14	ERGO životná poistovňa	5.29	1.11	376.13	0.92	0.20
15	Poistovňa Poštovej banky	3.39	2.45	38.30	0.59	0.44
16	D.R. Lebensversicherung	2.85	2.64	7.83	0.50	0.47
17	CARDIF Slovakia	1.62	1.12	44.90	0.28	0.20
18	VICTORIA - VOLKSBANKEN	1.09	3.00	-63.55	0.19	0.54
19	GROUPAMA GARANCIA	0.33	0.36	-7.52	0.06	0.06
TOTAL MARKET (SLASPO)		573.09	558.56	2.60	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ALLIANZ - Slovenská	185.85	192.27	-3.34	35.99	36.88
2	KOOPERATIVA VIG	140.65	140.70	-0.03	27.24	26.99
3	GENERALI Slovensko	56.60	56.81	-0.37	10.96	10.90
4	UNIQA poistovňa	35.84	34.82	2.93	6.94	6.68
5	KOMUNÁLNA VIG	30.41	28.65	6.13	5.89	5.50
6	UNION poistovňa	16.01	15.97	0.29	3.10	3.06
7	ČSOB Poistovňa	13.66	12.79	6.84	2.65	2.45
8	WÜSTENROT poistovňa	12.97	13.67	-5.13	2.51	2.62
9	AXA poistovna	6.47	7.06	-8.30	1.25	1.35
10	CARDIF Slovakia	5.95	6.08	-2.06	1.15	1.17
11	AMSLICO poistovňa	3.58	3.30	8.55	0.69	0.63
12	GROUPAMA GARANCIA	3.43	4.50	-23.81	0.66	0.86
13	D.R. Sachversicherung	1.87	1.85	1.24	0.36	0.35
14	D.A.S. poistovňa právnej ochrany	1.31	1.24	5.74	0.25	0.24
15	AXA životní poistovna	0.80	0.87	-8.72	0.15	0.17
16	Poistovňa Poštovej banky	0.52	0.45	15.04	0.10	0.09
17	VICTORIA - VOLKSBANKEN	0.42	0.28	51.97	0.08	0.05
18	Sk. kancelária poisťovateľov	0.01	0.00	25.00	0.00	0.00
TOTAL MARKET (SLASPO)		516.34	521.29	-0.95	100.00	100.00



Slovenia



Life assurance	10.17%
Unit-linked	15.53%
Other life insurance	1.04%
Accident insurance	5.02%
Health insurance	20.38%
Fire and allied perils	6.21%
Damages to property	7.00%
Motor Hull	12.75%
MTPL	14.04%
Goods in transit	0.43%
GTPL	3.55%
Credit insurance	1.90%
Financial loss	0.39%
Travel insurance	0.94%
Other non-life insurance	0.66%

SOURCE:

SLOVENIAN INSURANCE ASSOCIATION

SLOVENIAN CURRENCY: EURO

Interesting events ahead

In the first six months of 2012 the Slovenian insurance companies recorded EUR 1,094 million in gross written premiums, of which EUR 801.6 million or 73.26% from non-life insurance contracts and EUR 292.54 million or 26.74% from life insurance, according to financial figures published by the Slovenian Insurance Association.

The volume of insurance companies' operations decreased by 3.7% (or by EUR 42.51 million in absolute value) compared to 1H2011, but, according to SIA, the figures can be affected due to a significant change into the association's membership: KAPITALSKA druzba (KAD) left SIA, after diverting its life insurance operations to a newly created company, MODRA Zavarovalnica which remained as a member of the Association. Thus, MODRA's business, smaller than of the KAD before, is currently part of the market aggregate monitored by the association.

In 1H2012 the underwritings decreased both in the non-life insurance and in the life insurance. Compared to 1H2011, gross written premiums decreased by 0.74% in the non-life segment and by 11.11% in life insurance. From the beginning of the recession

until now, the insurance sector has fared better than most other industries because some insurance products are absolutely necessary - car insurance as a precondition for car registration or home insurance traditionally sought by almost everybody, etc. In spite of that, the crisis has primarily reduced the number of insurance policies which are combined with a savings component, such as unit-linked life and pension insurance. This is logical as the crisis has brought about lower purchasing power and real income reduction, recently commented Matjaz RAKOVEC, CEO, TRIGLAV for Slovenian Times.

The comparison of GWP collected by the non-life insurance classes shows that 82.4% of non-life insurance premiums were collected in only five insurance classes. These are: MTPL (19.2%), motor hull (17.4%), other damages to property insurance (9.6%), fire and natural forces insurance (8.5%), and health insurance (27.8%). On the life insurance segment there was a slight increase in the shares of the insurance classes of traditional life insurance (by 4.3%). At the same time, unit-linked GWP decreased by 18.2% as compared to the previous year, representing 58% of the total life segment.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,094.13	1,136.64	-3.74	702.11	639.88	9.73	100.00	100.00
TOTAL LIFE	292.54	329.08	-11.11	240.17	156.50	53.47	26.74	28.95
Life assurance	111.31	111.17	0.12	90.48	93.64	-3.38	10.17	9.78
Unit-linked	169.87	207.67	-18.20	131.38	49.82	163.72	15.53	18.27
Other life insurance	11.36	10.24	10.86	18.32	13.04	40.51	1.04	0.90
TOTAL NON-LIFE	801.59	807.56	-0.74	461.94	483.38	-4.44	73.26	71.05
Accident insurance	54.92	55.66	-1.33	18.53	18.71	-0.96	5.02	4.90
Health insurance	223.02	214.24	4.10	194.34	194.20	0.07	20.38	18.85
Overall property insurance	144.49	148.96	-3.00	52.16	51.09	2.11	13.21	13.10
Fire and allied perils	67.90	61.13	11.08	20.79	20.11	3.37	6.21	5.38
Damages to property	76.59	87.83	-12.80	31.37	30.98	1.28	7.00	7.73
Overall motor insurance	293.15	308.79	-5.07	159.42	173.92	-8.33	26.79	27.17
Motor Hull	139.50	146.11	-4.52	84.99	91.39	-7.00	12.75	12.85
MTPL	153.65	162.68	-5.55	74.43	82.53	-9.81	14.04	14.31
Goods in transit	4.67	4.04	15.47	1.49	1.35	10.87	0.43	0.36
GTPL	38.83	33.88	14.61	13.39	14.69	-8.88	3.55	2.98
Credit insurance	20.74	21.87	-5.16	13.98	22.88	-38.89	1.90	1.92
Financial loss	4.32	4.48	-3.65	1.30	1.72	-24.45	0.39	0.39
Travel insurance	10.24	9.42	8.67	4.37	3.29	32.91	0.94	0.83
Other non-life insurance	7.22	6.22	16.03	2.95	1.53	92.29	0.66	0.55

The figures can be affected by the exit from the Slovenian Insurance Association of KAD and the new membership status of MODRA

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	TRIGLAV	98.15	101.48	-3.28	33.55	30.84
2	MODRA	47.80	77.38	-38.23	16.34	23.51
3	MARIBOR	38.59	37.23	3.63	13.19	11.31
4	KD ŽIVLJENJE	26.46	32.23	-17.89	9.05	9.79
5	MERKUR	19.91	19.87	0.23	6.81	6.04
6	NLB VITA	18.77	16.32	15.02	6.42	4.96
7	GRAWE	10.21	10.77	-5.17	3.49	3.27
8	GENERALI	10.16	9.56	6.21	3.47	2.91
9	WIENER STÄDTISCHE	7.68	7.36	4.30	2.62	2.24
10	ADRIATIC SLOVENICA	6.17	6.28	-1.78	2.11	1.91
11	TILIA	5.04	5.15	-2.18	1.72	1.57
12	ERGO-PODRUŽNICA	1.46	2.26	-35.33	0.50	0.69
13	SOP	1.40	1.55	-9.70	0.48	0.47
14	ERGO	0.73	1.63	-55.10	0.25	0.49
TOTAL MARKET		292.54	329.08	-11.11	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	TRIGLAV	274.50	294.06	-6.65	34.24	36.41
2	VZAJEMNA	130.79	126.74	3.20	16.32	15.69
3	ADRIATIC SLOVENICA	129.01	130.02	-0.78	16.09	16.10
4	MARIBOR	114.69	113.46	1.08	14.31	14.05
5	TILIA	43.03	39.50	8.93	5.37	4.89
6	TRIGLAV ZDRAVSTVENA	42.88	39.61	8.24	5.35	4.91
7	GENERALI	37.22	37.17	0.15	4.64	4.60
8	SID-PKZ	10.05	10.35	-2.87	1.25	1.28
9	GRAWE	6.71	6.29	6.73	0.84	0.78
10	WIENER STÄDTISCHE	3.96	2.79	41.80	0.49	0.35
11	MERKUR	3.68	3.64	1.11	0.46	0.45
12	ALLIANZ	3.11	1.81	71.73	0.39	0.22
13	ARAG	0.85	1.05	-18.96	0.11	0.13
14	NLB VITA	0.76	0.87	-12.16	0.10	0.11
15	ERGO-PODRUŽNICA	0.36	0.21	73.81	0.05	0.03
TOTAL MARKET		801.59	807.56	-0.74	100.00	100.00

Insurers' market share changes reveal a nearly stable structure of the last years' rankings. TRIGLAV Insurance Company remained the market leader, with a current 34.24% market share. The second and the third places are taken by VZAJEMNA (16.32%) and ADRIATIC SLOVENICA (16.09%). The combined market share of the TOP 3 companies was of 66.65%, 1.55% less than the previous year.

Like in non-life insurance, the largest market share in life insurance also belonged to TRIGLAV Insurance Company (30.55%). The second place was taken by MODRA with a share of 16.34%, surpassing MARIBOR which occupied the third place with 13.19%. Top 3 accounted for 63.08% of the life insurance market.

TRIGLAV – a leader for sale?

Rumours about the possible sale of the Slovenian insurer TRIGLAV have already aroused the interest of investors looking



governments' decisions in this respect. According to Triglav's CEO Matjaz RAKOVEC (photo), although it is almost sure that the new Slovenian government intends to sell its 63% stake in TRIGLAV, the country's biggest insurer, there are two working scenarios on the table: the full exit of the state from the shareholder structure or a partial sale allowing the state to keep 25% plus one share. *In my opinion the sale process will start in the coming weeks, probably at the beginning of October, said RAKOVEC.* It would not be surprising if, once clarified

for interesting acquisitions. For starters, PZU – the Polish regional "giant" and Croatian tobacco and tourism company ADRIS Group are closely following the Slovenian

government plans, to appear other buyers too.

Zavarovalnica TRIGLAV is one of 17 Slovenian companies included on this year's list of the 500 largest companies in Central Europe. Ranking sixth in the region, TRIGLAV holds a leading position among Slovenian insurance companies. In 1H2012, the TRIGLAV Group earned a total of EUR 523.6 million in insurance and co-insurance premium and recorded a 22.1% profit growth, up to EUR 41.6 million. The Group's combined ratio in non-life insurance, showing the profitability of the core insurance operations, improved by 1.0 pp and reached 88.0%. The TRIGLAV Group's profits from non-life insurance, as its core business, rose from EUR 38.3 million to EUR 40.7 million.

D.G.

SAVA Re – a regional player



The SAVA Re Group net profit for 1H2012 totaled EUR 10,3 million, an increase of over 61 percent y-o-y, while the net profit of SAVA Reinsurance Company was EUR 4,58 million (six months to 2011: EUR 4,22 million). The Group wrote EUR 158,49 million in GWP, up 6,7% y-o-y, while SAVA Reinsurance Company wrote EUR 94,67 million, an increase of 10,3% over the first half of 2011. The growth in reinsurance premiums is a result of the growth in international business, especially in Asian markets where contracts are renewed mainly in the second quarter (April–July).

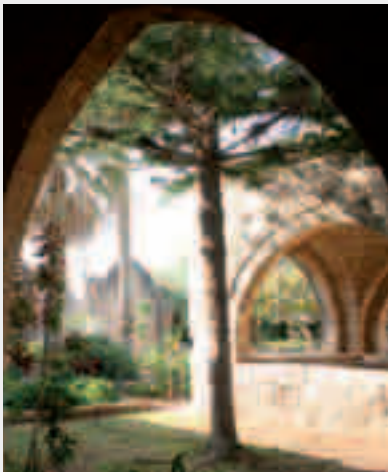
Consolidated gross claims paid from Slovenian-sourced business were lower by 6,1% y-o-y, as there were fewer losses in Slovenia in the first half-year compared to the same period in 2011. The 6,9% increase in gross claims paid relating to international business is mostly due to the parent, who experienced a 20,9% increase in foreign-sourced claims largely as a consequence of the 2011 floods in Thailand. Almost all other Group companies recorded lower gross claims paid figures year-on-year. Most Group companies succeeded in optimizing costs, which is evident from the net expense ratio.



Cyprus



Life insurance	44.45%
Accident & health	12.78%
Motor	21.71%
MAT	0.47%
Fire	13.83%
Liability	5.54%
Credit	0.03%
Miscellaneous	1.19%



SOURCE:
INSURANCE ASSOCIATION OF CYPRUS
CYPRUS CURRENCY: EURO

In need of solutions

The Motor Insurance Market in the island finds itself in a truly challenging situation at the moment, extremely fragmented with 23 competitors, typically loss making in aggregate and with a subscale business model amid a generally negative and deteriorating economic background at present.

As to be expected, the protracted slow-down sustained by the Cypriot economy over the 2011-12 periods, has put a lid on growth prospects for the insurance industry. What is commendable, however, is the tenacity of the insurance industry to absorb the impact of the recession with relatively modest losses in business activity. It can thus be safely concluded that both principal lines of business, life and non-life, recorded positive growth rates during 2011, despite the anemic performance of the domestic economy, declared in an interview for XPRIMM, Stephie DRACOS, General Manager, Insurance Association of Cyprus (IAC).

I think it is too early to read into this development a trend for the rest of the year so I would reserve my judgment about the significance of the industry's first-quarter performance for the life business until data for the first six months of the year is also available, said the association's representative. In the case of non-life activities, first quarter statistics provided by IAC show an improved performance on the corresponding period last year, with this year's growth reaching 2.9% compared to just 0.9% in 2011 (from EUR 99.28 million to EUR 102.16 million).

The industry though in Cyprus could benefit through mergers and acquisitions and the creation of a smaller number of truly competitive players. In this way you can fight problems like:

- Economies of scale, especially regarding operational costs, risk diversification of portfolios, better negotiating power with distribution networks and the ability to absorb the increased costs from adopting Solvency II
- Reduced competition in premiums charged to consumers
- Lower cost of financing and potential access to alternative sources of funding, including the stock market

While no outstandingly novel has taken place over this period, it is fair to refer to the continued preparatory work leading to the implementation of the new regulatory regime. As in previous years, the industry continues in the course of 2012 to work feverishly towards its preparation for the transition to the new EU regime, Solvency II, set to take effect in the European Union by January 1, 2014. Supported by the Insurance Association, and in collaboration with the regulatory authority, the industry has been particularly active in the drafting of legislation that will transpose the EU directive into Cypriot law. The goal is to have the transposition of the directive completed by June 2013, Stephie DRACOS told us. She added that another legislative item on the industry's agenda is the harmonization with the 2011 European Court of Justice ruling on the Test Achats case which, essentially, calls upon insurers within the European Union

Market portfolio as of March 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1Q2012	1Q2011	Change	1Q2012	1Q2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	224.90	220.41	2.04	100.00	100.00
TOTAL LIFE	99.97	102.33	-2.31	44.45	46.43
TOTAL NON-LIFE	124.92	118.08	5.80	55.55	53.57
Accident & health*	28.74	26.23	9.61	12.78	11.90
Motor	48.82	46.73	4.48	21.71	21.20
MAT	1.05	1.11	-5.30	0.47	0.50
Fire	31.11	29.81	4.35	13.83	13.53
Liability	12.45	12.08	3.08	5.54	5.48
Credit	0.06	0.07	-9.23	0.03	0.03
Miscellaneous	2.68	2.05	30.99	1.19	0.93

*Including A&H premiums by Life Companies

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1Q2012	1Q2011	Change	1Q2012	1Q2011
		EUR m	EUR m	%	%	%
1	EUROLIFE	25.73	25.98	-0.98	25.74	25.39
2	LAIKI CYPRIALIFE	25.22	27.92	-9.68	25.22	27.28
3	UNIVERSAL LIFE	14.19	14.30	-0.73	14.20	13.97
4	ALLIANZ HELLAS	8.28	7.38	12.07	8.28	7.22
5	METLIFE ALICO	6.77	7.11	-4.77	6.77	6.94
6	PRIME	6.39	6.08	5.04	6.39	5.94

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1Q2012	1Q2011	Change	1Q2012	1Q2011
		EUR m	EUR m	%	%	%
7	HELLENIC ALICO	5.46	5.38	1.37	5.46	5.26
8	ALPHA	3.65	3.56	2.47	3.65	3.48
9	ETHNIKI INSURANCE	2.05	2.12	-3.29	2.05	2.08
10	LIBERTY LIFE	1.59	1.77	-10.28	1.59	1.73
11	MINERVA	0.66	0.73	-9.38	0.66	0.71
TOTAL MARKET		99.97	102.33	-2.31	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1Q2012	1Q2011	Change	1Q2012	1Q2011
		EUR m	EUR m	%	%	%
1	LAIKI Insurance	16.91	16.99	-0.48	13.54	14.39
2	General Ins. of Cyprus	13.45	13.17	2.08	10.76	11.16
3	PANCYPRIAN	9.58	9.01	6.37	7.67	7.63
4	UNIVERSAL LIFE	9.31	8.67	7.43	7.45	7.34
5	CHARTIS	8.35	8.09	3.21	6.68	6.85
6	COSMOS	6.86	6.87	-0.09	5.49	5.81
7	ATLANTIC	5.46	5.69	-4.05	4.37	4.82
8	ALPHA	3.69	3.51	5.09	2.95	2.97
9	PRIME	3.60	2.90	24.20	2.89	2.46
10	METLIFE ALICO	3.55	3.34	6.25	2.84	2.83
11	TRUST	3.52	2.25	56.65	2.82	1.90
12	ETHNIKI General Ins.	3.29	3.25	1.25	2.64	2.76
13	COMMERCIAL General Ins.	3.28	3.30	-0.68	2.62	2.80
14	MINERVA	3.25	3.39	-4.20	2.60	2.87
15	EUROLIFE	3.15	2.69	17.21	2.52	2.28

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1Q2012	1Q2011	Change	1Q2012	1Q2011
		EUR m	EUR m	%	%	%
16	HYDRA	3.11	3.22	-3.41	2.49	2.73
17	ALLIANZ Hellas	3.02	2.82	7.14	2.41	2.38
18	LAIKI Cyprialife	2.97	3.02	-1.58	2.38	2.55
19	EUROSURE	2.78	3.05	-8.86	2.22	2.58
20	GAN DIRECT	2.67	-	-	2.14	-
21	YDROGIOS	2.66	2.84	-6.40	2.13	2.40
22	ROYAL CROWN	2.42	2.15	12.42	1.93	1.82
23	OLYMPIC	1.96	1.69	15.77	1.57	1.43
24	DEMCO	1.78	1.82	-2.61	1.42	1.54
25	KENTRIKI	1.45	1.54	-6.15	1.16	1.30
26	PROGRESSIVE	1.28	1.38	-7.28	1.02	1.17
27	LIBERTY LIFE	0.90	0.85	6.17	0.72	0.72
28	LUMEN	0.47	0.34	38.11	0.37	0.29
29	HELLENIC ALICO	0.22	0.24	-10.17	0.18	0.21
TOTAL MARKET		124.92	118.08	5.80	100.00	100.00

not to differentiate on the basis of gender and to apply unisex rates and benefits. The ruling, which clearly has profound implications for, among others, the insurance of motor drivers and the purchasers of life contracts, will come into effect upon the expiration of a transition period, coming to an end on December 21 this year. The industry, with the support of the IAC, has been preparing the ground for the eventual adoption of this ruling in the domestic market.

But up until now the industry is demonstrating failure to adequately examine the business case for potential mergers. As competition intensifies and regulation imposes additional running costs, insurers should ask themselves if they are well placed for the road that lies ahead. By and large the persistence of the economic crisis has forced insurers to rethink their cost strategies and to return to more traditional life products. In this respect companies have been aggressively striving to save costs over a broad range of expense categories, such as claims, operation and reinsurance. They have also enforced tighter rules for receivables, along with the tightening of their credit and collection policies and procedures. Resources have also been committed in order to curb the growing incidence of fraudulent claims, a phenom-

enon particularly pronounced in the classes of health and motor. New investment strategies, entailing placements in less risky assets have also been adopted. Last, but not least, life insurers have revised their life products, returning to more traditional ones which are more readily acceptable by their prospective clients and which also involve less of risk for themselves.



Stephie DRACOS
General Manager
Insurance Association
of Cyprus

Read the full interview on
www.xprimm.com

In order for the Cyprus insurance market to keep its profit course proceeded in various fast changes in the system from company mergers, complying with new legislations, to canceling several non-profitable insurance programs. Recognizing typical merger obstacles is the first step

toward overcoming them and achieving long-term success. Insurers still have a chance to work on big issues first and reserving smaller issues for later.

There is no doubt that in the absence of an economic recovery one cannot be very optimistic about the prospects for an upturn in insurance business activity. Still, I think one could reasonably argue that compared to other industries, insurance has demonstrated resilience and flexibility in registering, these last couple of years, by and large positive rates of business activity. All I would like to say is that hopefully the industry will continue, despite the extremely adverse economic environment, to make a marked contribution to the national economy, concluded our interlocutor.



Greece



■ Annuities and supplementary ins.	26.19%
■ Unit-linked	9.88%
■ Other life insurance	7.73%
■ Accidents	1.06%
■ Fire and allied perils	8.79%
■ Damages to property	3.35%
■ Motor Hull	6.27%
■ MTPL	28.28%
■ GTPL	2.15%
■ Credit	0.99%
■ Legal protection	1.01%
■ Travel	1.92%
■ Other non-life insurance	2.39%



SOURCE:
HELLENIC ASSOCIATION OF INSURANCE COMPANIES
GREEK CURRENCY: EURO

Radical changes

From the beginning of 2012, the state and expectations of the Greek insurance industry have remained shrouded in the big "cloud" represented by the country's financial crisis.

Let's recall the insurers, as key investors in Greek government bonds, will take part in the private sector involvement (PSI) that is ultimately negotiated between the government and its private sector creditors. Through the PSI plan, most insurers - if not all - will now have access to the capital they need or can acquire it quite quickly from their major shareholders.

The harsh economic and financial environment caused a contraction of the insurance sector. Last year results show that premiums decreased by single-digit amounts in the first three quarters (compared to the same period of 2010). The fall was slightly higher in the life segment than in the non-life segment. Taking this result into consideration, we can observe that, in spite of all the challenges, large numbers of households can still afford to pay for both non-life and life insurance and see them as an essential expenditure.

Therefore, in some cases, companies managed to slightly increase their premiums or suffered fewer claims; in others, reducing operating costs has boosted profitability.

The insurance sector made remarkable efforts to bounce back in this economic turmoil but, unfortunately, by the end of the first half of 2012, the financial results

published by HAIC (the Hellenic Association of Insurance Companies) paint the Greek insurance market in rather dark colors.

In 1H2012, the Greek insurance market managed to total EUR 2.25 billion, this meaning a 7.85% drop compared to the same period of 2011. The negative growth of only a single digit was mainly due to Unit linked products in the life segment, which kept the market alive, with a 49.91% increase (reaching EUR 222.57 million).

Taking all these factors into account, we can affirm with certainty that the PSI program has failed, creating substantial losses for the insurance companies activating on the Greek market. In this first half of 2012, we have seen the companies mainly focusing not on how to improve their services in order to bring better products to the costumers and reestablish a healthy insurance market, but on how they will manage to absorb these losses, either by capital increases or by separating themselves from the non-profitable sections and eventually sell the healthy part of the company (ATE ASFALISTIKI) in order to survive.

D.T.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2012 EUR m	1H2011 EUR m	Change %	1H2012 %	1H2011 %
TOTAL MARKET	2,252.79	2,444.74	-7.85	100.00	100.00
TOTAL LIFE	986.59	1,015.07	-2.81	43.79	41.52
Annuities and supplementary ins.	589.97	660.70	-10.71	26.19	27.03
Unit-linked	222.57	148.47	49.91	9.88	6.07
Other life insurance*	174.04	205.90	-15.47	7.73	8.42
TOTAL NON-LIFE	1,266.21	1,429.66	-11.43	56.21	58.48
Accidents	23.86	28.59	-16.54	1.06	1.17
Overall property insurance	273.45	287.15	-4.77	12.14	11.75
Fire and allied perils	197.93	218.48	-9.41	8.79	8.94
Damages to property	75.52	68.67	9.97	3.35	2.81
Overall motor insurance	778.34	922.16	-15.60	34.55	37.72
Motor Hull	141.30	183.06	-22.81	6.27	7.49
MTPL	637.04	739.11	-13.81	28.28	30.23
GTPL	48.36	45.66	5.92	2.15	1.87
Credit	22.27	21.94	1.53	0.99	0.90
Legal protection	22.81	28.26	-19.31	1.01	1.16
Travel	43.20	41.74	3.49	1.92	1.71
Other non-life insurance	53.92	54.16	-0.44	2.39	2.22

*health insurance included

CertAsig is growing in the corporate space

CertAsig is a Romanian specialist non-life insurance company primarily selling niche, non-motor insurance products to corporate customers through insurance brokers. Established in 2003, CertAsig achieved a continued growth in terms of total Gross Written Premiums, registering EUR 0.5m in 2007 and EUR 10m (estimate) in 2012.

Since December 2007, CertAsig has been majority-owned by Royalton Capital Investors II, a private equity fund, having limited liability partners including Alpha Associates, the European Bank for Reconstruction and Development (EBRD) and the European Investment Fund (EIF).

Executive Summary

- » Pioneer in introducing new innovative products to the market such as construction bonds and event insurance
- » Oriented to low-loss ratio and high growth classes
- » 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
- » Clean balance sheet without long-tail legacy from historical underwriting

Main developments in 2012

- » Gross Written Premium growth of more than 37% in 2012 compared to 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 careful broker management and product innovation
- » Over 90% of CertAsig's portfolio derives from more than 100 insurance brokers in Romania, Bulgaria and Turkey – brokers are at the heart of our development strategy
- » Liaison office in Istanbul, opened in May 2012
- » CertAsig started underwriting in Bulgaria and plans to increase its activity, focusing in particular on commercial property and engineering, liability and contractual bonds

Specialized products offered:

Romania

- » Contractors' All Risks (CAR)
- » Commercial Property Insurance
- » Commercial Liability, including General Third Party

- » Bond Insurance (Bid Bonds, Advance Payment Bonds, Performance Bonds, Maintenance Bonds)
- » Professional Indemnity
- » Motor CASCO
- » General Aviation
- » Cargo & Goods in transit – by land, sea or air
- » Valuable goods insurance (cash in transit and in safe)
- » Personal accident & health
- » Electronic Equipment insurance

Turkey, Black Sea & Eastern Mediterranean

- » Marine Hull & Machinery
- » Protection & Indemnity
- » Cargo – by land, sea or air
- » Ship Building Risks
- » General Aviation (Hull, Passenger / Third Party Liabilities, Crew Personal Accident)

Bulgaria

- » Bond insurance (Bid Bonds, Advance Payment Bonds, Performance Bonds, Maintenance Bonds)
- » Professional Indemnity
- » Commercial Liability, including General Third Party
- » Contractors' All Risks (CAR)
- » Commercial Property Insurance

Reinsurance

- » CertAsig's Reinsurance Programme is placed with a panel of first class reinsurers including Lloyd's, SCOR, Hannover Re, Munich Re and others rated with A- or better
- » Provides comfort to our clients and brokers

CertAsig Group non-executive directors

Nigel Williams (56) British

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

Ivan Vohlmuth (48) Czech

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

Willem Wynaedts (51), Dutch

More than 25 years experience in financial markets. Former Chief Executive of AXA CEE, AXA Switzerland

Roger Ackman (59), Australian/ British

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



James GRINDLEY, CEO

CertAsig Management

» James Grindley (38) British

CEO & President of the Board: 17 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 (45) Romanian

Deputy CEO, Chief Marine Underwriter & Vice President of the Board: marine mechanical engineer with 19 years underwriting experience. Prior to joining CertAsig he was Director of the Marine Division in ARDAF

» Mihaela Cojocaru (46) Romanian

Chief Underwriter and Member of the Board, PhD in Financial Risks: 17 years experience in financial markets. Prior to joining CertAsig she was a board member of Astra-UNIQA

» Cristian Daianu (38) Romanian / German

Chief Financial Officer and Member of the Board: 13 years financial services including Dresdner Bank and PLUS (Tengelmann Group)

» Andrei Mirauta (31) Romanian

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

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Turkey



Life insurance	14.11%
Accident	3.34%
Health	12.72%
Goods in transit	2.09%
Fire and allied perils	12.98%
Damages to property	10.06%
Motor Hull	21.98%
MTPL	17.96%
GTPL	2.13%
Other non-life insurance	2.63%



SOURCE:

ASSOCIATION OF INSURANCE AND REINSURANCE COMPANIES OF TURKEY
CENTRAL BANK OF THE REPUBLIC OF TURKEY

TURKISH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2.3397 TURKISH LIRA - TRY
(JUNE 30TH, 2011)

1 EUR = 2.2742 TURKISH LIRA - TRY
(JUNE 30TH, 2012)

Shifting towards stability

From early 2012, life insurances slowly started to diminish, falling dramatically by 8.09% by the end of the first semester of 2012. Evidently, a setback like this in life insurance could not hold back the Turkish industry, which totalized, in 1H/2012, TRY 10.05 billion (EUR 4.42 billion) in gross premiums, growing by 12.75%. Total non-life segment managed a growth by 17.12% and maintained an 85.89% share of the total gross written premiums.

Motor insurance is another notable sector worth mentioning, gaining 21.58% compared to the same period last year, MTPL reaching around TRY 1.81 billion and growing by 24.39% in the last six months.

As far as the Turkish insurance companies are concerned, ANADOLU Sigorta is leading the non-life market with a 28.22% growth, managing around TRY 1.16 billion or EUR 512 million, AXA Sigorta placing second with TRY 1.13 billion. AK Sigorta came third, with TRY 706 million or EUR 310 million, followed by ALLIANZ and YAPI Kredi with EUR 705 and EUR 570 million equally.

On the other side ZIRAAT Hayat ve Emeklilik topped the life insurance sector in Turkey with a negative growth of 34.05% (TRY 368.88 million) in 1H/2011. ANADOLU Hayat ve Emeklilik placed second, decreasing by 1.49% (TRY 182.16 million) compared to the same period last year, followed by GARANTI Emeklilik, with TRY 136.25 million or EUR 55.14 million (growing by 5.62%). YAPI Kredi Emeklilik and HALK Hayat ve Emeklilik occupied

the 4th and 5th places in the top, with gross written premiums of TRY 105.64 million (EUR 46.45 million) and TRY 92.29 mil (EUR 40.58 million).

Turkey's insurance sector is unusual in the general context of Central and Eastern Europe - and, indeed, the Middle East - in that it is both large in absolute terms and rapidly growing. Unsurprisingly, the multinational insurance companies - the result, have not missed this aspect being that most of the regional (Central and Eastern European) and global players are now present on the Turkish market.

A number of substantial local insurers are associated with the major conglomerates and/or banking groups in Turkey. Unlike many of their counterparts in the Middle East, though, the local companies are not operating in the insurance sector for its own sake: if they can identify the opportunity to make a deal with a multi-national company (in relation to shareholding or product distribution, for example), they will seize it. Unlike in many Central and Eastern European countries, there is no titanic former state-owned (near) monopoly insurer that continues to dominate the sector.

The main problem comes from the nature of the non-life segment, which is crowded: there are typically 30 or so players who are active in all non-life branches. The regulator does not necessarily set rates and tariffs at attractive levels. For some lines, brutal competition means that business is written in terms that benefit the customer, not the insurer and its shareholders.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2012 EUR m	1H2011 EUR m	Change %	1H2012 %	1H2011 %
TOTAL MARKET	4,418.81	3,809.31	16.00	100.00	100.00
TOTAL LIFE	623.50	659.40	-5.44	14.11	17.31
TOTAL NON-LIFE	3,795.31	3,149.91	20.49	85.89	82.69
Accident	147.65	150.16	-1.67	3.34	3.94
Health	561.91	481.62	16.67	12.72	12.64
Goods in transit	92.31	78.93	16.95	2.09	2.07
Overall property insurance	1,018.21	849.93	19.80	23.04	22.31
Fire and allied perils	573.61	495.06	15.87	12.98	13.00
Damages to property	444.60	354.87	25.29	10.06	9.32
Overall motor insurance	1,764.80	1,410.94	25.08	39.94	37.04
Motor Hull	971.11	790.71	22.81	21.98	20.76
MTPL	793.69	620.22	27.97	17.96	16.28
GTPL	94.29	80.00	17.86	2.13	2.10
Other non-life insurance	116.13	98.32	18.11	2.63	2.58

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ZIRAAT HAYAT VE EMEKLILIK	162.20	239.08	-32.15	26.01	36.26
2	ANADOLU HAYAT EMEKLILIK	80.10	79.03	1.35	12.85	11.99
3	GARANTI EMEKLILIK	59.91	55.14	8.66	9.61	8.36
4	YAPI KREDI EMEKLILIK	46.45	35.31	31.54	7.45	5.36
5	HALK HAYAT VE EMEKLILIK	40.58	45.29	-10.40	6.51	6.87
6	AVIVASA	36.52	28.75	27.01	5.86	4.36
7	VAKIF EMEKLILIK	33.64	29.46	14.19	5.40	4.47
8	FINANS EMEKLILIK VE HAYAT	32.57	24.63	32.24	5.22	3.74
9	METLIFE EMEKLILIK VE HAYAT	28.19	32.39	-12.97	4.52	4.91
10	ALLIANZ HAYAT VE EMEKLILIK	19.08	16.50	15.65	3.06	2.50
11	GROUPAMA EMEKLILIK	14.03	10.74	30.65	2.25	1.63
12	AXA HAYAT VE EMEKLILIK	12.61	13.15	-4.15	2.02	1.99
13	ING EMEKLILIK	11.78	8.51	38.49	1.89	1.29

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
14	BNP PARIBAS CARDIF EMEKLILIK	11.33	2.63	331.53	1.82	0.40
15	AEGON EMEKLILIK VE HAYAT	8.78	5.81	51.05	1.41	0.88
16	BNP PARIBAS CARDIF HAYAT	8.05	16.55	-51.37	1.29	2.51
17	CIV HAYAT	7.76	5.74	35.18	1.24	0.87
18	ERGO EMEKLILIK VE HAYAT	4.91	5.44	-9.62	0.79	0.82
19	MAPFRE GENEL YASAM	2.69	3.16	-14.76	0.43	0.48
20	ACIBADEM SAGLIK VE HAYAT	1.11	0.90	22.71	0.18	0.14
21	DEMIR HAYAT	1.07	0.93	14.21	0.17	0.14
22	NEW LIFE YAŞAM	0.09	0.19	-51.60	0.02	0.03
23	CIGNA HAYAT	0.02	-	-	0.00	-
24	RUMELI HAYAT	0.02	0.03	-44.85	0.00	0.00
25	AK	0.01	0.04	-64.95	0.00	0.01
26	GENERALI	0.00	0.00	167.49	0.00	0.00
TOTAL MARKET		623.50	659.40	-5.44	100.00	100.00

Profitability has been set on a downward trend for the last three years. Because of the undeniable growth prospects, Turkey is not a market from which well-capitalized multi-nationals or long-established local groups would want to leave.

A secondary challenge is represented by the fact that the number of people who are using life insurance appears to be growing less rapidly than in 2009 - 2010. The figures for mid-2011 suggest that the growth rate has slipped to low single-digit rates. The number of policies for which premiums are being received, though, has soared.

In need of balance in the market mergers or regulations

With the sector becoming increasingly crowded, more mergers look likely; the market has seen seven new entrants in the past four years, going from 10 to 17 players.

However, the market itself has not seen 70% growth, so it is unlikely that all these players will remain. In particular, those without a bancassurance partner will face a great deal of difficulty, as the return on direct channels often takes a decade.

While consolidation remains a topical issue for the industry, other significant

developments took also part, most notably the introduction of the Commercial Code in July, which will play a key role in the market's development by providing a legislative framework for each economic sector and greater categorization of insurance classes.

The code will be a major point of interest for industry players who are calling for the sector to be more tightly regulated, along the lines of Turkey's banking sector, to help ensure future growth is more sustainable.

While motor vehicle insurance is expected to remain one of the main market drivers, the TSRSB has also identified untapped

The TCIP insurance scheme

TCIP - Turkish Catastrophe Insurance Pool - a project, which started 12 years ago, shortly after the Marmara earthquake - benefits from a new law. Enacted in August, this law offers favorable premises for the increase of the mandatory TCIP policies' penetration rate, without changing the pool's work parameters. Thus, the number of households insured by TCIP increased by 300,000 in only 45 days after the enactment of the new law, according to data presented during the International Istanbul Insurance Conference, the largest reunion of the local profile market.

The TCIP system now has 4.2 million policies, meaning that more than one quarter of the Turkish houses are insured - and all these despite the lack of sanctions for those that do not comply with the law. Basically, *the household insurance penetration increased, in the 12 years since the founding of TCIP, from 4% to approximately 26%*, said the representatives of TSRSB, the insurers association in Turkey.

However, they continue to work intensively, aiming to reach the threshold of 6 million insured houses until 2014, and 10 million insured houses in the following 5 years.

We have ambitious goals, aiming to increase the educational level of the general public, but we also wish to optimize the efficiency of the TCIP policies' sale, declared Erhan TUNCAI, General Secretary of TSRSB. He said that the insurance industry makes considerable efforts to balance the penetration of household insurance in the Western region of the country - well covered - and the Eastern region - mostly uninsured.

TCIP currently has 4,235,000 policies, 19% more than in 2011, affirmed Selamet YAZICI, Manager of TCIP, satisfied that TCIP sees a positive evolution and that the new legislation means good news for Turkey.

TCIP is probably the best such insurance pool in the world, considers Jurgen BRUCKER, Client Manager, MUNICH Re, the representative of one of the largest reinsurance companies in the world - a company which cannot be accused of not knowing the international situation or of not having a realistic view on the matter.

Alexandru D. CIUNCAN



August. The legislation broaden compulsory earthquake insurance and lead to further legal and technical work that was undertaken by the Turkish Catastrophe Insurance Pool (TCIP) on natural disasters such as earthquakes, floods and storms, alongside acts of terrorism and environmental pollution. The government in cooperation with the World Bank created the TCIP following the devastating 1999 Marmara which 12 years after proves its value following the 2011 VAN earthquake with paid claims of over USD 63 million raising thus far the awareness in all levels in the Turkish Community on the need of Insurance.

While unexplored areas of business should drive further growth in Turkey's insurance industry and help maintain the interest of major operators, they are unlikely to reverse the consolidation process and ongoing emergence of dominant players. However, further legislation looks likely to put new and untapped opportunities firmly in the spotlight as the market continues to mature.

opportunities in a number of key areas, including general liability, mortgage and unemployment insurance. Reinsurance also remains largely under-explored, with only two of the TSRSB's 64 member firms currently specializing in this segment.

The move to make insurance obligatory in new fields should also drive growth and generate further interest among industry players. In 2010, Turkey made medical malpractice insurance compulsory, with

doctors and dentists now obliged to have professional liability insurance.

Coastal facilities sea pollution liability insurance, which covers refineries, shipyards and industrial and power facilities on the coast, is also compulsory, providing additional opportunities in the market for growth.

Additionally, the sector waited for the introduction of a law on Catastrophe Insurance, which became in force in

D.T.

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ANADOLU	511.98	388.11	31.91	13.49	12.32
2	AXA	498.93	401.63	24.22	13.15	12.75
3	AK	310.45	259.26	19.74	8.18	8.23
4	ALLIANZ	310.24	266.44	16.44	8.17	8.46
5	YAPI KREDI	250.87	188.03	33.42	6.61	5.97
6	MAPFRE GENEL	202.05	105.76	91.05	5.32	3.36
7	GROUPAMA	201.09	202.36	-0.63	5.30	6.42
8	GUNES	189.68	173.63	9.24	5.00	5.51
9	EUREKO	162.69	165.92	-1.95	4.29	5.27
10	ERGO	158.49	142.39	11.31	4.18	4.52
11	ZIRAAT	103.74	86.42	20.04	2.73	2.74
12	SOMPO JAPAN	91.01	68.69	32.50	2.40	2.18
13	HDI	81.51	62.82	29.75	2.15	1.99
14	AVIVA	78.58	59.52	32.03	2.07	1.89
15	ZURICH	74.88	62.82	19.20	1.97	1.99
16	HALK	73.70	47.28	55.88	1.94	1.50
17	ACIBADEM SAGLIK VE HAYAT	72.94	49.15	48.40	1.92	1.56
18	RAY	63.93	54.67	16.95	1.68	1.74
19	CHARTIS	51.01	47.86	6.60	1.34	1.52
20	ISIK	35.67	29.40	21.33	0.94	0.93
21	ANKARA	34.62	30.98	11.78	0.91	0.98
22	EURO	29.40	20.77	41.56	0.77	0.66
23	LIBERTY	28.17	19.62	43.57	0.74	0.62
24	NEOVA	25.74	17.03	51.19	0.68	0.54
25	GENERALI	20.26	25.84	-21.61	0.53	0.82
26	DEMIR HAYAT	16.58	11.72	41.41	0.44	0.37
27	DUBAI GROUP	16.52	26.75	-38.24	0.44	0.85
28	SBN	14.40	22.21	-35.18	0.38	0.71
29	HUR	11.98	11.06	8.32	0.32	0.35
30	METLIFE EMEKLILIK VE HAYAT	11.74	11.21	4.71	0.31	0.36

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
31	ACE EUROPE	8.80	4.73	86.04	0.23	0.15
32	COFACE	7.97	5.96	33.74	0.21	0.19
33	EULER HERMES	7.76	3.07	152.54	0.20	0.10
34	AVIVASA	7.43	5.60	32.67	0.20	0.18
35	T.NIPPON	6.38	10.05	-36.53	0.17	0.32
36	VAKIF EMEKLILIK	4.14	3.06	35.16	0.11	0.10
37	KORU	4.02	-	-	0.11	-
38	DEMIR	3.94	3.35	17.82	0.10	0.11
39	GROUPAMA EMEKLILIK	2.84	2.17	30.92	0.07	0.07
40	BNP PARIBAS CARDIF	2.48	1.93	28.69	0.07	0.06
41	ATRADIUS	1.94	1.40	38.83	0.05	0.04
42	CIV HAYAT	1.16	0.90	28.17	0.03	0.03
43	YAPI KREDI EMEKLILIK	1.09	0.86	27.02	0.03	0.03
44	ING EMEKLILIK	0.83	0.48	72.70	0.02	0.02
45	MAPFRE GENEL YASAM	0.38	44.74	-99.15	0.01	1.42
46	ANADOLU HAYAT EMEKLILIK	0.27	0.11	135.94	0.01	0.00
47	BNP PARIBAS CARDIF HAYAT	0.22	0.34	-35.57	0.01	0.01
48	CIGNA HAYAT	0.20	-	-	0.01	-
49	ZIRAAT HAYAT VE EMEKLILIK	0.18	1.48	-87.55	0.00	0.05
50	ALLIANZ HAYAT VE EMEKLILIK	0.12	0.14	-17.26	0.00	0.00
51	ERGO EMEKLILIK VE HAYAT	0.09	0.05	85.09	0.00	0.00
52	HALK HAYAT VE EMEKLILIK	0.09	0.04	154.21	0.00	0.00
53	AXA HAYAT VE EMEKLILIK	0.08	0.07	17.64	0.00	0.00
54	BNP PARIBAS CARDIF EMEKLILIK	0.02	0.01	308.56	0.00	0.00
55	FINANS EMEKLILIK VE HAYAT	0.01	0.02	-11.61	0.00	0.00
56	GARANTI EMEKLILIK	0.00	0.00	153.43	0.00	0.00
57	NEW LIFE YASAM	-	-0.00	-	-	-
58	AEGON EMEKLILIK VE HAYAT	-0.00	0.00	-	-0.00	0.00
TOTAL MARKET		3,795.31	3,149.91	20.49	100.00	100.00

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Armenia



Accidents	0.69%
Health	44.39%
Fire and allied perils	4.79%
Other damages to property	0.67%
Motor Hull	3.82%
MTPL	42.53%
CARGO	0.78%
GTPL	0.82%
Financial risks	0.64%
Travel	0.62%
Travel insurance	0.26%

SOURCE:

ARMINFO NEWS AGENCY
CENTRAL BANK OF ARMENIA

ARMENIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 534.26 DRAM - AMD (JUNE 30th, 2011)
1 EUR = 525.61 DRAM - AMD (JUNE 30th, 2012)

Growing by Mandatory lines

According to preliminary financial data provided by ArmlInfo News Agency, in the first half of 2012, gross written premiums recorded by insurance companies totaled AMD 23.8 billion, up by 65.9% y-o-y. This significant growth was achieved due to the introduction of two mandatory insurance lines in Armenia, MTPL and mandatory medical insurance.

Insurers' portfolios mostly grew by means of mandatory insurance. There are two mandatory insurance in Armenia, MTPL, introduced since January 1, 2011 and mandatory medical insurance based on the social package for state employees working at various public institutions. This program was introduced in January 2012, Karina MELIKYAN, Head of Financial Analysis and Rating Agency, ArmlInfo News Agency told XPRIMM.

According ArmlInfo, the share of mandatory insurance has reached about 85% of total gross premiums written by the Armenian insurers.

Practically, the voluntary segment of the GWP portfolio for 1H2012 accounted, in absolute terms, for AMD 3 billion, of which about AMD 1 billion in premiums relates to the mortgaged properties' insurance, mainly cars and some real estate.

Although insurance became very popular in the modern society, in Armenia it is still a very unfamiliar topic and just starts gaining some real recognition by means of MTPL (compulsory motor third party liability). Still,

it is not yet the time to talk about increasing insurance culture or forming any kind of specific mentality among population with average income. Even today people are thinking that insurance is just an additional tax and strongly believe that it is unnecessary. But in the capital city, where most of capital is concentrated, people feel differently about insurance. Here the interests of certain categories of people in insurance services is really growing. Yet, although people are better understanding the necessity and values of this business, they don't hurry to get insured, added Elita BABANYAN, Insurance Specialist, ArmlInfo News Agency.

Government medical program

Describing the Armenian insurance market in the first half of 2012, we have to notice its growth which was driven primarily by the introduction of the government medical program based on social package for 120.000 state employees. This social package consists of 4 components and it is rated AMD 132.000 (EUR 275). Its components are: voluntary health insurance, leisure and/or studies annual leaves and mortgage loans. The first component is the voluntary health insurance, with a basic value of AMD 52.000 (EUR 108), which does not cover full treatment, the reason why insurance companies offer individual medical packages, said Karina MELIKYAN.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	45.41	26.93	68.63	11.35	na	-	100.00	100.00
Accidents	0.31	0.22	40.78	0.04	na	-	0.69	0.82
Health	20.16	1.17	1,619.93	1.35	na	-	44.39	4.35
Overall property insurance	2.48	1.44	71.69	0.14	na	-	5.46	5.36
Fire and allied perils	2.17	1.23	77.23	0.14	na	-	4.79	4.55
Other damages to property	0.31	0.22	40.44	0.00	na	-	0.67	0.81
Overall motor insurance	21.05	22.38	-5.96	9.19	na	-	46.35	83.11
Motor hull	1.73	1.07	62.34	1.26	na	-	3.82	3.96
MTPL	19.31	21.31	-9.38	7.92	na	-	42.53	79.14
CARGO	0.35	0.56	-36.64	0.03	na	-	0.78	2.07
GTPL	0.37	0.32	17.91	0.47	na	-	0.82	1.17
Financial risks	0.29	0.34	-15.12	-	na	-	0.64	1.28
Travel	0.28	0.19	46.32	0.06	na	-	0.62	0.72
Other	0.12	0.30	-61.19	0.08	na	-	0.26	1.12



Overview 1H2012

In the first half of 2012, the insurance market in Armenia has experienced the merger of two insurance companies - INGO Armenia and CASCADE Insurance, the insurance portfolio of CASCADE Insurance being transferred to INGO Armenia. As a result, CASCADE Insurance has ceased to exist. Consequently INGO Armenia ranks ahead of its main competitor, ROSGOSSTRAKH Armenia in terms of written premiums.

Experts believe that consolidation of the market will continue in the near future and we may expect new acquisitions, which most probably will be initiated by ROSGOSSTRAKH Armenia.

Currency fluctuations on the global markets do not affect the activities of Armenian insurers, since they have placed the biggest share of the investments portfolios in government bonds. Some of the reserves are kept in deposit of Armenian banks and mostly in AMD because of the high interest rates. To keep money in foreign currency became unprofitable for insurers due to tighter regulations required, commented Elita BABANYAN.

Bonus-malus system from 2013

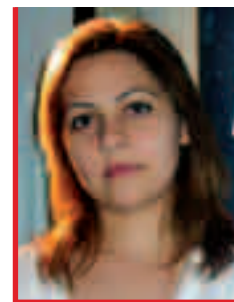
This year has been marked by a serious escalation of mandatory medical insurance. It is expected that in the benefits package program for state employee's government will bring new participants, which will further expand the market and create a ground for further implementation of mandatory health insurance for all

All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	INGO Armenia	12.41	6.41	93.66	2.98	na	-	27.34	23.80
2	ROSGOSSTRAKH Armenia	11.57	8.99	28.69	3.22	na	-	25.47	33.38
3	RESO	7.52	3.52	113.77	1.12	na	-	16.56	13.06
4	NAIRI Insurance	5.20	3.31	56.90	1.59	na	-	11.44	12.30
5	GARANT Insurance	4.50	2.08	116.56	1.28	na	-	9.91	7.72
6	RASCO	2.63	1.43	83.84	0.58	na	-	5.79	5.31
7	SIL Insurance	1.58	1.19	32.68	0.59	na	-	3.49	4.43
TOTAL MARKET		45.41	26.93	68.63	11.35	na	-	100.00	100.00



Karina MELIKYAN
Head of Financial Analysis and Rating Agency, ArmlInfo News Agency



Elita BABAYAN
Insurance Specialist, ArmlInfo News Agency

Read the full interview on www.xprimm.com

population of Armenia, underlined Karina MELIKYAN.

Formation of an insurance culture in Armenia will follow the growth of households' income (wages and pensions), so that an average citizen may voluntarily allocate a portion of its family budget to cover certain risks without causing serious pressure on the family budget. Also, an important role was given to mandatory insurance.

There are expectations of some changes in MTPL following the introduction, starting January 1st, 2013, of the bonus-malus

system, based on the driving history of the car owners. A change in the amount of MTPL insurance premiums as well as a reduction of the loss ratio for this line of business are expected after the system's implementation.

The statistics submitted to the analysis have been supplied by:



O.A.



Azerbaijan



Voluntary life insurance	4.50%
Compulsory life insurance	9.14%
Accident and diseases (V)	2.85%
Medical insurance (V)	23.17%
Fire and other perils insurance (V)	7.55%
Cargo insurance (V)	4.68%
GTPL (V)	0.98%
Motor Hull (V)	15.70%
Aircraft insurance	0.13%
Ships insurance	0.27%
Aircraft liability	0.02%
Civil liability for owners of motor vehicles (M)	20.77%
Insurance for immovable property (M)	2.64%
Military servants (M)	4.06%
Servants of judicial and law-enforcement bodies (M)	1.10%
Other non-life insurance (V)+(M)	2.45%



SOURCE:
MINISTRY OF FINANCE OF REPUBLIC OF AZERBAIJAN
CENTRAL BANK OF AZERBAIJAN REPUBLIC

AZERBAIJAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:
1 EUR = 1.1400 MANAT - AZN (JUNE 30TH, 2011)
1 EUR = 0.9888 MANAT - AZN (JUNE 30TH, 2012)

An inviting landscape

This Azeri economic miracle born by its remarkable and "more than strategic" gas and oil resources attracted foreign investments, which in turn boosted growth. Somewhat delayed and hesitant, the local insurance market started to experience the same phenomenon. And wants even more.

Azerbaijan its not just open but also interested into welcoming foreign investors with some new players in the market of international level, said Azer ALIYEV, Chairman, AIA - Azerbaijan Insurers Association in an interview for XPRIMM. As he explained, the Azeri insurance market always had its peculiarities in all aspects. Even some standard development mechanisms described in many economic books, followed a non-standard path in Azerbaijan. Although it is well known that usually the presence of the big foreign players in a young market puts on steam market maturation, for the moment the impact of the foreign players on the Azeri insurance market was only marginal. Moreover, they have adopted some negative aspects and applied them successfully. In my opinion, this thing may happen because their number in the insurance market is quite small, is of the opinion of Azer ALIYEV.

Currently in Azerbaijan operate two international companies: AXA MBASK and GROUPAMA. *I am certain that from the moment that an important competitor will appear things will change. In this case, these companies should compete with other companies on the same level. Therefore, the market will continue to benefit from new sales methods, manifold of retail products will grow, while we will be witnesses to several original marketing strategies, that will contribute to provide information regarding insurance for the final customer, said ALIYEV. In terms of the market attractiveness for foreign investors, Namik KHALILOV, Head of State Insurance Supervision Service, Ministry of Finance, Azerbaijan commented: Azerbaijan insurance market is characterized by a low rate of insurance penetration and high rates of its growth together with increase of living standards. I think such situation itself provides a great opportunity for the insurance companies. Moreover, Caucasus represents a new insurance market, with big growth opportunities. The well educated professionals, speaking at least 3 languages, represent one of its main strengths, emphasized Chingiz MEHDİYEV, Chairman of the Management Board of*

AZ Re Reinsurance Company. He also has included among the main drivers of the rapid insurance markets' development in the region the big energy and infrastructure projects, the recent adoption of the compulsory insurance law and of relevant fiscal incentives for life insurance, as well as VAT exemption available for insurance services.



Namik KHALILOV
Head of State Insurance Supervision Service
Ministry of Finance

Finally, according to KHALILOV, *there are no legal restrictions concerning the participation of foreign insurers in the capital of a local insurer. Furthermore, terms of the acquisition or establishment of insurance companies in Azerbaijan comply with the international practice and the IAIS Core Principles.*

Insurance market almost doubled in H1

Azerbaijan's overall insurance market totaled EUR 171.4 million in GWP for 1H2012, according to data presented by the Ministry of Finance of Republic of Azerbaijan, up 98.8% as compared to 1H2011. In terms of paid claims, the market authority reports a 78.7% y-o-y increase, the 28 market players' paying almost EUR 42 million in claims.

Non-life types of insurance keep on leading in the Azerbaijani insurance market, with EUR 148 million in written premiums and EUR 41.3 million in paid claims. The basis of non-life insurance lines business consisted of third party liability for owners of motor vehicles (almost 21% market share), medical insurance (23%) and motor hull insurance (over 15%).

In 1H2012, the share of life insurance premiums fell to 13.6% of the overall GWP against 14.7% a year earlier, although premiums' volume increased by 83% to almost EUR 23.4 million. The basis of the life insurance market consisted of compulsory types of insurance - premiums of

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	171.37	86.21	98.79	41.91	23.46	78.68	100.00	100.00
TOTAL LIFE INSURANCE	23.37	12.68	84.31	0.61	0.12	395.65	13.64	14.71
Voluntary life insurance	7.71	1.33	478.64	0.39	0.11	249.16	4.50	1.55
Compulsory life insurance	15.66	11.35	38.00	0.22	0.01	1,874.53	9.14	13.16
TOTAL NON-LIFE INSURANCE	148.00	73.53	101.29	41.31	23.30	77.29	86.36	85.29
Accident and diseases (V)	4.88	3.18	53.27	0.67	0.58	15.41	2.85	3.69
Medical insurance (V)	39.70	14.97	165.18	19.50	8.14	139.52	23.17	17.37
Fire and other perils insurance (V)	12.93	9.01	43.55	1.45	1.04	38.83	7.55	10.45
Cargo insurance (V)	8.02	4.79	67.51	0.13	0.73	-81.79	4.68	5.56
GTPL (V)	1.67	1.79	-6.70	0.12	0.02	453.23	0.98	2.08
Motor Hull (V)	26.90	17.45	54.16	10.57	6.12	72.91	15.70	20.24
Aircraft insurance	0.22	3.63	-93.98	0.87	2.45	-64.71	0.13	4.21
Ships insurance	0.46	1.03	-54.98	0.76	0.07	920.63	0.27	1.19
Aircraft liability	0.03	1.43	-97.88	1.20	-	-	0.02	1.66
Civil liability for owners of motor vehicles (M)	35.59	-	-	0.94	-	-	20.77	-
Insurance for immovable property (M)	4.53	-	-	0.13	-	-	2.64	-
Military servants (M)	6.96	6.41	8.62	3.72	3.06	21.49	4.06	7.44
Servants of judicial and law-enforcement bodies (M)	1.89	1.77	6.85	0.33	0.33	-1.55	1.10	2.05
MTPL (M)	-	1.96	-	0.38	0.38	-0.65	-	2.27
Fire (M)	-	3.75	-	0.24	0.22	8.23	-	4.35
Other non-life insurance (V)+(M)	4.21	2.35	78.85	0.30	0.15	98.59	2.45	2.73

(V) - voluntary insurance / (M) - Mandatory insurance



Azer ALIYEV
Chairman
Azerbaijan Insurers
Association

EUR 15.7 million. Voluntary life insurance brought only EUR 7.7 million - 4.5% of the whole insurance market. All in all, we can conclude, comparing these results with 2010 figures, when the share of the life insurance segment in the whole insurance market has amounted to about 1%, the life insurance market is on a clear ascending trend: *The main factors stimulating the development of life insurance in Azerbaijan are the separation of insurance companies' activity into life and non life insurance business since March 2011, conducting to the emergence on the market of specialized companies dealing exclusively in life insurance and the adoption of law on "Compulsory insurance against disability as a result of industrial accidents and occupational diseases". These and other factors have led to the development of the insurance market and voluntary life insurance in particular,* pointed out Akbar MADATLI, Chairman of the Board, ATESHGAH Life.

All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PASHA Sigorta	27.15	3.22	743.06	11.35	0.95	1,090	15.84	3.74
2	AzSigorta	18.59	5.66	228.28	1.19	0.90	32.86	10.85	6.57
3	ATESHGAH Sigorta	17.84	7.08	151.94	3.82	2.11	81.19	10.41	8.21
4	AZERSIGORTA	14.34	10.35	38.53	5.50	4.56	20.61	8.37	12.01
5	STANDART Insurance	11.16	4.70	137.30	1.84	1.01	82.83	6.51	5.45
6	ATESHGAH-HAYAT	10.43	4.05	157.74	0.45	0.09	378.78	6.09	4.69
7	AXA MBASK	9.86	5.77	70.77	2.56	1.19	114.42	5.75	6.69
8	PASHA Life Insurance	8.84	5.45	62.15	0.13	0.01	1,133	5.16	6.33
9	BEYNALXALQ Sigorta	7.84	5.40	45.13	3.49	2.60	34.35	4.58	6.27
10	ATASIGORTA	6.35	2.12	199.06	1.30	0.75	73.74	3.70	2.46
11	XALQ Sigorta	6.19	4.72	30.97	1.06	0.95	12.23	3.61	5.48
12	A-QROUP Sigorta	6.18	4.93	25.43	2.50	2.35	6.62	3.61	5.72
13	QARANT Sigorta	5.13	2.50	105.52	0.73	0.46	59.19	2.99	2.90
14	QALA Life Insurance	4.10	3.11	32.00	0.03	-	-	2.39	3.60
15	ALFA Insurance	3.40	1.53	122.08	0.51	0.16	217.79	1.99	1.78
16	BAKI Sigorta	2.95	2.25	31.29	1.01	0.34	194.53	1.72	2.61
17	AZERBAIJAN Senaye	2.57	2.44	5.16	0.72	0.86	-16.47	1.50	2.83
18	BASHAK INAM	1.51	1.29	16.64	0.33	0.57	-42.36	0.88	1.50
19	MEQA Sigorta	1.49	0.10	1,346	0.17	0.02	981.96	0.87	0.12
20	RAVAN Sigorta	1.29	0.79	63.79	0.51	0.38	33.15	0.75	0.91
21	AZERQARANT Sigorta	1.09	0.50	116.94	0.22	0.08	191.62	0.63	0.58
22	CHARTIS Azerbaijan	0.74	0.57	29.58	0.00	0.01	-47.21	0.43	0.66
23	İPEK YOLU Sigorta	0.73	5.79	-87.36	1.78	2.43	-26.60	0.43	6.72
24	ERA-TRANS Sigorta	0.64	0.93	-31.28	0.32	0.37	-14.44	0.37	1.08
25	EMRAH Sigorta	0.46	0.25	80.80	0.19	0.10	97.61	0.27	0.29
26	GUNAY Sigorta	0.26	0.21	22.86	0.10	0.07	39.64	0.15	0.24
27	THAMES Insurance Group	0.23	0.30	-23.20	0.10	0.07	34.89	0.13	0.34
28	ROYAL Sigorta*	0.03	-	-	-	-	-	0.02	-
29	FIDAN Sigorta (liquidated)	-	0.18	-	-	0.08	-	-	0.21
	TOTAL MARKET	209.26	147.34	42.03	60.49	50.97	18.67	100.00	100.00

V.B.

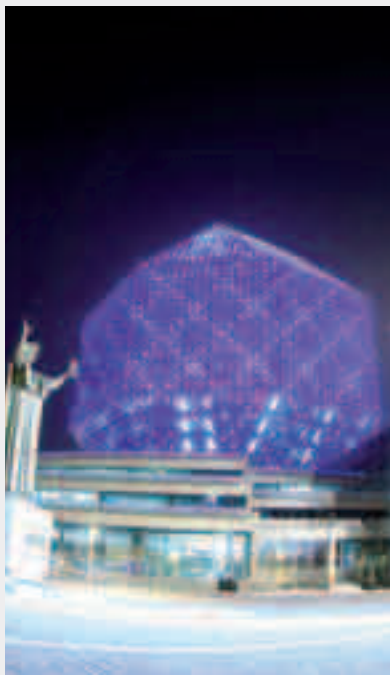
*passed the state registration in the Ministry of Taxes of Azerbaijan on 11 October 2011



Belarus



Life insurance	4.41%
Non-Life insurance	95.59%



SOURCE:

THE BELARUSIAN ASSOCIATION OF INSURERS
NATIONAL BANK OF THE REPUBLIC OF BELARUS

BELARUSIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 7,152.13 RUBLE - BYR
(JUNE 30th, 2011)
1 EUR = 10,370.00 RUBLE - BYR
(JUNE 30th, 2012)

The currency trap

The harsh devaluation of the Belarusian Ruble in the last years is probably the most visible sign, at least for a less experienced observer, of the hard economic times that the country is passing through. Thus, after a 93% depreciation of the BYR/EUR exchange rate recorded between June 2010 and June 2011, the 45% devaluation during the last 12 months seems quite moderate. Nevertheless, insurers are still dealing with the significant consequences of this phenomenon. The devaluation of the local currency led to a significant depreciation of insurers' capital and reserves. They lost about half a billion dollars, and the prospects of their activities declined slightly, considers Anton NEDVEDSKY, External Relations Manager, Belarusian Association of Insurers.

During the first stages of the currency, experts considered the possibility of a temporary freezing of foreign currency deposits in banks as one of the ways out, but the National Bank of Belarus has denied this possibility. Consequently, as following the legal currency matching requirements the largest part of insurers' assets and reserves are kept in BYR, insurance companies are confronted with a high currency risk, especially because the largest part of the amounts paid for claims is related to motor insurance claims and depends on the acquisition costs for imported spare parts.

The cumulate business of the insurance companies in 1H2012 amounted to EUR 189 million, up by 52% compared 1H2011. Denominated in local currency, the gross written premiums in the reporting period reached BYR 1,966 billion, up 120 y-o-y. Insurance claims were growing simultaneously with the written premiums to over BYR 968 billion, up by 82% compared to 1H2011, and representing approximately 50% of total GWP. In the second half of the 2000s substantial growth of payments for insurance losses can be observed. A great impact on the statistics of payments in this period had a falling satellite "Belka" (70 percent of all payments on property insurance

of enterprises and more than 30 percent for all types of voluntary insurance), payments on oil spill occurrence as a result of the accident on a stretch of the oil pipeline "Unecha-Polotsk, the crash of the plane in Somalia as well as the rain flooding on the streets of Minsk in July 2009, explained NEDVEDSKY.

Yet, despite the positive market results, in 1H2012, the share of insurance premiums in the country's GDP remained very low. The degree of concentration of the insurance business remains at a very high level. The bulk of the insurance business is still concentrated in 10 insurance companies (mostly state-owned) occupying the leading position in terms of premiums. The demand on insurance services in Belarus is one of the lowest in Europe. So, if in Western Europe, the amount of premiums collected is more than 600 dollars per capita, in neighboring Poland and Russia – 220-230 dollars, Belarus has only 52 dollars. The share of collected insurance payments in relation to GDP is 0.86 percent, said the Association's representative.

Law dictates the rules of the game

The Belarusian insurance portfolio comprises nine major types of mandatory insurance, the most important one being motor third party liability. Belarus was among the first countries in the ex-Soviet region to successfully introduce MTPL insurance in 1999.

According to Belarusian legislation, compulsory insurance can be provided only by the state-owned insurers or insurers with more than 50% state ownership, excluding privately owned companies from the most productive segment of the market. The general apprehension is that such conditions are not conducive to the development of the insurance market in the right direction, as the state insurance companies are out of competition.

Mandatory insurance prevails in the country for the reasons of state protectionism,

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	189.68	124.04	52.92	93.36	74.41	25.48	100.00	100.00
LIFE INSURANCE	8.37	6.60	26.79	2.27	1.91	18.82	4.41	5.32
NON-LIFE INSURANCE	181.31	117.44	54.38	91.10	72.50	25.65	95.59	94.68



Anton NEDVEDSKY
External Relations
Manager, Belarusian
Association of Insurers

Read the full interview on
www.xprimm.com

while there are also numerous restrictions for the private insurers' development and low level of insurance culture. The mandatory insurance's share growth in the total amount of written premiums in the beginning of 2000th was explained by the gradual introduction of additional types of mandatory insurance to the market with the aim to support and develop insurers controlled by the state.

In 1H2012, mandatory insurance premiums were up to BYR 1,000.6 billion (EUR 95.5 million) or 51.2% of total GWP. Yet, the insurance market has lately a tendency to reduce the share of mandatory insurance in total premiums. Thus, in 1H2012 the share of compulsory insurance was 51.2%, 1pp more than in 1H2011, when it was of 50.1% but 2pp less than in 2009 (53.55%). Moreover, many citizens consider it to be a form of taxation, and do not even bother to claim for motor liability accident damage. *The insurance market of the Republic of Belarus is characterized by slightly dominant position of the market of mandatory vs. voluntary insurance. The proportion of voluntary types of insurance accounted up to 48.3 percent. Because of the low level of the population's income there is a decreasing demand for insurance, especially for voluntary vehicle insurance products which up to now has been a real driving force for the local insurance market,* commented Anton NEDVEDSKY.

In Belarus, rates for mandatory insurances are currently set by the law, and there are no information available with regard to a possible future liberalization of tariffs.

Insurance market's liberalization – a target for 2015

As the financial crisis in Belarus began rather late, in spring 2011, Belarusian insurance market has not been seriously affected by the financial crisis comparing to other countries, mainly due to its limited integration into the international financial system, underdevelopment and state protectionism.

Insurance sector still remains largely overregulated. The largest share of the Belarusian insurance market is controlled

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	STRAVITA	6.13	5.00	22.63	1.31	1.33	-1.80	73.29	75.78
2	SEDYMAIA LINYA	1.09	0.38	188.55	0.72	0.14	433.76	12.99	5.71
3	National Belarusian ins. PensionFund.	1.02	1.11	-7.94	0.23	0.44	-46.90	12.20	16.81
4	PENSIONNIE GARANTIY	0.13	0.11	12.88	0.01	0.01	-8.05	1.52	1.70
TOTAL MARKET		8.37	6.60	26.79	2.27	1.91	18.82	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	BELGOSSTRAKH	93.55	64.01	46.14	49.45	44.54	11.03	51.59	54.51
2	TASK	16.60	10.40	59.55	9.78	6.06	61.24	9.15	8.86
3	PROMTRANSINVEST	14.29	7.92	80.37	6.52	4.52	44.11	7.88	6.74
4	B&B INSURANCE	12.09	6.29	92.23	6.87	5.52	24.55	6.67	5.36
5	BELNEFTESTRAKH	10.43	7.24	44.01	4.62	3.09	49.65	5.75	6.17
6	EXIMGARANT OF BELARUS	9.72	5.70	70.59	2.22	1.67	33.11	5.36	4.85
7	BELKOOPTSSTRAKH	6.93	4.57	51.61	3.20	1.97	62.39	3.82	3.89
8	BELROSSTRAKH	5.43	3.04	78.72	2.95	1.61	83.00	3.00	2.59
9	KUPALA	2.87	1.63	75.86	1.00	0.67	50.40	1.58	1.39
10	BELINGOSSTRAKH	2.79	1.85	50.84	1.70	0.97	76.52	1.54	1.57
11	BELVNESHSTRAKH	1.84	1.02	80.07	0.86	0.44	96.65	1.02	0.87
12	ERGO	1.35	0.62	118.44	0.87	0.37	132.85	0.75	0.53
13	KENTAVR	1.35	0.85	58.49	0.66	0.36	84.03	0.75	0.73
14	GENERALI	1.04	1.13	-8.40	0.00	0.00	99.76	0.57	0.96
15	GARANTYA	0.33	0.61	-45.84	0.03	0.03	-19.68	0.18	0.52
16	ZEPTER INSURANCE	0.26	0.34	-24.24	0.17	0.55	-69.13	0.14	0.29
17	BAGACH	0.25	0.14	77.02	0.14	0.12	22.82	0.14	0.12
18	ROSGOSSTRAH	0.20	0.07	200.49	0.03	0.01	482.46	0.11	0.06
19	DELTA INSURANCE	0.00	0.00	35.23	0.00	-	-	0.00	0.00
20	VARTMA INSURANCE	0.00	-	-	-	-	-	0.00	-
TOTAL MARKET		181.31	117.44	54.38	91.10	72.50	25.65	100.00	100.00

by state-owned insurers while possibilities for development of private insurance companies and foreign owned insurance companies are limited. The insurance sector is less opened than the banking one and the legal basis is less developed. Out of 25 insurance companies of the Republic, 13 have a limited foreign capital participation. The most important investors are: GENERALI, ERGO, VIG, ZEPTER, INGOSSTRAKH, RESO and ROSGOSSTRAKH. The Legislation which regulates the activity of insurance companies is the main factor which impedes the inflow of foreign capital to Belarus, added Association's representative.

Currently, foreign ownership of insurers is restricted by a 2.4% cap imposed to the foreign participation in the total capital of the market. In order to liberalize the market and attract foreign capital a program of insurance activities for 2011-2015 in Be-

larus was developed and adopted, aiming to raise the share of insurance premiums in GDP by the end of the five-year period to 1.2%. Among the main changes there are: introduction of new insurance classes, new insurance technology, improving the quality of insurance services, the provision of equal rights for activities for all insurance companies, as well as improving the fiscal system's provisions with regard to insurance. Further, to developed voluntary insurance, a special attention will be paid to the voluntary life insurance, supplementary pension and medical expenses.

An important element in the development of the insurance industry has become a large-scale liberalization of insurance legislation, which would create serious prerequisites for foreign investors in this sector.

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Management team

Mikhail I. BULAVKIN – Director General of the Republican Unitary Enterprise “Belarusian National Reinsurance Organization”

Mikhail I. Bulavkin was born on 12 November 1957. In 1984 graduated from Gomel State University and in 1993 – Council of Ministers Management Academy of the Republic of Belarus.

Mikhail I. Bulavkin has extensive experience in public finance management. He worked as a Chief of General Directorate of the Ministry of Finance in Gomel Region, in charge of insurance supervision.

Since 29 July 2009, Mikhail I. Bulavkin has been General Director of the Republican Unitary Enterprise “Belarusian National Reinsurance Organization”

Andrei T. UNTON

Deputy Director General of the Republican Unitary Enterprise “Belarusian National Reinsurance Organization”

Chief Accountant

Svetlana A. KOPYTKOVA

Reinsurance Directorate

Valery I. LOKTIONOV, Head of Reinsurance Directorate

International Reinsurance Department

Denis V. TUR, Deputy Head of Reinsurance Directorate, Head of International Reinsurance Department

Domestic Reinsurance Department

Andrei V. RYCHKO, Head of Domestic Reinsurance Department

Actuarial Department

Olga E. ARTISHEVSKAYA, Head of Actuarial Department

Claims Settlement Department

Valentin N. ZHDANOV, Head of Claims Settlement Department

Analytical & Risk Management Department

Alexander V. KOTOVICH, Head of Analytical & Risk Management Department

Financial & Economic Sector

Alexander V. TIMOKHIN, Head of Financial & Economic Sector

Personnel & Legal Department

Inessa A. CHERNENKO, Head of Personnel & Legal Department

Administration & Maintenance Department

Svetlana S. MARKOVA, Head of Administration & Maintenance Department

Security & IT Department

Alexander V. MANYUK, Head of Security & IT Department

Provide a brief history of the company BELARUS Re

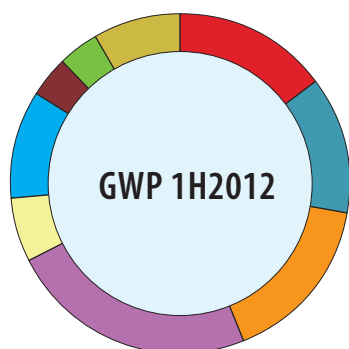
Belarus Re was established by Resolution of the Council of Ministers of the Republic of Belarus as of 4 November 2006 No.1463 “On Establishment of Belarusian National Reinsurance Organization” in accordance with the Decree of President of the Republic of Belarus dated as of 25 August 2006 No.530 “On Insurance Operations”. Currently it is subordinated to the Ministry of Finance of Belarus.

The founder of Belarus Re is the Council of Ministers of the Republic of Belarus.

Rating

From 2010 the process of rating assignment to Belarus Re has been held by the international rating agency Standard & Poor's International Services. According to the latest assessment of Standard & Poor's International Services long-term counterparty credit and financial strength rating of Belarus Re is set at "B-" in accordance with the same level of the sovereign rating of the Republic of Belarus. The outlook – «Stable». Standard & Poor's notes the following positive aspects: the signs of stabilization in the economy, a low combined loss ratio, a sufficient level of capital and the fact that the company is competitive because of its unique status in the Belarusian insurance market.

Belarus Re Portfolio per Classes of Reinsurance



Property	14.8%
Financial risks	13.1%
Aviation	16.1%
Green Card	23.7%
EAR	6.1%
Cat	10.3%
Cargo	3.7%
TIR Convention	4.1%
Other	8.1%

	2008	2009	2010	2011	1H2012
Number of contracts	4,461	4,741	6,515	8,706	3,059
Premium written	28,837	48,589	65,578	128,934	83,502
Premium received	22,500	43,012	55,397	110,429	108,837
Premium ceded	12,466	27,152	32,912	59,650	55,605
Indemnities paid	5,888	10,299	7,191	18,953	8,207
Liability accepted	30,334,000	69,994,000	71,581,000	104,932,000	65,714,046
Actuarial reserves	4,980	6,480	15,610	48,970	70,883
Authorized fund	407,490	460,890	469,740	477,700	489,703
Net worth	412,250	472,070	482,450	497,797	523,749
Net profit	4,920	11,140	13,570	20,552	35,110
Solvency Margin	412,244	472,068	482,453	515,972	495,524
Combined Ratio, %	35.48	73.97	39.79	45.51	23.1

BYR million

ACHIEVING SUCCESS TOGETHER

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**to create an
international
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company**

**to offer a
full range of
reinsurance
services**

**to provide clients
with comprehen-
sive high-standard
protection**

Interview with

Mikhail I. BULAVKIN

Director General

Republican Unitary Enterprise “Belarusian National Reinsurance Organization”

XPRIMM: First of all, please provide our readers a brief history of BELARUS Re

Mikhail BULAVKIN: Belarusian National Reinsurance Organization, known as BELARUS Re, is the first and the only specialized reinsurance company in the Republic of Belarus. The company was established by Resolution of the Council of Ministers of the Republic of Belarus as of 4 November 2006 No.1463 “On Establishment of RUE Belarusian National Reinsurance Organization” in accordance with the Decree of President of the Republic of Belarus dated as of 25 August 2006 No.530 “On Insurance Operations”. Currently, BELARUS Re is subordinated to the Ministry of Finance of Belarus. The founder of the company is the Council of Ministers of the Republic of Belarus.

RUE “Belarusian National Reinsurance Organization” in accordance with the legislation of the Republic of Belarus is the sole company which cooperates with foreign insurance and reinsurance organizations on reinsurance of risks, insured on the territory of the Republic of Belarus.

Starting 2010 the process of rating assignment to BELARUS Re has been

held by the international rating agency Standard & Poor's International Services. According to the latest assessment of Standard & Poor's International Services long-term counterparty credit and financial strength rating of Belarus Re is set at “B-” in accordance with the same level of the sovereign rating of the Republic of Belarus. The outlook – «Stable». Standard & Poor's notes the following positive aspects: the signs of stabilization in the economy, a low combined loss ratio, a sufficient level of capital and the fact that the company is competitive because of its unique status in the Belarusian insurance market. It should be also noted that since 2010, the company KPMG Ltd. has been carrying out an international audit of the financial statements of BELARUS Re.

XPRIMM: Please describe in more details your company's business profile.

M.B.: As I have already said, BELARUS Re is the only company ceding risks insured on the territory of the Republic of Belarus among foreign insurance and reinsurance companies or brokers. We cooperate with all Belarusian insurance companies, but we also operate and expand our activities in the international insurance and reinsurance markets.

Our portfolio of foreign contractors contains major European names of the industry, but also important players from Russia or other countries across our region: Lloyd's syndicates (29.44% of the business volume), Munich Re (11.76%), Ingosstrakh (10.25%), Partner Re (9.91%), Hannover Re (8.13%) and other companies, with lower shares.

It should also be stated the cooperation with such brokers as Willis Limited (UK), R.L.Davison & Co Ltd (UK), Filhet-Allard Maritime (France), Mathrawala&Sons Insurance Brokers PVT. LTD (India), Malakut Insurance Brokers” (Russia), Marsh – Insurance Brokers” (Russia) and others. The organization cooperates with more than 70 companies out of 17 countries.

In terms of covered risks, BELARUS Re provides all types of non-life reinsurance. The share of foreign business gradually increases and reaches 20% of the total premiums. The largest share of premiums written in the context of reinsurance belongs to Green Card Belarusian Certificates, i.e. 23.7%, Aviation Risks – 16.1%, Property Risks – 14.8%, Financial Risks – 13.1%.

XPRIMM: How did the financial crisis impact your business?

M.B.: The economic crisis has slowed down the growth of the national economy in 2011; however, the amount of reinsurance remained unchanged. The results of 2012 indicate the restoration of the national economy of the Republic of Belarus and it should be noted that at present an important direction of development of the national economy is to raise foreign investments. This is manifested in the construction of roads, industrial buildings, hotels, social, cultural and household facilities. In their turn, such risks require insurance and reinsurance coverage.

The results of 2012 indicate the restoration of the national economy of the Republic of Belarus and it should be noted that at present an important direction of development of the national economy is to raise foreign investments. This is manifested in the construction of roads, industrial buildings, hotels, social, cultural and household facilities. In their turn, such risks require insurance and reinsurance coverage.



Currently, a soft insurance market is observed in Belarus, with reducing insurance rates. However, the country has an obligatory transfer of reinsurance risks to BELARUS Re from all the insurance companies of the country, in case they exceed the legislative standard of liability of 20% of their equity capital. Thanks to its position in the Belarusian insurance market, BELARUS Re has the ability to influence pricing (setting the rate) in insurance, by harmonizing the rate for reinsurance which in turn prevents dumping in the insurance market of the Republic of Belarus.

XPRIMM: What about the future development? What markets do offer the best development opportunities in your opinion?

M.B.: In terms of outwards premiums, the most promising is the Russian Federation market and the Republic of Belarus market, as far as now the national market is characterized by the growth of infrastructure investments low penetration of insurance, following this there is

Starting 2010 the process of rating assignment to BELARUS Re has been held by the international rating agency Standard & Poor's International Services. According to the latest assessment of Standard & Poor's International Services long-term counterparty credit and financial strength rating of Belarus Re is set at "B-" in accordance with the same level of the sovereign rating of the Republic of Belarus.

a substantial potential of growth.

In strategic terms, the Russian Federation market is the most reliable and potentially interesting out of all insurance markets of CIS countries. Nevertheless, we intend to extend integration in the insurance markets of CIS and Western Europe, to diversify activities in the local and foreign markets and, of course, to intensify cooperation with insurance companies in Belarus.

In terms of improving our business standards, we intend to automatize business processes and improve our underwriting policy, as well as to create conditions for professional development of the staff. Moreover, we see ourselves as a promoter for new legislative changes, aiming to develop a modern insurance market in our country.

O.A.



Georgia Ex CIS



Category	Percentage
Life insurance	7.24%
Accidents	0.70%
Health	65.52%
Motor Hull	7.48%
MTPL	0.94%
Property	10.61%
CARGO	0.80%
GTPL	1.87%
Aviation	2.22%
Suretyship	1.31%
Travel	0.81%
Other	0.51%

SOURCE:

NATIONAL BANK OF GEORGIA

GEORGIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2.4054 LARI - GEL (JUNE 30TH, 2011)

1 EUR = 2.0409 LARI - GEL (JUNE 30TH, 2012)

Focused on advancement

Georgian insurance industry experienced lots of changes in the recent years, especially concerning the health system, a segment which continued to develop also in 2012. The Georgian Government has implemented starting 2006 a series of reforms in the healthcare system leading to an increasing number of insureds who gained access to medical care in the whole country and to a close collaboration of the State Health organizations with the private insurance companies. In fact, a significant share in the insurance market portfolio is currently represented by health insurance, the businesses of Georgian insurers being focused on this type of insurance to a large extent, surpassing 65% of the market portfolio. In fact, this strong orientation towards health insurance makes the most relevant differentiation factor of the Georgian market in relation with the other insurance markets in the region.

According to an insurance market briefing published by FINANCIAL Brokers Georgia, over the past two years, the health insurance products became more acceptable for the customers in aspects of limits and diseases covered. Most of the insurance packages now include cancer treatment, preexisting diseases and other more. It also has to be mentioned that the system of control over insurance has improved – which is true not only in terms of internal monitoring

realized by the company employees, but also the external one – service provided by the brokers (for corporate clients) or public mediation service (for governmental insurance programs).

At the same time, after the majority of hospitals in the whole country have been put on tender by the Government and afterwards transferred to be managed by private insurance companies – the accessibility of health services across the country has raised. The new owners invested in restructuring and rehabilitation of the clinics, providing them with new medical equipment and human resources. (FINANCIAL Brokers Georgia)

Giving the comments on FINANCIAL Brokers Georgia report, KPMG representatives declared: *In general terms, the Georgian insurance market developed during the last decade. The advancement is clearly visible in terms of products and services on offer and the range of choices for the customer. However, there are areas where it greatly lags behind the Western markets and simply cannot compete with them. There is too much bureaucracy within the insurance companies and this is a cause for a lot of inconvenience for the customers (...).*

Quantitatively, Georgian insurers posted underwritings worth GEL 233.9 mil (EUR 115 million) between January-June 2012, a 24.3% growth in national currency as compared with the 1H2011 results. Paid

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	114.61	78.24	46.50	57.92	48.57	19.25	100.00	100.00
TOTAL LIFE	8.30	3.10	167.76	0.30	0.57	-46.28	7.24	3.96
TOTAL NON-LIFE	106.32	75.14	41.50	57.62	48.01	20.02	92.76	96.04
Accidents	0.81	0.70	15.06	0.07	0.09	-29.00	0.70	0.89
Health	75.09	49.89	50.52	51.98	36.19	43.66	65.52	63.77
Overall motor insurance	9.65	7.16	34.72	4.30	3.18	35.15	8.42	9.15
Motor Hull	8.57	6.27	36.60	3.73	2.84	31.36	7.48	8.02
MTPL	1.08	0.89	21.41	0.57	0.34	66.36	0.94	1.14
Property	12.16	10.47	16.12	0.23	0.28	-16.72	10.61	13.38
CARGO	0.91	0.58	57.69	0.06	0.06	7.54	0.80	0.74
GTPL	2.14	1.45	48.07	0.01	0.01	141.87	1.87	1.85
Aviation*	2.55	1.32	93.81	-	5.26	-	2.22	1.68
Suretyship	1.50	2.29	-34.41	0.84	2.85	-70.47	1.31	2.93
Travel	0.93	0.58	60.94	0.07	0.10	-30.90	0.81	0.74
Other	0.58	0.71	-18.27	0.06	0.00	9,725	0.51	0.91

* mandatory and voluntary, summed



The main movements 2011-2012

- July, 2011 – insurance company MOBIUS left the market.
- September, 2011 – insurance company VEST left the market. ARCHIMEDES GLOBAL Georgia purchases 100% of VEST medical insurance portfolio.
- October, 2011 - VIENNA INSURANCE Group, which is 50% shareholder of GPI Holding and 100% owner of IRAO, decided to merge these two companies' assets to hold 25% of the insurance market share in Georgia.
- December, 2011 – Insurance company ALDAGI BCI purchases 100% portfolio of insurance company PARTNER.
- January, 2012 – ALDAGI BCI purchases 100% medical assets of BLOCK Georgia, previously owned by VEST
- May, 2012 – ALDAGI BCI purchases 85% stocks of IMEDI-L International. Later ALDAGI became the owner of 98.5% stocks of IMEDI-L.

Source: Financial Brokers Georgia

claims have increased by 1.2% reaching GEL 118.2 million (EUR 58 million), according to financial results published by the National Bank of Georgia. Up until June 30th 2012, in the Georgian insurance market operated 14 companies. Local insurance market's leader by gross premium written remains ALDAGI with GEL 52.7 million (EUR 26 million). Second in line comes GPI HOLDING VIG with underwritings of GEL 40.5 million (EUR 20 million), followed by IMEDI-L International with EUR 12 million.

V.B.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PSP Insurance	4.40	0.14	3,132.26	0.00	-	-	53.00	4.39
2	ALDAGI BCI	1.33	0.61	120.16	0.06	0.38	-84.17	16.06	19.53
3	IMEDI-L International	1.08	0.97	10.83	0.11	0.06	70.18	13.02	31.46
4	GPI Holding	0.91	0.72	25.61	0.04	0.09	-58.57	10.94	23.32
5	TAO	0.20	0.22	-7.15	-	0.00	-	2.42	6.97
6	ARCHIMEDES Global	0.18	0.07	165.30	0.02	0.01	76.79	2.11	2.13
7	ALPHA	0.09	0.29	-67.93	0.04	0.02	128.35	1.11	9.27
8	IRAO	0.06	0.02	274.21	0.02	-	-	0.71	0.51
9	IC Group	0.05	0.07	-27.44	0.01	0.00	209.39	0.60	2.23
10	CARTU	0.00	-	-	-	-	-	0.02	-
11	PARTNER	-	0.01	-	-	0.00	-	-	0.18
TOTAL MARKET		8.30	3.10	167.76	0.30	0.57	-46.28	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALDAGI BCI	24.47	12.63	93.84	9.13	7.49	21.85	23.02	16.80
2	GPI Holding	18.92	13.24	42.94	10.71	7.61	40.78	17.80	17.62
3	IMEDI-L International	11.25	10.86	3.64	10.53	6.75	56.00	10.58	14.45
4	IRAO	10.37	5.98	73.52	5.54	4.25	30.38	9.76	7.96
5	IC Group	8.63	7.36	17.31	5.71	9.04	-36.85	8.12	9.80
6	UNISON	6.86	5.25	30.78	0.10	0.01	1,891.92	6.46	6.98
7	ALPHA	6.11	8.94	-31.66	8.72	6.67	30.75	5.75	11.90
8	PSP Insurance	6.01	0.79	658.69	2.38	0.39	513.23	5.65	1.05
9	ARCHIMEDES Global	5.94	1.41	320.92	1.80	0.88	103.68	5.59	1.88
10	CARTU	3.47	3.89	-10.74	1.56	1.37	13.88	3.26	5.17
11	TAO	1.91	1.03	84.76	0.93	1.11	-15.79	1.80	1.38
12	ARDI Group	1.44	0.61	137.67	0.41	0.09	359.58	1.36	0.81
13	STANDARD Insurance	0.67	0.24	184.09	0.08	0.47	-82.69	0.63	0.31
14	CHARTIS Europe	0.25	0.35	-28.12	0.00	0.05	-97.54	0.24	0.47
15	PARTNER	-	0.96	-	-	0.35	-	-	1.27
16	VEST	-	1.62	-	-	1.47	-	-	2.16
TOTAL MARKET		106.32	75.14	41.50	57.62	48.01	20.02	100.00	100.00

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Kazakhstan



Life insurance (v)	5.18%
Annuity (v)	15.40%
Accidents (v)	8.61%
Sickness (v)	10.15%
Property insurance (v)	23.39%
Motor Hull (v)	2.64%
MTPL (c)	14.33%
Aviation insurance (v)	1.03%
CARGO (v)	2.20%
GTPL (v)	5.00%
Financial losses (v)	3.33%
Worker against accidents (c)	4.19%
Others (c)+(v)	4.55%

Domestic engine for market growth

Kazakhstan's insurance market was negatively impacted by the global financial crisis recording consecutive contractions in 2008 (-9.40%) and 2009 (-15.13%) because of depressed energy prices during the financial crisis. Nevertheless in 2010 and 2011, it enjoyed a strong recovery which is continuing into 2012, according to a report published by A.M. BEST Co.

The Kazakh insurance market holds the third position in the CIS Region, behind Russia and Ukraine, due to the country's dimensions - geographically Kazakhstan is the largest of the former Soviet republics, except Russia - and to its enormous oil and gas reserves.

Following the results of the first half of 2012, underwritings in the Kazakhstan insurance market were of KZT 112.42 billion, 10% more as compared with the similar period in 2011, reported the market authority. In European currency, Kazakh insurance companies have cumulated GWP of EUR 598.3 million, representing, because of the appreciation of the local currency in relation to EUR, a nominal increase of about 23%. However, despite the development, insurance penetration is still low (0.7% in 2011), in part because *under the former Soviet economic and social system, people typically relied more on government aid. However, insurers*

anticipate that perceptions of the need for insurance and purchasing habits will change with the emergence of a new generation (Yvette ESSEN, report author and director of industry research, Europe and emerging markets, A.M. BEST Co). At the same time, the increasing living standard of the population and the rising income per capita, certainly will determine an increase of consumption, followed by a natural need for insurance.

In recent years, the number of insurance companies operating in Kazakhstan has contracted, at the end of June 2012 being active only 35, compared to 38 a year before. As the overall market ranking showed (note: available on www.xprimm.com) Kazakhstan's insurance market is dominated by domestic companies. According to the figures, Top 5 insurance companies account for almost 46% of total premiums. The market leader, Insurance Company EURASIA (affiliated to EURASIAN Bank) - accounts for 16.8%, followed by HALYK-KAZAKHINSTRAKH (subsidiary company of HALYK Bank) - 10.9% and ALMATY International Insurance Group - 7.6%. Top 5 was completed by NOMAD Insurance - 5.3% and NOMAD Life - 5.2%.

As foreign insurers, the most well-known are GENERALI Life and CHARTIS Kazakhstan. ALLIANZ had an operating

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	598.28	485.98	23.11	174.47	88.08	98.08	100.00	100.00
TOTAL LIFE	123.14	54.16	127.36	69.06	23.90	188.92	20.58	11.14
Life insurance (v)	31.02	6.51	376.75	1.04	0.56	86.74	5.18	1.34
Annuity (v)	92.13	47.66	93.32	68.02	23.35	191.35	15.40	9.81
TOTAL NON-LIFE	475.13	431.82	10.03	105.41	64.18	64.25	79.42	88.86
Accidents (v)	51.50	23.17	122.26	2.24	1.03	116.76	8.61	4.77
Sickness (v)	60.70	40.68	49.21	23.23	19.60	18.54	10.15	8.37
Property insurance (v)	139.93	140.80	-0.62	25.31	6.43	293.82	23.39	28.97
Overall motor insurance	101.55	72.13	40.79	31.18	17.64	76.72	16.97	14.84
Motor Hull (v)	15.79	9.25	70.80	4.52	3.13	44.35	2.64	1.90
MTPL (c)	85.76	62.88	36.38	26.66	14.51	83.71	14.33	12.94
Aviation insurance (v)	6.17	5.99	2.98	0.12	2.34	-94.81	1.03	1.23
CARGO (v)	13.16	14.35	-8.28	1.18	0.62	89.98	2.20	2.95
GTPL (v)	29.93	32.44	-7.71	2.49	1.46	70.45	5.00	6.67
Financial losses (v)	19.89	39.97	-50.22	0.12	0.51	-77.15	3.33	8.22
Worker against accidents (c)	25.04	36.56	-31.51	17.33	12.94	33.96	4.19	7.52
Others (c)+(v)	27.25	25.73	5.91	2.22	1.62	37.57	4.55	5.29

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

SOURCE:

NATIONAL BANK OF KAZAKHSTAN
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 30TH, 2011)

1 EUR = 187.90 TENGE - KZT (JUNE 30TH, 2012)

subsidiary in Kazakhstan but withdrew from the market in December 2011. Then, ALLIANZ SE has sold 100% shares of ALLIANZ Kazakhstan to the Chairman of the Board, Zhanar KALIYEVA.

Analyzing the market figures denominated in EUR, life insurance recorded one of the most spectacular growth rates, of 127%, summing up more than EUR 123 million. The share of this class out of total underwritings rose to 20.6%, from 11.1% in 1H2011. *This, in part, reflects regulatory changes whereby from January 2012, only life insurers are permitted to underwrite employers' liability coverage. This has resulted in premiums moving from non-life insurers to life affiliates or life companies, showed the A.M Best report.*

The volume of underwritings on the non-life insurance segment increased in EUR by 10%, to EUR 475 million, but decreased in local currency by 1.7%, because of the GWP collected in lower quantities on property insurance (-11%), respectively GPL insurance (-17%). Voluntary insurance lines are holding the largest part of the national portfolio (over 75%), characteristic which seems quite surprising when analyzing Kazakhstan's insurance sector in the CIS context, dominated by compulsory sectors. For example, in January-June 2012, MTPL accounted only for 14% of total market, while, workers liability only for 4%.

During the reference period, Kazakhstan insurers have paid claims for insurance contracts totaling EUR 174.47 million, 98% more than in January-June 2011. This spectacular change is due mainly the claims paid on property segment, in this case the value increasing by almost 300% (to EUR 25.3 million), on accidents insurance - by 117%, while on MTPL insurance segment, claims have increased by 84%, to almost EUR 27 million.

As far as the future is concerned, A.M. BEST is of the opinion that non-life insurers will continue to focus on local risks in the near future. EURASIA Insurance is an exception in its seeking risk diversification by expanding outside Kazakhstan, especially within Asia and the Commonwealth of Independent States (CIS). Insurers expect GPW to rise as the Kazakh economy recovers from the recent global financial crisis. At the same time, GDP is forecasted to expand by 5.9% in 2012, underpinned by output from natural gas and oil reserves.

V.B.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	KAZKOMMERTS-Life	24.35	8.05	202.56	11.89	3.47	242.37	19.78	14.86
2	NOMAD Life	24.12	-	-	16.40	-	-	19.59	-
3	BTA Life	22.51	8.08	178.66	13.53	3.36	302.83	18.28	14.91
4	GENERALI Life	17.44	2.37	635.39	0.40	0.24	65.73	14.17	4.38
5	HALYK-Life	17.29	9.05	90.98	11.63	4.16	179.83	14.04	16.71
6	State Annuity Company	14.16	14.57	-2.80	11.14	7.62	46.20	11.50	26.90
7	ALLIANCE-Life	3.28	7.82	-58.11	4.08	3.68	10.75	2.66	14.44
8	ASTANA-FINANCE Life	-	4.22	-	-	1.37	-	-	7.80
TOTAL MARKET		123.14	54.16	127.36	69.06	23.90	188.92	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	EURASIA	100.42	71.76	39.93	25.64	8.32	208.15	21.14	16.62
2	HALYK-KAZAKHINSTRAKH	64.96	77.54	-16.23	11.78	9.93	18.69	13.67	17.96
3	ALMATY Int. Ins. Group	45.15	15.41	192.94	0.19	1.18	-84.00	9.50	3.57
4	NOMAD Insurance	31.72	27.50	15.33	6.67	2.57	159.96	6.68	6.37
5	OIL Ins. Company	28.52	22.95	24.27	6.40	4.34	47.67	6.00	5.32
6	KAZKOMMERTS-Policy	26.74	26.26	1.83	11.71	4.19	179.29	5.63	6.08
7	BTA Insurance	23.13	11.34	103.93	6.67	3.41	95.50	4.87	2.63
8	TSESNA GARANT	19.89	1.43	1,294.76	1.04	0.02	6,316.81	4.19	0.33
9	LONDON-ALMATY	11.16	20.31	-45.07	2.17	1.57	38.64	2.35	4.70
10	AMANAT Insurance	11.03	17.00	-35.12	2.15	1.77	21.56	2.32	3.94
11	ALLIANCE-Policy	9.83	6.83	43.77	5.29	2.37	123.45	2.07	1.58
12	KOMMESK-OMIR	9.38	6.70	40.01	2.85	2.56	11.38	1.97	1.55
13	CENTRAS Insurance	7.83	6.43	21.69	3.65	2.64	38.32	1.65	1.49
14	InterTeach	7.67	6.55	17.10	3.56	3.76	-5.19	1.61	1.52
15	STANDARD Insurance	7.48	-	-	1.38	-	-	1.58	-
16	GENERALI Life	7.44	4.00	85.79	0.03	0.03	10.72	1.57	0.93
17	KOMPETENZ	7.37	-	-	2.80	-	-	1.55	-
18	NOMAD Life	6.91	-	-	-	-	-	1.45	-
19	CHARTIS Kazakhstan	6.33	14.82	-57.27	0.22	1.90	-88.44	1.33	3.43
20	ALATAU	5.06	5.71	-11.36	1.34	0.63	114.15	1.07	1.32
21	ASKO	4.78	3.80	25.79	0.99	0.57	72.43	1.01	0.88
22	HALYK-Life	4.72	1.34	251.19	0.22	0.08	187.06	0.99	0.31
23	KAZKOMMERTS-Life	3.84	0.71	441.92	0.14	0.02	821.36	0.81	0.16
24	VICTORY	3.50	17.09	-79.53	0.83	0.55	50.74	0.74	3.96
25	ARCHIMEDES-Kazakhstan	3.30	1.04	215.78	2.34	1.68	39.64	0.69	0.24
26	TransOil	3.18	3.78	-15.88	0.87	0.68	26.92	0.67	0.88
27	ALLIANCE-Life	2.53	0.00	80,404.23	0.00	-	-	0.53	0.00
28	NURPOLICY	2.15	1.67	28.74	0.93	0.48	93.75	0.45	0.39
29	BTA Life	2.02	0.17	1,056.96	0.02	0.08	-75.93	0.43	0.04
30	KazExportGarant	1.64	1.25	30.80	0.03	0.06	-42.64	0.34	0.29
31	SAYA	1.55	2.04	-24.07	0.49	0.75	-34.74	0.33	0.47
32	GRAIN Insurance	1.51	0.98	53.94	0.03	0.13	-76.36	0.32	0.23
33	KAZAKHMYS	1.47	14.72	-90.01	2.84	2.28	25.02	0.31	3.41
34	TRUST Insurance	0.77	0.65	19.35	0.03	0.08	-60.74	0.16	0.15
35	State Annuity Company	0.20	0.02	889.68	0.09	0.63	-85.19	0.04	0.00
36	ALLIANZ Kazakhstan	-	14.20	-	-	1.12	-	-	3.29
37	ASTANA-FINANCE	-	4.39	-	-	1.46	-	-	1.02
38	ASTANA-FINANCE Life	-	0.00	-	-	-	-	-	0.00
39	EKO Policy	-	5.67	-	-	1.33	-	-	1.31
40	PANA Insurance	-	9.45	-	-	1.04	-	-	2.19
41	TSASO	-0.06	6.25	-	-	0.01	-	-	1.45
TOTAL MARKET		475.13	431.82	10.03	105.41	64.18	64.25	100.00	100.00



Kyrgyzstan



Personal insurance	22.10%
Property insurance	44.94%
Liability insurance	21.63%
Mandatory insurance	11.33%

SOURCE:

NATIONAL BANK OF THE KYRGYZ REPUBLIC
FSA - GOSFINNADZORA

KYRGYZ CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 61.8881 SOM - KGS (APRIL 30TH, 2011)
1 EUR = 69.5030 SOM - KGS (APRIL 30TH, 2012)

Market recovers

According to the Kyrgyz Financial Supervisory Commission (FSC) data, in January–April 2012 total premium written by the local insurance companies amounted to KGS 106.8 million (EUR 1.54 million) which is 13.5% more, in local currency, than in the corresponding period of the previous year. Claims paid reached KGS 11.3 million (EUR 0.16 million), which in local currency means an y-o-y increase of 7.6 %.

Natural hazards, reason for concern

The Kyrgyz Republic is prone to natural hazards as earthquakes, floods, hail, landslides, mudflows, drought, erosion and desertification. Over the past few decades these natural events have caused extensive damage, and will continue to impact the Kyrgyz Republic unless proactive measures are not taken to mitigate and prepare for it according Disaster Risk Management Notes for Priority Countries 2009 – 2015 in Europe and Central Asia.

Thereby, this year Kyrgyzstan's Government was initiated a draft law, currently under public debate, concerning the setup of a reinsurance company, "KYRGYZ-English Reinsurance Company". The new reinsurance company is meant to protect the insurance industry by reducing technical risk and major potential of losses arising from natural disasters, noted a newsletter published by the Government. The bill stipulates that insurance companies are required to cede compulsory insurance premiums in reinsurance to KYRGYZ-English Reinsurance Company,

with a net retention ratio cap of 20%.

The capital of the KYRGYZ-English Reinsurance Company will be of KGS 1 billion (EUR 16 million), co-owned by the state (10%) and ASUIA- All Seasons Underwriting Agencies Ltd. Insurance – (90%).

Legal highlights

In 2012, Financial Supervisory Commission of the Kyrgyz Republic continues its work to elaborate the *Compulsory Civil Liability Insurance of Owners of Motor Vehicles Law*. The new Law will allow the insurance companies to simplify the procedure of compensation to the victims and will help to reduce the annual huge loss from road accidents.

Moreover, FSC is working to finalize four Laws of compulsory types of insurance concerning: the civil liability of the carrier to the passengers; the civil liability of the employer; the civil liability of organizations operating hazardous production facilities and civil liability of the carrier transporting dangerous cargo.

Also following the World Bank recommendations, FSC recently adopted a draft of resolution on *Regulation of requirements for qualification and professional adequacy for management bodies of company, chief accountant, and internal audit*. The main goals of the resolution are to avoid insolvency and liquidation of insurance companies, as well as to provide highly qualified managers to insurance companies.

O.A.

Market portfolio as of April 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	Jan.-Apr.2012	Jan.-Apr.2011	Change	Jan.-Apr.2012	Jan.-Apr.2011	Change	Jan.-Apr.2012	Jan.-Apr.2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET, of which:	1.54	1.52	0.95	0.16	0.17	-4.17	100.00	100.00
Life insurance	-	-	-	-	-	-	-	-
Personal insurance	0.34	0.38	-11.33	0.06	0.08	-18.23	22.10	25.16
Property insurance	0.69	0.73	-5.86	0.08	0.08	3.58	44.94	48.20
Liability insurance	0.33	0.24	39.93	0.01	0.01	-23.68	21.63	15.61
Mandatory insurance	0.17	0.17	3.60	0.01	-	-	11.33	11.04



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Moldova



Life insurance	6.33%
Accidents insurance	1.88%
Health - valid in Moldova	2.41%
Health - valid outside Moldova	2.42%
Fire and allied perils	11.51%
Damages to property	5.13%
Motor Hull	17.72%
MTPL	22.83%
Green Card	20.91%
Other motor insurance	2.62%
Aircraft insurance	0.46%
Aircraft liability	2.91%
Goods in transit	0.77%
GTPL	1.37%
Other non-life insurance	0.73%

SOURCE:

NATIONAL COMMISSION OF FINANCIAL MARKET
NATIONAL BANK OF MOLDOVA

MOLDAVIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

MDL 15.4062/EUR - IN 1H 2012
MDL 16.6068/EUR - IN 1H 2011

On the growth track

Key indicators of the Moldavian insurance market recorded a promising evolution in 1H2012. Yet, despite the overall ascendant trend, the penetration degree remained low, of only 1.27% of the total GDP after the first half of the year, showing a very modest contribution of the insurance sector to the real economy's development.

The aggregate financial result of Moldavian insurers rose to MDL 25.36 million (EUR 1.65 million) in 1H2012, 23% more y-o-y. Fifteen insurance companies reported positive financial results amounting to a total of MDL 31.3 million (EUR 2.03 million), while the aggregated loss decreased to MDL 5.93 million from MDL 20.88 million in 1H2011.

1H2012: 7.5% growth in GWP

Gross premiums underwritten in 1H2012 amounted to a total of MDL 501, 7.5%

more than the same period of 2011, as the figures published by the National Commission of Financial Markets (NCFM) show. In European currency, the business volume of the Moldavian insurers reached EUR 32.5 million, an increase by EUR 4.5 million compared to 1H2011. Also, claims paid by insurance companies totaled MDL 187 million (EUR 12.2 million), 8.3% more y-o-y.

Insurance market's portfolio hasn't undergone significant changes compared with previous reporting periods. Thus, non-life insurance generated 93.7% of the market while the rest of 6.3% went to life insurance.

Among the general insurance lines, motor insurance was the market's driver, generating the most important business volumes, with Motor Hull holding a 17.7%

The share of brokers at the same level

Seven new insurance intermediaries were licensed in the last 12 months, increasing the total number of insurance/reinsurance brokers to 69. As more and more competitive players are present on this segment, it is expected that new foreign investors will boost the development of the insurance sector in the future. Currently, the brokerage market share in the insurance market remained at the same level as in 1H2011 - 29% - intermediation activity keeping the pace with the overall market growth.

Gross written premiums intermediated by insurance brokers in Moldova in the analyzed period amounted to MDL 143.5 million (EUR 9.3 million). Compared to 1H2011, the mediation market increased in European currency by 14% (6% in local currency).

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	32.52	28.07	15.84	12.15	10.41	16.72	100.00	100.00
TOTAL LIFE	2.06	1.81	13.83	0.28	0.29	-1.95	6.33	6.44
TOTAL NON-LIFE	30.46	26.26	15.98	11.87	10.12	17.25	93.67	93.56
Accidents insurance	0.61	0.51	20.58	0.07	0.10	-27.35	1.88	1.81
Overall health insurance	1.57	1.39	12.90	0.70	0.49	42.08	4.83	4.96
Health - valid in Moldova	0.78	0.56	40.36	0.56	0.42	31.39	2.41	1.99
Health - valid outside Moldova	0.79	0.83	-5.48	0.14	0.07	107.91	2.42	2.97
Overall property insurance	5.41	3.54	52.97	2.51	1.23	103.52	16.65	12.61
Fire and allied perils	3.74	3.03	23.59	2.37	1.20	97.06	11.51	10.79
Damages to property	1.67	0.51	227.55	0.14	0.03	343.94	5.13	1.82
Overall motor insurance	20.84	18.48	12.74	8.51	8.25	3.19	64.07	65.83
Motor Hull	5.76	5.15	11.92	3.89	3.78	2.86	17.72	18.34
MTPL	7.42	6.90	7.59	2.77	2.59	7.04	22.83	24.58
Green Card	6.80	5.71	19.05	1.81	1.86	-2.38	20.91	20.34
Other motor insurance	0.85	0.72	17.82	0.04	0.02	76.07	2.62	2.58
Aircraft insurance	0.15	0.79	-80.87	0.03	-	-	0.46	2.80
Aircraft liability	0.95	0.43	119.02	-	0.00	-	2.91	1.54
Goods in transit	0.25	0.54	-53.85	0.03	0.00	1,885.29	0.77	1.93
GTPL	0.45	0.37	21.72	0.01	0.04	-84.20	1.37	1.30
Other non-life insurance	0.24	0.22	7.56	0.01	0.00	586.80	0.73	0.78

share of the market, followed by MTPL with 23% and Green Card with about 21%. Likewise, property insurance (fire, natural disasters and other property insurance, summed) accounted for approximately 16.6% of the total insurance market.

On the paid claims side, motor insurance accounted for more than 70% of the overall claims volume in 1H2012. Although claims paid for the motor lines only increased

ROSGOSSTRAKH left the market



Rosgosstrakh Group of Companies

During summer, Russian insurance group ROSGOSSTRAKH left the insurance market of the Republic of Moldova by selling its 80% stake of the local insurance company MOLDA SIG. The deal was realized by five stock exchange transactions, for a total value of MDL 194.73 million (EUR 12.8 million). The selling price of a single MOLDA SIG share with a nominal value of MDL 100 was at MDL 410.92, according to information published by the stock exchange market of Moldova in 25th of July 2012.

According to the Moldavian financial press the new owners of MOLDA SIG are TRANS-GROUP (15%); ICSSV-INCOLECT (16%); ICS STOCK-TRADING (13%); ICS SEMGROUP-SYSTEMS (16%); PROLINA-PRIM (17%). Also among MOLDA SIG shareholders remains the Financial Bank (10.2%), the Railway of Moldova (5%) and Moldavian Post (4.8%).

by about 3% y-o-y, in the near future this chapter of insurers' expenses may become really challenging once the "ageing" coefficients will be no longer used in calculating the compensations for car repairs. According to Pavel CATER, the President of BNAA - The National Bureau of Motor Insurers in the Republic of Moldova, in the last 5 years, Moldavian insurers paid only 60% of the real value of MTPL claims, because of the "ageing" factor. Thus, starting 2012, *the average claim value will increase. We will have more expensive claims to pay.* According to BNAA, the average claim reached RON 10,600 in 2011 and for 2012, after the implementation of the reform, a value of RON 19,000 is estimated, *taking into account that fact that the Moldavian rolling stock includes many vehicles older than 5 years.*

V.B.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE CARAT ASIGURĂRI	1.93	1.67	14.94	0.03	0.02	30.77	93.49	92.59
2	SIGUR-ASIGUR	0.11	0.10	9.17	0.00	0.00	48.71	5.47	5.71
3	ASITO	0.02	0.02	-9.59	0.24	0.26	-5.54	1.03	1.30
4	ASTERRA GRUP	-	0.01	-	-	-	-	-	0.40
5	VICTORIA ASIGURĂRI	-	-	-	0.00	0.00	8.45	-	-
TOTAL MARKET		2.06	1.81	13.83	0.28	0.29	-1.95	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	MOLDASIG	9.11	7.40	23.04	4.36	2.93	48.63	29.89	28.18
2	ASITO	5.61	4.95	13.32	1.62	1.87	-13.06	18.41	18.84
3	MOLDCARGO	4.28	2.64	62.11	1.00	0.55	79.55	14.07	10.06
4	DONARIS-GROUP	2.68	2.33	14.76	0.98	0.79	24.03	8.79	8.88
5	GRAWE CARAT ASIGURĂRI	1.88	1.82	3.28	0.74	0.65	13.28	6.17	6.93
6	EUROASIG	1.38	1.15	20.02	0.55	0.58	-5.20	4.52	4.37
7	VICTORIA ASIGURĂRI	1.36	0.90	50.54	0.78	0.53	46.91	4.47	3.44
8	TRANSELIT	0.95	0.71	33.21	0.25	0.17	45.95	3.11	2.71
9	KLASSIKA ASIGURĂRI	0.61	0.69	-11.60	0.32	0.30	5.86	2.00	2.63
10	ACORD-GRUP	0.44	1.09	-59.87	0.08	0.01	707.93	1.44	4.16
11	ASTERRA GRUP	0.43	0.30	45.22	0.11	0.10	6.77	1.43	1.14
12	AUTO-SIGURANȚA	0.43	0.39	9.42	0.25	0.15	69.47	1.41	1.50
13	EXIM-ASINT	0.32	0.28	12.49	0.13	0.15	-7.90	1.05	1.08
14	GALAS	0.30	0.29	5.91	0.19	0.27	-30.03	1.00	1.09
15	GARANȚIE	0.28	0.48	-41.84	0.12	0.54	-78.26	0.91	1.81
16	MOLDOVA-ASTROVAZ	0.25	0.33	-24.21	0.27	0.23	17.03	0.82	1.25
17	VITORIASIG	0.16	0.16	-0.30	0.08	0.05	66.26	0.52	0.60
18	ALIANȚA-MOLDSCOOP	0.00	0.02	-88.63	0.00	0.01	-89.77	0.01	0.09
19	AFES-MOLDOVA	-	-	-	-	0.01	-	-	-
20	ARTAS	-	0.12	-	0.00	0.10	-97.38	-	0.46
21	EDICT	-	-	-	0.00	0.00	-90.83	-	-
22	GARANT	-	0.00	-	-	0.01	-	-	0.00
23	IDEEA ASIGURĂRI	-	0.20	-	0.03	0.11	-70.56	-	0.77
24	SIGUR-ASIGUR	-	0.00	-	-	0.00	-	-	0.01
TOTAL MARKET		30.46	26.26	15.98	11.87	10.12	17.25	100.00	100.00





Russia



Life insurance (V)	5.34%
Accidents (V)	8.08%
Health (V)	16.84%
Motor hull (V)	21.91%
Other goods (V)	15.92%
Agricultural ins. (V)	1.71%
Railway, aircraft and ships (V)	1.49%
CARGO	2.50%
Financial and business risks (V)	2.11%
Liabilities (V)	3.63%
Mandatory personal ins.	2.74%
MTPPL	13.86%
Other mandatory ins.	1.97%

Major changes ahead

Despite the negative macroeconomic changes driven by the international crisis, the Russian insurance market totaled RUB 412 billion (except mandatory health insurance), up by 22.92% as compared with 1H2011. *The Russian market is experiencing in 1H2012 as in 2011: gradual market consolidation, quick development of mandatory types of insurance in prejudice of the voluntary lines as well as a higher governmental attention towards the insurance sector,* commented Andrey VESELKOV, General Director, Media – Information Group, “Insurance Today”. He also emphasized that *the Russian market is a very specific one. There are almost none similar models in Eastern Europe. Perhaps only the Ukrainian and Kazakh markets, out of the others, have something in common with Russia.*

First of all this market is characterized by large number of players. Despite developing processes of consolidation and concentration there are 500 insurance companies (10 years ago there were more than 1000), added VESELKOV. The large amount of insurance companies makes competition stronger, decreases the quality of services provided by insurance companies and by

supervision authorities and encourages dumping pricing policies, so that more and more companies are working not for profit but for cash, struggling to collect insurance premiums by any price and any tariffs. Also, paid amounts are systematically decreasing and terms of claim settlement are extending.

As a result, there are many cases of bankruptcy, of insurers stealthily closing the company, without “run-off” procedures, without paying off to clients, partners, employees and state. It is clear that such examples are feeding a rather critical attitude towards insurers. Whereas state is interested to develop the insurance market which should release the state budget from regular and huge payments for the lost crops, burnt or drowned houses, fallen satellites, human casualties etc. Yet, as a matter of fact government does not really invest anything in order to propel market’s development, so that population and businesses would call for insurance by themselves, commented Andrey VESELKOV.

Trying also two mandatory insurances In particular, over 2011 and 2012 there were discussed two new draft laws introducing each a type of mandatory

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET*	9,980.47	8,307.44	20.14	4,077.26	3,614.14	12.81	100.00	100.00
LIFE INSURANCE (V)	533.36	367.79	45.02	139.65	90.31	54.64	5.34	4.43
NON-LIFE INSURANCE	9,447.10	7,939.65	18.99	3,937.61	3,523.83	11.74	94.66	95.57
Personal insurance (V)	2,487.74	2,151.47	15.63	1,005.90	960.61	4.71	24.93	25.90
Accidents (V)	806.86	551.86	46.21	108.61	96.60	12.44	8.08	6.64
Health (V)	1,680.88	1,599.61	5.08	897.29	864.01	3.85	16.84	19.26
Property insurance (V)	4,918.25	4,491.46	9.50	2,132.08	1,766.61	20.69	49.28	54.07
Motor hull (V)	2,186.71	1,894.17	15.44	1,384.56	1,266.98	9.28	21.91	22.80
Other goods (V)	1,589.10	1,529.14	3.92	518.60	305.05	70.00	15.92	18.41
Agricultural ins. (V)	170.39	226.58	-24.80	63.95	87.45	-26.87	1.71	2.73
Railway, aircraft and ships (V)	149.07	130.93	13.85	44.30	30.37	45.86	1.49	1.58
CARGO	249.69	251.89	-0.87	33.74	28.54	18.21	2.50	3.03
Financial and business risks (V)	211.02	128.36	64.40	25.35	10.24	147.51	2.11	1.55
Liabilities (V)	362.28	330.38	9.65	61.58	37.98	62.15	3.63	3.98
Mandatory personal ins.	461.65	174.72	164.21	101.79	81.86	24.36	4.63	2.10
MTPPL	1,382.94	1,118.66	23.62	694.60	713.09	-2.59	13.86	13.47
Other mandatory ins.	196.52	3.33	5,803.69	3.24	1.67	94.19	1.97	0.04
TOTAL VOLUNTARY INSURANCE	7,939.36	7,010.72	13.25	3,277.63	2,817.52	16.33	79.55	84.39
TOTAL MANDATORY INSURANCE	2,041.11	1,296.71	57.41	799.63	796.61	0.38	20.45	15.61
MANDATORY HEALTH INSURANCE	NA	7,223.51	NA	-	6,920.28	-	-	-

* except mandatory health insurance

(V) - Voluntary insurance

TOP 20 - Life insurance

Company	Region	GWP 1H2012	MARKET SHARE
		EUR m	%
ALICO	Moscow	67.05	12.57
ROSGOSSTRAKH Life	Moscow	58.24	10.92
RUSSIAN Standard Ins.	Moscow	56.05	10.51
RENAISSANS Life	Moscow	55.80	10.46
ALFASTRAKHOVANIE Life	Moscow	53.46	10.02
SOGAZ Life	Moscow	41.21	7.73
ALLIANZ Rosno Life	Moscow	36.01	6.75
SOGEKAP Life Insurance	Moscow	33.70	6.32
CIV Life	Moscow	26.16	4.90
RAIFFEISEN Life	Moscow	19.01	3.56
GENERALI PPF Life	Moscow	18.88	3.54
CHULPAN Life	Almetyevsk	9.94	1.86
ROSSIA	Moscow	6.34	1.19
DISKONT	Саратов	5.28	0.99
GEOPOLIS	Moscow	5.00	0.94
URALSIB Life	Moscow	4.69	0.88
NSG Life	Moscow	4.04	0.76
INGOSSTRAKH Life	Moscow	3.92	0.73
ZHASO Life	Moscow	3.77	0.71
KOLYMSKAYA	Khabarovsk	3.47	0.65
FIRST 10 COMPANIES		446.68	83.75
FIRST 20 COMPANIES		512.02	96.00
OTHER COMPANIES		21.35	4.00
TOTAL MARKET		533.36	100.00

Top 20 - Voluntary personal insurance

Company	Region	GWP 1H2012	MARKET SHARE
		EUR m	%
SOGAZ	Moscow	457.23	18.38
GENERALI PPF Life	Moscow	126.85	5.10
RESO-Garantia	Moscow	123.78	4.98
INGOSSTRAKH	Moscow	116.82	4.70
ALLIANZ	Moscow	116.60	4.69
ROSGOSSTRAKH	Lyubertsy	100.69	4.05
ZHASO	Moscow	96.64	3.88
ALFASTRAKHOVANIE	Moscow	93.54	3.76
VBT Insurance	Moscow	92.12	3.70
VSK	Moscow	81.89	3.29
SOGLASIE	Moscow	80.66	3.24
TRANSNEFT	Moscow	75.22	3.02
RENAISSANS Ins. Group	Moscow	49.70	2.00
KARDIF	Moscow	41.16	1.65
MAKS	Moscow	38.83	1.56
SURGUTNEFTEGAZ	Surgut	38.32	1.54
KAPITAL Insurance	Kogalym	35.32	1.42
AVIVA	Moscow	35.12	1.41
URALSIB	Moscow	33.38	1.34
ROSGOSSTRAKH Life	Moscow	27.33	1.10
TOTAL TOP 10		1,406.15	56.52
TOTAL TOP 20		1,861.19	74.81
OTHER COMPANIES		626.56	25.19
TOTAL MARKET		2,487.74	100.00

insurance: *On Compulsory Insurance of Liability of an Owner of a Hazardous Facility for Harm Caused by an Accident at a Hazardous Facility and On Compulsory Insurance of Carriers Liability for Damage Caused to Life, Health and Property of Passengers and On the Procedure for Compensation of Such Damages Caused During the Carriage of Passengers by the Underground Railway.* The second law will be enforced in 2013.

These are mandatory lines which are considered to be the drivers of insurance sector development. Voluntary motor insurance policies have still a low penetration on the Russian market, as compared to the mature markets like Germany, commented the novelty Andrey YURIEV, President of the National Union of the Third Party Liability Insurers from Russia, at the Yalta International Finance Forum 2012.

Significant changes in 1H2012

Last half year was reach of important events, with a strong impact on the market.

A drafting procedure was started concerning the industry's development strategy until

2012. It is the most important document for insurers taking into consideration the strong influence of the government on economy. Also a basic agreement was reached with regard to the new project of an integrated supervising body which will control, regulate and supervise the banking, insurance and financial domains, added Andrey VESELKOV. Also, as long-term integration of Russia in WTO has been completed, it also was decided that in the future the financial reports issued by insurers will comply with the international accounting standards.

According to Andrey VESELKOV, major changes are taken place in the mandatory health insurance system to the extend that there is no way to speak about "insurance" there. It turned into a system of budget money distribution for medical entities. In fact, mandatory health insurance was already excluded from the Federal Insurance Supervision Service reporting, which makes sense.

Wildfires pushed ahead development of household insurance

According to VESELKOV, traditionally Russia is considered as a country with a low exposure to natural hazards risks, both for population, economy and insurers. Even significant earthquakes or volcano

eruptions proved to be not so devastating because seismically active zones are located on the big distance from cities. For example acting volcanoes are located only in sparsely populated Far East (Kamchatka, Sakhalin, and Kurile Islands).



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

Floods and wildfires are perhaps higher risks for population, businesses and local authorities, but nevertheless huge losses are rare exceptions. *The recent catastrophe on the Black Sea coast (Krymsk city, hundreds of victims and rather serious damages) was a rare exception. Wildfires in 2010 in central Russia haven't been so serious as wildfires in Siberia, in 2012, but exactly them have push government to seriously consider the household insurance development in that area, said Andrey VESELKOV.* He explained that the main reason of this response lies in the different economic profile and density of population between the two regions. As agriculture in Siberia is poorly developed, except for Altay, fire or

SOURCE:

CENTRAL BANK OF THE RUSSIAN FEDERATION
FEDERAL INSURANCE SUPERVISION SERVICE

RUSSIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 40.3870 RUBLE - RUB (JUNE 30TH, 2011)
1 EUR = 41.3230 RUBLE - RUB (JUNE 30TH, 2012)



Top 20 - Voluntary property insurance*

Company	Region	GWP 1H2012	MARKET SHARE
		EUR m	%
ROSGOSSTRAKH	Lyubertsy	530.59	12.21
SOGAZ	Moscow	498.86	11.48
INGOSSTRAKH	Moscow	493.93	11.37
RESO-Garantia	Moscow	358.43	8.25
SOGLASIE	Moscow	227.93	5.25
ALFASTRAKHOVANIE	Moscow	212.11	4.88
VSK	Moscow	187.34	4.31
RENAISSANS Ins. Group	Moscow	129.36	2.98
MSK Insurance Company	Kazan	120.75	2.78
ALLIANZ	Moscow	107.95	2.48
KAPITAL Insurance	Kogalym	93.40	2.15
URALSIB	Moscow	73.00	1.68
ZURICH	Moscow	65.07	1.50
TRANSNEFT	Moscow	61.71	1.42
YUGORIA	Khanty-Mansiysk	60.31	1.39
VTB Insurance	Moscow	46.59	1.07
ENERGOGARANT	Moscow	42.36	0.97
GUTA Insurance	Moscow	39.29	0.90
MASK	Moscow	37.23	0.86
ROSSIA	Moscow	27.39	0.63
FIRST 10 COMPANIES		2,867.23	65.99
FIRST 20 COMPANIES		3,413.58	78.56
OTHER COMPANIES		931.37	21.44
TOTAL MARKET		4,344.95	100.00

*except financial & business risks and liabilities

drought didn't cause significant damages. But in Central Russia the density of population and level of urbanism are rather high. Not are not many forests, but wildfires are taking a long run character due to drained swamps, where the soil consists in many thick layers of peat. Consequently, wildfires are of a high danger, difficult to struggle with and potentially producing high losses.

Of course I share the same opinion with other experts about the risks of man-made disasters. USSR legacy brought us gigantic industrial facilities of electro-energy, infrastructures of military defense complexes. Also huge chemical, nuclear, petroleum and energy factory facilities are located areas with a high density of population, so that any accident might bring enormous losses, added Andrey VESELKOV.

ACORD will change development of market?

On August 23, 2012, representatives of the top Russian insurance companies have signed a memorandum of agreement with ACORD (Association for Cooperative Operations Research and Development) regarding the implementation of the international standards to the local insurance market, according to www.acordceo.org.

The memorandum stands as a statement of the sides' intentions to cooperate aiming to introduce on the Russian market the best world practitioner standards.

New player on Life insurance

Life insurance, the most dynamic segment of the Russian insurance sector, will soon have a new major player, as SBERBANK of Russia is entering this market. Such a player is able not only to change the forces distribution on the market, but also to influence the legal landscape in this segment, which means to get the so long expected tax benefits said Andrey VESELKOV.

I don't think that joining ACORD by few big Russian insurers is able to strongly influence the market development. Even if these standards are going to be accepted officially and approved by regulatory authority we still cannot speak about a significant influence of these accepted standards. Insurers may save some investments and time on documents flow organization and reinsurance transactions but these are so small issues for them so that it would not affect the market development, commented Andrey VESELKOV, General Director, Media – Information Group, "Insurance Today".

Top 20 - Voluntary liabilities insurance

Company	Region	GWP 1H2012	MARKET SHARE
		EUR m	%
INGOSSTRAKH	Moscow	44.13	12.18
ROSGOSSTRAKH	Lyubertsy	39.22	10.83
SOGAZ	Moscow	26.75	7.38
VSK	Moscow	19.54	5.39
ALFASTRAKHOVANIE	Moscow	18.70	5.16
RESO-Garantia	Moscow	17.04	4.70
RESPECT Polis	Moscow	16.61	4.59
ALLIANZ	Moscow	11.99	3.31
KAPITAL Insurance	Kogalym	11.01	3.04
SOGLASIE	Moscow	10.91	3.01
ERGO Russia	Saint Petersburg	8.40	2.32
MSK Insurance Company	Kazan	7.62	2.10
CHARTIS	na	7.55	2.09
SOZIDANIA	Moscow	7.16	1.98
VTB Insurance	Moscow	5.91	1.63
RUSSIAN Insurance Centre	Moscow	5.28	1.46
BRITISH Insurance House	Moscow	5.15	1.42
RENAISSANS Ins. Group	Moscow	4.90	1.35
ZURICH	Moscow	4.32	1.19
RSTK	Moscow	4.17	1.15
TOTAL TOP 10		215.90	59.59
TOTAL TOP 20		276.36	76.28
OTHER COMPANIES		85.92	23.72
TOTAL MARKET		362.28	100.00

Forecast for the end of 2012

I guess that in 2012 the insurance market will get a brand new regulatory and supervision system, which will start working in 2013. Also, the Government will approve a new strategy concerning the market development until 2022, giving a new impetus to the sectors' progress. Finally, I expect that another reform of MTPL will be made and tariffs will be controlled by the government, underlined Andrey VESELKOV.

In his opinion, if global economy gets out of recession and GDP in all leading economies will record a positive trend, than Russian insurance market is going to grow up to 20-30% in comparison to 2011. Otherwise market will go through stagnation and reduction which usually is more gradual than GDP.



Tajikistan



■ Mandatory insurance	4.00%
■ Voluntary insurance	90.00%
■ Accidents & health	6.00%

SOURCE:
NATIONAL BANK OF TAJIKISTAN
TAJIKISTAN'S CURRENCY EXCHANGE RATE FOR CALCULATIONS:

 1 EUR = 6.7315 SOMONI - TJS (JUNE 30th, 2011)

 1 EUR = 5.9980 SOMONI - TJS (JUNE 30th, 2012)

Small-sized operations

According our estimations, the total GWP amounted about EUR 9.5 million in January-June 2012 (respectively EUR 8 million a year earlier), representing about 0.4% of the economy of the country (TJS 13.8 billion or EUR 2.3 billion - published by the National Bank of Tajikistan), Tajik insurance industry being the smallest of the Central Asian CIS markets.

The most recent data indicates that there are 14 insurance companies, including two state owned companies TOJIKSUGURTA (which is the successor to TAJIK GOSSTRAKH) and TAJIKSARMOYAGUZOR, and 12 private companies, of which only one has foreign participation in equity.

Despite the number of insurers, since 2004, year by year, the insurance mar-

ket is dominated by only two players: TOJIKSUGURTA, the larger of the two state companies, and ORIEN Insurance, a private company established in 2004. Every year, the businesses of the two companies account for more than three quarters of the market.

Despite rapid growth in recent years, the insurance sector is still underdeveloped, highly concentrated, the majority of companies are undercapitalized (many of them being capitalized beyond the basic legal minimum requirement of TJS 500,000), while many forms of insurance protection common in other parts of the world are not yet available.

V.B.

Market portfolio as of June 30th, 2012 (estimations)*

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	9.50	8.00	18.75	100.00	100.00
Life insurance	0.38	0.32	-	4.00	4.00
Non-life insurance	8.55	7.20	-	90.00	90.00
Accidents & health	0.57	0.48	-	6.00	6.00

*based on the y-o-y average market growth in local currency

AIF
2013

AZERBAIJAN
INTERNATIONAL
INSURANCE
FORUM

Azerbaijan
Baku
July 2013



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 30th, 2011)
1 EUR = 3.5844 MANAT - TMT (JUNE 30th, 2012)

A fresh start to reforms

According to XPRIMM INSURANCE REPORT estimations - based on annual figures in local currency presented by the State Insurance Organization of Turkmenistan - in 1H2012 the value of gross premium written was around of EUR 32 million, 28% more as compared to a year before, especially due the appreciation of Turkmen Manat against EUR. (Note: The estimated y-o-y evolution in local currency was 12%).

By insurance classes, voluntary segment predominated and represented 95% of total, a hardly usual situation for CIS Region. Looking at the past results, one should notice that the insurance market increased six times in last five years and follows a reforming path.

But there's a long way until a "mature market", as at the moment there is a single player on the market, TURKMEN GOSSTRACH which can be translated into "State Insurance Organization of Turkmenistan". The company has an extensive network in the country - more than 40 offices. At this stage, the organization is expanding partnerships with leading international insurance and reinsurance companies and insurance brokers. In this sense, a considerable part of the reinsurance is through the largest insurance brokers in London insurance market, such as MARSH Ltd, AON Ltd, COLEMONT Ltd, HSBC, WILLIS Ltd.

V.B.

Market portfolio as of June 30th, 2012 (estimations)*

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	32.00	25.00	28.00	100.00	100.00
Mandatory insurance	1.60	1.25	-	5.00	5.00
Voluntary insurance	30.40	23.75	-	95.00	95.00
Personal insurance	0.80	0.63	-	2.50	2.50
Property insurance	27.04	21.38	-	84.50	85.50
Liability insurance	2.56	1.75	-	8.00	7.00

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

Preparing to launch a new insurance company

In the near future a new insurer will be launched on the market, according to the local media. The company's name will be ATIYAQLANDYRYS Hyzmatlary ("Insurance Services"), and will have the following local entities as shareholders: TURKMENGAS (25% stake in share capital as a founder), TURKMENISTAN Airlines (with a share of 15% of the authorized capital) and State Insurance of Turkmenistan (with a share of 10%).

The creation of this entity corresponds to the goals of the successful implementation of the socio-economic development of the country in 2012-2016, the development of the insurance market, and increase in investment capacity,



ensuring the insurance protection of state interests, legal entities and individuals in the territory of Turkmenistan.

In this sense, in late August, Turkmen President Gurbanguly BERDIMUHAMEDOV (photo) signed a decree allowing TURKMENGAS to be the main shareholder in authorized capital as a founder of the closed

joint stock company INSURANCE SERVICES, informed Trend News Agency. According to the quoted source, *the Ministry of Economy and Development of Turkmenistan is instructed to ensure in the established procedure state registration of insurance services closed joint stock company.*

In late July, at the Government meeting, the President underlined that in the transition to a market economy, insurance segment is an important factor promoting economic and business activity, new areas of investment, helps preventing the diversion of substantial working capital to compensation and thus ensures the continuity of the production cycle: *Insurance also has high social value as an effective mechanism to protect individuals and businesses from the risks and is the source of domestic long-term investments in the country,* said the President Gurbanguly BERDIMUHAMEDOV, quoted by www.trend.az.

The insurance market was not always a monopoly. After the collapse of the Soviet Union in 1991, the insurance market was partially opened to competition, and both state and private companies were operating. In 2000, the government cancelled the licenses of all the private insurers operating in the market, and effectively re-nationalized the insurance industry in Turkmenistan, TURKMEN GOSSTRACH which was taken into full state ownership in 1997, remaining the only one player. For some years, this reality resulted in blocking the industries' development. At the same time, market penetration declined because TURKMEN GOSSTRACH does not have the entrepreneurial spirit that the private insurers had.



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Ukraine



Life insurance	4.08%
Non-Life insurance	95.92%



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



SOURCE:
NATIONAL BANK OF UKRAINE
INSURANCE TOP MAGAZINE

UKRAINIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:
1 EUR = 11.500043 HRYVNIA - UAH (JUNE 30th, 2011)
1 EUR = 9.970644 HRYVNIA - UAH (JUNE 30th, 2012)

Changes ahead

Gross written premium volume reported by the Ukrainian insurers in 1H2012 amounted to UAH 9.58 billion, 13.2% less y-o-y. Life insurance takes only 7.6% share of the market portfolio, with a GWP volume of UAH 684 million (EUR 68.6 million). Yet, its growth rate during the last 12 months reached an almost 52% pace (local currency). *Despite the positive macroeconomic developments, the state of the insurance market of Ukraine still does not meet the level of the EU. In particular, the ratio of net insurance premiums (excluding insurance premiums transferred to reinsurance) to GDP, in 1H2012, was recorded 1.3% (for example, in 2008 - 1.7%). This is much less compared to developed countries, where it hits 8-12%, said Alexandr ZALETOV, Deputy Chairman of the Council of the League of Insurance Organizations of Ukraine and Editor in Chief, Insurance TOP Magazine.*

As of June 30, 2012 in the Ukrainian market there were 444 registered active insurers, among which 380 operating in the non-life and 64 on the life insurance segment, while the insurance intermediation market was represented by 62 companies. In the reported period, the number of companies with foreign capital was 116, representing 26.2% of the total number of companies in the field.

As far as the main market indicators are concerned, Viktor BERLIN, Member of National Commission for State Regulation of Ukrainian Financial Services Markets, recently stated during the International Financial Forum in Yalta that *Ukrainian insurers' assets grew by 15% in 1H2012, to EUR 4.9 billion, while the overall growth rate of the share capital was of 4.4% (EUR 1.4 billion) and technical reserves decreased by 1.8% (EUR 1.1 billion).*

Finally, as ZALETOV told XPRIMM, premiums ceded in reinsurance by the Ukrainian insurance companies, in January-June 2012 amounted to UAH 1.33 billion, which was 3 times less than in the same period last year (ref. UAH 4.014 billion). Risks which had been transferred in reinsurance to non-resident entities, in 1H2012, were increased by 25.2%, up to UAH 731.9 million. At the same

time the amount ceded to resident reinsurers decreased with 5.68 times, to UAH 604.2 million. In 1H2012 gross insurance claims reached UAH 2.6 billion, 6.92% up comparing to 1H2011.

New version of Law – What will it be?

A new Law "On insurance" is about to bring radical changes in the insurance market and the business of insurance market players in 2012.

The main reasons to develop a new version of law "On insurance" are related to the shortage of public trust in insurers and the necessity to protect the rights of insured, as well as the insufficient transparency in insurers' activity, the gaps in the legal regulation of the life insurance, etc. *There is an intention to create in the draft of the law new types of insurance, including life insurance, toughening requirements towards insurance companies and insurance intermediaries, which shall lead to eliminating the weak players,* added Alexandr ZALETOV.

Moreover, there will be also amended the Chapters concerning the types of mandatory insurance and their regulation, the insurers' capitalization requirements. Introduction in Ukraine of the EU requirements of "Solvency II" regulations will also be addressed. According to the market professionals, the adoption of the draft of the law will facilitate the creation of new jobs, will attract additional capital for the development of the insurance market and will also contribute to the further integration of the insurance market with EU legislation and implementation of the principles and standards of EU legislation. *Given the importance of this draft of the law, its adoption is planned for the end of 2012, while the enforcement will take place in 2013. Some particular aspects, as the increase of authorized capital of existing insurers, the new Solvency standards and others shall be gradually regulated by secondary legislation norms during the following eight years,* said Alexandr ZALETOV.

Market portfolio as of June 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP		
	1H2012	1H2011	Change	1H2012	1H2011	Change
	EUR m	EUR m	%	%	%	%
TOTAL MARKET	961.02	960.17	0.09	100.00	100.00	2.67
TOTAL LIFE	68.61	39.16	75.19	7.14	4.08	41.73
TOTAL NON-LIFE	892.41	921.01	-3.10	92.86	95.92	2.12

Source: Insurance Top Magazine (www.insurancetop.com)

No amicable report yet

The form of amicable report of damages due to road accidents was introduced in September, 2011 in Ukraine. At that time, some experts estimated an usage of this form by approximately 80-87% in case of the vehicle accidents in whole country.

Although one year has already passed since its introduction, the amicable report is not yet popular among Ukrainian drivers and most of the accidents are still regulated by traffic police. According to local experts the amicable report was used only in 3-4% of the total number of accidents.

For drivers, this service is not clear yet, due to low level of insurance culture and trust towards such innovation, as well as shortcomings of Ukrainian amicable report (drivers can use report if accidents causes only material damages, not exceeding UAH 10 thousand). In reality not all drivers are experienced to evaluate size of the damage at the first sight and, considering insurers may to pay claims larger than UAH 10 thousand, the whole idea seems somewhat complicated and unsecure, so it is avoided, added Alexandr ZALETOV.

What shall be expected by the end of 2012?

Legislative changes in course, as well as other current unsolved issues of the market are reducing the markets' optimism with regard to the short terms perspectives.

Talking about MTPL segment, ZALETOV told us that *currently, we can sense a growing pressure over Motor (Transport) Insurance Bureau of Ukraine (MTIBU) coming from officials and some groups of insurers.* Numerous changes in MTIBU's management as well as a volatile legal framework have already determined *several major MTIBU members to withdraw from the association, despite loosing the right to sell Green Card insurance.* Furthermore, the market trends show a decrease of the Motor Hull segment, both in terms of premiums volume and number of issued policies, which is expected to fall to about 400 thousand.

Last, but not least, the delay in adopting the second level of pension reform as well as ignoring the potential of mandatory health insurance development by local insurers are additionally preventing the market's development.

The statistics submitted to the analysis have been supplied by:



O.A.

Top 20 - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	RENESANS Life	13.59	8.90	52.72	19.81	22.73
2	ALICO Ukraine	10.88	8.46	28.57	15.85	21.60
3	ASKA Life	9.68	0.46	2,021.78	14.10	1.16
4	UNIQA Life	8.40	3.63	131.58	12.24	9.26
5	TAS	7.18	6.25	14.78	10.46	15.96
6	FIDEM Life	5.23	2.00	161.87	7.62	5.10
7	PZU Ukraine Life	4.26	2.80	51.96	6.20	7.15
8	DELYTA Life	2.85	1.02	179.83	4.16	2.60
9	JUPITER VIG	1.42	0.90	57.29	2.07	2.30
10	LEMMA Life	1.26	1.39	-9.22	1.83	3.54
11	YLICHEVSKAYA	1.06	0.59	79.38	1.55	1.51
12	GARANT Life	0.89	0.70	25.86	1.29	1.80
13	SEB Ukraine Life	0.62	0.25	147.61	0.90	0.64
14	UKRAINIAN Ins. Group - Life	0.31	0.30	2.86	0.46	0.78
15	INGO Ukraine Life	0.29	0.28	6.33	0.43	0.71
16	ORANTA Life	0.21	0.53	-61.26	0.30	1.35
17	UNIVERSALNA Ins. Company	0.18	0.37	-51.32	0.26	0.94
18	PLANETA Life	0.13	0.17	-20.72	0.19	0.42
19	TEKOM Life	0.13	0.13	-1.84	0.19	0.33
20	BROKBUSINESS-Life	0.06	0.04	39.70	0.09	0.11
TOTAL MARKET		68.61	39.16	75.19	100.00	100.00

Source: Insurance Top

Top 20 - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	ASKA	39.00	14.80	163.49	4.37	1.61
2	AXA Insurance	38.35	28.96	32.41	4.30	3.14
3	PROVIDNA	34.82	27.03	28.82	3.90	2.93
4	ORANTA	30.14	28.09	7.30	3.38	3.05
5	KREMENY	28.90	64.02	-54.86	3.24	6.95
6	INGO Ukraine	25.74	20.22	27.32	2.88	2.20
7	UNIQA	25.39	20.83	21.89	2.85	2.26
8	LEMMA	22.85	22.88	-0.13	2.56	2.48
9	ALFA Insurance	20.53	9.95	106.32	2.30	1.08
10	UKRAINIAN Ins. Group	20.50	16.29	25.82	2.30	1.77
11	TAS	19.27	16.59	16.11	2.16	1.80
12	ARSENAL Insurance	19.24	11.47	67.74	2.16	1.25
13	UPSK	18.86	19.75	-4.48	2.11	2.14
14	ALLIANZ	17.32	6.07	185.49	1.94	0.66
15	PZU Ukraine	16.05	12.98	23.63	1.80	1.41
16	UNIVERSALNA Ins.	14.24	9.90	43.85	1.60	1.08
17	VUSO	10.73	6.42	67.05	1.20	0.70
18	KNIAZHA	10.34	6.39	61.86	1.16	0.69
19	NEFTEGAZSTRAXH	10.17	3.62	180.81	1.14	0.39
20	GARANT-AVTO	9.69	13.26	-26.91	1.09	1.44
TOTAL MARKET		892.41	921.01	-3.10	100.00	100.00

Source: Insurance Top



Uzbekistan



■ Mandatory	68.20%
■ Voluntary	31.80%



SOURCE:
INFORMATION-RATING AGENCY SAIPRO
NATIONAL BANK OF UZBEKISTAN

UZBEKISTAN'S CURRENCY EXCHANGE RATE FOR CALCULATIONS:
1 EUR = 2,451.01 SOM - UZS (JUNE 30th, 2011)
1 EUR = 2,382.81 SOM - UZS (JUNE 30th, 2012)

Stability above all

The insurance market of Uzbekistan is dynamically developing, along with gradual improvement in competitiveness of the insurance companies in the market. Today, there are 34 non-life insurers, one reinsurance company, two life insurers and three insurance brokers.

In 1H2012, insurance companies of Uzbekistan increased premiums by 13.4% compared to the total in June 2011, up to UZS 137.8 billion (EUR 57.8 million), according to the market data provided by Information-Rating Agency SAIPRO. Voluntary insurances accounted for 68% of total, while, almost 60% of GWP was reported in Tashkent, the capital of Uzbekistan. The total amount of insurance payments rose by 75% to UZS 24.5 billion (EUR 10.3 million).

The insurance services play an important role in ensuring the stability of economic processes in the country and social welfare, as well as in stimulating the economy. In this regard, for increasing the public and investors confidence in this service, the Uzbek market authority started a

program of gradual enlargement of the market capitalization.

This year, the minimum authorized capital for insurers increased by 1.5 times while for the reinsurance companies by 1.25. Starting July 1st, the minimum authorized capital of non-life insurers, is set in an amount equivalent to at least EUR 1.125 million. For life insurers the minimum authorized capital is EUR 1.5 million, while for insurance companies, working in the compulsory insurance were raised to EUR 2.25 million. For reinsurers the minimum authorized capital is set at EUR 5 million.

To date, the minimum authorized capitals of the insurance companies were the equivalent of EUR 750,000, EUR 1 million, EUR 1.5 million and EUR 4 million, respectively. The next stage of raising the minimum authorized capital of insurers is set to July 1st, 2014. From that date, the minimum authorized capital would be the equivalent of at least EUR 1.5 million, EUR 2 million, EUR 3 million and EUR 6 million respectively.

V.B.

Top 10 - All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		1H2012	1H2011	Change	1H2012	1H2011
		EUR m	EUR m	%	%	%
1	UZAGRO Insurance	10.04	9.11	10.19	17.36	18.38
2	UZBEKINVEST	9.68	6.84	41.52	16.74	13.80
3	ASIA Insurance	5.26	3.40	54.76	9.10	6.86
4	KAFOLAT	4.77	3.51	35.94	8.25	7.08
5	TRANSINSURANCE Plus	3.38	3.78	-10.71	5.84	7.63
6	UVT Insurance	3.12	2.89	7.67	5.39	5.84
7	KAPITAL Insurance	2.54	2.36	7.84	4.40	4.76
8	ALFA Invest	2.45	2.28	7.51	4.23	4.59
9	ALSKOM	2.39	1.91	24.82	4.13	3.86
10	TEMIRYOL Insurance	1.49	NA	-	2.58	-
TOP 10		45.12	NA	-	78.02	-
TOTAL MARKET		57.83	49.57	16.66	100.00	100.00

Market portfolio as of June, 30th, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2012	1H2011	Change	1H2012	1H2011	Change	1H2012	1H2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	57.83	49.57	16.66	10.28	5.71	80.01	100.00	100.00
of which:								
voluntary insurance	39.44	34.65	13.82	na	na	-	68.20	69.90
mandatory insurance	18.39	14.92	23.25	na	na	-	31.80	30.10
of which:								
in Tashkent	34.20	28.27	20.97	na	na	-	59.14	57.04
in Regions	23.63	21.30	10.94	na	na	-	40.86	42.96

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