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INSURANCE REPORT

by Media XPRIMM

Year IV - Issue 1/2012(6) - MAY

FY 2011

Regional & country profiles
Market rankings
Trends & facts

CEE • RUSSIA & CIS • SEE



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

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

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

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- ▶ energy
- ▶ marine hull & cargo
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- ▶ construction & engineering
- ▶ motor
- ▶ aviation
- ▶ liability & professional risks

Thanks to a solid, experienced and active team, within this scope for 2004-2012 Unity Re has managed to create, maintain and develop a balanced and well diversified reinsurance portfolio based on large commercial, energy and industrial risks.

Unity Re's stable and efficient market offer is backed by a significant financial strength and professional skills. With total assets of over \$96m and gross premium income of \$43m in 2011, the company performed at a combined ratio of 78%.

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



SURVEY

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COUNTRY PROFILE

CEE

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COUNTRY PROFILE

SEE

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COUNTRY PROFILE

CIS

ARMENIA	58	KAZAKHSTAN	68	TAJIKISTAN	77
AZERBAIJAN	60	KYRGYZSTAN	70	TURKMENISTAN	77
BELARUS	64	MOLDOVA	72	UKRAINE	78
GEORGIA	66	RUSSIA	74	UZBEKISTAN	80

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Daniela GHEȚU
Editorial Director

A changing landscape

It is easy to see, following the news stream, that the CEE insurance market will most probably end 2012 with a sensible different landscape.

With the Croatia's accession to the European Union, a new player is entering the EU's insurance market, offering new business opportunities to European insurers. PZU's expanding plans will also change, in the first stage, the Baltic insurance landscape, adding a strong competitor to the local markets.

The large European groups, already present on the CEE & CIS emerging markets, are currently operating important mergers of their existing subsidiaries which will change, in some cases, the national rankings. On the other hand, some of the big European players are targeting new acquisitions in the fast growing young markets.

Even if these changes will not be completed in 2012, it is obvious we shall soon see a new market architecture. The present issue of XPRIMM Insurance Report captures, in a synthetic shape, the most important evolutions registered in the 32 surveyed market during 2011. If needing more details and statistic data, they are available online, in an extended version, on xprimm.com, the web site providing the market statistics at full length, in a "ready to use", editable format.

As for further developments, October 21st is the date to find out what the next issue's offering will be! See you in Baden-Baden, at the XPRIMM Reception!

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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.

Mixed impressions



Daniela GHEȚU
Editorial Director

While the April 2012 edition of the IMF's "World Economic Outlook" mentions an overall 5.3% growth for CEE economies in 2011, which is not at all a bad figure, the results recorded across the region are, in fact, quite diverg-

ing: from the Turkish and the Baltics high speed growth rates, of 5.5 to over 7%, to the much lower rate, of 1.7%, recorded in Bulgaria, Hungary or Czech Republic, or to the almost flat evolution of Croatia. Again, depending on the local factors, the economic development in the region was uneven, but some characteristics are common in most countries: an economic slowdown in the last part of the year, predicting a lower dynamic for 2012, not spectacular inflation rates, but rather high unemployment figures and weak purchasing power of the population. While some of the economies are close to regain their pre-recession GDP levels and other have already overstepped this "psychological threshold", most of the ordinary people of the region are still struggling with the day by day expenses.

Diversity is also the key word when it comes to the economic evolution of the former soviet countries. The GDP growth in CIS may total 4.5% in 2011, according to the Eurasian Development Bank. Yet,

among the countries in the region the current estimations vary from a 9.3% GDP growth in Turkmenistan, to rates close to 4 - 4.5% for Russia, Ukraine, Moldova and Azerbaijan. Beside the overall growth figures, many of these countries also are dealing with high unemployment, raising inflation and a weak average purchasing power of their citizens.

In this context, the insurance market results in the area were as mixed as possible, from the 19.3% growth in GDP recorded in Latvia, to the over 6% drop in premium reported by Romania and Estonia. Additionally, when denominated in Euro for comparability purposes, growth rates are further affected by the strong depreciation of some of the national currencies. As a result, the comparative statistics regarding growth rates must be carefully considered. Hungary makes a very relevant example in this respect, as the almost 12% depreciation of the Forint (HUF) translates the -3.2% nominal change in GWP calculated in HUF, into a -13.3% nominal change when the GWP figures are denominated in European currency. Also, in Poland, the Zloty's exchange rate fall of about 12% y-o-y, has led to a substantial alteration of the regional leader's result, from a 5.5% nominal positive change in local currency, to an almost symmetrical negative rate in Euro. In a less aggressive way, the same applies for Czech Republic, Croatia etc.

By comparing growth rates in insurance with those of the respective economies,

one can see a wide variety of situations, hardly allowing the detection of a common trend. While in countries as Bosnia&Herzegovina, Slovakia, Macedonia, Montenegro, Poland Lithuania and Latvia, the insurance markets grew faster than the economy, as a whole, in Romania, Estonia, Hungary, Croatia, Bulgaria or Czech Republic, although the economy showed a clear positive evolution, the insurance market is still lagging behind. Summarizing the opinions expressed by professionals across the region, it seems that this differences have very much to do with the specific structure of the GDP growth in every country, to the extent that economic growth model has also allowed an increase in household's purchasing power. In support of this theory stands the fact that in most countries showing a negative change in premiums, the most affected business lines were motor insurance, especially Motor Hull, and traditional life insurance lines, which are both substantially linked to the evolution of the bank crediting activity.

The regional indicators - CEE

At the regional level, the consolidated CEE figures show a y-o-y nominal drop in premium of about 4%, considering the GWP results denominated in Euro, to EUR 31.97 billion. Yet, one should not overlook the distortions induced by the Euro denomination of the country results. Trying to get a more accurate picture in terms of nomi-

Market indicators in local currency

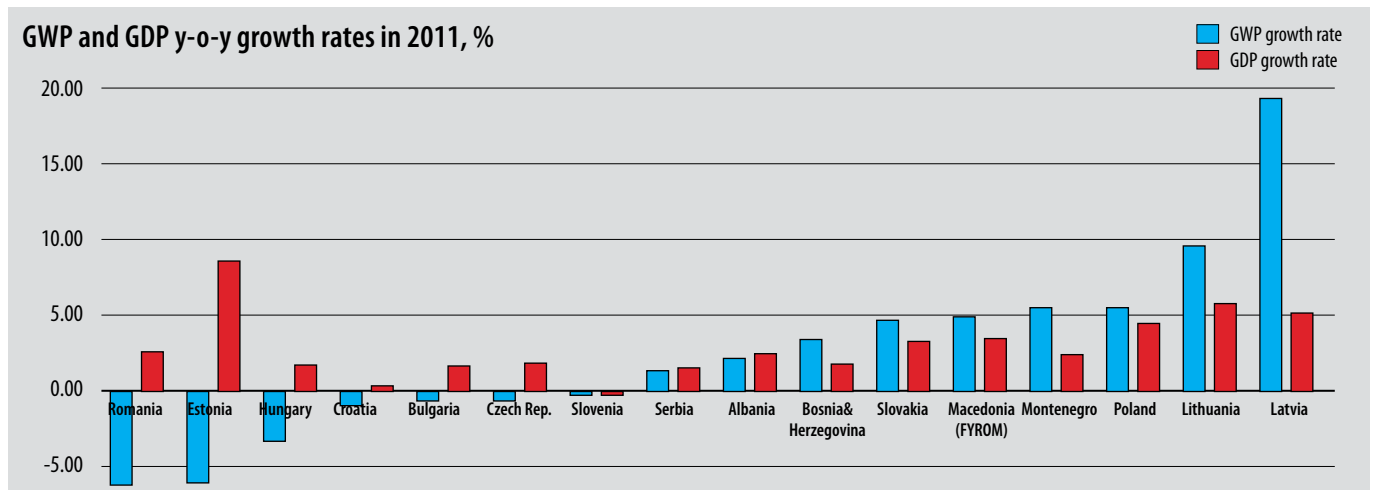
Country	Overall gross written premiums in local currency			Overall paid claims in local currency			EUR exchange rate		Local currency	Population Inhabitants m.
	2011	2010	Nominal change	2011	2010	Nominal change	2011	2010		
	million	million	%	million	million	%				
Central and Eastern Europe - CEE										
Albania	8,337.75	8,152.29	2.27	2,193.47	2,278.02	-3.71	138.93	138.77	ALL	2.99
Bosnia & Herzegovina	488.04	472.01	3.40	na	na	-	1.96	1.96	BAM	4.62
Bulgaria	1,613.76	1,623.46	-0.60	733.88	779.14	-5.81	1.96	1.96	BGN	7.09
Croatia	9,144.18	9,244.46	-1.08	4,557.40	4,392.07	3.76	7.53	7.39	HRK	4.48
Czech Republic	155,080.67	155,996.36	-0.59	85,205.83	82,690.72	3.04	25.80	25.06	CZK	10.19
Estonia	399.49	425.54	-6.12	269.40	234.49	14.89	-	-	EUR	1.28
Hungary	815,262.42	842,781.03	-3.27	599,944.93	603,256.19	-0.55	311.13	278.75	HUF	9.98
Kosovo Territory	78.10	71.20	9.69	26.90	26.60	1.13	-	-	EUR	1.83
Latvia	227.00	190.25	19.31	124.90	111.02	12.50	0.70	0.70	LVL	2.20
Lithuania	1,699.79	1,551.91	9.53	1,080.79	935.39	15.54	3.45	3.45	LTL	3.54
Macedonia (FYROM)	6,805.52	6,480.78	5.01	3,004.86	2,988.53	0.55	61.50	61.51	MKD	2.08
Montenegro	65.25	61.92	5.38	na	na	-	-	-	EUR	0.66
Poland	57,149.65	54,162.66	5.51	39,808.22	36,769.00	8.27	4.42	3.96	PLN	38.44
Romania	7,783.99	8,305.40	-6.28	4,273.34	5,069.48	-15.70	4.24	4.21	RON	21.90
Serbia	57,314.00	56,520.94	1.40	23,847.09	23,180.31	2.88	104.64	105.50	RSD	7.31
Slovakia	2,109.35	2,014.84	4.69	na	1,131.97	-	-	-	EUR	5.48
Slovenia	2,092.32	2,094.78	-0.12	1,282.99	1,242.78	3.24	-	-	EUR	2.00
Southeast Europe - SEE										
Cyprus	854.34	836.27	2.16	na	na	-	-	-	EUR	1.14
Greece	4,987.27	5,332.35	-6.47	na	na	-	-	-	EUR	10.77
Turkey	17,173.05	14,129.39	21.54	na	na	-	2.46	2.07	TRY	78.79
Commonwealth of Independent States - CIS										
Armenia	22,382.44	8,256.00	171.11	8,125.84	1,742.41	366.36	498.72	481.16	AMD	2.97
Azerbaijan	212.98	155.59	36.89	61.57	53.83	14.37	1.02	1.06	AZN	8.37
Belarus	2,361,692.75	1,342,046.38	75.98	1,334,750.86	804,447.23	65.92	10,800.00	3,972.60	BYR	9.58
Georgia - 9 months	263.14	305.08	-13.74	171.06	140.39	21.85	2.26	2.46	GEL	4.59
Kazakhstan	198,503.34	153,496.82	29.32	46,139.25	27,139.61	70.01	191.72	195.23	KZT	15.52
Kyrgyzstan - 9 months	631.68	452.38	39.63	34.39	14.19	142.37	61.11	62.73	KGS	5.59
Moldova	1,006.32	914.72	10.01	348.41	322.69	7.97	16.34	16.40	MDL	4.31
Russia	1,267,851.49	1,041,093.60	21.78	888,387.52	768,586.90	15.59	41.67	40.33	RUB	138.74
Tajikistan - estimated	123.13	94.57	30.20	na	na	-	6.16	5.91	TJS	7.63
Turkmenistan	168.51	149.57	12.66	na	na	-	3.69	3.77	TMT	5.00
Ukraine	14,329.70	13,062.57	9.70	3,747.31	3,747.27	0.00	10.30	10.57	UAH	45.13
Uzbekistan	231,600.00	175,000.00	32.34	45,100.00	27,600.00	63.41	2,335.78	2,167.07	UZS	28.13

Exchange rates as at December 31st, 2011, except Romania and Moldova for which average exchange rates were used

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

In case of Macedonia, the figures were provided in EUR

Estimated figures for population according to CIA World Factbook



CEE - Overall market data

Country	Overall GWP			Overall paid claims			Regional market share		Insurance density (EUR/capita)	
	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%		
Albania	60.01	58.75	2.16	15.79	16.42	-3.82	0.19	0.18	20.04	19.62
Bosnia and Herzegovina	249.53	241.33	3.40	na	na	-	0.78	0.72	53.99	52.21
Bulgaria	825.10	830.06	-0.60	375.23	398.37	-5.81	2.58	2.49	116.32	117.02
Croatia	1,214.30	1,251.76	-2.99	605.20	594.72	1.76	3.80	3.76	270.82	279.17
Czech Republic	6,010.88	6,224.91	-3.44	3,302.55	3,299.71	0.09	18.80	18.69	589.87	610.87
Estonia	399.49	425.54	-6.12	269.40	234.49	14.89	1.25	1.28	311.38	331.69
Hungary	2,620.33	3,023.43	-13.33	1,928.28	2,164.15	-10.90	8.20	9.08	262.66	303.07
Kosovo Territory	78.10	71.20	9.69	26.90	26.60	1.13	0.24	0.21	42.78	39.00
Latvia	322.99	270.71	19.31	177.71	157.97	12.50	1.01	0.81	146.50	122.79
Lithuania	492.29	449.46	9.53	313.02	270.91	15.54	1.54	1.35	139.24	127.13
Macedonia (FYROM)	110.66	105.37	5.02	48.86	48.59	0.56	0.35	0.32	53.27	50.72
Montenegro	65.25	61.92	5.38	na	na	-	0.20	0.19	98.60	93.56
Poland	12,939.15	13,676.40	-5.39	9,012.91	9,284.40	-2.92	40.47	41.06	336.59	355.77
Romania	1,836.76	1,972.83	-6.90	1,008.36	1,204.18	-16.26	5.74	5.92	83.85	90.06
Serbia	547.72	535.75	2.23	227.89	219.72	3.72	1.71	1.61	74.92	73.28
Slovakia	2,109.35	2,014.84	4.69	na	1,131.97	-	6.60	6.05	385.13	367.87
Slovenia	2,092.32	2,094.78	-0.12	1,282.99	1,242.78	3.24	6.54	6.29	1,046.11	1,047.34
CEE REGION	31,974.24	33,309.05	-4.01	18,595.09	20,294.96	-8.38	100.00	100.00	253.60	264.18

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

nal evolution, we have weighted national growth rates with corresponding regional market share of each country. The result shows an about 2.11% CEE growth rate, when considering each market's evolution in its own currency. On the paid claims side, the CEE overall figure is almost the same as in 2010, assuming that the 2011 figure for Slovakia should be more or less comparable with the 2010 one.

In terms of insurance density, the CEE citizens' expenses for insurance in 2011 lowered from EUR 264/capita, to EUR 253/capita. Slovenia leads, with an EUR 1,046/capita density, followed by Czech Republic (EUR 590/capita). Slovakia, Poland, Estonia, Croatia and Hungary show above average values for the insurance density indicator, while Romania, Albania and ex-Yugoslavian countries are still far bellow the CEE average.

As far as the regional market share is concerned, 2011 brought no major changes. Poland's leadership position remains unchallenged, with an above 40% market share, while Czech Republic ranks second, with almost 19% market share. Loosing almost 1 percentage point of its weight in the regional market, Hungary still holds the third position, while Slovakia and Slovenia changed places for the moment, both holding almost equal market shares.

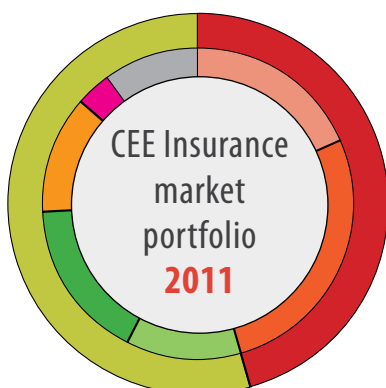
The regional indicators - CIS

The CIS markets totaled EUR 33.67 billion in gross written premiums, 17.5% up as compared to 2010. Except for Belarus and Uzbekistan, the CIS currency didn't register substantial changes of the exchange rates in relation to the European currency. In Belarus, the national currency

(BYR) suffered a breath-taking devaluation during 2011, from an exchange rate of BYR 3,972,6 /EUR, to a BYR 10,800/EUR, thus strongly impacting upon the insurance market year-on-year comparative calculations and apparently leading to a 35% fall in written premium, although in local currency the change in the GWP volume was a double digit positive one, of almost 76%.

Russia is by far the largest market in the region, accounting for more than 90% of the premium production, not only because of its dimensions, but also because most of the other markets in the region are lot less developed. A sizeable difference in terms of insurance density is relevant in this context. Thus, while the average Russian spent for insurance about EUR 219 during 2011, the second best performance belongs to Kazakhstan, with an EUR 66.7/capita insurance density. At the end of the scale, in countries as Kyrgyzstan, Tajikistan or Uzbekistan, the insurance density indicator registered values of less than EUR4/capita.

Among the markets we have considered in the generic name of CIS countries (not entirely corresponding to the current political definition of CIS), there are huge differences in what the market development is concerned. Starting from a complex market as Russia, to monopoly markets as Turkmenistan or markets where life insurance is entirely missing as Armenia, Tajikistan or Turkmenistan. Significant



Life insurance	45.6%
Non-life insurance	54.4%
Unit-Linked insurance	18.4%
Other life insurance	27.2%
Motor Hull	11.9%
MTPL	16.9%
Property insurance	12.0%
GPL insurance	3.6%
Other non-life insurance	10.0%

CEE - Life insurance market data

Country	LIFE GWP			Indemnities			Weight in all GWP		Regional market share	
	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	7.67	6.12	25.39	0.84	0.52	61.27	12.78	10.41	0.05	0.04
Bosnia and Herzegovina	40.93	38.11	7.40	na	na	-	16.40	15.79	0.28	0.25
Bulgaria	128.69	127.15	1.22	51.43	51.69	-0.50	15.60	15.32	0.88	0.82
Croatia	322.85	332.79	-2.99	172.03	140.84	22.15	26.59	26.59	2.21	2.14
Czech Republic	2,791.11	2,863.72	-2.54	1,630.65	1,458.28	11.82	46.43	46.00	19.14	18.45
Estonia	157.11	182.42	-13.87	119.41	85.91	38.99	39.33	42.87	1.08	1.18
Hungary	1,430.27	1,607.87	-11.05	1,308.03	1,331.50	-1.76	54.58	53.18	9.81	10.36
Kosovo Territory	na	na	-	na	na	-	-	-	-	-
Latvia	35.37	46.71	-24.27	14.84	20.58	-27.91	10.95	17.25	0.24	0.30
Lithuania	162.43	156.28	3.93	97.69	59.59	63.94	32.99	34.77	1.11	1.01
Macedonia (FYROM)	8.08	5.76	40.28	1.29	0.87	48.28	7.30	5.47	0.06	0.04
Montenegro	9.10	8.38	8.60	na	na	-	13.94	13.53	0.06	0.05
Poland	7,210.79	7,934.26	-9.12	5,902.17	5,707.38	3.41	55.73	58.01	49.45	51.12
Romania	398.41	386.46	3.09	na	63.91	na	21.69	19.59	2.73	2.49
Serbia	95.50	88.65	7.72	21.07	16.99	24.04	17.44	16.55	0.65	0.57
Slovakia	1,145.00	1,079.34	6.08	na	608.91	-	54.28	53.57	7.85	6.95
Slovenia	638.23	656.01	-2.71	339.04	245.32	38.20	30.50	31.32	4.38	4.23
CEE REGION	14,581.55	15,520.03	-6.05	9,658.48	9,792.28	na	45.60	46.59	100.00	100.00

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

CEE - Life Unit-Linked insurance

Country	Life Unit-Linked GWP			Life Unit-LinkedE CLAIMS			Weight in all GWP		Weight in life GWP	
	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	-	-	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-
Bulgaria	10.04	6.48	55.01	4.72	5.10	-7.41	1.22	0.78	7.80	5.10
Croatia	21.76	22.65	-3.92	7.85	5.63	39.43	1.79	1.81	6.74	6.81
Czech Republic	1,417.99	1,355.00	4.65	508.42	324.37	56.74	23.59	21.77	50.80	47.32
Estonia	84.37	104.04	-18.90	74.87	43.18	73.41	21.12	24.45	53.70	57.03
Hungary	958.14	1,061.00	-9.69	809.01	791.59	2.20	36.57	35.09	66.99	65.99
Kosovo Territory	-	-	-	-	-	-	-	-	-	-
Latvia	10.56	8.95	17.95	3.25	2.40	35.22	3.27	3.31	29.85	19.17
Lithuania	114.68	111.01	3.31	63.80	31.56	102.14	23.29	24.70	70.60	71.03
Macedonia (FYROM)	-	-	-	-	-	-	-	-	-	-
Montenegro	-	-	-	-	-	-	-	-	-	-
Poland	2,333.57	2,050.11	13.83	1,311.29	1,178.56	11.26	18.03	14.99	32.36	25.84
Romania	146.20	146.73	-0.36	na	6.15	na	7.96	7.44	36.70	37.97
Serbia	-	-	-	-	-	-	-	-	-	-
Slovakia	383.58	314.80	21.85	na	54.95	-	18.18	15.62	33.50	29.17
Slovenia	394.66	404.73	-2.49	136.34	71.10	91.77	18.86	19.32	61.84	61.69
CEE REGION	5,875.55	5,585.49	5.19	2,919.56	2,514.60	na	18.38	16.77	40.29	35.99

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

differences in legislation, market structure and procedures, ease of access, insurance affordability etc. make the comparisons between the markets in the region almost meaningless in any other respect than strictly the overall figures.

A closer look to CEE

Life insurance registered a 6% y-o-y drawback in 2011, to EUR 14.58 billion. Albania and Macedonia, the smallest life insurance markets in the region recorded

the highest growth rates, of 25% and 40% respectively, as the underdevelopment of this segment leaves a lot of room for growth. The worst performances in terms of dynamic belong to Latvia, Estonia and Hungary, with negatives changes of 24%,

CEE - Non- Life insurance market data

Country	NON-LIFE GWP			Paid claims			Weight in all GWP		Regional market share	
	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	52.34	52.63	-0.54	14.95	15.90	-5.94	87.22	89.59	0.30	0.30
Bosnia and Herzegovina	208.60	203.22	2.65	na	na	-	83.60	84.21	1.20	1.14
Bulgaria	696.41	702.92	-0.93	323.79	346.68	-6.60	84.40	84.68	4.00	3.95
Croatia	891.45	918.97	-3.00	433.17	453.88	-4.56	73.41	73.41	5.13	5.17
Czech Republic	3,219.77	3,361.19	-4.21	1,671.90	1,841.43	-9.21	53.57	54.00	18.51	18.89
Estonia	242.38	243.12	-0.31	149.99	148.58	0.95	60.67	57.13	1.39	1.37
Hungary	1,190.05	1,415.56	-15.93	620.25	832.65	-25.51	45.42	46.82	6.84	7.96
Kosovo Territory	78.10	71.20	9.69	26.90	26.60	1.13	100.00	100.00	0.45	0.40
Latvia	287.62	224.00	28.40	162.87	137.38	18.56	89.05	82.75	1.65	1.26
Lithuania	329.86	293.18	12.51	215.33	211.32	1.90	67.01	65.23	1.90	1.65
Macedonia (FYROM)	102.58	99.61	2.98	47.57	47.72	-0.31	92.70	94.53	0.59	0.56
Montenegro	56.15	53.54	4.88	na	na	-	86.06	86.47	0.32	0.30
Poland	5,728.36	5,742.14	-0.24	3,110.74	3,577.02	-13.04	44.27	41.99	32.94	32.28
Romania	1,438.35	1,586.37	-9.33	985.42	1,140.27	-13.58	78.31	80.41	8.27	8.92
Serbia	452.23	447.10	1.15	206.82	202.74	2.02	82.56	83.45	2.60	2.51
Slovakia	964.34	935.50	3.08	na	523.06	-	45.72	46.43	5.54	5.26
Slovenia	1,454.09	1,438.77	1.06	943.95	997.46	-5.36	69.50	68.68	8.36	8.09
CEE REGION	17,392.68	17,789.02	-2.23	8,913.67	10,502.68	na	54.40	53.41	100.00	100.00

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

13.8% and 11%, respectively. Across the region, it seems that most of the premium decreases are related to the traditional life insurance products, while on the Unit-Linked line most countries registered a positive evolution. Different fiscal treatment of the life insurance products has also a say, but unfortunately, considering the current economic situation it is hard to believe that fiscal incentives for life insurance could be reinstated or granted soon.

Property insurance in CEE went up by 2.57%, to EUR 3.83 billion. Most countries registered a positive change in property insurance premium or at least smaller drops as compared to other line of business. After a restless 2010, with substantial losses generated by the extreme weather phenomena, in 2011 CEE insurers have paid a significantly smaller amount of property claims. Thus, the overall property claims paid amounted EUR 1.56 billion, 28% less than in 2010. Latvia and Lithuania are the only CEE countries recording much higher property claims than one year before.

Motor insurance remained the “hot potato” in the 2011 insurance portfolios. Except for Slovakia, motor insurance premium decreased in all the “big” markets across the region, most of this downward trend originating in the Motor Hull insurance line. Although in many countries

there was a sizeable increase in new vehicles sales, both for passenger cars and commercial vehicles, the positive change in Motor Hull underwritings is still not visible. On the MTPL side, only seven out of the 17 CEE countries reported a drop in GWP for this line: Albania, Croatia, Czech Republic, Hungary, Latvia, Romania and Slovenia.

The “price war” generated by the high competitiveness of the markets in a very price sensitive environment seems to be the main reason for the weak results. *As in Hungary, Slovakia and Romania, this type of insurance gets to the limit of economic acceptability also in the Czech Republic, when a number of price offers cannot be called anything other than dumping. Even though the cost of insurance is declining, payouts and the average amount of a claim show the opposite trend. This applies in particular to health claims where the amount has doubled over the last 10 years, and the trend continues to deteriorate. This is a severe load for the economy, mainly of MTPL insurance, as in Romania, where this is also a significant problem for the insurance market. Nevertheless, health claims are characterized by their longevity - payouts usually are not paid immediately and insurance companies must generate provisions for many years in advance. Any bankruptcy of a larger insurance company can result in a social problem in terms of the ability of the system to pay long-term annuities for*

disabled victims of accidents. The last thing our insurance markets need are bankruptcies of insurance companies similar to MAV insurance company in Hungary, which ended its business due to dumping prices of MTPL insurance, recently commented for xprimm Ladislav BARTONICEK, CEO of GENERALI PPF Holding, Chairman of the Board of CESKA pojistovna, Chairman of Czech Insurance Association. Still, according to market sources, both in the CEE and CIS markets, the MTPL price war is still going on, although in the most developed markets across the region the first attempts to end it are visible. Also, insurance fraud and high acquisitions costs, as well as a still hesitating involvement of the supervisory agencies, are issues that need an immediate consideration. Market leaders have a very important role in what the MTPL price war is concerned. When the market leader, a company with significant market share, stops fighting in this war, than the other players may be stimulated to quit the race for grabbing customers through low prices and the whole market is safe, is the opinion of Matjaz RAKOVEC, President of the Management Board, Zavarovalnica TRIGLAV.

A brief look into the future

The CEE markets are in different stages of development. Furthermore, markets are continuing to struggle with the consequences of the economic crisis which naturally lim-

CEE - Motor insurance

Country	OVERALL MOTOR INSURANCE GWP			Change	OVERALL MOTOR INSURANCE CLAIMS			Change	Weight in all GWP		Weight in non-life GWP	
	2011	2010	%		2011	2010	%		2011	2010	2011	2010
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	31.39	34.88	-10.00	12.33	13.87	-11.09	52.30	59.37	59.97	66.27		
Bosnia and Herzegovina	151.61	147.82	2.56	na	na	-	60.76	61.25	72.68	72.74		
Bulgaria	495.04	500.29	-1.05	283.80	287.97	-1.45	60.00	60.27	71.08	71.17		
Croatia	495.70	511.56	-3.10	244.82	262.43	-6.71	40.82	40.87	55.61	55.67		
Czech Republic	1,388.62	1,535.01	-9.54	860.46	909.51	-5.39	23.10	24.66	43.13	45.67		
Estonia	138.89	145.12	-4.29	102.52	102.26	0.25	34.77	34.10	57.30	59.69		
Hungary	503.15	693.70	-27.47	354.44	433.09	-18.16	19.20	22.94	42.28	49.01		
Kosovo Territory	78.10	71.20	9.69	26.90	26.60	1.13	100.00	100.00	100.00	100.00		
Latvia	95.76	95.02	0.78	70.79	71.48	-0.96	29.65	35.10	33.29	42.42		
Lithuania	187.17	169.39	10.50	129.47	126.75	2.15	38.02	37.69	56.74	57.78		
Macedonia (FYROM)	65.79	62.77	4.81	32.82	33.24	-1.26	59.45	59.57	64.14	63.02		
Montenegro	36.43	35.89	1.52	na	na	-	55.83	57.96	64.88	67.03		
Poland	3,252.84	3,228.50	0.75	2,075.75	2,310.13	-10.15	25.14	23.61	56.78	56.22		
Romania	940.76	1,175.26	-19.95	857.31	982.63	-12.75	51.22	59.57	65.41	74.09		
Serbia	247.39	250.49	-1.24	127.17	123.37	3.08	45.17	46.75	54.71	56.03		
Slovakia	563.55	559.72	0.68	na	348.42	-	26.72	27.78	58.44	59.83		
Slovenia	537.91	557.08	-3.44	333.89	364.50	-8.40	25.71	26.59	36.99	38.72		
CEE REGION	9,210.12	9,773.71	-5.77	5,512.48	6,396.27	na	28.80	29.34	52.95	54.94		

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

Country	MOTOR HULL				MTPL			
	GWP		CLAIMS		GWP		CLAIMS	
	2011	2010	2011	2010	2011	2010	2011	2010
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
Albania	4.51	4.31	3.46	3.33	26.88	30.57	8.88	10.55
Bosnia and Herzegovina	30.26	29.97	na	na	121.34	117.86	na	na
Bulgaria	226.42	253.72	146.77	167.71	268.62	246.57	137.03	120.25
Croatia	105.93	120.30	87.03	99.91	389.77	391.26	157.79	162.53
Czech Republic	576.04	624.00	429.36	471.38	812.59	911.01	431.10	438.13
Estonia	77.55	85.83	58.09	63.90	61.34	59.30	44.43	38.37
Hungary	227.47	291.67	155.90	190.16	275.68	402.02	198.54	242.93
Kosovo Territory	na	na	na	na	45.80	40.60	18.00	19.20
Latvia	57.96	53.33	40.26	38.64	37.80	41.69	30.54	32.84
Lithuania	74.23	64.67	61.43	61.42	112.94	104.72	68.04	65.33
Macedonia (FYROM)	12.71	12.97	8.66	8.77	53.08	49.80	24.18	24.47
Montenegro	5.82	5.96	na	na	30.62	29.93	na	na
Poland	1,305.87	1,325.76	838.02	976.16	1,946.97	1,902.74	1,237.73	1,333.97
Romania	474.61	582.68	466.41	595.39	466.16	592.59	390.90	387.25
Serbia	68.59	72.17	44.89	47.85	178.80	178.32	82.28	75.52
Slovakia	270.36	276.15	na	188.42	293.20	283.58	na	160.00
Slovenia	254.49	254.22	178.73	195.45	283.41	302.87	155.16	169.05

In case of Slovakia, FY 2011 figures are according to SLASPO, while the FY 2010 figures are according to NBS

its the possibilities for excellent operation. We expect quick post-crisis development of markets in South-East Europe, bringing them closer to other developed European markets. Insurance density and penetration will grow, with increasing popularity of life insurance products, as people in these markets will realise that their future depends

on their own personal financial planning. Non-life insurance by individual clients is also expected to increase, as a result of the awareness that the protection of property lies in the hands of individual owners. I believe that the insurance industry has a high level of development potential. At the same time, long-term trends and devel-

opment scenarios suggest many sudden changes in this industry. Our main challenge in the future will be finding and providing timely and successful responses to these changes, stated Matjaz RAKOVEC for xprimm. Indeed, the future is rich of potential and many big players are striving to be a part

CEE - Property insurance

Country	OVERALL PROPERTY INSURANCE GWP			Change	OVERALL PROPERTY INSURANCE CLAIMS			Change	Weight in all GWP		Weight in non-life GWP	
	2011	2010	%		2011	2010	%		2011	2010	2011	2010
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
Albania	8.77	7.71	13.80	1.29	1.25	2.45	14.61	13.12	16.75	14.64		
Bosnia and Herzegovina	28.29	28.07	0.78	na	na	-	11.34	11.63	13.56	13.81		
Bulgaria	132.21	133.66	-1.08	22.08	29.53	-25.23	16.02	16.10	18.98	19.01		
Croatia	175.55	181.10	-3.06	98.24	91.92	6.88	14.46	14.47	19.69	19.71		
Czech Republic	797.90	804.06	-0.77	390.12	485.33	-19.62	13.27	12.92	24.78	23.92		
Estonia	63.04	62.78	0.40	28.26	28.30	-0.14	15.78	14.75	26.01	25.82		
Hungary	473.83	505.51	-6.27	190.53	322.67	-40.95	18.08	16.72	39.82	35.71		
Kosovo Territory	na	na	-	na	na	-	-	-	-	-		
Latvia	46.97	42.15	11.45	23.29	18.98	22.69	14.54	15.57	16.33	18.82		
Lithuania	70.47	60.44	16.59	49.36	35.19	40.27	14.31	13.45	21.36	20.61		
Macedonia (FYROM)	20.23	20.75	-2.51	7.93	7.75	2.32	18.28	19.69	19.72	20.83		
Montenegro	7.78	6.95	11.91	na	na	-	11.92	11.23	13.85	12.98		
Poland	1,090.43	1,049.73	3.88	529.79	776.23	-31.75	8.43	7.68	19.04	18.28		
Romania	308.70	260.25	18.62	68.41	86.62	-21.03	16.81	13.19	21.46	16.41		
Serbia	120.74	118.61	1.80	40.32	44.18	-8.74	22.04	22.14	26.70	26.53		
Slovakia	241.09	218.18	10.50	na	116.83	-	11.43	10.83	25.00	23.32		
Slovenia	241.62	231.67	4.29	112.78	135.36	-16.68	11.55	11.06	16.62	16.10		
CEE REGION	3,827.61	3,731.61	2.57	1,562.39	2,180.16	na	11.97	11.20	22.01	20.98		

In case of Slovakia, FY 2011 figures are XPRIMM INSURANCE REPORT estimates (25% of non-life GWP), while the FY 2010 figures are according to NBS

Country	FIRE AND ALLIED PERILS				DAMAGES TO PROPERTY			
	GWP		CLAIMS		GWP		CLAIMS	
	2011	2010	2011	2010	2011	2010	2011	2010
EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	
Albania	7.44	6.76	1.19	0.91	1.33	0.94	0.10	0.34
Bosnia and Herzegovina	15.18	14.91	na	na	13.11	13.15	na	na
Bulgaria	103.41	103.55	15.71	19.99	28.80	30.10	6.37	9.54
Croatia	75.16	77.68	32.51	26.72	100.39	103.42	65.72	65.20
Czech Republic	480.83	480.58	226.56	307.44	317.07	323.48	163.55	177.89
Estonia	40.43	40.64	12.93	13.85	22.61	22.14	15.34	14.45
Hungary	277.53	294.44	110.62	184.12	196.30	211.07	79.91	138.55
Kosovo Territory	na	na	na	na	na	na	na	na
Latvia	33.39	30.24	19.05	13.08	13.58	11.90	4.24	5.90
Lithuania	na	na	na	na	na	na	na	na
Macedonia (FYROM)	7.74	8.22	2.06	2.72	12.49	12.56	5.88	5.03
Montenegro	4.37	3.40	na	na	3.41	3.56	na	na
Poland	639.81	605.16	317.69	597.03	450.62	444.57	212.10	179.20
Romania	274.40	229.79	55.08	59.29	34.30	30.46	13.33	27.33
Serbia	42.08	45.03	7.89	11.80	78.66	73.59	32.43	32.39
Slovakia	na	na	na	na	na	na	na	na
Slovenia	98.82	94.88	40.17	52.29	142.80	136.79	72.61	83.07

of it. Last year witnessed a lot of changes in the insurance landscape of the region. Turkey seems to be one of the most attractive destinations for acquisitions. Big names as GOTHAEER Insurance Group, AXA, SAMPO, AEGON Swiss ZURICH Insurance or METLIFE have bought are in the process of acquiring stakes in some Turkish insurance companies. The CEE most important player, PZU, is also a geographical expansion across the region, while groups as TRIGLAV

or SAVA Re are also interested to enter new markets or strengthen their presence in some of the CEE markets. Vienna Insurance Group made new acquisition in Poland and Bosnia & Herzegovina and intends is also looking to further acquisitions in Hungary and Moldova, while different insurers and banks are targeting the Russian market. Big Russian players as ROSGOSSTRAKH are also expanding in the neighboring countries. Beside the structural changes, the young-

er markets in the region are also dealing with important legislative adjustments. Implementing the new Solvency II regime, on the hand, is the biggest challenge for insurers in the EU member states. How will impact on the regional figures all these changes? 2012 will give us the first indications.

■ (DG)

CEE - GTPL insurance

Country	GTPL INSURANCE GWP			GTPL INSURANCE CLAIMS			Weight in all GWP		Weight in non-life GWP	
	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	2.87	3.62	-20.74	0.26	0.01	2,334.13	4.78	6.17	5.48	6.88
Bosnia and Herzegovina	2.62	2.04	28.20	na	na	-	1.05	0.85	1.26	1.01
Bulgaria	15.02	15.47	-2.92	3.02	4.06	-25.58	1.82	1.86	2.16	2.20
Croatia	38.41	36.04	6.57	14.41	15.14	-4.84	3.16	2.88	4.31	3.92
Czech Republic	481.22	483.97	-0.57	241.90	235.73	2.62	8.01	7.77	14.95	14.40
Estonia	8.81	7.97	10.47	3.22	3.26	-1.16	2.20	1.87	3.63	3.28
Hungary	53.63	58.44	-8.22	15.17	14.98	1.28	2.05	1.93	4.51	4.13
Kosovo Territory	na	na	-	na	na	-	-	-	-	-
Latvia	12.79	8.22	55.52	1.53	1.44	6.44	3.96	3.04	4.45	3.67
Lithuania	19.43	17.38	11.84	3.40	4.04	-15.79	3.95	3.87	5.89	5.93
Macedonia (FYROM)	1.85	2.04	-9.31	0.20	0.16	25.00	1.67	1.94	1.80	2.05
Montenegro	1.39	0.77	80.90	na	na	-	2.13	1.24	2.47	1.43
Poland	326.00	315.51	3.32	142.52	155.76	-8.50	2.52	2.31	5.69	5.49
Romania	59.45	34.50	72.34	11.65	8.64	34.80	3.24	1.75	4.13	2.17
Serbia	10.07	9.87	1.93	2.16	1.81	19.13	1.84	1.84	2.23	2.21
Slovakia	67.50	57.28	17.85	na	13.12	-	3.20	2.84	7.00	6.12
Slovenia	52.75	50.25	4.97	27.92	26.84	4.04	2.52	2.40	3.63	3.49
CEE REGION	1,153.81	1,103.38	4.57	467.37	484.99	na	3.61	3.31	6.63	6.20

In case of Slovakia, FY 2011 figures are XPRIMM INSURANCE REPORT estimates (7% of non-life GWP), while the FY 2010 figures are according to NBS

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TOP 100 life insurance companies in CEE Region - as at December 31st, 2011

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2011	2010	Change
				EUR m	EUR m	%
1	PL	1	PZU Życie	2,220.19	2,348.36	-5.46
2	PL	2	EUROPA Życie	580.79	988.69	-41.26
3	PL	3	WARTA Życie	563.46	635.79	-11.38
4	PL	4	ING	461.72	504.41	-8.46
5	CZ	1	ČESKÁ pojišťovna	432.96	468.51	-7.59
6	PL	5	AVIVA Życie	409.73	480.42	-14.71
7	PL	6	NORDEA Polska Życie	384.50	489.59	-21.46
8	PL	7	AMPLICO Life	377.67	329.98	14.45
9	PL	8	ALLIANZ Życie Polska	347.62	370.44	-6.16
10	SK	1	ALLIANZ - Slovenská	248.73	244.58	1.69
11	HU	1	ING	242.78	276.26	-12.12
12	SK	2	KOOPERATIVA poisťovňa VIG	233.17	223.47	4.34
13	CZ	2	KOOPERATIVA VIG	232.51	224.39	3.62
14	PL	9	AXA Życie	213.56	223.98	-4.65
15	CZ	3	ČESKÉ SPOŘITELNY VIG	205.83	182.20	12.97
16	PL	10	GENERALI Życie	201.83	250.67	-19.49
17	SL	1	TRIGLAV	200.95	207.63	-3.22
18	PL	11	BENEFIA na Życie VIG	200.48	114.33	75.36
19	CZ	4	ING - ŽP	197.25	210.88	-6.46
20	PL	12	ERGO HESTIA	195.75	206.94	-5.41
21	PL	13	AEGON na Życie	168.34	192.11	-12.37
22	HU	2	ALLIANZ	155.07	178.93	-13.34
23	HU	3	GROUPAMA	146.99	167.24	-12.11
24	PL	14	OPEN LIFE Życie	142.35	-	-
25	PL	15	HDI-GERLING Życie	141.86	111.97	26.70
26	SL	2	MODRA ZAVAROVALNICA	139.92	147.50	-5.13
27	RO	1	ING Asig. de Viață	130.83	128.56	1.77
28	CZ	5	ČSOB Pojišťovna	130.07	121.42	7.12
29	HU	4	GENERALI-PROVIDENCIA	129.70	156.47	-17.11
30	HU	5	AEGON	129.50	149.05	-13.12
31	PL	16	COMPENSA na Życie VIG	119.26	76.27	56.37
32	SK	3	AMSLICO AIG Life poisťovňa	118.67	120.32	-1.37
33	PL	17	WBK-AVIVA	105.74	50.93	107.64
34	SK	4	KOMUNÁLNA poisťovňa VIG	104.04	97.71	6.48
35	CZ	6	GENERALI Pojišťovna	99.98	102.42	-2.38
36	HU	6	MPÉ Hungarian Post Life	99.23	101.94	-2.66
37	PL	18	SKANDIA Życie	92.75	98.78	-6.11
38	PL	19	UNIQA na Życie	92.44	237.67	-61.11
39	HU	7	CIG PANNÓNIA Life	90.20	92.58	-2.58
40	SK	5	GENERALI Slovensko poisťovňa	83.59	88.82	-5.89
41	CZ	7	ALLIANZ pojišťovna	82.84	81.64	1.46
42	SK	6	ING Životná poisťovňa	80.15	86.19	-7.01
43	RO	2	BCR Asig. de Viață VIG	79.28	72.00	10.12
44	PL	20	CARDIF Polska	78.09	65.09	19.98
45	EE	1	SWEDBANK Life Ins. SE	77.58	83.48	-7.07
46	HU	8	UNIQA	76.83	82.39	-6.75
47	SL	3	MARIBOR	75.40	71.31	5.74
48	HU	9	AVIVA	67.97	92.13	-26.22
49	CZ	8	AXA - ŽP	67.70	65.63	3.15
50	CZ	9	METLIFE AMCICO	65.86	70.89	-7.10

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2011	2010	Change
				EUR m	EUR m	%
51	SL	4	KD ŽIVLJENJE	62.49	70.11	-10.87
52	CZ	10	KOMERČNÍ pojišťovna	53.77	63.16	-14.86
53	HU	10	AXA	52.01	59.12	-12.01
54	SK	7	AXA životní poisťovna	50.57	48.10	5.13
55	HR	1	ALLIANZ Zagreb	49.58	46.81	5.92
56	SK	8	ČSOB Poistovňa	47.80	57.37	-16.67
57	HU	11	K&H	46.07	42.26	9.01
58	CZ	11	UNIQA pojišťovna	45.97	45.37	1.33
59	HU	12	ERSTE	45.67	44.75	2.05
60	HR	2	CROATIA	45.38	46.74	-2.92
61	CZ	12	ČESKÁ podnikatelská VIG	45.07	47.16	-4.44
62	SK	9	Slovenskej sporitelne VIG	44.27	37.92	16.75
63	RO	3	ALICO România	43.89	41.97	4.57
64	EE	2	MANDATUM Life SE	40.99	60.43	-32.16
65	LT	1	SWEDBANK Life Ins. SE Lf	40.41	42.85	-5.69
66	SL	5	MERKUR	40.29	40.26	0.07
67	PL	21	PRAMERICA Życie	34.76	43.67	-20.40
68	HU	13	UNION	34.49	38.51	-10.44
69	CZ	13	AVIVA ŽP	33.92	32.37	4.80
70	HR	3	MERKUR	33.87	35.12	-3.56
71	CZ	14	AEGON Pojišťovna	33.58	28.33	18.53
72	HR	4	GRAWE Hrvatska	32.66	33.38	-2.17
73	LT	2	SEB Life Insurance	31.64	29.43	7.50
74	SK	10	WÜSTENROT poisťovňa	30.27	27.53	9.96
75	SK	11	AEGON Životná poisťovňa	30.13	25.30	19.06
76	SL	6	NLB VITA	30.08	30.52	-1.44
77	SK	12	UNIQA poisťovňa	29.77	28.42	4.75
78	BG	1	ALLIANZ Bulgaria Life	28.91	26.52	9.02
79	LT	3	AVIVA Lietuva	28.00	28.72	-2.49
80	PL	22	POLISA-Życie	27.67	21.67	27.70
81	HU	14	SIGNAL	27.05	29.93	-9.62
82	PL	23	SKOK Życie	27.01	26.30	2.70
83	HU	15	GRAWE	26.70	27.19	-1.81
84	HR	5	BASLER osig. Zagreb	26.66	26.57	0.34
85	HR	6	AGRAM životno	26.65	27.99	-4.78
86	HR	7	KVARNER VIG	24.81	28.62	-13.32
87	LT	4	MANDATUM Life Ins. Baltic SE Lf	24.18	23.68	2.14
88	SB	1	DELTA GENERALI	23.84	22.38	6.53
89	SB	2	WIENER	23.52	22.34	5.28
90	RO	4	GENERALI România	22.02	21.64	1.73
91	EE	3	COMPENSA Life VIG SE	21.65	17.20	25.84
92	SL	7	GRAWE	21.64	22.49	-3.78
93	HU	16	AHICO	20.48	26.26	-21.99
94	RO	5	ALLIANZ - ŢIRIAC	20.37	19.38	5.09
95	RO	6	ASIROM VIG	19.68	20.20	-2.60
96	SL	8	GENERALI	19.62	18.17	7.98
97	SB	3	GRAWE	18.70	18.87	-0.88
98	RO	7	AVIVA Asig. de Viață	17.35	21.10	-17.80
99	BG	2	DZI	16.92	16.78	0.81
100	EE	4	SEB Elu- ja Pensionikindlustus	16.89	17.27	-2.21

The insurance companies from Latvia and Kosovo are not included

TOP 100 non-life insurance companies in CEE Region - as at December 31st, 2011

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2011	2010	Change
				EUR m	EUR m	%
1	PL	1	PZU	1,867.24	1,965.49	-5.00
2	CZ	1	ČESKÁ pojišťovna	781.46	856.53	-8.76
3	CZ	2	KOOPERATIVA VIG	649.44	707.19	-8.17
4	PL	2	ERGO HESTIA	599.49	592.01	1.26
5	PL	3	WARTA	516.04	503.87	2.42
6	SL	1	TRIGLAV	494.01	512.23	-3.56
7	PL	4	ALLIANZ Polska	421.20	437.86	-3.80
8	SK	1	ALLIANZ - Slovenská	349.54	353.57	-1.14
9	HR	1	CROATIA	325.49	345.92	-5.91
10	HU	1	ALLIANZ	308.06	420.44	-26.73
11	CZ	3	ALLIANZ pojišťovna	283.24	280.54	0.96
12	HU	2	GENERALI-PROVIDENCIA	254.32	298.26	-14.73
13	SK	2	KOOPERATIVA poisťovňa VIG	253.14	248.03	2.06
14	SL	2	ADRIATIC SLOVENICA	252.67	247.52	2.08
15	SL	3	VZAJEMNA	249.07	240.26	3.67
16	PL	5	INTERRISK VIG	241.06	264.12	-8.73
17	PL	6	UNIQA	236.74	225.13	5.16
18	RO	1	ASTRA Asigurări	234.13	253.92	-7.80
19	PL	7	COMPENSA VIG	233.53	206.71	12.97
20	PL	8	HDI Asekuracja	231.34	244.85	-5.52
21	CZ	4	GENERALI Pojišťovna	227.11	243.88	-6.87
22	PL	9	GENERALI	217.72	189.37	14.97
23	RO	2	ALLIANZ - ŢIRIAC	191.68	223.00	-14.04
24	SL	4	MARIBOR	187.84	188.29	-0.24
25	CZ	5	ČESKÁ podnikatelská VIG	181.35	180.34	0.56
26	RO	3	OMNIASIG VIG	179.70	217.61	-17.42
27	RO	4	GROUPAMA Asigurări	156.55	170.23	-8.04
28	CZ	6	ČSOB Pojišťovna	156.06	157.40	-0.85
29	PL	10	MTU Moje TU	155.48	137.61	12.99
30	CZ	7	UNIQA pojišťovna	154.81	148.53	4.23
31	HU	3	GROUPAMA	140.12	160.30	-12.59
32	SB	1	DUNAV	139.84	132.30	5.70
33	HU	4	AEGON	134.81	157.50	-14.41
34	HR	2	EUROHERC	132.85	135.75	-2.14
35	RO	5	ASIROM VIG	128.87	105.90	21.69
36	EE	1	If P&C Insurance AS	113.91	108.47	5.02
37	PL	11	PTU	108.30	113.80	-4.83
38	PL	12	EUROPA	106.85	126.20	-15.33
39	SK	3	GENERALI Slovensko	106.69	106.72	-0.03
40	RO	6	BCR Asigurări VIG	104.07	124.00	-16.07
41	LT	1	LIETUVOS draudimas	102.33	98.35	4.04
42	RO	7	GENERALI România	98.62	134.43	-26.63
43	HU	5	UNIQA	93.89	117.21	-19.90
44	RO	8	UNIQA Asigurări	90.46	102.71	-11.93
45	SB	2	DDOR	89.03	94.24	-5.53
46	HR	3	ALLIANZ Zagreb	86.60	86.42	0.21
47	BG	1	DZI - General insurance	86.47	88.21	-1.98
48	HR	4	JADRANSKO	85.00	86.84	-2.12
49	PL	13	TUW	83.55	70.01	19.34
50	BG	2	ARMEEC	82.69	79.39	4.16

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2011	2010	Change
				EUR m	EUR m	%
51	SB	3	DELTA GENERALI	80.20	76.81	4.41
52	SL	5	TRIGLAV ZDRAVSTVENA	80.19	72.66	10.36
53	CZ	8	CARDIF Pojišťovna	76.33	66.92	14.06
54	PL	14	AVIVA Ogólnych	76.16	65.45	16.36
55	BG	3	BULSTRAD VIG	74.22	92.37	-19.65
56	PL	15	CONCORDIA Polska	73.78	86.08	-14.29
57	BG	4	LEV INS	73.36	69.13	6.13
58	BG	5	ALLIANZ Bulgaria	72.62	72.44	0.25
59	RO	9	EUROINS România	71.35	71.50	-0.21
60	BG	6	BUL INS	70.85	69.44	2.03
61	PL	16	PTR	70.25	62.03	13.26
62	PL	17	LINK4	70.18	68.64	2.24
63	SK	4	UNIQA poisťovňa	70.13	74.34	-5.66
64	SL	6	TILIA	68.61	63.59	7.91
65	SL	7	GENERALI	66.62	62.52	6.56
66	HU	6	K&H	65.55	53.32	22.94
67	PL	18	SKOK	59.87	57.40	4.30
68	PL	19	BENEFIA VIG	58.82	52.09	12.93
69	PL	20	EULER HERMES	58.52	58.69	-0.29
70	SK	5	KOMUNÁLNA poisťovňa VIG	55.05	51.89	6.09
71	RO	10	CARPATICA ASIG	47.56	69.36	-31.43
72	RO	11	CITY Insurance	47.34	14.99	215.83
73	HU	7	UNION	47.24	49.85	-5.23
74	PL	21	PZM VIG	43.72	46.26	-5.49
75	HR	5	TRIGLAV	43.09	44.74	-3.69
76	LT	2	ERGO Lietuva	41.64	37.61	10.71
77	BG	7	UNIQA Insurance	40.32	36.79	9.59
78	LT	3	PZU Lietuva	39.67	36.15	9.71
79	BG	8	EUROINS	39.12	36.75	6.44
80	EE	2	SWEDBANK Varakindlustus	39.02	40.58	-3.83
81	EE	3	ERGO Kindlustus	38.73	42.85	-9.62
82	LT	4	BTA Akcinės Lf	38.28	38.49	-0.56
83	PL	22	BRE Ubezpieczenia	35.22	32.20	9.38
84	HR	6	KVARNER VIG	34.73	40.63	-14.51
85	PL	23	AXA	33.33	25.50	30.73
86	SK	6	UNION poisťovňa	32.18	28.48	12.99
87	PL	24	TUZ	30.65	20.01	53.15
88	CZ	9	ČESKÉ SPOŘITELNY VIG	30.52	27.25	12.00
89	BiH/FBiH	1	SARAJEVO	30.41	28.55	6.52
90	MN	1	LOVČEN	30.24	31.85	-5.03
91	CZ	10	SLAVIA Pojišťovna	29.55	26.27	12.46
92	SB	4	UNIQA Nezivot	28.85	26.23	10.00
93	PL	25	WBK - AVIVA Ogólnych	28.75	21.61	33.07
94	BG	9	ENERGIA	28.75	26.47	8.62
95	LT	5	If P&C Insurance AS Lf	28.48	27.62	3.13
96	BG	10	VICTORIA	28.43	25.48	11.59
97	BG	11	GENERALI Insurance	28.11	27.67	1.57
98	HR	7	BASLER osig. Zagreb	27.99	28.81	-2.85
99	HR	8	GENERALI	26.94	25.94	3.87
100	EE	4	SEESAM Insurance AS	26.32	29.75	-11.53

The insurance companies from Latvia and Kosovo are not included



Albania



Debtor's life	8.36%
Group life	2.02%
Life with savings	1.40%
Other life insurance	0.99%
Accidents insurance	1.20%
Health insurance	9.28%
Fire and allied perils	12.40%
Damages to property	2.22%
Motor Hull	7.51%
MTPL	44.79%
Aircraft liability	1.85%
GTPL	4.78%
Suretyship	2.34%
Other non-life insurance	0.84%



SOURCES:

ALBANIAN FINANCIAL SUPERVISORY AUTHORITY (AFSA)
BANK OF ALBANIA

ALBANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 138.93 LEK - ALL (DECEMBER 31ST, 2011)
1 EUR = 138.77 LEK - ALL (DECEMBER 31ST, 2010)

Over the EUR 60 million threshold

The Albanian economy continued to grow in 2011, albeit at lower rates than in the previous years. According to Ardian FULLANI, Governor of the Bank of Albania, *this growth has reflected structural improvements of the Albanian economy, overall sound balances of economic agents, as well as utilization of available capacities for macroeconomic stimulus and success to maintain macroeconomic balances.* The official data published by Albanian National Institute of Statistics (INSTAT) show an annual inflation rate of 1.7% in 2011, significantly lower than the 3.3% recorded in 2010, while the real wage increase was of about 11.6%. Still, unemployment figures remained almost unchanged, at a quite high rate, of 13.3%.

In this context, private consumption continued to reflect consumers' reluctance to spend and their inclination to save, behavior positively influencing the life insurance segment. Increased consumer loan growth during 2011 has also exercised a positive influence on the life insurance segment. Nevertheless, the still low purchasing power of the population had a decisive role, influencing the policies of prices charged by insurers, with a visible negative impact on the mandatory insurance classes' GWP volume. All in all, according to data published by Albania's Financial Supervisory Authority (AFSA), the local insurance market grew in local currency by 2.3% in 2011, as compared to the previous year (excluding reinsurance written premiums). In European currency, insurance premium revenues were of about EUR 60.01 million. At the same time, the number of insurance contracts was of 1,306,602, up by 77.5% as compared with year 2010.

Non-life insurance weighted 87.2% of the total premium volume, of which more than 52pp came from the motor insurance lines. Yet, compared to 2010, the motor business lines' contribution to the overall turnover decreased by about 7pp, following the strong negative dynamic recorded on the Domestic MTPL segment (-25%). *One of the main challenges during 2011 was the liberalization of the MTPL market, in terms of removal of the fixed-tariff regime. This was immediately followed by a sharp decrease in prices, which influenced the overall market performance,* explained Enkeleda SHEHI, Chairperson



Enkeleda SHEHI
Chairperson
Albanian FSA

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AFSA, for xprimm.com. According to the FSA assessment, the falling GWP figure for the DMPL class *eventually took away a further 10% increase potential from the market*, considering the over 45% weight of this insurance class in the market portfolio.

In the "best performance league", accident and health insurance, accounting for less than 6% of the total GWP in 2010, recorded the best dynamic during 2011, with an annual increase by 91% in GWP and gained about 5 additional pp in weight, up to over 10%.

By mid-August 2011, VIG signed an agreement to acquire a 75% stake in the Albanian insurance company INTERSIG. Thus, after entering the Albanian market in 2007, with the acquisition of SIGMA, VIG also acquired INTERALBANIAN in 2010. According to the Austrian Group, with the acquisition of INTERSIG, VIG's market share raises to about 30% and an estimated premium volume of about EUR 20 million.

The second best dynamic for a business line with significant weight in the market portfolio was recorded on the life insurance segment, with almost 26% y-o-y increase in GWP. Thus, life insurance market's share grew to 12.8%, while the GWP value exceeded for the first time ALL 1 billion. An increased appetite for saving, as well as the growing lending activity, on the personal loans side, were the main factors leading to the high growth rates recorded on the life insurance chapters.

Claims payment decreased by 3.7% in 2011, as compared with the previous year,

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	60.01	58.75	2.16	15.79	16.42	-3.82	100.00	100.00
TOTAL LIFE	7.67	6.12	25.39	0.84	0.52	61.27	12.78	10.41
Debtor's life	5.02	3.99	25.69	0.74	0.44	69.57	8.36	6.80
Group life	1.22	0.96	26.82	0.02	0.03	-26.83	2.02	1.63
Life with savings	0.84	0.78	8.45	-	-	-	1.40	1.32
Other life insurance	0.59	0.39	52.62	0.08	0.05	42.03	0.99	0.66
TOTAL NON-LIFE	52.34	52.63	-0.54	14.95	15.90	-5.94	87.22	89.59
Accidents insurance	0.72	0.66	9.86	0.07	0.09	-13.34	1.20	1.12
Health insurance	5.57	2.64	111.07	0.94	0.47	99.10	9.28	4.49
Overall property insurance	8.77	7.71	13.80	1.29	1.25	2.45	14.61	13.12
Fire and allied perils	7.44	6.76	10.03	1.19	0.91	30.68	12.40	11.51
Damages to property	1.33	0.94	40.83	0.10	0.34	-72.03	2.22	1.61
Overall motor insurance	31.39	34.88	-10.00	12.33	13.87	-11.09	52.30	59.37
Motor Hull	4.51	4.31	4.68	3.46	3.33	3.92	7.51	7.33
MTPL	26.88	30.57	-12.07	8.88	10.55	-15.82	44.79	52.04
DMTPL	15.93	21.14	-24.64	6.97	5.96	16.95	26.54	35.98
Green Card	7.93	6.46	22.84	1.64	4.30	-61.95	13.22	10.99
Border	3.02	2.98	1.44	0.27	0.28	-5.81	5.03	5.07
Aircraft liability	1.11	1.40	-20.81	-	-	-	1.85	2.39
GTPL	2.87	3.62	-20.74	0.26	0.01	2,334	4.78	6.17
Suretyship	1.41	1.20	17.24	0.03	0.18	-85.90	2.34	2.04
Other non-life insurance	0.51	0.53	-3.93	0.03	0.02	23.88	0.84	0.90

to EUR 15.8 million. Most of the gross paid claims were related to motor insurance, about EUR 12.3 million, or 78% of total gross paid claims.

The Bank of Albania deems that a good part of the 2011 tendencies would be present during 2012, as well. According to its core projections, the Albanian economy will continue to grow, albeit below its potential. *During 2012, insurers will have to manage very carefully their risks and investment activity, in order to be resilient to a potential slowdown in terms of overall revenues. During difficult economic times, insurance is amongst the first costs that businesses and individuals tend to cut down, so the market will have to manage very carefully their resources and avoid to the maximum extent possible any unnecessary fluctuations in their technical results. Careful risk selection and pricing, as well as more efficient reinsurance agreements and marketing strategies might be among some challenges to consider during this year, said Enkeleda SHEHI.*

■ (DG)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SIGAL UNIQA Life	3.68	3.19	15.20	0.49	0.23	109.98	47.95	52.19
2	SICRED	2.49	1.71	45.93	0.17	0.22	-24.88	32.51	27.93
3	INSIG	1.50	1.22	23.27	0.18	0.07	178.73	19.54	19.88
TOTAL MARKET		7.67	6.12	25.39	0.84	0.52	61.27	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SIGAL UNIQA	17.15	16.16	6.11	4.84	4.54	6.62	32.76	30.71
2	SIGMA VIG	6.93	8.10	-14.48	1.76	2.54	-30.48	13.23	15.39
3	INTERALBANIAN VIG	5.27	5.84	-9.73	1.99	1.79	10.95	10.07	11.09
4	ATLANTIK	5.14	5.70	-9.79	1.13	2.19	-48.55	9.82	10.83
5	INTERSIG VIG	4.94	5.19	-4.84	1.27	1.01	25.59	9.44	9.86
6	EUROSIG	4.41	3.30	33.44	0.85	0.70	21.51	8.42	6.28
7	INSIG	4.29	4.43	-3.00	2.24	2.32	-3.37	8.20	8.41
8	ALBSIG	4.22	3.92	7.79	0.87	0.81	7.96	8.06	7.44
TOTAL MARKET		52.34	52.63	-0.54	14.95	15.90	-5.94	100.00	100.00





Bosnia & Herzegovina



Insurance Type	Percentage
Life insurance	16.40%
Accidents insurance	7.47%
Health insurance	1.19%
Fire and allied perils	6.08%
Damages to property	5.25%
Motor Hull	12.13%
MTPL	48.63%
Goods in transit	1.04%
GTPL	1.05%
Other non-life insurance	0.76%

SOURCES:

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

BOSNIAN CURRENCY EXCHANGE RATE FOR

CALCULATIONS:

1 EUR = 1.95583 CONVERTIBLE MARKS - BAM (FIXED)

A bipolar market

Overall, 2011 may be assessed as bringing another mild recovery of the domestic economy, although of lower than expected intensity, states the most recent Bulletin published by Bosnia & Herzegovina's Central Bank (CBBH). Indeed, although 2011 official GDP data are not available yet, according to the "Economics & FI/FX Research" released by UniCredit Bank, BiH's GDP recorded a 1.8% y-o-y growth in 2011, "mostly due to solid exports of goods and the related trend of industrial production in the first three quarters of this year". Still, the deteriorating external environment continues to adversely impact on the economic activity of the country, as its economy relies largely on exports. Internally, considers CBBH, a degree of stabilization occurred, together with a rise in domestic demand and an intensification of credit activities following an extended period of stagnation.

During the year inflation rate trended around 4%, while on the wages and pensions side insignificant changes were observed. The average net wage in BH in December 2011 was of about EUR 420, while the average pension in all territorial entities of BiH was of about EUR 160 – 180. Finally, on November 30th, 2011, Standard and Poor's lowered the long term credit rating of BiH by a notch, from B+ to B, with negative outlook citing the inability to form a national level government and its implications for the 2011 and 2012 budgets as the main rationale for the move.

Meanwhile, the existing arrangement with the IMF expires in July 2012, with only one-third of available funds drawn down and a new deal is contingent upon a national government being formed.

In fact, the fragmented structure is also one of the main factors hindering the evolution of the BiH's insurance market. A market of less than 4 million inhabitants - further reduced by the inability of companies to offer services for the country as a whole, with reduced competition, and ultimately obstacle for business and consumers in accessing the better quality and range of financial services - was the assessment recently made by Renzo DAVIDDI, Deputy Head of the EU Delegation to BiH.

For the time being, the market maintains its bipolar structure, corresponding to the general economical and political structure of the Republic of Bosnia-Herzegovina: two autonomous regions, the Republika Srpska (RS) and the Federation of Bosnia-Herzegovina (FBiH), each of them with its own market, laws, taxation systems, independent market authority etc. Insurers established in one of the two BiH's entities does not need to obtain special license from the other entity in order to provide insurance services, but has to establish a branch in the host entity. Companies are subjected to the home entity's supervision, while branches have to comply with the host market's supervision requirements.

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS						Weight in all GWP		
	2011	2010	Change	2011 Market share (%)		2010 Market share (%)		2011	2010
	EUR m	EUR m	%	FBiH insurers	RS insurers	FBiH insurers	RS insurers	%	%
TOTAL MARKET	249.53	241.33	3.40	73.09	26.91	74.02	25.98	100.00	100.00
TOTAL LIFE	40.93	38.11	7.40	87.15	12.85	88.04	11.96	16.40	15.79
TOTAL NON-LIFE	208.60	203.22	2.65	70.33	29.67	71.39	28.61	83.60	84.21
Accidents insurance	18.63	17.51	6.39	78.32	21.68	79.58	20.42	7.47	7.26
Health insurance	2.97	3.83	-22.53	85.45	14.55	87.22	12.78	1.19	1.59
Overall property insurance	28.29	28.07	0.78	76.94	23.06	78.58	21.42	11.34	11.63
Fire and allied perils	15.18	14.91	1.75	80.50	19.50	81.16	18.84	6.08	6.18
Damages to property	13.11	13.15	-0.31	72.82	27.18	75.66	24.34	5.25	5.45
Overall motor insurance	151.61	147.82	2.56	66.79	33.21	67.74	32.26	60.76	61.25
Motor Hull	30.26	29.97	1.00	84.24	15.76	85.24	14.76	12.13	12.42
MTP	121.34	117.86	2.96	62.44	37.56	63.29	36.71	48.63	48.83
Goods in transit	2.59	2.35	10.32	92.73	7.27	92.38	7.62	1.04	0.97
GTPL	2.62	2.04	28.20	88.44	11.56	92.69	7.31	1.05	0.85
Other non-life insurance	1.90	1.60	18.51	97.04	2.96	97.27	2.73	0.76	0.66

Life insurance momentum in "Austrian" style

The Bosnian insurance market finished 2011 with a positive GWP growth rate, of 3.4%, up to EUR 249.5 million. Insurers domiciled in RS managed to place an aggregated growth rate of 7.12%, up to EUR 67.15 million GWP, while their peers registered in FBiH reported a 2.1% positive change of the written premium volume, to EUR 182.4 million. Consequently, RS insurers' weight in the overall Bosnian insurance market grew by about 1 percentage point, to almost 27%.

By the end of 2011, life insurance reached a 16.4% share in the Bosnian market portfolio, due to an above average growth rate of 7.4%. The higher dynamic of the life insurance segment was observed in both regions, while the most impressive evolution (+15.4%) was registered on the very small life insurance market of RS. Also, in both regions the life insurance business is dominated by the local subsidiaries of some big Austrian insurers: GRAWE (91.6% of the RS life market and about 24% of the FBiH market, UNIQA with 24.8% and MERKUR BH, with 29.8% of the FBiH market). Is it maybe worth mentioning that GRAWE managed a 10.3% growth on the RS market, while in FBiH registered a steady evolution. On the FBiH market, the best dynamic registered on the life insurance segment belongs to UNIQA, with a 22.6% growth rate.

Total BiH - All insurance lines ranking

No.	Company	Region	GROSS WRITTEN PREMIUMS			MARKET SHARE	
			2011	2010	Change	2011	2010
			EUR m	EUR m	%	%	%
1	SARAJEVO	FBiH	31.89	29.99	6.34	12.78	12.43
2	BOSNA-SUNCE	FBiH	22.28	23.80	-6.41	8.93	9.86
3	EUROHERC	FBiH	20.71	19.88	4.20	8.30	8.24
4	UNIQA	FBiH	20.43	18.04	13.25	8.19	7.47
5	CROATIA	FBiH	19.46	19.34	0.62	7.80	8.01
6	TRIGLAV BH	FBiH	15.67	16.26	-3.66	6.28	6.74
7	VGT	FBiH	12.57	13.38	-6.09	5.04	5.55
8	JAHORINA	RS	12.50	12.51	-0.05	5.01	5.18
9	MERKUR BH	FBiH	10.80	9.95	8.54	4.33	4.12
10	GRAWE	FBiH	10.24	9.92	3.23	4.10	4.11
11	DUNAV	RS	8.82	8.20	7.57	3.54	3.40
12	BOBAR	RS	8.38	8.10	3.49	3.36	3.35
13	BRČKO-GAS	RS	7.34	6.15	19.27	2.94	2.55
14	DRINA	RS	7.19	6.97	3.25	2.88	2.89
15	ZOVKO	FBiH	6.16	4.23	45.59	2.47	1.75
1	NEŠKOVIĆ	RS	5.88	5.99	-1.79	2.36	2.48
2	TRIGLAV	RS	5.21	4.91	6.07	2.09	2.03
3	ASA	FBiH	5.00	4.84	3.28	2.00	2.01
4	GRAWE	RS	4.83	4.38	10.24	1.93	1.81
5	CAMELIJA	FBiH	3.80	4.27	-11.09	1.52	1.77
6	LIDO	FBiH	3.26	3.84	-15.19	1.31	1.59
7	KRAJINA	RS	3.20	3.43	-6.64	1.28	1.42
8	AURA	RS	2.39	0.92	158.97	0.96	0.38
9	MIKROFIN	RS	1.41	1.13	24.44	0.57	0.47
10	LOK	FBiH	0.11	0.16	-31.78	0.04	0.07
11	HERCEGOVINA	FBiH	-	0.73	-	-	0.30
RS COMPANIES			67.15	62.69	7.12	26.91	25.98
FBiH COMPANIES			182.38	178.65	2.09	73.09	74.02
TOTAL Bosnia&Herzegovina			249.53	241.33	3.40	100.00	100.00



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FBiH - Life insurance Ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	MERKUR BH	10.66	9.82	8.51	29.87	29.27
2	UNIQA	8.86	7.22	22.61	24.82	21.52
3	GRAWE	8.56	8.63	-0.77	23.99	25.70
4	CROATIA	2.97	3.33	-10.62	8.33	9.91
5	TRIGLAV BH	1.89	1.59	19.09	5.31	4.74
6	SARAJEVO	1.48	1.44	2.73	4.15	4.29
7	BOSNA-SUNCE	1.15	1.30	-11.81	3.22	3.88
8	LOK	0.11	0.16	-31.78	0.31	0.48
9	HERCEGOVINA	-	0.07	-	-	0.21
TOTAL MARKET		35.67	33.56	6.31	100.00	100.00

FBiH - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	SARAJEVO	30.41	28.55	6.52	20.73	19.68
2	BOSNA-SUNCE	21.13	22.50	-6.09	14.40	15.51
3	EUROHERC	20.71	19.88	4.20	14.12	13.70
4	CROATIA	16.49	16.01	2.96	11.24	11.04
5	TRIGLAV BH	13.77	14.67	-6.12	9.39	10.11
6	VGT	12.57	13.38	-6.09	8.57	9.22
7	UNIQA	11.57	10.82	6.99	7.89	7.45
8	ZOVKO	6.16	4.23	45.59	4.20	2.92
9	ASA	5.00	4.84	3.28	3.41	3.34
10	CAMELIJA	3.80	4.27	-11.09	2.59	2.95
11	LIDO	3.26	3.84	-15.19	2.22	2.65
12	GRAWE	1.68	1.29	29.97	1.14	0.89
13	MERKUR BH	0.15	0.13	11.24	0.10	0.09
14	HERCEGOVINA	-	0.66	-	-	0.45
TOTAL MARKET		146.71	145.09	1.12	100.00	100.00

RS - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	GRAWE	4.82	4.37	10.26	91.65	95.94
2	JAHORINA	0.29	0.15	90.76	5.50	3.33
3	DUNAV	0.15	0.03	351.07	2.85	0.73
TOTAL MARKET		5.26	4.56	15.43	100.00	100.00

RS - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	JAHORINA	12.21	12.36	-1.17	19.73	21.25
2	DUNAV	8.67	8.17	6.17	14.01	14.05
3	BOBAR	8.38	8.10	3.49	13.54	13.93
4	BRČKO-GAS	7.34	6.15	19.27	11.86	10.59
5	DRINA	7.19	6.97	3.25	11.62	11.98
6	NEŠKOVIĆ	5.88	5.99	-1.79	9.51	10.31
7	TRIGLAV	5.21	4.91	6.07	8.41	8.44
8	KRAJINA	3.20	3.43	-6.64	5.17	5.90
9	AURA	2.39	0.92	158.97	3.86	1.59
10	MIKROFIN	1.41	1.13	24.44	2.28	1.95
11	GRAWE	0.01	0.01	-5.55	0.01	0.01
TOTAL MARKET		61.89	58.13	6.47	100.00	100.00

The non-life insurance Bosnian market went up by 2.65% in 2011, to EUR 208.6 million. RS companies increased their weight by 1 percentage point on this segment too. Best growth rate were registered for two of the classes with the smallest weight in the market portfolio: "goods in transit", +10.32% and "GTPL", +28.20%. Health insurance placed the worst performance, going down by 22.5%. In different proportions, these trends were common to both regions.

Motor insurance lines registered a positive evolution, obviously the MTPL line being the trend setter in both regions. The overall growth rate of this segment was of 2.56%, up to aggregated EUR 151.6 million GWP volume. SARAJEVO, BOSNA-SUNCE and EUROHERC are the leading non-life insurers in FBiH, while JAHORINA, DUNAV and BOBAR are occupying the top 3 positions in RS.

It is worth mentioning that during 2011 motor insurance was also one the major sources of discontent for many companies which were accusing their competitors of unfair competition and dumping sales policies. Trying to find a consensual solution, RS insurers companies unanimously agreed in November to suspend all direct and indirect discounts and the benefit of a free technical inspection for vehicles, in order to protect the interests of RS, its insurance companies and the insured clients, the RS Chamber of Commerce said. They have also asked for the authorities support for these measures. At the time we are writing, there is no public evidence of this steps' success.

M&A

Vienna Insurance Group (VIG) has acquired, in October 2011, an approx. 91.7% stake of JAHORINA Osiguranje AD Pale company's capital and approx. 96.6% of the voting shares in the company. The VIG also announced that it will subsequently issue a takeover bid to all remaining voting shareholders of the company in accordance with local legislation. VIG is an early mover in the CEE region and tries to explore interesting markets at an early stage. We took advantage of the opportunity to make an early market entry in Bosnia and Herzegovina. Our new group company JAHORINA is headquartered in Republika Srpska, but operates throughout the country, recently stated Gunter GEYER, General Manager and Chairman of the Managing Board, VIG, for the British magazine Insurance Insight. In line with VIG's regular procedures, JAHORINA will continue to operate under its own brand name.

■ (DG)

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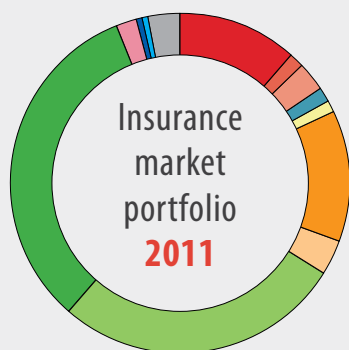
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Bulgaria



Category	Percentage
Life ins. and annuities	11.64%
Unit-linked	1.22%
Other life insurance	2.74%
Accidents insurance	1.53%
Goods in transit	0.94%
Fire and allied perils	12.53%
Damages to property	3.49%
Motor Hull	27.44%
MTPL	32.56%
GTPL	1.82%
Credit insurance	0.51%
Travel	0.69%
Other non-life insurance	2.89%

SOURCES:

THE FINANCIAL SUPERVISION COMMISSION OF BULGARIA (FSC)

BULGARIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 1.95583 LEVA, BGN (FIXED)

Flattening downfall trend

According to the Bulgarian National Statistical Institute (NSI), GDP grew by 1.7% in 2011 in real terms, a lower figure than the estimated rates. Weak housing and labor market revival, deleveraging in the corporate sector and slowing external demand are the main headwinds faced by the Bulgarian economy. Moreover, deteriorating external conditions affecting exports could also jeopardize the labor market stabilization started by mid 2011. Unemployment rising rate, to 11.2% in 2011, as well as the ongoing tightening austerity measures have already determined a further deterioration of population's purchasing power and appetite for buying insurance products.

Under the volatile economic circumstances, the GWP volume carried out by the Bulgarian insurers registered a y-o-y negative change of about 0.6%, to EUR 825 million. Although still negative, the market dynamic showed some improvement signs, to a flattening of the downfall trend, as in the previous year the market volume decreased by over 3%.

Life insurance, with a steady 15.6% weight in the market portfolio, recorded a positive evolution, at a 1.22% pace, up

to EUR 128.7 million in GWP. Yet, looking at the 1H2011 figures, one should note that the second half of the year brought a visible slowdown in the life insurance business. Although with a very small weight in the market portfolio, of only 1.22%, Unit-Linked insurance line made the difference for the entire life insurance business by recording a double digit growth rate, of 55%.

On the non-life side, the main business lines – motor insurance and property insurance –, recorded negative changes in the GWP figures, of about 1%. GWP for MTPL policies accounted for 32.6% of the overall portfolio, 3pp up as compared with the 2010 results, due to the almost 9% positive evolution, to EUR 268.6 million. Meanwhile, on the Motor Hull segment, the business volume continued to decrease at a high pace, of 10.7%.

Property insurance recorded a steady evolution on the "Fire and allied perils" and a 4.3% decrease on the "damages to property" line. In fact, currently about 7-8% of the 3.8 million houses in Bulgaria are insured against natural disasters as earthquakes and floods, according to market sources. Although the mortgage

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	825.10	830.06	-0.60	375.23	398.37	-5.81	100.00	100.00
TOTAL LIFE	128.69	127.15	1.22	51.43	51.69	-0.50	15.60	15.32
Life ins. and annuities	96.01	97.77	-1.79	39.58	39.08	1.30	11.64	11.78
Unit-linked	10.04	6.48	55.01	4.72	5.10	-7.41	1.22	0.78
Other life insurance	22.64	22.90	-1.15	7.13	7.52	-5.19	2.74	2.76
TOTAL NON-LIFE	696.41	702.92	-0.93	323.79	346.68	-6.60	84.40	84.68
Accidents insurance	12.66	12.24	3.43	2.53	2.33	8.90	1.53	1.47
Goods in transit	7.73	6.99	10.61	1.43	3.73	-61.60	0.94	0.84
Overall property insurance	132.21	133.66	-1.08	22.08	29.53	-25.23	16.02	16.10
Fire and allied perils	103.41	103.55	-0.14	15.71	19.99	-21.42	12.53	12.48
Damages to property	28.80	30.10	-4.34	6.37	9.54	-33.22	3.49	3.63
Overall motor insurance	495.04	500.29	-1.05	283.80	287.97	-1.45	60.00	60.27
Motor Hull	226.42	253.72	-10.76	146.77	167.71	-12.49	27.44	30.57
MTPL	268.62	246.57	8.94	137.03	120.25	13.95	32.56	29.70
GTPL	15.02	15.47	-2.92	3.02	4.06	-25.58	1.82	1.86
Credit insurance	4.17	4.10	1.70	2.38	4.19	-43.27	0.51	0.49
Travel	5.69	5.09	11.72	1.46	1.40	4.40	0.69	0.61
Other non-life insurance	23.88	25.07	-4.74	7.08	13.46	-47.38	2.89	3.02



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALLIANZ Bulgaria Life	28.91	26.52	9.02	13.18	11.69	12.76	22.46	20.86
2	DZI	16.92	16.78	0.81	11.55	12.91	-10.56	13.15	13.20
3	BULSTRAD Life VIG	14.65	13.56	8.02	6.63	5.13	29.29	11.38	10.66
4	UNIQA LIFE	13.39	11.00	21.68	6.67	6.57	1.43	10.40	8.65
5	ALICO Bulgaria Life	10.17	10.89	-6.60	2.89	2.55	13.25	7.90	8.57
6	UBB-ALICO Life	9.76	8.63	13.14	1.68	1.30	29.22	7.59	6.79
7	GRAWE Bulgaria Life	8.54	8.43	1.35	1.71	1.07	59.76	6.64	6.63
8	GROUPAMA Life	6.72	4.22	59.21	1.03	0.73	41.52	5.22	3.32
9	SyVZK	6.56	13.48	-51.35	0.30	3.98	-92.58	5.10	10.61
10	GENERALI Life	5.56	5.69	-2.29	3.63	3.49	4.04	4.32	4.47
11	SOGLIFE Bulgaria	3.39	3.04	11.52	0.54	0.64	-16.21	2.64	2.39
12	INTERAMERICAN Life	1.45	1.44	0.92	0.23	0.03	567.86	1.13	1.13
13	JZI	0.95	1.12	-15.23	0.73	0.63	15.49	0.74	0.88
14	SAGLASIE	0.83	1.20	-31.45	0.17	0.18	-2.42	0.64	0.95
15	CCB Life	0.75	1.05	-27.92	0.44	0.69	-35.86	0.59	0.82
16	VZK DOBRUDJA-M-LIFE	0.14	0.09	57.62	0.06	0.09	-34.91	0.11	0.07
TOTAL MARKET		128.69	127.15	1.22	51.43	51.69	-0.50	100.00	100.00

boom pushed up this percentage from the much lower level recorded 5-6 years ago, the years of economic crisis led to a decrease both in the number of sold mortgage loans and insurance policies. Consequently, trying to adapt to the lowering purchasing power of their customers, some insurers have launched a very "low cost" product, for the price of BGN 10 to 20 (EUR 5 - EUR 10). Such cheap policies provide coverage for an insured amount of only BGN 2,000 (about EUR 1,023) and refer to only one event: a fire or an accident to water installations, but the risk of an earthquake is not covered. According the website www.moitepari.bg, the average household insurance policy concluded for a regular apartment - worth BGN100,000 (EUR 51,282) -, and covering the risks of flood and earthquake, is of BGN 150 (EUR 77) in Bulgaria. Currently, industry representatives are pleading for the implementation of a national insurance pool against natural disasters such as earthquakes, floods and landslides, similar to the existing entities from Turkey and Romania.

■ (DG)

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DZI - General insurance	86.47	88.21	-1.98	45.79	61.88	-26.00	12.42	12.55
2	ARMEEC	82.69	79.39	4.16	33.82	33.18	1.92	11.87	11.29
3	BULSTRAD VIG	74.22	92.37	-19.65	50.50	62.47	-19.17	10.66	13.14
4	LEV INS	73.36	69.13	6.13	28.48	29.67	-4.02	10.53	9.83
5	ALLIANZ Bulgaria	72.62	72.44	0.25	31.56	34.90	-9.56	10.43	10.31
6	BUL INS	70.85	69.44	2.03	30.34	32.17	-5.71	10.17	9.88
7	UNIQA Insurance	40.32	36.79	9.59	17.97	18.86	-4.72	5.79	5.23
8	EUROINS	39.12	36.75	6.44	18.23	19.69	-7.39	5.62	5.23
9	ENERGIA	28.75	26.47	8.62	1.05	1.55	-32.36	4.13	3.77
10	VICTORIA	28.43	25.48	11.59	8.55	8.57	-0.28	4.08	3.62
11	GENERALI Insurance	28.11	27.67	1.57	12.55	9.87	27.11	4.04	3.94
12	INTERAMERICAN Bulgaria	17.97	17.40	3.29	7.76	6.20	25.12	2.58	2.47
13	OZK Insurance	16.77	17.76	-5.57	5.89	3.50	68.36	2.41	2.53
14	BULGARSKI IMOTI	16.47	22.57	-27.03	24.66	17.99	37.04	2.37	3.21
15	HDI Insurance	11.73	11.71	0.22	5.05	4.44	13.71	1.68	1.67
16	GROUPAMA Insurance	2.99	3.05	-1.97	0.39	0.26	53.52	0.43	0.43
17	Bg Export Ins. Agency	2.94	2.75	7.10	1.09	1.29	-15.88	0.42	0.39
18	UBB - CHARTIS	2.59	3.45	-24.96	0.12	0.15	-24.90	0.37	0.49
19	GRAWE Bulgaria	-	0.09	-	-	0.02	-	-	0.01
TOTAL MARKET		696.41	702.92	-0.93	323.79	346.68	-6.60	100.00	100.00





Croatia



Life insurance	22.89%
Supplementary insurance	1.71%
Life insurance and annuities related to investment funds	1.79%
Other life insurance	0.20%
Accident insurance	5.66%
Health insurance	2.79%
Boat insurance	2.24%
Fire and allied perils	6.19%
Damages to property	8.27%
Motor Hull	8.72%
MTPL	32.10%
GTPL	3.16%
Credit insurance	1.42%
Financial loss insurance	0.90%
Other non-life insurance	1.96%



SOURCES:

CROATIAN NATIONAL BANK
CROATIAN INSURANCE BUREAU

CROATIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 7.530420 KUNA - HRK
(DECEMBER 31ST 2011)
1 EUR = 7.385173 KUNA - HRK
(DECEMBER 31ST 2010)

On slow sliding

Croatian economy journeyed from recession to a zero flat line in 2011, but new measures of fiscal consolidation are expected in order to maintain the fiscal deficit within reasonable limits. Weak labor market conditions – unemployment rate is expected to fall under 13% only in 2013 -, exerted a downward pressure on incomes and spending. The high level of indebtedness of households and companies and their need to deleverage are weighing on domestic demand, while consumer confidence seems to remain at a low level.

No doubt, the Croatian insurance market continued to be affected by the weak overall evolution of the economy and the worsening situation of the household consumption. Negative change rates were observed on almost all business lines. Insurance companies operating in Croatia recorded in 2011 GWP of HRK 9.14 billion (EUR 1.21 billion), y-o-y 1.08% less, according to financial data published by Croatian Insurance Bureau (HUO) and the market authority (HANFA). In absolute values, out of a EUR 37.46 million decrease, about 73.5% (EUR 27.5 million) is related to non-life insurance. Yet, looking to the number of policies sold, it is interesting to observe that the number of policies sold for non-life insurance decreased only by 7.778, while the correspondent figure for life insurance is of 31.788 units.

Insurance density amounted to almost EUR 271 per capita, and continued the downward trend started in 2009 due to the financial crisis, while 13 out of the 26 HUO members recorded a decrease in gross written premium.

Gross written premium on the life segment recorded a decline of 1.08%, and thus reached the amount of HRK 2.43 billion (EUR 322.85 million) in 2011. The “Life assurance” class registered the most substantial decrease, in absolute figures, while on the “Supplementary insurance linked with life assurance policy” there was the biggest reduction in number of policies.

The gross written premium in non-life insurance continued its decline started in 2009 and recorded HRK 6.71 billion (EUR 891.45 million) in 2011, which is a 1.09% decrease compared to 2010.

Non-life insurance still holds the major share in the market portfolio, of 73.4%

(the same percentage value as in 2010) of the total GWP. Motor vehicle insurance (Motor hull and MTPL, summed) made up to 40.8% of the total GWP and 40.4% of the total claims value. Premiums of MTPL amounted to HRK 2.9 billion in 2011, which is an increase of 1.6% and represented the most significant growth in the absolute value (HRK 45.6 million), corresponding to a growth in the number of policies sold by only 1%.

In the case of Motor hull, premium amounted to HRK 797.7 million, decreasing by 10.2% compared with 2010 which is the largest decrease by insurance classes in absolute value (HRK 90.7 million). The number of contracts declined by almost 15 thousand units.

GTPL, Credit insurance and Financial loss insurance are the only non-life classes recording a significant positive evolution in GWP.

During 2011, the insurance concentration by total gross written premium of the top 5 insurance companies decreased from 65.3% in 2010 to 64.6% in 2011, while insurance portfolio concentration of the top 10 insurance companies fell from 84.9% to 84.4%.

CROATIA OSIGURANJE remains the market leader, with over 30% market share, and main non-life insurer, with a 36.5% market share, in spite of the 5.5 decline in GWP registered in 2011. The company said its consolidated gross profit jumped 34.6% to HRK 160.2 million (EUR 21.1 million) in 2011. Currently, the Croatian government plans to sell a majority stake in CROATIA OSIGURANJE in a public tender, according to the Finance Minister. The state controls some 80 percent in CROATIA Osiguranje and it seems the idea was to keep 25 percent plus one share and offer the remaining stock in a public tender. Croatian officials did not elaborate on when the offer would take place, but according to other sources, the sale would probably happen this year. One of the possible bidders in this deal could be the Polish giant PZU.

■ (DG)

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,214.30	1,251.76	-2.99	605.20	594.72	1.76	100.00	100.00
TOTAL LIFE	322.85	332.79	-2.99	172.03	140.84	22.15	26.59	26.59
Life insurance	277.92	286.20	-2.89	158.01	129.33	22.17	22.89	22.86
Supplementary insurance	20.78	21.71	-4.31	4.49	4.52	-0.58	1.71	1.73
Life insurance and annuities related to investment funds	21.76	22.65	-3.92	7.85	5.63	39.43	1.79	1.81
Other life insurance	2.39	2.22	7.67	1.69	1.36	24.09	0.20	0.18
TOTAL NON-LIFE	891.45	918.97	-3.00	433.17	453.88	-4.56	73.41	73.41
Accident insurance	68.70	71.94	-4.51	16.32	19.69	-17.12	5.66	5.75
Health insurance	33.82	35.03	-3.43	25.88	24.76	4.49	2.79	2.80
Boat insurance	27.22	30.92	-11.98	12.92	11.17	15.62	2.24	2.47
Overall property insurance	175.55	181.10	-3.06	98.24	91.92	6.88	14.46	14.47
Fire and allied perils	75.16	77.68	-3.24	32.51	26.72	21.68	6.19	6.21
Damages to property	100.39	103.42	-2.93	65.72	65.20	0.81	8.27	8.26
Overall motor insurance	495.70	511.56	-3.10	244.82	262.43	-6.71	40.82	40.87
Motor Hull	105.93	120.30	-11.94	87.03	99.91	-12.89	8.72	9.61
MTPL	389.77	391.26	-0.38	157.79	162.53	-2.91	32.10	31.26
GTPL	38.41	36.04	6.57	14.41	15.14	-4.84	3.16	2.88
Credit insurance	17.27	15.81	9.25	13.65	15.41	-11.43	1.42	1.26
Financial loss insurance	10.98	10.32	6.40	1.63	2.60	-37.31	0.90	0.82
Other non-life insurance	23.79	26.24	-9.34	5.31	10.75	-50.59	1.96	2.10

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ALLIANZ Zagreb	49.58	46.81	5.92	15.36	14.07
2	CROATIA	45.38	46.74	-2.92	14.06	14.05
3	MERKUR	33.87	35.12	-3.56	10.49	10.55
4	GRAWE Hrvatska	32.66	33.38	-2.17	10.12	10.03
5	BASLER osig. Zagreb	26.66	26.57	0.34	8.26	7.99
6	AGRAM životno	26.65	27.99	-4.78	8.25	8.41
7	KVARNER VIG	24.81	28.62	-13.32	7.69	8.60
8	GENERALI	16.68	15.54	7.34	5.17	4.67
9	HELIOS VIG	16.35	17.41	-6.07	5.07	5.23
10	ERSTE VIG	13.85	14.46	-4.15	4.29	4.34
11	UNIQA	13.39	16.62	-19.40	4.15	4.99
12	TRIGLAV	9.49	10.16	-6.56	2.94	3.05
13	VICTORIA životno	5.75	6.98	-17.66	1.78	2.10
14	SOCIETE GENERALE	5.02	3.98	26.01	1.55	1.20
15	KD Life	1.63	1.12	45.87	0.50	0.34
16	VELEBIT životno	1.06	1.28	-17.04	0.33	0.39
TOTAL MARKET		322.85	332.79	-2.99	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	CROATIA	325.49	345.92	-5.91	36.51	37.64
2	EUROHERC	132.85	135.75	-2.14	14.90	14.77
3	ALLIANZ Zagreb	86.60	86.42	0.21	9.71	9.40
4	JADRANSKO	85.00	86.84	-2.12	9.53	9.45
5	TRIGLAV	43.09	44.74	-3.69	4.83	4.87
6	KVARNER VIG	34.73	40.63	-14.51	3.90	4.42
7	BASLER osig. Zagreb	27.99	28.81	-2.85	3.14	3.13
8	GENERALI	26.94	25.94	3.87	3.02	2.82
9	HOK	23.46	22.41	4.71	2.63	2.44
10	SUNCE	22.90	23.93	-4.29	2.57	2.60
11	GRAWE Hrvatska	19.41	20.47	-5.18	2.18	2.23
12	UNIQA	17.58	15.88	10.73	1.97	1.73
13	CROATIA zdravstveno	12.92	13.16	-1.86	1.45	1.43
14	BNP Paribas CARDIF	9.06	8.83	2.59	1.02	0.96
15	VELEBIT	8.91	8.44	5.59	1.00	0.92
16	HELIOS VIG	7.03	6.28	11.92	0.79	0.68
17	MERKUR	3.95	4.20	-6.00	0.44	0.46
18	IZVOR	2.48	-	-	0.28	-
19	HKO	0.89	0.21	322.84	0.10	0.02
20	VICTORIA	0.18	0.12	55.08	0.02	0.01
TOTAL MARKET		891.45	918.97	-3.00	100.00	100.00





Czech Republic



Category	Percentage
Assurance on death, survival etc.	14.82%
Unit-linked	23.59%
Marriage & birth assurance	1.08%
Other life insurance	6.94%
Accidents insurance	1.72%
Health insurance	1.95%
Fire and allied perils	8.00%
Damages to property	5.28%
Motor Hull	9.58%
MTPL	13.52%
GTPL	8.01%
Credit insurance	2.07%
Financial loss insurance	1.27%
Travel insurance	1.38%
Other non-life insurance	0.80%

The hardest year

Czech Republic's GDP dynamics in 2011 was characterised by a downward tendency, as shown by the Czech Statistical Office's data. GDP in real terms, adjusted for seasonal effects and various number of working days grew in 2011 year-on-year by 1.7 %, but the rate of growth was decreasing in every quarter. While foreign trade contributed exclusively to the growth of GDP, the negative contribution of household consumption was rather increasing quarter by quarter. Unemployment rate was decreasing throughout the year, with an average value of 6.8 %, while the average wage value increased by 2.2% in nominal terms to about EUR 940, and 0.3% in real terms. All in all, one could say that the economic environment was really stable, although showing a downward trend which became more visible in the second part of 2011.

After succeeding to surpass the crisis' peak without leaving the positive territory, the Czech insurance market ended its 2011 "in red", for the first time after many years of growth. According to the statistics recently published by the Czech National Bank (CNB), gross written premium volume amounted CZK 155 billion, which is a 0.6% lower figure than in 2010. In European currency, the GPW volume reached EUR 6 billion, 3.44% down as compared to 2010, being also negatively impacted by the 3% y-o-y depreciation of the Czech Kroon's exchange rate.

The life insurance segment grew by 0.3%, in local currency, but the figures denominated in Euro show a 2.5% decrease, to EUR 2.8 billion. Life insurance products for which the premium is paid in several installments registered a positive dynamic, of about 2% in local currency, while on the single premium side, there was an almost 3% decline, although single premium products associated with the existing normally paid contracts (about 16% share of the life business) saw a 20% increase. However, the total number of life-insurance policies sank by over 230,000. *Even though the volume of premium written in life insurance has been rising, insurance companies face several significant negative factors - long-term decline in the number of active policies (which is for the time being balanced by the growth of average premium), growing lapse rates and speculative rework of policies by some unreliable insurance intermediaries. Also the amount of insurance fraud is growing at this time of economic difficulties, by tens of percent,* stated Ladislav BARTONICEK, CEO of GENERALI PPF Holding, Chairman of the Board of CESKA pojistovna, Chairman of Czech Insurance Association.

Once again, motor insurance was the main reason of the y-o-y negative change in GWP for non-life insurance. Thus, in local currency, the total GWP for non-life fell by 1.4%, while the decrease calculated in Euro was of about 4.2%, down to EUR 3.22

Market portfolio as of December 31st, 2011 - according to The Czech National Bank (CNB)

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	6,010.88	6,224.91	-3.44	3,302.55	3,299.71	0.09	100.00	100.00
TOTAL LIFE	2,791.11	2,863.72	-2.54	1,630.65	1,458.28	11.82	46.43	46.00
Assurance on death, survival etc.	890.90	1,023.57	-12.96	793.36	813.62	-2.49	14.82	16.44
Unit-linked	1,417.99	1,355.00	4.65	508.42	324.37	56.74	23.59	21.77
Marriage & birth assurance	64.96	78.27	-17.01	116.83	123.23	-5.19	1.08	1.26
Other life insurance	417.27	406.88	2.55	212.04	197.07	7.60	6.94	6.54
TOTAL NON-LIFE	3,219.77	3,361.19	-4.21	1,671.90	1,841.43	-9.21	53.57	54.00
Accidents insurance	103.59	107.30	-3.46	34.21	31.28	9.37	1.72	1.72
Health insurance	117.03	111.76	4.72	25.31	21.97	15.22	1.95	1.80
Overall property insurance	797.90	804.06	-0.77	390.12	485.33	-19.62	13.27	12.92
Fire and allied perils	480.83	480.58	0.05	226.56	307.44	-26.31	8.00	7.72
Damages to property	317.07	323.48	-1.98	163.55	177.89	-8.06	5.28	5.20
Overall motor insurance	1,388.62	1,535.01	-9.54	860.46	909.51	-5.39	23.10	24.66
Motor Hull	576.04	624.00	-7.69	429.36	471.38	-8.91	9.58	10.02
MTPL	812.59	911.01	-10.80	431.10	438.13	-1.60	13.52	14.63
GTPL	481.22	483.97	-0.57	241.90	235.73	2.62	8.01	7.77
Credit insurance	124.34	115.00	8.12	45.26	61.29	-26.15	2.07	1.85
Financial loss insurance	76.20	77.92	-2.20	28.72	18.67	53.85	1.27	1.25
Travel insurance	83.01	78.86	5.26	33.09	29.20	13.35	1.38	1.27
Other non-life insurance	47.85	47.32	1.13	12.83	48.46	-73.52	0.80	0.76

SOURCES:

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

CZECH CURRENCY EXCHANGE RATE FOR
CALCULATIONS:

1 EUR = 25.800 Kč - CZK
(DECEMBER 31ST, 2011)

1 EUR = 25.060 Kč - CZK
(DECEMBER 31ST, 2010)

billion. Both motor insurance lines – Motor Hull and MTPL – registered significant negative growth rates, of 7.7% and 10.8% respectively (Euro). The highly competitive and price sensitive market environment seems to remain the determinant driver of this trend. *It is historically the worst result for the last 20 years. The adverse development is caused mainly by the fall of the premium written for motor insurance, caused by the price war among insurance companies. As in other countries across the region, this type of insurance gets to the limit of economic acceptability, when a number of price offers cannot be called anything other than dumping*, explained BARTONICEK.

In terms of profitability, the Czech market remained in the positive territory, with an aggregated profit before tax of CZK 11.42 billion. Yet, as compared to 2010, the market profitability decreased by about 53%.



Ladislav BARTONICEK
CEO of GENERALI
PPF Holding
Chairman of the Board
of CESKA pojistovna
Chairman of Czech
Insurance Association

Read the full interview on
www.xprimm.com

The consolidated technical results for life and non-life insurance were both positive, of CZK 5.45 billion and CZK 4.65 billion respectively.

CESKA pojistovna remains the market leader, with a 26.9% market share, despite the negative change in GWP of about 8.3% (EUR). KOOPERATIVA pojistovna VIG ranks second, with a 19.5% market share. Both companies hold the same positions on the life and non-life insurance segments. Actually, their “parent” groups, GENERALI PPF Holding (CESKA pojistovna, GENERALI, CESKA pojistovna Zdravi) and VIG (KOOPERATIVA, CESKA PODNIKATELSKA pojistovna, POJISTOVNA CESKE SPORITELNY) are the strongest players on the Czech insurance market.

■ (DG)

Life insurance ranking - according to CAP

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ČESKÁ pojistovna	432.96	468.51	-7.59	24.64	26.39
2	KOOPERATIVA pojistovna VIG	232.51	224.39	3.62	13.23	12.64
3	Pojistovna ČESKÉ SPORITELNY VIG	205.83	182.20	12.97	11.72	10.26
4	ING - ŽP	197.25	210.88	-6.46	11.23	11.88
5	ČSOB Pojistovna	130.07	121.42	7.12	7.40	6.84
6	GENERALI Pojistovna	99.98	102.42	-2.38	5.69	5.77
7	ALLIANZ pojistovna	82.84	81.64	1.46	4.71	4.60
8	AXA - ŽP	67.70	65.63	3.15	3.85	3.70
9	METLIFE AMCICO	65.86	70.89	-7.10	3.75	3.99
10	KOMERČNÍ pojistovna	53.77	63.16	-14.86	3.06	3.56
11	UNIQA pojistovna	45.97	45.37	1.33	2.62	2.56
12	ČESKÁ podnikatelská pojistovna VIG	45.07	47.16	-4.44	2.56	2.66
13	AVIVA ŽP	33.92	32.37	4.80	1.93	1.82
14	AEGON Pojistovna	33.58	28.33	18.53	1.91	1.60
15	CARDIF Pojistovna	9.97	9.80	1.73	0.57	0.55
16	VICTORIA VOLKSBANKEN	8.99	9.21	-2.33	0.51	0.52
17	WÜSTENROT - ŽP	8.71	9.96	-12.57	0.50	0.56
18	DEUTSCHER RING	1.62	1.22	33.04	0.09	0.07
19	HASIČSKÁ vzájemná pojistovna	0.35	0.42	-16.26	0.02	0.02
20	MAXIMA pojistovna	0.03	0.03	-11.83	0.00	0.00
TOTAL MARKET (CAP)		1,756.97	1,775.01	-1.02	100.00	100.00

Non-Life insurance ranking - according to CAP

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ČESKÁ pojistovna	781.46	856.53	-8.76	28.37	29.71
2	KOOPERATIVA pojistovna VIG	649.44	707.19	-8.17	23.58	24.53
3	ALLIANZ pojistovna	283.24	280.54	0.96	10.28	9.73
4	GENERALI Pojistovna	227.11	243.88	-6.87	8.25	8.46
5	ČESKÁ podnikatelská pojistovna VIG	181.35	180.34	0.56	6.58	6.26
6	ČSOB Pojistovna	156.06	157.40	-0.85	5.67	5.46
7	UNIQA pojistovna	154.81	148.53	4.23	5.62	5.15
8	CARDIF Pojistovna	76.33	66.92	14.06	2.77	2.32
9	Pojistovna ČESKÉ SPORITELNY VIG	30.52	27.25	12.00	1.11	0.95
10	SLAVIA Pojistovna	29.55	26.27	12.46	1.07	0.91
11	TRIGLAV pojistovna	26.01	27.12	-4.09	0.94	0.94
12	HASIČSKÁ vzájemná pojistovna	18.70	20.41	-8.39	0.68	0.71
13	Pojistovna VZP	17.59	17.52	0.36	0.64	0.61
14	ČESKÁ pojistovna ZDRAVÍ	16.96	15.23	11.38	0.62	0.53
15	DIRECT Pojistovna	12.58	11.75	7.03	0.46	0.41
16	WÜSTENROT pojistovna	12.52	12.63	-0.82	0.45	0.44
17	HDI Versicherung AG	12.25	13.01	-5.78	0.44	0.45
18	MAXIMA pojistovna	11.58	14.62	-20.77	0.42	0.51
19	EVROPSKÁ Cestovní Pojistovna	11.04	8.72	26.72	0.40	0.30
20	D.A.S. pojistovna	10.17	10.15	0.14	0.37	0.35
21	KOMERČNÍ pojistovna	9.98	11.67	-14.45	0.36	0.40
22	METLIFE AMCICO	8.46	10.37	-18.36	0.31	0.36
23	VICTORIA VOLKSBANKEN	8.13	5.77	40.93	0.30	0.20
24	AXA pojistovna	6.40	6.58	-2.70	0.23	0.23
25	AXA - ŽP	2.16	2.63	-17.91	0.08	0.09
26	ČESKÁ KANCELÁŘ pojistitelů	0.01	0.01	-16.63	0.00	0.00
TOTAL MARKET (CAP)		2,754.43	2,883.04	-4.46	100.00	100.00



Estonia



Term and whole life assurance	3.08%
Endowment insurance	10.53%
Unit-linked	21.12%
Supplementary insurances	2.65%
Other life insurance	1.95%
Accidents insurance	3.24%
Health insurance	1.55%
Fire and allied perils	10.12%
Damages to property	5.66%
Motor Hull	19.41%
MTPL	15.35%
GTPL	2.20%
Financial loss insurance	0.80%
Other non-life insurance (reinsurance included)	2.33%

SOURCES:

FINANCIAL SUPERVISION AUTHORITY OF ESTONIA
NATIONAL BANK OF ESTONIA

ESTONIAN CURRENCY: EURO

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

In the Euro Club

The Estonian economy grew at a fast pace, of 8.5%, in 2011. According to the National Bank of Estonia, the expansion was mostly driven by the favourable market environment and invigorating domestic demand. Both households and enterprises bought more durable goods, stepped up investment and were more willing to borrow. Positive labour-market developments, that is, decreasing unemployment and growing wages, have supported the increase in households' disposable income in 2011. On the other hand, the faster-than-expected inflation stemming from the global increase in food and energy prices is curbing purchasing power. Moreover, for many Estonians, the eurozone entry has done more harm than good, as 31% of respondents said in a recent poll. In fact, 55 percent said they would oppose joining the eurozone if the issue was on the table now: only 37 percent were still favoured membership.

So, despite the Estonian economic boom, the local insurance market re-entered on a descend path, with its GWP volume dropping by 6% in comparison with the previous year. In 2010, Estonian insurers managed to place a positive result, with a 16% growth in GWP, a quite impressive result following to 1.3% decrease registered in 2009. On the claims side, Estonian insurers paid EUR 269.4 million in 2011.

In contrary to the general economic perform-

ance, insurance sector still suffered under the influence from previous years. Partially due to the obligatory lines and business related to the credit, mortgage and leasing the drop in terms of volume for non-life insurance was marginally negative. Nevertheless, volume reduction in life insurance was substantial, although not that dramatic any more, as the trend used to be few years ago, when reduction in volume in the life insurance exceeded 50%, explained Andres PIIRSALU, Member of Executive Board, Estonian Motor Insurance Bureau and Guarantee Fund, Estonian Insurance Association.

By insurance classes, life insurers collected premiums of EUR 157 million, down by almost 14% as compared to December 2010. A lower attractiveness of the Unit-Linked products due to repeated negative investment returns, together with a strong drive for the delayed purchases during recession determined the poor underwritings on this segment. Moreover, as Mindaugas JUSIUS, Chairman of the Management Board, SWEDBANK Life Insurance SE explained for xprimm, *in Estonia "investment account" has been introduced in 2011 and the conditions for all savings and investments products became similar, so insurance has no additional tax benefits. As a result, the UL line of business, with a 21% in the total market, registered a decrease of 19%, to EUR 84 million. The following classes are the endowment insurance, with EUR 42 million in GWP, and term-life*

Market portfolio as of December 31st, 2011

Note: Until 31.12.2010 the data were published in kroons (EKL), since 31.03.2011 in EUR

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	399.49	425.54	-6.12	269.40	234.49	14.89	100.00	100.00
TOTAL LIFE	157.11	182.42	-13.87	119.41	85.91	38.99	39.33	42.87
Term and whole life assurance	12.31	11.29	9.03	1.06	1.73	-38.83	3.08	2.65
Endowment insurance	42.07	47.83	-12.03	33.50	31.07	7.82	10.53	11.24
Unit-linked	84.37	104.04	-18.90	74.87	43.18	73.41	21.12	24.45
Supplementary insurances	10.58	10.47	1.00	4.41	3.99	10.43	2.65	2.46
Other life insurance	7.79	8.80	-11.49	5.57	5.95	-6.26	1.95	2.07
TOTAL NON-LIFE	242.38	243.12	-0.31	149.99	148.58	0.95	60.67	57.13
Accidents insurance	12.94	12.17	6.29	6.12	6.51	-5.96	3.24	2.86
Health insurance	6.20	4.95	25.20	4.26	3.99	6.97	1.55	1.16
Overall property insurance	63.04	62.78	0.40	28.26	28.30	-0.14	15.78	14.75
Fire and allied perils	40.43	40.64	-0.51	12.93	13.85	-6.66	10.12	9.55
Damages to property	22.61	22.14	2.08	15.34	14.45	6.10	5.66	5.20
Overall motor insurance	138.89	145.12	-4.29	102.52	102.26	0.25	34.77	34.10
Motor Hull	77.55	85.83	-9.64	58.09	63.90	-9.09	19.41	20.17
MTPL	61.34	59.30	3.44	44.43	38.37	15.81	15.35	13.93
GTPL	8.81	7.97	10.47	3.22	3.26	-1.16	2.20	1.87
Financial loss insurance	3.19	3.17	0.65	1.52	0.83	82.33	0.80	0.75
Other non-life insurance (reinsurance included)	9.31	6.94	34.12	4.08	3.42	19.11	2.33	1.63



Mindaugas JUSIUS
Chairman of the
Management Board
SWEDBANK Life
Insurance SE

Read the full interview on
www.xprimm.com



Andres PIIRSALU
Member of
Executive Board
Estonian Motor
Insurance Bureau and
Guarantee Fund
Estonian Insurance
Association

Read the full interview on
www.xprimm.com

assurance with EUR 12.3 million underwritings. Supplementary and other life insurance products collected premiums within the amount of EUR 18.4 million.

Top 3 life insurers (SWEDBANK Life Insurance SE, MANDATUM Life SE and COMPENSA Life VIG SE) collected 89% of insurance premiums. Comparing with 2010, the volume of insurance premiums decreased for all life insurance companies, except COMPENSA Life VIG SE. The insurer collected 26% more insurance premiums in 2011 and its market share increased from 9.4% to 13.8%.

The value of insurance premiums written by non-life insurers was almost equal to that collected a year before: EUR 242.3 million. The motor hull insurance represented the main non-life line, with a share in the whole insurance market of 19.4%

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SWEDBANK Life Ins. SE	77.58	83.48	-7.07	55.51	40.96	35.51	49.38	45.76
2	MANDATUM Life SE	40.99	60.43	-32.16	47.02	26.18	79.60	26.09	33.12
3	COMPENSA Life VIG SE	21.65	17.20	25.84	7.57	7.02	7.86	13.78	9.43
4	SEB Elu- ja Pensionikindlustus	16.89	17.27	-2.21	9.31	9.68	-3.90	10.75	9.47
5	ERGO Elukindlustus	-	4.04	-	-	2.06	-	-	2.22
TOTAL MARKET		157.11	182.42	-13.87	119.41	85.91	38.99	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	If P&C Insurance AS	113.91	108.47	5.02	69.20	64.95	6.54	47.00	44.61
2	SWEDBANK Varakindlustus	39.02	40.58	-3.83	18.69	19.90	-6.10	16.10	16.69
3	ERGO Kindlustus	38.73	42.85	-9.62	28.78	30.41	-5.36	15.98	17.62
4	SEESAM Insurance AS	26.32	29.75	-11.53	19.71	19.28	2.23	10.86	12.24
5	SALVA Kindlustus	15.21	16.48	-7.71	9.87	9.86	0.09	6.27	6.78
6	INGES Kindlustus	7.01	4.28	63.56	3.56	4.07	-12.45	2.89	1.76
7	AS KredEx Krediidikindlustus	1.37	0.27	407.46	0.04	-	-	0.56	0.11
8	D.A.S. Õigusabikulude Kindlustus	0.82	0.45	84.25	0.14	0.11	26.24	0.34	0.18
TOTAL MARKET		242.38	243.12	-0.31	149.99	148.58	0.95	100.00	100.00

(EUR 77.5 million in insurance premiums). At the same time, the market share of MTPL insurance "ranked second" with 15.4% (EUR 61.3 million). Property insurance (fire, allied perils and other damages to property, summed) generated 15.8%, the volume of premiums written being EUR 63 million.

In 2011, If P&C Insurance AS had the biggest share of the non-life insurance market (47%). The market share of SWEDBANK Varakindlustus was 16.1% (ranked second), and ERGO Kindlustus's market share was 16%.

Despite not very promising volume trend and generally bad results in the life insur-

ance, one can say that it was a good year for non-life insurers when looking at the bottom-line numbers. Profit increased by 15 % in non-life insurance. Good performance in non-life sector was mainly driven by ongoing reduction of average claim amount combined with the continuing remarkable reduction in claims frequency. The main driver for dramatic bottom-line results of life insurers was influenced by reduction in the value of investments combined with the slight increase in administration and acquisition costs, summarized Andres PIIRSALU.

■ (DG)





Hungary

Still a rough time



Category	Percentage
Assurance on death	2.24%
Endowment	10.82%
Unit linked	36.57%
Other life insurance (mutual companies included)	4.95%
Accidents insurance	2.04%
Health insurance	0.73%
Fire and allied perils	10.59%
Damages to property	7.49%
Motor Hull	8.68%
MTPL	10.52%
GTPL	2.05%
Financial loss	0.67%
Other non-life insurance (mutual companies included)	2.64%

In a year when the controversial fiscal policy of the ORBAN Government repeatedly made the headlines, Hungarian economic growth reached 1.7%, showing a lower dynamic than the estimated one. Consumer price inflation of 3.9% and a relatively constant 11% unemployment rate, together with the perspective of further austerity measures have added to the uncertainty that is undermining business, household and market confidence. The extreme strengthening of the Swiss franc put in extreme difficulty many indebted households, once again lowering the population's purchasing power.

Beside the weak economic environment, affecting sales, Hungarian insurers are also loosing on the profitability ground because of the "special tax" on banking-insurance services introduced last year by the Government. In 2011, the industry had to contribute with about EUR 126 million, represents about 50% of this industry's pre tax profit, to empty state coffers replenishment.

Consequently, the Hungarian insurance market is still having a rough time. Insurers' combined revenue from premiums edged down 3.3% to HUF 815 billion in 2011, according to PSZAF – the

Hungarian Financial Supervision Authority. Denominated in European currency, 2011 figures are showing an even more worrying picture, with a 13.3% drop in GWP, to EUR 2.62 billion, following the almost 12% y-o-y depreciation of the Hungarian forint exchange rate. All in all, the number of policies fell by 60,000 units, to 11 million.

The life insurance segment registered an almost stable evolution, with a less than 1% nominal y-o-y depreciation, to HUF 445 billion (EUR 1.43 billion). Unit-linked, currently representing an over 66% share of the life insurance portfolio, recorded an almost null positive change. According MABISZ, the Hungarian Insurers Association, there was a fall in the number of life insurance policies by about 47,000 units, related to the early foreign currency-denominated mortgage repayment scheme. Hungarian citizens who had a bank loan in foreign currency could join the scheme until the end of last year and repay the amounts due at a discounted exchange rate.

On the non-life insurance side, the 2011 figures show a drop in GWP of about 6% (nominal, HUF), to HUF 370.26 billion (EUR 1.19 billion). Within the segment, premiums from MTPL insurance came

Market portfolio as of December 31st, 2011 - according to PSZAF

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,620.33	3,023.43	-13.33	1,928.28	2,164.15	-10.90	100.00	100.00
TOTAL LIFE	1,430.27	1,607.87	-11.05	1,308.03	1,331.50	-1.76	54.58	53.18
Assurance on death	58.83	63.66	-7.59	18.19	16.11	12.93	2.24	2.11
Endowment	283.49	335.19	-15.42	367.00	383.39	-4.28	10.82	11.09
Unit linked	958.14	1,061.00	-9.69	809.01	791.59	2.20	36.57	35.09
Other life insurance (mutual companies included)	129.82	148.02	-12.30	113.83	140.41	-18.93	4.95	4.90
TOTAL NON-LIFE	1,190.05	1,415.56	-15.93	620.25	832.65	-25.51	45.42	46.82
Accidents insurance	53.53	45.63	17.30	14.50	13.48	7.62	2.04	1.51
Health insurance	19.07	27.26	-30.06	5.27	7.46	-29.34	0.73	0.90
Overall property insurance	473.83	505.51	-6.27	190.53	322.67	-40.95	18.08	16.72
Fire and allied perils	277.53	294.44	-5.74	110.62	184.12	-39.92	10.59	9.74
Damages to property	196.30	211.07	-7.00	79.91	138.55	-42.32	7.49	6.98
Overall motor insurance	503.15	693.70	-27.47	354.44	433.09	-18.16	19.20	22.94
Motor Hull	227.47	291.67	-22.01	155.90	190.16	-18.02	8.68	9.65
MTPL	275.68	402.02	-31.43	198.54	242.93	-18.27	10.52	13.30
GTPL	53.63	58.44	-8.22	15.17	14.98	1.28	2.05	1.93
Financial loss	17.55	16.02	9.56	9.80	9.27	5.71	0.67	0.53
Other non-life insurance (mutual companies included)	69.30	69.01	0.43	30.53	31.70	-3.67	2.64	2.28

SOURCES:

HUNGARIAN FINANCIAL SUPERVISION AUTHORITY (PSZAF)
ASSOCIATION OF HUNGARIAN INSURANCE COMPANIES (MABISZ)
NATIONAL BANK OF HUNGARY

HUNGARIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 311.13 FORINTS - HUF
(DECEMBER 31ST, 2011)
1 EUR = 278.75 FORINTS - HUF
(DECEMBER 31ST, 2010)



to HUF 85.77 billion (23.4% less than in 2010, in nominal terms), while Motor Hull insurance premiums revenue reached HUF 70.77 billion (12.95% less than in 2010, in nominal terms). Fire and natural disaster insurance policies generated HUF 86.35 billion, 5.2% more than one year ago, in nominal terms.

According to the MABISZ rankings, ALLIANZ, GENERALI-PROVIDENCIA and GROUPAMA maintained their top 3 position in the overall ranking, in spite of the negative growth rates registered in 2011. Among them, only ALLIANZ reported a significantly above average negative change in GWP, of 13.7% in nominal terms, losing over 2 percentage point of its market share. Most of this drop in GWP came from the MTPL business, for which the company reported a 33.4% lower GWP than in 2010. However, ALLIANZ still hold the leader position for this line, with a market weight shrinking from over 34% in December 2010, to 27.2% by the end of 2011.

■ (DG)

Life insurance ranking - according to MABISZ

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ING	242.78	276.26	-12.12	17.18	17.40
2	ALLIANZ	155.07	178.93	-13.34	10.97	11.27
3	GROUPAMA	146.99	167.24	-12.11	10.40	10.53
4	GENERALI-PROVIDENCIA	129.70	156.47	-17.11	9.18	9.85
5	AEGON	129.50	149.05	-13.12	9.16	9.39
6	MPÉ Hungarian Post Life	99.23	101.94	-2.66	7.02	6.42
7	CIG PANNÓNIA Life	90.20	92.58	-2.58	6.38	5.83
8	UNIQA	76.83	82.39	-6.75	5.44	5.19
9	AVIVA	67.97	92.13	-26.22	4.81	5.80
10	AXA	52.01	59.12	-12.01	3.68	3.72
11	K&H	46.07	42.26	9.01	3.26	2.66
12	ERSTE	45.67	44.75	2.05	3.23	2.82
13	UNION	34.49	38.51	-10.44	2.44	2.43
14	SIGNAL	27.05	29.93	-9.62	1.91	1.89
15	GRAWE	26.70	27.19	-1.81	1.89	1.71
16	AHICO	20.48	26.26	-21.99	1.45	1.65
17	DIMENZIÓ	12.92	13.44	-3.83	0.91	0.85
18	MKB Life	9.86	9.42	4.71	0.70	0.59
TOTAL MARKET (MABISZ)		1,413.53	1,587.87	-10.98	100.00	100.00

Non - Life insurance ranking - according to MABISZ

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ALLIANZ	308.06	420.44	-26.73	25.14	29.21
2	GENERALI-PROVIDENCIA	254.32	298.26	-14.73	20.75	20.72
3	GROUPAMA	140.12	160.30	-12.59	11.43	11.14
4	AEGON	134.81	157.50	-14.41	11.00	10.94
5	UNIQA	93.89	117.21	-19.90	7.66	8.14
6	K&H	65.55	53.32	22.94	5.35	3.70
7	UNION	47.24	49.85	-5.23	3.85	3.46
8	MP Hungarian Post	24.52	29.72	-17.50	2.00	2.06
9	KÖBE	22.65	22.43	1.00	1.85	1.56
10	CHARTIS Branch Office	20.69	25.52	-18.92	1.69	1.77
11	ASTRA	19.38	-	-	1.58	-
12	QBE EUROPE	16.51	18.97	-12.99	1.35	1.32
13	SIGNAL	14.91	14.37	3.79	1.22	1.00
14	EULER HERMES	12.02	11.26	6.79	0.98	0.78
15	WABARD	11.23	11.55	-2.77	0.92	0.80
16	GENERTEL	11.07	17.27	-35.94	0.90	1.20
17	MKB General	7.42	3.97	86.82	0.61	0.28
18	EUROPEAN TRAVEL	7.23	7.61	-5.03	0.59	0.53
19	AIM	6.87	12.24	-43.84	0.56	0.85
20	AXA	2.57	2.50	3.04	0.21	0.17
21	PORSCHE Branch Office	1.94	1.98	-2.26	0.16	0.14
22	AHICO	1.81	2.29	-20.83	0.15	0.16
23	CIG PANNÓNIA General	0.44	-	-	0.04	-
24	TIR BE	0.22	0.64	-66.11	0.02	0.04
TOTAL MARKET (MABISZ)		1,225.48	1,439.19	-14.85	100.00	100.00



Kosovo Territory



■ MTPL	58.64%
■ Border policies	12.29%
■ Other (non TPL)	29.07%

SOURCES:

CENTRAL BANK OF THE REPUBLIC OF KOSOVO

KOSOVO CURRENCY: EURO

On the rise

According to data published by the Central Bank of the Republic of Kosovo, the local insurance market continued to grow in 2011, up to EUR 78.1 million in GWP. As compared to the 2010 result, the figure shows a 9.7% increase, most of it generated by the 12% increase in the number of policies sold, up to 605 thousand. The paid claims volume grew by only 1%, amounting to EUR 26.9 million in December 2011.

Typical for a young market, the insurance offer is still a very basic one, compulsory insurance and TPL policies remaining the main products currently offered in the Kosovar insurers. MTPL policies accounted for 59% of the total GWP,

marking an annual increase of 12.8%. In the category of claims paid, MTPL again represent the largest category with 67% (annual decrease of 6%).

Ten insurance companies operate on the non-life insurance market in Kosovo, which has been independent since 2000, some of them members of well-known European insurance entities like VIG, UNIQA, GRAWE, CROATIA or SAVA Re.

At the same time, private life insurance has only been available since 2008 and only one life insurer is acting on the Kosovo's life insurance market.

■ (VB)

At the end of December, 2011, Kosovar authorities introduced an insurance for all cars entering the country from Serbia. The policy instituted has hindered Serbia-Kosovo cross-border transportation, stirring a furious debate about its economic impact on both sides of the border, reports www.setimes.com.

The measure stipulates that all vehicles entering Kosovo from Serbia pay an insurance fee of about EUR 100 per month. Traffic from Serbia to Kosovo in the first four months of 2012 decreased dramatically as compared to the same period of 2011, from 348,000 down to less than 165,000 vehicles, the local media said.

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	78.10	71.20	9.69	26.90	26.60	1.13	100.00	100.00
MTPL	45.80	40.60	12.81	18.00	19.20	-6.25	58.64	57.02
Border policies	9.60	10.60	-9.43	1.00	1.10	-9.09	12.29	14.89
Other (non TPL)	22.70	20.00	13.50	7.90	6.30	25.40	29.07	28.09

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Latvia


Category	Percentage
Life insurance with savings	7.31%
Unit-linked	3.27%
Other life insurance	0.37%
Accidents insurance	1.96%
Helth insurance	7.13%
Fire and allied perils	10.34%
Damages to property	4.21%
Motor hull	17.95%
MTPL	11.70%
GTPL	3.96%
Transport ownership liability insurance	22.81%
Suretyship insurance	2.56%
Assistance insurance	2.49%
Other non-life insurance	3.94%

SOURCES:

THE FINANCIAL AND CAPITAL MARKET COMMISSION OF LATVIA (FKTK)

NATIONAL BANK OF LATVIA

LATVIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 0.702804 LATS - LVL (FIXED)

Return to “double digit” rates

Latvia's economic growth, has finally caught up with its Baltic peers in 2011, with an estimated GDP annual growth of about 5.2%. The stable decline in unemployment, a visible decreasing inflation rate, as well as the rise in labor productivity provide an optimistic outlook on the evolution of the households purchasing power. Nevertheless, uncertainty in the external economic environment remains high and 2012 estimations, although positive, are taken into consideration a possible slowdown of the economic improving pace.

Latvian insurance market recorded an impressive double digit growth rate in 2011, reminding the good pre-crisis years. GWP amounted EUR 323 million, 19.3% y-o-y up. Yet, on the life insurance side the trend was strongly negative, with a 24% decrease in GWP, to EUR 35.4 million. A closer look at the life insurance portfolio shows a small depreciation on the traditional life insurance with savings line (-7.8%), while on the Unit-Linked products segment, the 2011 production was 18% higher than in 2010. One of the main drivers for this growth seems to be the strong tax benefit for life insurance saving contracts implemented in Latvia

through which a customer can get up to 25% of premiums paid back if the contract is longer than 5 years. On the other side, supplementary accident and health clauses associated to life insurance policies recorded a 90% decline, to a symbolic GWP production of EUR 1.2 million.

On the non-life insurance segment, GWP volume amounted EUR 287.6 million, 28.4% more than in 2010. The most impressive evolution was registered on the “Transport ownership liability insurance” class, which doubled its share in the market portfolio, to over 22%, by recording a 138.4% growth rate. Motor insurance lines, accounting for the heaviest part of the portfolio in 2010 (over 35%) recorded a flat GWP evolution, thus losing about 5pp of their weight in the Latvian insurance market. MTPL is one of the very few business line reporting a negative change of almost 10%, mostly due to the still highly competitive market. *Prices kept dropping in early 2011. A 9% climb in road traffic accidents also had a negative impact on the industry*, said an industry representative quoted by BNN journal.

■ (DG)

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	322.99	270.71	19.31	177.71	157.97	12.50	100.00	100.00
TOTAL LIFE	35.37	46.71	-24.27	14.84	20.58	-27.91	10.95	17.25
Life insurance with savings	23.61	25.61	-7.82	11.46	10.88	5.29	7.31	9.46
Unit-linked	10.56	8.95	17.95	3.25	2.40	35.22	3.27	3.31
Other life insurance	1.20	12.14	-90.09	0.13	7.30	-98.16	0.37	4.48
TOTAL NON-LIFE	287.62	224.00	28.40	162.87	137.38	18.56	89.05	82.75
Accidents insurance	6.35	4.83	31.42	2.28	2.23	2.12	1.96	1.78
Helth insurance	23.02	25.90	-11.12	16.31	23.80	-31.47	7.13	9.57
Overall property insurance	46.97	42.15	11.45	23.29	18.98	22.69	14.54	15.57
Fire and allied perils	33.39	30.24	10.41	19.05	13.08	45.64	10.34	11.17
Damages to property	13.58	11.90	14.10	4.24	5.90	-28.16	4.21	4.40
Overall motor insurance	95.76	95.02	0.78	70.79	71.48	-0.96	29.65	35.10
Motor hull	57.96	53.33	8.68	40.26	38.64	4.19	17.95	19.70
MTPL	37.80	41.69	-9.33	30.54	32.84	-7.02	11.70	15.40
GTPL	12.79	8.22	55.52	1.53	1.44	6.44	3.96	3.04
Transport ownership liability insurance	73.67	30.90	138.43	41.07	15.20	170.13	22.81	11.41
Suretyship insurance	8.27	2.94	181.74	0.99	0.34	190.15	2.56	1.08
Assistance insurance	8.05	5.96	35.23	1.78	1.72	3.69	2.49	2.20
Other non-life insurance	12.74	8.09	57.37	4.84	2.20	120.37	3.94	2.99



Lithuania



Life assurance	9.26%
Unit-linked	23.29%
Marriage and birth	0.44%
Health insurance	6.13%
Property insurance	14.31%
Motor Hull	15.08%
MTPL	22.94%
GTPL	3.95%
Credit insurance	0.89%
Suretyship insurance	2.38%
Other non-life insurance	1.32%

SOURCES:

BANK OF LITHUANIA

LITHUANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 3.4528 LITAS, LTL (FIXED)

Non-life driven

The Lithuanian economy grew very rapidly in 2011, at an estimated pace of 5.8%, according to the Bank of Lithuania outlook. However, there are increasing signs of less favourable prospects for 2012, under the global economy uncertainties. An important factor of the real GDP growth in 2011 was private consumption, pushed up by the household income that grew for some time both due to wage rise and employment growth. Yet, the unemployment figures are still high, of about 15% of the labor force.

Last year was a successful one to the insurance market as its growth rate almost doubled compared to the national economy. In 2011, the amount of written premiums reached as high as LTL 1.7 billion (EUR 492.43 million, at a fixed rate of 3.45228 LTL/1 EUR), a year-on-year rise of 9.5%. The number of insurance contracts surged in 2011 by 3.3% to LTL 4.9 million. The premium amount paid out last year by domestic insurers saw an increase of 15.5% compared with the year before last year. *Non-life insurance which traditionally lags somewhat behind the economic cycle took over the locomotive role of the life-insurance market, as the growth of the latter was contained by concerns which intensified in global financial markets in the second half of the year*, Mindaugas SALEIUS, director deputy of the Prudential Supervision Department

under the Supervision Service of the Bank of Lithuania said.

Types of insurance associated with the risk of transportation were the major drivers behind the growth of non-life insurance. As the number of motor cars increased, written premiums of motor third party liability insurance climbed by nearly LTL 28.4 million (8%) with their gross amount reaching LTL 400 million and the number of contracts having growing during the year by 140.6 thousand or 6% to LTL 2.47. After a drop in 2010, the amount of written premiums of CASCO insurance climbed by almost LTL 33.0 million (15%) to LTL 256.3 million.

Property insurance has become popular in 2011. The amount of premiums of this type insurance grew during the year by nearly LTL 34.4 million (17%) to more than LTL 243 million. The increase was driven largely by farmers and agricultural companies which decided to buy insurance for their crops. Consequently, premiums for crops insurance jumped by 6 times to LTL 32.4 million, and the insured area under crops was threefold higher than in previous year.

The amount of non-life insurance benefits paid out to customers of insurance companies in 2011 for damages incurred made up LTL 743.5 million, a 1.9% hike compared with 2010.

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	492.29	449.46	9.53	313.02	270.91	15.54	100.00	100.00
TOTAL LIFE	162.43	156.28	3.93	97.69	59.59	63.94	32.99	34.77
Life assurance*	45.56	42.63	6.89	27.75	22.81	21.67	9.26	9.48
Unit-linked	114.68	111.01	3.31	63.80	31.56	102.14	23.29	24.70
Marriage and birth	2.19	2.65	-17.41	6.14	5.22	17.66	0.44	0.59
TOTAL NON-LIFE	329.86	293.18	12.51	215.33	211.32	1.90	67.01	65.23
Health insurance	30.19	26.09	15.70	12.91	10.93	18.08	6.13	5.81
Property insurance	70.47	60.44	16.59	49.36	35.19	40.27	14.31	13.45
Overall motor insurance	187.17	169.39	10.50	129.47	126.75	2.15	38.02	37.69
Motor Hull	74.23	64.67	14.78	61.43	61.42	0.01	15.08	14.39
MTPL	112.94	104.72	7.85	68.04	65.33	4.15	22.94	23.30
GTPL	19.43	17.38	11.84	3.40	4.04	-15.79	3.95	3.87
Credit insurance	4.40	3.19	37.78	15.29	29.77	-48.64	0.89	0.71
Suretyship insurance	11.71	10.93	7.19	1.55	1.80	-13.92	2.38	2.43
Other non-life insurance	6.49	5.76	12.60	3.35	2.84	18.10	1.32	1.28

*Annuities, death and survival insurance, summed

As from 1 January 2012, the Insurance Supervisory Commission (ISC) of Lithuania was liquidated, its functions being transferred to a new operational unit of the Bank of Lithuania (LB), the Supervision Service. The new LB structure will supervise commercial banks and other credit and payment institutions, securities and insurance markets, and will investigate disputes of consumers and financial institutions.

Mr. Vytautas VALVONIS, 33-year old economist and doctor of social sciences, who currently worked as a consultant to the Chairman of the Board of the Bank of Lithuania, was appointed as the Director of the Supervision Service. The Service consists of two departments: the Prudential Supervision Department and the Financial Services and Markets Supervision Department.

In 2011, the growth rate of life-insurance market was three times lower than the growth rate of non-insurance market. The amount of life-insurance premiums written during the year went up by LTL 21.2 million (3.9%) to LTL 560.8 million. The life-insurance results have been affected by lower one-time life-insurance premiums during the last months of the year, when population seized an opportunity of additional investments of free funds after they had sensed the benefits of tax reliefs. The amount of premiums of investment-oriented life insurance, the dominant component of life-insurance, grew during the year by LTL 12.7 million (3.3%) to LTL 396 million.

There were 56.1 thousand of life-insurance contracts concluded in 2011, a drop of 16.6% compared with 2010, driven mainly by a one-third decrease in contracts for insurance against death. Last year, life-insurance customers were paid LTL 337.3 million in benefits, an increase of 63.9% compared with the previous year.

The Bank of Lithuania expects the insurance market to grow further this year. *We expect the general insurance market to grow this year by approximately 5%, but at a decelerated rate. This will contribute to the increase in the demand for non-life insurance products. Extreme climate conditions may contribute to this too, as they motivate people to ensure property. Expectations and the development of financial markets may freshen up the life-insurance market. Moreover, we cannot rule out that people are to invest or have already invested the insurance compensations they received for the deposits held with a bankrupt SNORAS bank, SALEIUS added.*

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SWEDBANK Life Insurance SE Lf	40.41	42.85	-5.69	33.50	24.78	35.18	24.88	27.42
2	SEB Life Insurance	31.64	29.43	7.50	14.71	11.40	29.00	19.48	18.83
3	AVIVA Lietuva	28.00	28.72	-2.49	10.41	6.26	66.38	17.24	18.38
4	MANDATUM Life Insurance Baltic SE Lf	24.18	23.68	2.14	25.47	4.31	491.56	14.89	15.15
5	ERGO Life Insurance SE	15.21	13.14	15.75	5.51	5.81	-5.11	9.36	8.41
6	COMPENSA Life VIG SE Lf	7.75	4.60	68.58	0.90	0.62	45.17	4.77	2.94
7	PZU Life Insurance Lietuva	5.51	4.73	16.44	1.39	1.84	-24.63	3.39	3.03
8	BONUM PUBLICUM	5.03	4.69	7.23	1.40	1.16	21.17	3.10	3.00
9	AMPLICO LIFE filialas	3.48	2.77	25.75	0.43	0.13	237.52	2.14	1.77
10	NORDEA LIFE Assurance Finland Ltd Lf	0.84	0.55	53.91	0.01	0.00	527.64	0.52	0.35
11	LIETUVOS draudimas	0.38	0.49	-22.04	3.96	3.25	22.02	0.23	0.31
12	VITAL Forsikring ASA filialas	-	0.65	-	-	0.04	-	-	0.42
TOTAL MARKET		162.43	156.28	3.93	97.69	59.59	63.94	100.00	100.00

Lf = Lietuvos filialas

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	LIETUVOS draudimas	102.33	98.35	4.04	57.30	57.86	-0.98	31.02	33.55
2	ERGO Lietuva	41.64	37.61	10.71	22.80	22.07	3.34	12.62	12.83
3	PZU Lietuva	39.67	36.15	9.71	19.46	24.37	-20.16	12.02	12.33
4	BTA Akcinės Lf*	38.28	38.49	-0.56	24.24	22.25	8.94	11.60	13.13
5	If P&C Insurance AS Lf	28.48	27.62	3.13	21.26	22.20	-4.22	8.63	9.42
6	AAS GJENSIDIGE BALTIC Lf	21.96	19.18	14.51	12.14	11.17	8.68	6.66	6.54
7	COMPENSA TU S.A. VIG Lf	15.21	3.53	331.30	5.35	0.37	1,364	4.61	1.20
8	SEESAM Insurance AS Lf	10.90	9.86	10.50	9.94	7.06	40.78	3.30	3.36
9	Vereinigte Hagelversicherung WaG Lf	9.40	1.57	500.06	18.38	4.45	313.31	2.85	0.53
10	LAMANTINAS	3.64	3.46	5.06	0.13	0.17	-19.83	1.10	1.18
11	ERGO Life Insurance SE	3.54	3.18	11.13	1.95	1.82	7.17	1.07	1.09
12	SWEDBANK P&C Insurance AS Lf	3.10	-	-	0.19	-	-	0.94	-
13	SEB Life Insurance	3.08	2.79	10.43	3.00	2.16	38.64	0.93	0.95
14	COFACE Austria AG filialas	2.70	1.48	82.55	1.03	4.64	-77.73	0.82	0.50
15	BŪSTO PASKOLŲ draudimas	1.70	2.06	-17.26	14.26	22.02	-35.26	0.52	0.70
16	BALTIKUMS Lf	1.67	0.68	145.95	0.04	0.02	95.60	0.50	0.23
17	INDUSTRIJOS GARANTAS	1.40	6.62	-78.90	2.90	3.15	-8.10	0.42	2.26
18	COMPENSA Life VIG SE Lf	1.17	1.05	11.63	0.93	0.81	14.53	0.35	0.36
19	PZU Life Insurance Lietuva	0.01	0.01	-9.28	0.00	0.00	3.41	0.00	0.00
20	BONUM PUBLICUM	0.01	0.01	-28.33	0.00	0.00	-44.35	0.00	0.00
21	BALTIJOS GARANTAS	-	-0.00	-	-	0.02	-	-	-
22	EULER HERMES filialas	-	-0.34	-	-	3.11	-	-	-
23	LÄNSFÖRSÄKRINGAR International	-0.00	-0.18	-	0.03	1.61	-97.85	-	-
TOTAL MARKET		329.86	293.18	12.51	215.33	211.32	1.90	100.00	100.00

*The figures published for 2010, represents the added up value of the results for BTA Akcinės Lf and BTA draudimas Lf = Lietuvos filialas



Macedonia (FYROM)



Life insurance	7.30%
Accidents insurance	7.97%
Insurance of goods in transport	1.15%
Fire and allied perils	6.99%
Damages to property	11.29%
Motor Hull	11.49%
MTPL	47.97%
GTPL	1.67%
Travel insurance	2.11%
Other non-life insurance	2.05%

SOURCES:

INSURANCE SUPERVISION AGENCY
NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

MACEDONIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 61.4994 DENARS, MKD
(DECEMBER 31ST 2011)
1 EUR = 61.5050 DENARS, MKD
(DECEMBER 31ST 2010)

An expanding market

In the second half of 2011 the growth of domestic economy decelerated, in line with the expectations, reaching yet a 3.5% annual growth in GDP. According to the National Bank of Macedonia, the persistent annual decline in real wages acted toward reducing real disposable income, but on the other hand, growth in household credits, as an additional source of financing has accelerated annually, amid steady demand for consumer loans and almost unchanged lending conditions.

Figures released by the Insurance Supervision Agency show an increase of 5.02% in total gross premiums written (GPW) over the period 2010 - 2011. The increase in GPW was primarily due to the authorization of new undertakings, and also because many insurers exhibited significant increases in premiums written over the previous year. *The development of the life insurance segment represents only a continuation of the before noted positive two-digit growth rates, but 2011 notes even a more dynamic growth. In 2011, two new life insurance undertakings entered the insurance market: WINNER Life Vienna Insurance Group and UNIQA Life. Also, the number of insurance brokerage companies has reached 17, i.e., it was increased by three new companies, and the number of insurance agencies has reached the number of six, i.e., it was increased by one new agency, underlined Klime POPOSKI, Phd, President of the Council of Experts, Insurance Supervision*

Agency, Macedonia.

By insurance classes, in the general business sector, the volume of gross written premiums increased by 2.98% over 2010: from EUR 99.61 million to EUR 102.58 million in 2011. The MTPL class remains the leading group in amounts of premiums written, comprising 48% of the total GPW in 2011. The property insurance group of classes (fire, allied perils and damages to property, summed) recorded an decrease in premiums written of 2.5% over 2010, while Motor hull premiums decreased by 2%. *The biggest generator for the development of the non-life insurance in 2011 was the MTPL, with a total growth rate of 6.59%. This growth of the MTPL is a result of the government's measure regarding the import of used vehicles in 2010, i.e. vehicles with EUR 1-standard, as well as of the reduction of uninsured vehicles' number, also a result of the complementary measure for limitation of pre-registration of vehicles with foreign plates which stay longer than 6 months in the Republic of Macedonia. All of this directly influenced increasing of the number of new registered vehicles and the number of uninsured vehicles as well, declared Mr. POPOSKI.*

In the life Insurance sector, total GPW written has increased by 40.28%, from EUR 5.76 million in 2010 to EUR 8.08 million, due to the positive evolution of the economy and the entering of 2 new insurance undertakings on the market as well, contributed toward extension of the offer with life insurance

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GPW	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	110.66	105.37	5.02	48.86	48.59	0.56	100.00	100.00
TOTAL LIFE	8.08	5.76	40.28	1.29	0.87	48.28	7.30	5.47
TOTAL NON-LIFE	102.58	99.61	2.98	47.57	47.72	-0.31	92.70	94.53
Accidents insurance	8.82	8.89	-0.79	5.86	5.93	-1.18	7.97	8.44
Goods in transport	1.27	1.10	15.45	0.04	0.06	-33.33	1.15	1.04
Overall property insurance	20.23	20.75	-2.51	7.93	7.75	2.32	18.28	19.69
Fire and allied perils	7.74	8.22	-5.84	2.06	2.72	-24.26	6.99	7.80
Damages to property	12.49	12.56	-0.56	5.88	5.03	16.90	11.29	11.92
Overall motor insurance	65.79	62.77	4.81	32.82	33.24	-1.26	59.45	59.57
Motor Hull	12.71	12.97	-2.00	8.66	8.77	-1.25	11.49	12.31
MTPL	53.08	49.80	6.59	24.18	24.47	-1.19	47.97	47.26
GTPL	1.85	2.04	-9.31	0.20	0.16	25.00	1.67	1.94
Travel insurance	2.33	2.57	-9.34	0.61	0.46	32.61	2.11	2.44
Other non-life insurance	2.27	1.46	55.48	0.08	0.12	-33.33	2.05	1.39

Note: The figures were provided by Macedonian ISA in European currency.



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

Read the full interview on
www.xprimm.com

products which generated growth in the demand, explained Klime POPOSKI.

Finally, the Macedonian Government borrowed USD 5 million from the World Bank in order to acquire a 19.89 % stake in EUROPA Re, a catastrophe risk reinsurance company in the process of formation owned by countries of Southeast Europe and Caucasus. The final agreement with the World Bank was signed in March, 2012, thus financing Macedonia's membership contribution to EUROPA Re. Macedonian membership in EUROPA Re is expected to encourage the development of the property insurance line, improving this way the insurance coverage of the country's households.

■ (DG)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE	3.97	3.29	20.67	0.32	0.11	190.91	49.13	57.12
2	CROATIA	3.27	2.23	46.64	0.28	0.19	47.37	40.47	38.72
3	WINNER	0.43	-	-	-	-	-	5.32	-
4	UNIQA	0.22	-	-	-	-	-	2.72	-
5	QBE	0.19	0.24	-20.83	0.70	0.57	22.81	2.35	4.17
TOTAL MARKET		8.08	5.76	40.28	1.30	0.87	49.43	100.00	100.00

Note: The figures were provided by Macedonian ISA in European currency.

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	TRIGLAV	20.19	21.66	-6.79	13.63	13.18	3.41	19.69	21.75
2	EUROLINK	12.57	10.85	15.85	4.26	4.16	2.40	12.26	10.90
3	SAVA	12.55	15.20	-17.43	7.39	7.58	-2.51	12.24	15.26
4	QBE	12.06	13.17	-8.43	5.89	7.23	-18.53	11.76	13.23
5	INSUR. POLICY	9.29	8.99	3.34	3.95	3.93	0.51	9.06	9.03
6	WINNER	8.63	6.12	41.01	3.37	2.77	21.66	8.41	6.15
7	UNIQA	7.57	6.69	13.15	2.20	3.53	-37.68	7.38	6.72
8	EVROINS	7.41	7.10	4.37	3.05	2.76	10.51	7.23	7.13
9	ALBSIG	5.24	4.61	13.67	1.78	1.57	13.38	5.11	4.63
10	CROATIA	4.13	2.29	80.35	0.93	0.42	121.43	4.03	2.30
11	INSIG	2.92	2.90	0.69	1.09	0.92	18.48	2.85	2.91
TOTAL MARKET		102.56	99.58	2.99	47.54	48.05	-1.06	100.00	100.00

Note: The figures were provided by Macedonian ISA in European currency.

XPRIMM.TV - Your insurance channel online

The screenshot displays the XPRIMM.TV website interface. At the top, there is a navigation menu with links for 'asiguran', 'pensii', 'contact', and 'parerea ta'. Below the menu is a search bar with a 'GO' button. The main content area features a large video player showing a woman in an office setting. To the left of the video player is an 'INFO' sidebar with a star rating and text about Michaela KOLLER, Director General of CEA. To the right is a 'Nu au fost gasite rezultate!' section with a list of video thumbnails and titles. At the bottom, there are buttons for 'Recomandari', 'Cele mai vizionate', and 'Cele mai votate', along with the 'ASTRA online ASIGURARI' logo.

XPRIMM.TV - Your insurance channel online



Montenegro



Business line	Percentage
Life insurance	11.69%
Supplementary insurance	1.69%
Other life insurance	0.56%
Accident	10.37%
Health	1.54%
Fire and allied perils	6.70%
Damages to property	5.23%
Motor hull	8.91%
MTPL	46.92%
GTPL	2.13%
Other non-life insurance	4.27%



SOURCES:

INSURANCE SUPERVISION AGENCY OF MONTENEGRO

MONTENEGRO CURRENCY:
EURO

Big names in life insurance

Since the financial crisis and its aftermath, valuable progress was made in Montenegro's economy, with GDP growth estimated at some 2½ percent in 2011, real output almost reaching its pre-crisis level in 2008, says the latest IMF Mission conclusions. In addition, deposits are continuing to grow, the current account deficit was cut, inflation has receded to the level seen in trading partners, further progress was made on structural reform, and foreign direct investment remained above one tenth of GDP. Nevertheless, the 20 percent unemployment rate is accompanied by very low labor force participation and a growing share of the long-term unemployed.

Insurance market of Montenegro is still taken advantage of its very incipient stage, with a very large growth area. Thus, gross premium written in 2011 amounted to EUR 65.3 million, 5.4% up as compared to 2010, according to preliminary data published by Insurance Supervision Agency. At the same time, gross premium per capita in 2011 amounted to almost EUR 99.

Life insurance weights less than 14% in the market portfolio, leaving the "lion's share" to the non-life business lines, among which the largest share belong to

compulsory MTPL insurance (46% of the total market). Gross written premium for life insurance amounted EUR 9.1 million in 2011, 8.6% more than in 2010. Growth recorded on the non-life side was of only 4.88%, to EUR 56.2 million.

There are twelve insurance companies performing insurance operations on the Montenegrin insurance market. Seven insurance companies perform only life insurance operations and five companies deal only with non-life insurance operations.

Competition in life insurance industry was strengthened in 2011, because of the entrance, at the end of 2010, of VIENNA INSURANCE Group on the market through WIENER STAEDTISCHE zivotno osiguranje Podgorica. After only one year of operations, the "Austrians" were able to achieve 3% of the life insurance market. Moreover, competition on the life insurance segment is high because of its many players with strong shareholders: the Austrians from GRAWE, UNIQA and MERKUR, DELTA GENERALI Life (member of GENERALI PPF Holding), LOVCEN zivotna osiguranja (member of Slovene TRIGLAV Group) and ATLAS Life (member of domestic ATLAS Group).

On the non-life segment, the largest market share, of almost 53.9%, belongs to

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	65.25	61.92	5.38	100.00	100.00
TOTAL LIFE	9.10	8.38	8.60	13.94	13.53
Life insurance	7.63	7.23	5.50	11.69	11.68
Supplementary insurance	1.10	0.84	31.41	1.69	1.35
Other life insurance	0.37	0.31	19.24	0.56	0.50
TOTAL NON-LIFE	56.15	53.54	4.88	86.06	86.47
Accident	6.77	6.37	6.28	10.37	10.28
Health	1.01	0.88	14.78	1.54	1.42
Overall property insurance	7.78	6.95	11.91	11.92	11.23
Fire and allied perils	4.37	3.40	28.64	6.70	5.49
Damages to property	3.41	3.56	-4.08	5.23	5.74
Overall motor insurance	36.43	35.89	1.52	55.83	57.96
Motor hull	5.82	5.96	-2.39	8.91	9.62
MTPL	30.62	29.93	2.29	46.92	48.34
GTPL	1.39	0.77	80.90	2.13	1.24
Other non-life insurance	2.78	2.69	3.36	4.27	4.35

to LOVCEN osiguranje, although the company lost some 5.6pp comparing to previous year. Top three companies with the largest premium are LOVCEN, SAVA Montenegro and DELTA GENERALI, their aggregate market share amounting 85.0% (EUR 47.7 million).

According to the Insurance Supervision Agency registries and reports, the total foreign capital in the local insurance market amounts about EUR 39 million, representing aprox. 85.5% of the aggregated share capital of the insurance companies registered in Montenegro. The Slovenian groups TRIGLAV, owning 94.95% of LOVCEN Insurance and SAVA, the 100% owner of SAVA Montenegro, account for about 41% of the foreign capital, or ~34% of the total insurance market capital. Moreover, LOVCEN Insurance and SAVA Montenegro are the non-life market leaders. The massive Slovenian presence even fuelled the opinion that there is a Slovenian monopoly in insurance industry whose presence should be balanced by setting up a national re/insurance company.

■ (DG)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	GRAWE	4.99	4.82	3.43	54.81	57.55
2	UNIQA Life	1.41	1.31	7.96	15.54	15.63
3	LOVCEN Life	1.30	1.32	-1.36	14.28	15.73
4	MERKUR	0.81	0.65	23.57	8.88	7.81
5	WIENER STAEDTISCHE Life	0.27	-	-	2.98	-
6	DELTA GENERALI Life	0.19	0.16	24.21	2.12	1.86
7	ATLAS Life	0.13	0.12	5.13	1.39	1.44
TOTAL MARKET		9.10	8.38	8.60	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	LOVCEN	30.24	31.85	-5.03	53.86	59.48
2	SAVA Montenegro	10.34	9.48	9.10	18.41	17.70
3	DELTA GENERALI	7.15	5.81	22.93	12.73	10.86
4	UNIQA Non-Life	6.65	4.74	40.44	11.85	8.85
5	SWISS	1.77	1.67	6.16	3.15	3.11
TOTAL MARKET		56.15	53.54	4.88	100.00	100.00

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Poland



Life insurance	29.50%
Unit-linked	18.03%
Accident and sickness	7.77%
Other life insurance (reinsurance accepted included)	0.42%
Accident	2.18%
Sickness	0.76%
Fire and allied perils	4.94%
Damages to property	3.48%
Motor Hull	10.09%
MTPPL	15.05%
GTPL	2.52%
Credit	0.95%
Warranties	0.53%
Financial loss	1.35%
Travel	0.71%
Other non-life insurance (reinsurance accepted included)	1.70%

A solid market

Polish economy delivered a solid GDP growth in 2011, of 4%, while the perspectives for 2012 also indicate an over 2% growth. Recently, The European Commission raised its economic-growth forecast for Poland to 2.7 percent, the fastest in the European Union, citing domestic demand and public spending on the Euro 2012 football championship. The estimate was increased from a February outlook of 2.5 percent, the EU's executive arm in Brussels said in a statement, quoted by Bloomberg.

In fact, Poland seems to "remain an island", as an EBRD official said, as long as it is the only European country avoiding recession during the global crisis. Still, for the average Polish citizens everyday life is not a continuous party, as unemployment is still high and the zloty's mutability, beneficial in macroeconomic terms, is most of the time a drawback for the Poles who have foreign currency loans and pay for gas prices which set in dollars.

UL, popular in 2011

Analyzing the market figures of 2011, published by the Polish Financial Supervision Authority (KNF), very good results have been reported in PLN by both

life and non-life segments regarding the volume of gross written premiums. The Polish insurers operating last year collected PLN 57.15 billion. This result was 5.5% better than the year before. In European currency, due the devaluation of PLN in relation to EUR, the insurance market did not show growth in terms of written premiums: EUR 12.9 billion, representing a decrease of 5.4%.

In 2011, the life insurers collected PLN 32 billion of premium. It means a growth by 1.4%, as compared to 2010. At the same time, PLN 26 billion of indemnities and benefits were paid, which is 15.3% more than the year before. Considering the PLN figures, despite the unfavourable European economic environment, high dynamics of GWP was reported especially in unit-linked policies: the increase amounted to 27% y-o-y.

Denominated in European currency, the life insurance market results show a negative results of about 9%, to EUR 7.2 billion. The only line recording a positive change is the Unit-Linked one, with an almost 14% growth in GWP, to EUR 2.33 billion, even if the investments returns of the UL products were not very encouraging. The KNF figures show a

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	12,939.15	13,676.40	-5.39	9,012.91	9,284.40	-2.92	100.00	100.00
TOTAL LIFE	7,210.79	7,934.26	-9.12	5,902.17	5,707.38	3.41	55.73	58.01
Life insurance	3,817.16	4,737.00	-19.42	4,160.20	4,065.82	2.32	29.50	34.64
Unit-linked	2,333.57	2,050.11	13.83	1,311.29	1,178.56	11.26	18.03	14.99
Accident and sickness	1,005.92	1,075.93	-6.51	383.71	402.78	-4.74	7.77	7.87
Other life insurance (reins. accepted included)	54.14	71.22	-23.98	46.97	60.21	-21.99	0.42	0.52
TOTAL NON-LIFE	5,728.36	5,742.14	-0.24	3,110.74	3,577.02	-13.04	44.27	41.99
Accident	281.88	319.94	-11.90	72.27	73.72	-1.97	2.18	2.34
Sickness	98.76	86.78	13.81	38.13	33.97	12.25	0.76	0.63
Overall property insurance	1,090.43	1,049.73	3.88	529.79	776.23	-31.75	8.43	7.68
Fire and allied perils	639.81	605.16	5.73	317.69	597.03	-46.79	4.94	4.42
Damages to property	450.62	444.57	1.36	212.10	179.20	18.36	3.48	3.25
Overall motor insurance	3,252.84	3,228.50	0.75	2,075.75	2,310.13	-10.15	25.14	23.61
Motor Hull	1,305.87	1,325.76	-1.50	838.02	976.16	-14.15	10.09	9.69
MTPPL	1,946.97	1,902.74	2.32	1,237.73	1,333.97	-7.21	15.05	13.91
GTPL	326.00	315.51	3.32	142.52	155.76	-8.50	2.52	2.31
Credit	123.29	117.45	4.97	39.73	67.36	-41.02	0.95	0.86
Warranties	68.57	80.35	-14.66	15.10	12.73	18.58	0.53	0.59
Financial loss	174.58	198.93	-12.24	34.41	22.41	53.56	1.35	1.45
Travel	91.98	87.47	5.16	54.33	45.89	18.38	0.71	0.64
Other non-life insurance (reinsurance accepted included)	220.03	257.49	-14.55	108.71	78.81	37.95	1.70	1.88

SOURCES:

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

POLISH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 4.4168 ZLOTS - PLN
(DECEMBER 31ST, 2011)

1 EUR = 3.9603 ZLOTS - PLN
(DECEMBER 31ST, 2010)

decrease in the total value of the assets for life assurance where the investment risk is borne by the policyholders of about 4%, to PLN 37,464 billion (EUR 8.48 billion). Yet, in 2011, clients invested approximately PLN 2 billion in structured products packaged in a fund, of which, according to the data provided by Analyz Online, over 3/4 ended up in unit-linked insurance funds (UFK). In total, in the whole last year clients invested as much as PLN 1.6 billion in this type of products, as compared with approximately PLN 0.5 billion in 2010, mainly because UL policies offered the most solutions for such investments.

Polish life insurers paid out PLN 26 billion in claims, which is an increase of over 15%. Most claims were paid out by PZU Życie (PLN 7.8 billion), EUROPA (PLN 3.6 billion) and WARTA Życie (PLN 2.5 billion). In fact, the claims issue became a good reason for the life insurers' concern because of the insurance fraud, which is getting increasingly serious each year. According a recent statement of PIU – the Polish Insurance Association –, a tendency is visible to use life products as new tools to obtain claims under false pretences. As a results, PIU established a new Subcommittee for Insurance Fraud Prevention in Life Insurance.

Good results in motor and property insurance

The market authority also reported a growth in GWP for the non-life segment. More than PLN 25.3 billion (EUR 5.73 billion) in GWP was collected by the non-life insurers last year. This represents 11.3% more than that for the end of 2010. At the same time, the companies paid claims of PLN 13.7 billion, 3% less y-o-y. Motor insurance (Motor Hull and MTPL) remains the most important part of this segment, generating more than a quarter of the insurance market (PLN 14.4 billion). On the property segment, insurers collected PLN 4.8 billion in GWP, which is almost 16% more than the year before.

In 2011, non-life insurers paid out PLN 13.7 billion in claims, of which 83% were related to property and motor insurance. The biggest share was covered by:

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU Życie	2,220.19	2,348.36	-5.46	1,763.64	1,883.85	-6.38	30.79	29.60
2	EUROPA Życie	580.79	988.69	-41.26	816.15	515.45	58.34	8.05	12.46
3	WARTA Życie	563.46	635.79	-11.38	557.46	624.69	-10.76	7.81	8.01
4	ING	461.72	504.41	-8.46	355.15	440.30	-19.34	6.40	6.36
5	AVIVA Życie	409.73	480.42	-14.71	350.84	350.59	0.07	5.68	6.05
6	NORDEA Polska Życie	384.50	489.59	-21.46	441.57	318.90	38.47	5.33	6.17
7	AMPLICO Life	377.67	329.98	14.45	242.72	165.16	46.96	5.24	4.16
8	ALLIANZ Życie Polska	347.62	370.44	-6.16	336.20	303.03	10.95	4.82	4.67
9	AXA Życie	213.56	223.98	-4.65	73.38	80.13	-8.43	2.96	2.82
10	GENERALI Życie	201.83	250.67	-19.49	139.63	280.86	-50.29	2.80	3.16
11	BENEFIA na Życie VIG	200.48	114.33	75.36	170.13	42.97	295.91	2.78	1.44
12	ERGO HESTIA	195.75	206.94	-5.41	34.85	31.51	10.61	2.71	2.61
13	AEGON na Życie	168.34	192.11	-12.37	191.38	170.54	12.22	2.33	2.42
14	OPEN LIFE Życie	142.35	-	-	0.12	-	-	1.97	-
15	HDI-GERLING Życie	141.86	111.97	26.70	72.82	35.54	104.90	1.97	1.41
16	COMPENSA na Życie VIG	119.26	76.27	56.37	63.44	38.17	66.19	1.65	0.96
17	WBK-AVIVA	105.74	50.93	107.64	36.65	2.43	1,408	1.47	0.64
18	SKANDIA Życie	92.75	98.78	-6.11	54.38	56.69	-4.07	1.29	1.25
19	UNIQA na Życie	92.44	237.67	-61.11	147.93	236.03	-37.33	1.28	3.00
20	CARDIF Polska	78.09	65.09	19.98	9.11	16.40	-44.46	1.08	0.82
21	PRAMERICA Życie	34.76	43.67	-20.40	9.43	10.31	-8.61	0.48	0.55
22	POLISA-Życie	27.67	21.67	27.70	20.70	14.24	45.37	0.38	0.27
23	SKOK Życie	27.01	26.30	2.70	5.72	5.36	6.71	0.37	0.33
24	CONCORDIA CAPITAL	9.10	7.97	14.16	2.54	2.00	26.81	0.13	0.10
25	SIGNAL IDUNA Życie Polska	8.78	6.99	25.65	4.43	3.64	21.74	0.12	0.09
26	REJENT-LIFE	2.73	2.98	-8.41	1.01	0.98	2.61	0.04	0.04
27	MACIF Życie	1.90	1.76	7.97	0.36	0.56	-36.22	0.03	0.02
28	INTER-Życie Polska	0.72	0.42	73.63	0.45	0.31	45.97	0.01	0.01
29	LINK4 LIFE na Życie	-	-	-	-	0.07	-	-	-
30	METLIFE na Życie	-	44.23	-	-	75.76	-	-	0.56
31	UNIVERSUM- Życie	-	1.86	-	-	0.90	-	-	0.02
TOTAL MARKET		7,210.79	7,934.26	-9.12	5,902.17	5,707.38	3.41	100.00	100.00





Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU	1,867.24	1,965.49	-5.00	1,144.03	1,362.08	-16.01	32.60	34.23
2	ERGO HESTIA	599.49	592.01	1.26	286.40	342.81	-16.45	10.47	10.31
3	WARTA	516.04	503.87	2.42	273.09	368.10	-25.81	9.01	8.77
4	ALLIANZ Polska	421.20	437.86	-3.80	252.74	273.17	-7.48	7.35	7.63
5	INTERRISK VIG	241.06	264.12	-8.73	126.37	127.32	-0.75	4.21	4.60
6	UNIQA	236.74	225.13	5.16	137.19	166.13	-17.42	4.13	3.92
7	COMPENSA VIG	233.53	206.71	12.97	124.52	129.03	-3.50	4.08	3.60
8	HDI Asekuracja	231.34	244.85	-5.52	133.81	159.02	-15.86	4.04	4.26
9	GENERALI	217.72	189.37	14.97	104.47	115.29	-9.39	3.80	3.30
10	MTU Moje TU	155.48	137.61	12.99	84.11	79.58	5.69	2.71	2.40
11	PTU	108.30	113.80	-4.83	66.33	77.20	-14.08	1.89	1.98
12	EUROPA	106.85	126.20	-15.33	5.04	4.23	19.17	1.87	2.20
13	TUW	83.55	70.01	19.34	45.31	50.38	-10.06	1.46	1.22
14	AVIVA Ogólnych	76.16	65.45	16.36	39.85	35.14	13.38	1.33	1.14
15	CONCORDIA Polska	73.78	86.08	-14.29	54.27	25.19	115.45	1.29	1.50
16	PTR	70.25	62.03	13.26	42.71	42.63	0.19	1.23	1.08
17	LINK4	70.18	68.64	2.24	34.77	36.66	-5.16	1.23	1.20
18	SKOK	59.87	57.40	4.30	3.15	2.07	52.44	1.05	1.00
19	BENEFIA VIG	58.82	52.09	12.93	31.05	32.92	-5.68	1.03	0.91
20	EULER HERMES	58.52	58.69	-0.29	21.87	48.01	-54.44	1.02	1.02
21	PZM VIG	43.72	46.26	-5.49	29.62	38.74	-23.55	0.76	0.81
22	BRE Ubezpieczenia	35.22	32.20	9.38	10.16	8.21	23.87	0.61	0.56
23	AXA	33.33	25.50	30.73	13.03	8.04	62.00	0.58	0.44
24	TUZ	30.65	20.01	53.15	8.51	5.91	43.99	0.53	0.35
25	WBK - AVIVA Ogólnych	28.75	21.61	33.07	2.21	2.17	1.63	0.50	0.38
26	INTER Polska	21.39	19.43	10.10	7.70	7.42	3.73	0.37	0.34
27	POCZTOWE	11.55	11.34	1.83	6.96	6.88	1.26	0.20	0.20
28	SIGNAL IDUNA Polska	11.53	16.26	-29.08	9.22	12.57	-26.65	0.20	0.28
29	KUKE	10.74	11.19	-4.03	5.88	4.52	30.15	0.19	0.19
30	CUPRUM	7.45	6.46	15.31	4.61	4.66	-0.94	0.13	0.11
31	D.A.S. Ochrony Prawnej	4.23	4.30	-1.48	0.97	0.92	5.83	0.07	0.07
32	MEDICA Polska UZ	3.14	0.05	6,523	0.76	0.00	30,153	0.05	0.00
33	PARTNER	0.52	0.14	268.58	0.04	0.03	18.61	0.01	0.00
TOTAL MARKET		5,728.36	5,742.14	-0.24	3,110.74	3,577.02	-13.04	100.00	100.00

PZU (PLN 5 billion), ERGO HESTIA (PLN 1.3 billion) and WARTA (PLN 1.2 billion).

According PIU, insurance guarantees and financial insurance are the business line whose importance has significantly increased over the last years, although its share in the portfolio is still small. This is due to a significant number of investment projects financed from the EU, national or self-government budget, where contractors need to conclude bid bond and performance bond guarantees. What has an important influence on development of this market is guarantees and financial insurance, which according to regulations of the Polish and EU law are obligatory, explained a PIU release.

Alternative distribution on the rise

Alternative distribution channels are gaining more and more relevance on the Polish market. According to a PIU report, bancassurance sales account for over 50% of life insurance written premium, while in non-life insurance it is about 7%. Taking into account the whole insurance market, bancassurance accounts for almost 35% of written premium. Also, direct sales are increasing, the total sales via this channels being estimated for the entire 2011 year at over PLN 1 billion. Telephone and internet sales are mostly used for the motor insurance distribution, MTPL policies accounting for about 57% of the direct sales, while Motor Hull insurance holds a 24% share.

■ (DG)

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Romanian Insurance Market Awards

granted by **PRIMM Magazine**

As every year, since 2000 the best Romanian insurance companies were awarded by PRIMM Magazine - Insurance & Pensions in the Insurance Market Awards Gala. The GRAND AWARDS granted to insurance companies and managers during the ceremony, were:



BEST INSURER 2011

ALLIANZ-TIRIAC Asigurari



Rangam BIR
General Manager



BEST NON-LIFE INSURER 2011

ASIROM VIG



Mariana DIACONESCU
President of the Directorate



BEST LIFE INSURER 2011

BCR Asigurari de Viata VIG



Florina VIZINTEANU
President of the Directorate



**MANAGER OF THE YEAR
NON-LIFE INSURANCE**

President of the Directorate,
BCR Asigurari VIG



Mihail TECAU



**MANAGER OF THE YEAR
LIFE INSURANCE**

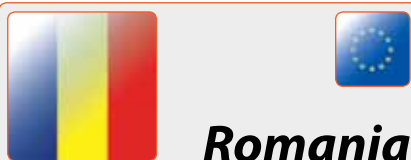
President of the Directorate,
BCR Asigurări de Viata VIG



Florina VIZINTEANU

2012





Romania



Category	Percentage
Annuities and supplementary ins.	13.71%
Unit-linked	7.96%
Other life insurance	0.03%
Accidents and illness	0.94%
Health	0.57%
Fire and allied perils	14.94%
Damages to property	1.87%
Motor Hull	25.84%
MTPL	25.38%
GTPL	3.24%
Credit	1.62%
Warranties	1.40%
Travel	0.75%
Other non-life insurance	1.77%

SOURCES:

INSURANCE PROFILE - WWW.INSURANCEPROFILE.RO
ROMANIAN NATIONAL BANK

ROMANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

RON 4.2379/EUR - IN 2011
RON 4.2099/EUR - IN 2010

Third year in red

With a total amount of the gross written premium of over EUR 1.8 billion the Romanian insurance industry continued its downward trend which started in 2009. Romanian insurers' underwritings fell by about 7% in euro which means less with about EUR 120 million as compared with the total amount recorded at the end of 2010.

General market indicators dropped to levels recorded during 2004-2006. Thus, the penetration degree in GDP fell to the lowest value recorded during the past 8 years. The share of gross written premiums in the GDP was about 1.35%, slightly below the value of 1.41% recorded in 2004 and with 0.26 percentage points below the penetration degree recorded during 2010. The decrease occurred due to increase of the GDP from EUR 122 billion up to EUR 137 billion last year according to Romanian National Statistics Institute.

The insurance density decreased and fell below EUR 90/capita. During the analyzed period the mentioned indicator lowered to EUR 85/capita, an amount that the insurance density recorded during 2006-2007.

As the rate of decline in absolute value, the market fell to a level comparable to the decrease recorded during 2010, of about EUR 120 million. So we are witnessing somehow a steady decline in absolute

value, although lower penetration degree decreasing seems much steeper.

Motor insurance: the main source of decline

Non-life insurance fell by 9% in European currency, with about EUR 150 million less than the value recorded in 2010. As a share of the total market, non life insurance owns 78.3% with 2 percentage points less than the share owned during 2010.

Life insurance increased by almost 3 percent in euro, the amount of gross written premiums increased by nearly EUR 12 million. The total amount of life insurance business in Romania reached during the past year about EUR 400 million representing almost 20% market share, by about 2 percentage points above the share of the share the mentioned insurance class owned in the market during 2010.

The motor insurance, once the main source of the market growth is now the main reason for decreasing. The absolute sum of Motor Hull and MTPL subscriptions fell by nearly EUR 235 million to the amount of EUR 940 million, representing more than 50% of the market. The decrease recorded on the motor

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,836.76	1,972.83	-6.90	1,008.36	1,204.18	-16.26	100.00	100.00
TOTAL LIFE	398.41	386.46	3.09	na	63.91	na	21.69	19.59
Annuities and supplementary ins.	251.74	239.25	5.22	na	57.72	na	13.71	12.13
Unit-linked	146.20	146.73	-0.36	na	6.15	na	7.96	7.44
Other life insurance	0.46	0.48	-3.89	na	0.03	na	0.03	0.02
TOTAL NON-LIFE	1,438.35	1,586.37	-9.33	985.42	1,140.27	-13.58	78.31	80.41
Accidents and illness	17.21	20.87	-17.56	2.88	3.54	-18.47	0.94	1.06
Health	10.43	7.28	43.39	2.03	1.87	8.47	0.57	0.37
Overall property insurance	308.70	260.25	18.62	68.41	86.62	-21.03	16.81	13.19
Fire and allied perils	274.40	229.79	19.41	55.08	59.29	-7.10	14.94	11.65
Damages to property	34.30	30.46	12.59	13.33	27.33	-51.24	1.87	1.54
Overall motor insurance	940.76	1,175.26	-19.95	857.31	982.63	-12.75	51.22	59.57
Motor Hull	474.61	582.68	-18.55	466.41	595.39	-21.66	25.84	29.54
MTPL	466.16	592.59	-21.34	390.90	387.25	0.94	25.38	30.04
GTPL	59.45	34.50	72.34	11.65	8.64	34.80	3.24	1.75
Credit	29.81	28.06	6.26	27.76	36.53	-24.01	1.62	1.42
Warranties	25.74	15.76	63.27	1.01	0.62	63.20	1.40	0.80
Travel	13.76	12.18	12.99	4.83	5.00	-3.37	0.75	0.62
Other non-life insurance	32.49	32.22	0.85	9.53	14.81	-35.65	1.77	1.63

The merger between BCR Asigurări VIG and OMNIASIG VIG ended successfully. Starting May 1st, 2012, the new insurer became functional, and the former OMNIASIG VIG ceased its activity. OMNIASIG merged with BCR Asigurări due to a decision taken by VIG, the main stakeholder of both companies. The objectives of the merger were the creation of the largest company on the Romanian market and the increase of the VIG efficiency on the local market. Due to this merger, the resulting company, named OMNIASIG, became more stable, with a more extended network well implemented nationally.

insurance field was about -20% in EUR. The increase of almost 19% in euro for the property insurance field, the most significant as a value among the growing recorded for insurance classes of insurance, could not compensate the decline in the motor field. The property insurance amounted to a volume of EUR 309 million which is less than 13 percent of the total insurance market. Property insurance increased their share in the market by nearly 3.5 percentage points at a share of more than 13% of the market.

The spectacular growth among the insurance classes was recorded for GTPL insurance. Although still taking small volumes as a share of the market, the mentioned class grew by 72% in euro as compared with the total amount of GWP recorded during 2010. The total amount of gross premiums written for the general third party liability insurance grew by EUR 25 million up to the amount of EUR 60 million.

Brokers: towards 40% of market

The value of premiums mediated by insurance brokers last year exceeded RON 3.1 billion (EUR 732 million), according to data sent to the Romanian Insurance Supervisory Commission (ISC) by 495 organizations, a 3.6% decrease in European currency, compared to 2010, when the volume reached RON 3.2 billion (EUR 760 million). By comparing mediated premiums to the total underwritings volume, in 2011, brokers made up 39.9% of the total market, a slight increase compared to the 38.5% level in 2010. As far as the income generated by the brokerage activity is concerned, it totaled almost RON 596.5 million, up by 11.33% compared to 2010. 96% of this sum, meaning RON 572.2 million, represented income generated by the negotiation of insurance contracts.

■ (VB)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ING Asig. de Viață	130.83	128.56	1.77	4.46	12.43	-64.13	32.84	33.27
2	BCR Asig. de Viață VIG	79.28	72.00	10.12	-	6.07	-	19.90	18.63
3	ALICO România	43.89	41.97	4.57	-	4.50	-	11.02	10.86
4	GENERALI România	22.02	21.64	1.73	2.37	5.96	-60.23	5.53	5.60
5	ALLIANZ - ŢIRIAC	20.37	19.38	5.09	1.26	2.84	-55.79	5.11	5.02
6	ASIROM VIG	19.68	20.20	-2.60	1.07	16.53	-93.50	4.94	5.23
7	AVIVA Asig. de Viață	17.35	21.10	-17.80	2.10	2.57	-18.13	4.35	5.46
8	GROUPAMA Asigurări	13.41	14.95	-10.29	5.01	6.01	-16.64	3.37	3.87
9	GRAWE România	12.75	14.16	-9.96	0.46	0.72	-36.76	3.20	3.66
10	BRD Asig. de Viață	10.45	4.37	139.26	0.82	0.58	39.41	2.62	1.13
11	EUREKO Asigurări	7.30	7.42	-1.64	3.14	0.79	297.84	1.83	1.92
12	ERGO Asig. de Viață	6.37	4.04	57.52	0.02	-	-	1.60	1.05
13	ASTRA Asigurări	4.46	3.38	32.05	0.43	0.51	-15.48	1.12	0.87
14	AXA Life Insurance	4.03	4.26	-5.53	0.52	2.30	-77.57	1.01	1.10
15	EFG EUROLIFE Viață	2.47	2.83	-12.80	0.85	1.04	-18.60	0.62	0.73
16	AEGON Asig. de Viață	2.20	1.11	97.95	0.02	0.01	43.66	0.55	0.29
17	GARANTA Asigurări	0.95	0.97	-1.27	0.43	0.49	-12.04	0.24	0.25
18	SIGNAL IDUNA	0.36	0.12	204.96	0.00	0.00	221.39	0.09	0.03
19	UNIQA Asig. de Viață	0.25	0.00	9,748.79	-	-	-	0.06	0.00
20	ATE Insurance România	0.00	0.03	-99.26	-	-	-	0.00	0.01
TOTAL MARKET		398.41	386.46	3.09	na	na	-	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ASTRA Asigurări	234.13	253.92	-7.80	142.89	124.12	15.12	16.28	16.01
2	ALLIANZ - ŢIRIAC	191.68	223.00	-14.04	135.94	181.80	-25.23	13.33	14.06
3	OMNIASIG VIG	179.70	217.61	-17.42	153.16	176.45	-13.20	12.49	13.72
4	GROUPAMA Asigurări	156.55	170.23	-8.04	123.91	146.80	-15.59	10.88	10.73
5	ASIROM VIG	128.87	105.90	21.69	63.13	79.43	-20.52	8.96	6.68
6	BCR Asigurări VIG	104.07	124.00	-16.07	73.88	84.95	-13.03	7.24	7.82
7	GENERALI România	98.62	134.43	-26.63	94.73	112.94	-16.13	6.86	8.47
8	UNIQA Asigurări	90.46	102.71	-11.93	87.23	94.37	-7.56	6.29	6.47
9	EUROINS România	71.35	71.50	-0.21	44.59	43.46	2.60	4.96	4.51
10	CARPATICA ASIG	47.56	69.36	-31.43	27.21	22.32	21.93	3.31	4.37
11	CITY Insurance	47.34	14.99	215.83	1.70	0.41	314.91	3.29	0.94
12	GARANTA Asigurări	18.30	22.06	-17.08	17.22	20.93	-17.71	1.27	1.39
13	ASITO KAPITAL	13.50	9.75	38.49	1.95	2.62	-25.49	0.94	0.61
14	CREDIT EUROPE Asigurări	8.10	9.08	-10.82	4.68	5.77	-18.95	0.56	0.57
15	P.A.I.D	7.50	7.02	6.83	0.08	0.00	3,035.76	0.52	0.44
16	CERTASIG	7.24	4.92	47.16	4.20	4.23	-0.68	0.50	0.31
17	ALICO România	7.08	6.73	5.18	-	0.53	-	0.49	0.42
18	FATA Asigurări	4.91	4.58	7.03	3.15	9.12	-65.48	0.34	0.29
19	PLATINUM Asigurări	4.26	4.09	4.36	1.43	4.28	-66.46	0.30	0.26
20	ABC Asigurări	3.83	4.31	-11.14	1.76	2.42	-27.18	0.27	0.27
21	EUREKO Asigurări	2.62	2.40	8.83	2.00	3.19	-37.48	0.18	0.15
22	BCR Asig. de Viață VIG	2.12	1.01	111.31	-	-	-	0.15	0.06
23	EximAsig România	2.07	0.10	1,929.86	0.01	-	-	0.14	0.01
24	AXA Life Insurance	1.83	0.56	227.26	0.01	0.00	125.99	0.13	0.04
25	SIGNAL IDUNA	1.54	0.36	323.64	0.36	0.05	601.87	0.11	0.02
26	EFG EUROLIFE Generale	1.24	1.31	-4.98	0.03	0.03	0.47	0.09	0.08
27	FORTE Asigurări	1.09	0.81	34.05	0.12	0.11	2.83	0.08	0.05
28	ATE Insurance România	0.46	0.57	-19.50	0.05	0.01	293.42	0.03	0.04
29	GRAWE România	0.25	0.26	-3.32	0.01	0.02	-24.48	0.02	0.02
30	AEGON Asig. de Viață	0.07	0.00	2,017.74	0.00	-	-	0.00	0.00
31	AVIVA Asig. de Viață	0.02	0.01	48.21	0.00	0.00	-61.13	0.00	0.00
32	ASIMED	-	0.31	-	-	0.13	-	-	0.02
TOTAL MARKET		1,438.35	1,586.37	-9.33	985.42	1,140.27	-13.58	100.00	100.00



Serbia



Insurance Type	Percentage
Life insurance	17.44%
Accidents insurance	6.76%
Health insurance	1.70%
Goods in transit	1.37%
Fire and allied perils	7.68%
Damages to property	14.36%
Motor Hull	12.52%
MTPL	32.64%
GTPL	1.84%
Travel	1.97%
Other non-life insurance	1.73%

SOURCES:

NATIONAL BANK OF SERBIA

ASSOCIATION OF SERBIAN INSURERS

SERBIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 104.6409 DINARS - RSD
(DECEMBER 31ST 2011)1 EUR = 105.4982 DINARS - RSD
(DECEMBER 31ST 2010)

On track to growth

Economic activity in 2011 remained below its pre-crisis level, influenced by the slowing down in EU and Serbia's main trading partners, and the GDP recorded a y-o-y increase of 1.6%, with inflation reaching 7% at the end of 2011. Labor market continued to show signs of weakness, as unemployment rate reached 23.7% according to the November Labor Force Survey, but on the other hand, wages grew 3% y-o-y. Overall economic environment influenced the performance of the insurance sector as well as total insurance premium came to RSD 57.3 billion (EUR 0.5 billion) at the end of 2011, adding a mere 1.4% on the last year's total premium, while life insurance continued its positive trends compared to the total market.

There is still a strong growth potential, having in mind that the premium per capita in 2011 was EUR 75, and it represented 1.8% of estimated GDP. Two more insurance companies entered the market in 2011, bringing the total number to 28, and the decreasing trend of market concentration continued. Both total assets and capital increased to RSD 125.7 billion (EUR 1.2 billion) and RSD 33.3 billion (EUR 0.3 billion) respectively, told xprimm.com a representative of the Insurance Supervision Department within NBS.

Life insurance continued to perform strongly, as both premium and number of contracts continued to rise, and lapse

rates and surrender rates came down in 2011, after an initial increase in previous years. Thus, GWP for life insurance lines amounted EUR 95.50 million, 7.7% up y-o-y. Yet, while life insurance increased its market share from 16.5% in 2010 to 17.4% in 2011, the portfolio structure once again showed the dominance of non-life insurance.

Analyzing the market portfolio, one may notice that five types of non-life insurance accounted together for 74% of the total portfolio - accident insurance, motor hull, fire and allied perils, other damages to property insurance and MTPL. After a slight recovery in late 2010, a the second wave of the crisis effected the Serbian insurance sector in 2011. Non-compulsory insurances lost market share, for instance share of Motor Hull insurance premium in total premium came down from 16.2% in 2008 to 12.5% in 2011 and for property insurances from 24.7% to 22%, while obligatory MTPL insurance gained in importance as its share in total premium increased from 31.7% in 2008 to 32.6% in 2011. The new Law on Compulsory Traffic Insurance and secondary legislation on application of the bonus-malus system is expected to further enhance this important segment of the Serbian insurance market, outlined a recent NBS Report.

In the distribution sector, an increasing importance of independent agents and

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	547.72	535.75	2.23	227.89	219.72	3.72	100.00	100.00
TOTAL LIFE	95.50	88.65	7.72	21.07	16.99	24.04	17.44	16.55
TOTAL NON-LIFE	452.23	447.10	1.15	206.82	202.74	2.02	82.56	83.45
Accidents insurance	37.02	33.39	10.88	19.38	17.11	13.28	6.76	6.23
Health insurance	9.29	9.70	-4.31	5.06	4.57	10.76	1.70	1.81
Goods in transit	7.48	8.23	-9.14	3.51	2.11	66.04	1.37	1.54
Overall property insurance	120.74	118.61	1.80	40.32	44.18	-8.74	22.04	22.14
Fire and allied insurance	42.08	45.03	-6.53	7.89	11.80	-33.12	7.68	8.40
Damages to property	78.66	73.59	6.89	32.43	32.39	0.14	14.36	13.74
Overall motor insurance	247.39	250.49	-1.24	127.17	123.37	3.08	45.17	46.75
Motor Hull	68.59	72.17	-4.95	44.89	47.85	-6.19	12.52	13.47
MTPL	178.80	178.32	0.27	82.28	75.52	8.95	32.64	33.28
GTPL	10.07	9.87	1.93	2.16	1.81	19.13	1.84	1.84
Travel	10.76	8.64	24.50	3.55	3.11	14.16	1.97	1.61
Other non-life insurance	9.47	8.16	16.17	5.68	6.47	-12.25	1.73	1.52



Vladan MANIC
Secretary General
Association of Serbian
Insurers

Read the full interview on
www.xprimm.com

brokers as well as bancassurance was observed. Structure of marketing channels shifted, as the share of premium generated by employees of insurance companies came down from 87.1% in 2008 to 69.8% in 2011, while in the same period independent agents and brokers share increased from 12.4% to 28.1%, and bancassurance from 0.5% to 2.1%. As the market develops, it can be reasonably expected that the increase in significance of alternative channels would continue, especially bancassurance which should follow the development of life insurance, the NBS representative explained.

As far as the further development of the market is concerned, Secretary General of Association of Serbian Insurers (ASI), Vladan MANIC believes that *the low level of security is inherent in the Serbian market and, at this point, it seems the only way the market development can be stimulated is by introducing new forms of compulsory insurance.* He added that all items subjected to subsidies provided by the state should be insured and welcomed the decision of the Ministry of Agriculture, Trade, Forestry and Water Management of continuing the implementation of new forms of compulsory insurance through the Program of credit support to the Serbian livestock development.

For the time being, further development of insurance and its harmonization with EU directives, was outlined in amendments to the Insurance law and Law on Compulsory Traffic Insurance, as well as a number of bylaws. Deadline for separation of life and non-life operations was pushed back to the end of 2012. Also, insurance companies were obliged to pay 5% of their MTPL premium to the account of the Health Insurance Fund of Republic of Serbia. Amendments to bylaws regulating actuarial certification, mathematical reserve calculation and bonus-malus implementation in MTPL insurance were passed, harmonizing these issues further with EU standards and enhancing their implementation.

■ (DG)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DELTA GENERALI	23.84	22.38	6.53	3.94	2.52	56.45	24.97	25.24
2	WIENER	23.52	22.34	5.28	5.64	4.41	27.83	24.63	25.20
3	GRAWE	18.70	18.87	-0.88	4.78	3.69	29.42	19.58	21.28
4	UNIQA Zivot	7.67	6.65	15.46	2.63	2.13	23.30	8.04	7.50
5	DUNAV	7.67	6.62	15.88	1.40	1.89	-26.02	8.03	7.47
6	DDOR	5.24	4.87	7.47	1.92	1.88	2.15	5.49	5.50
7	MERKUR	4.56	3.72	22.75	0.38	0.22	71.14	4.78	4.19
8	AXA Zivot	1.23	1.54	-20.03	0.12	0.12	5.85	1.29	1.74
9	SOCIETE Gen.	0.99	0.05	1,865.39	0.00	-	-	1.04	0.06
10	TRIGLAV	0.60	0.60	0.17	0.23	0.14	71.16	0.63	0.67
11	SAVA Zivotno	0.55	0.33	69.01	0.01	0.00	1,194.90	0.58	0.37
12	METLIFE	0.51	0.39	31.64	0.01	0.00	7,113.62	0.53	0.44
13	BASLER Zivot	0.41	0.31	30.49	0.02	0.00	2,687.87	0.43	0.35
TOTAL MARKET		95.50	88.65	7.72	21.07	16.99	24.04	100.00	100.00

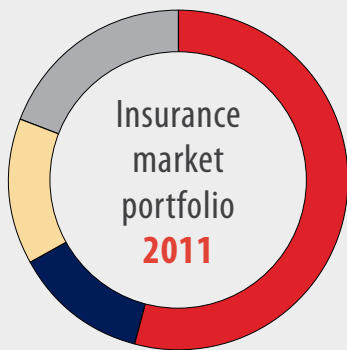
Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DUNAV	139.84	132.30	5.70	66.15	65.33	1.26	30.92	29.59
2	DDOR	89.03	94.24	-5.53	47.78	51.82	-7.79	19.69	21.08
3	DELTA GENERALI	80.20	76.81	4.41	27.26	26.62	2.38	17.73	17.18
4	UNIQA Nezivot	28.85	26.23	10.00	12.24	11.61	5.43	6.38	5.87
5	WIENER	25.55	24.09	6.05	13.31	12.20	9.11	5.65	5.39
6	TAKOVO	22.03	21.44	2.73	8.69	8.10	7.21	4.87	4.80
7	TRIGLAV	19.66	18.26	7.65	9.51	6.56	45.05	4.35	4.08
8	AMS	13.73	14.31	-4.11	6.35	6.37	-0.21	3.04	3.20
9	SAVA Nezivot	11.75	14.98	-21.60	6.32	6.48	-2.48	2.60	3.35
10	MILENIJUM	11.57	8.84	30.87	4.85	4.23	14.76	2.56	1.98
11	GLOBOS	3.50	3.05	14.62	1.27	1.47	-13.15	0.77	0.68
12	AS osiguranje	3.18	8.74	-63.59	2.70	1.74	54.85	0.70	1.95
13	ENERGOPROJEKT	1.58	2.75	-42.68	0.18	0.10	80.12	0.35	0.62
14	BASLER Nezivot	1.40	0.78	81.04	0.16	0.08	104.19	0.31	0.17
15	GRAWE	0.36	0.28	29.21	0.06	0.04	53.66	0.08	0.06
16	AXA Nezivot	0.01	-	-	-	-	-	0.00	-
TOTAL MARKET		452.23	447.10	1.15	206.82	202.74	2.02	100.00	100.00





Slovakia



Life insurance	54.28%
Motor Hull	12.82%
MTPL	13.90%
Other	19.00%

SOURCES:

SLOVAK INSURERS ASSOCIATION (SLASPO)
NATIONAL BANK OF SLOVAKIA

SLOVAK CURRENCY: EURO



Bet on property

Slovak economy underwent a period of mixed results in 2011, with a 3.4% growth in GDP and the country avoiding the second recession, but also with an over 13% unemployment rate and an about 4% inflation which negatively affected population's purchasing power.

In this context, 2011 was a year of modest growth for the Slovak insurance market. All in all, the market reported a 2.04% y-o-y growth, up to EUR 2.11 billion, according to SLASPO - the Slovak insurers' association. Given the legal status of five companies, which are SLASPO members but are operating in Slovakia based on the right of establishment principle, the supervising authorities' data are shown a slightly lower GWP value, of EUR 2.04 billion. However, differences between the two sources are insignificant in relation to the total results and are consistent in terms of general trend.

On the Life insurance side, Unit-Linked products saw the best evolution, with a 6.7% y-o-y growth rate. The total underwritings on the Life insurance market amounted EUR 1,145 million, with a share of almost 55% of the total GWP.

No doubt, there is still some appetite to buy Unit-Linked products by consumers, so that by the end of 2011 Unit-Linked products accounted for 31% of all the life insurance. However, looking at the new production figures, one would see the trend is a descending one, with a 2.7% decrease in premium and a 7% lower number of policies, explains Julia CILIKOVA, Director of the Regulation and Financial Analyses Department National Bank of Slovakia.

Overall, the non-life insurance market registered a positive evolution, increasing by 2.5%, to EUR 964.3 million. Property insurance was the main driver

of the non-life sector last year. Premium increased by 6.1%, as both the number of prolonged policies and new production increased, the latest by 6.2%, Julia CILIKOVA said.

Beside property insurance, each line of business in non-life insurance recorded a positive evolution in premium, except for Motor insurance. Although the number of new production and also prolonged policies increased, the overall premium in motor insurance decreased. More specific, Motor Hull insurance is the sole business line registering a negative change, of about 2%, while on the MTPL segment the market underwritings grew by 3.4%. *Is is noteworthy premium in MTPL increased first time since 2008. The number of policies increased by 5,6%, in that the increase of new production was by 3% and prolonged policies increased by 6,7%, emphasized the NBS representative. As far as the Motor Hull segment is concerned, according to NBS data, it seems that the main cause of the drop in premiums lies in the 3.7% decrease in the number of prolonged policies.*

According to the unaudited provisional results collected by NBS, total cost of claims increased by 3.9% and reached EUR 1.18 billion at the end 2011. Claim costs in life insurance increased by 8.2% to the amount EUR 658.9 million, mostly because of higher surrendering values and survival in Unit-Linked insurance. However, y-o-y index of increase of claim costs has been declining since 2008. On the non-life insurance segment claim costs decreased by about 1%, to EUR 517.7 million. The loss ratio in non-life insurance decreased by 13.9% in comparison to previous year and reached 48.4%, reaching the lowest value since 2006. The explanation of this result lies in the decreasing number of claims

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	2,109.35	2,067.10	2.04	100.00	100.00
TOTAL LIFE, of which:	1,145.00	1,126.44	1.65	54.28	54.49
Unit linked	383.58	360.95	6.27	18.18	17.46
TOTAL NON-LIFE, of which:	964.34	940.66	2.52	45.72	45.51
Overall motor insurance	563.55	559.73	0.68	26.72	27.08
Motor hull	270.36	276.15	-2.10	12.82	13.36
MTPL	293.20	283.59	3.39	13.90	13.72

reported on the property insurance class. As a result, the combined ratio decreased by 12.9%, to 81.4%.

Additional details in this respect were provided by JUDr. Jozefína ŽÁKOVÁ, Director General, SLASPO: *After the huge floods and landslides in 2010, there were also several big losses caused by natural forces in 2011, but the claim costs in property insurance declined by 8.6 percent". One of the reasons could be the low overall insurance rate, which according to the SLASPO's estimates "is probably below 50%.*

Julia CILLIKOVA also emphasized that *total technical provisions decreased at the end of 2011 to EUR 4.64 billion. This is the first historical decrease in the technical reserves' amount in the Slovak market and it was caused mainly by non-life insurance, where claim provision decreased by 9% due to decrease of RBNS provision. Also, the provision for Slovak Insurers Bureau decreased by about 25%. On the other hand, premiums ceded to reinsurance, amounted EUR 275 million, 14.4% up*

y-o-y. Ceded premium has been increasing since 2008, although the amounts recorded in 2002-2004 were not breached.

Looking at the Slovak's insurance market perspectives, Mrs. ŽÁKOVÁ estimates that *the overall economic environment will be strongly influenced by the changes that the new government is going to make, particularly in relation to the population's purchasing power and the outlook for business.* In particular, the Association will be interested in the Government Legislative Program, hoping that the codification (recast) of insurance contract and the Insurance Act will be solved and finalized. Also, the announced changes to the first and second pension pillars will indirectly impact the capital life insurance, while the re-introduction of any form of state support to the life insurance, as the tax incentive that was in force until 2010, cannot be expected.



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

Read the full interview on www.xprimm.com



Jozefína ZAKOVA
Director General of the Slovak Insurance Association

Read the full interview on www.xprimm.com

■ (DG)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ALLIANZ - Slovenská poisťovňa	248.73	244.58	1.69	21.72	21.71
2	KOOPERATIVA poisťovňa VIG	233.17	223.47	4.34	20.36	19.84
3	AMSLICO AIG Life poisťovňa	118.67	120.32	-1.37	10.36	10.68
4	KOMUNÁLNA poisťovňa VIG	104.04	97.71	6.48	9.09	8.67
5	GENERALI Slovensko poisťovňa	83.59	88.82	-5.89	7.30	7.89
6	ING Životná poisťovňa	80.15	86.19	-7.01	7.00	7.65
7	AXA životní poisťovna	50.57	48.10	5.13	4.42	4.27
8	ČSOB Poisťovňa	47.80	57.37	-16.67	4.17	5.09
9	Poisťovňa Slovenskej sporiteľne VIG	44.27	37.92	16.75	3.87	3.37
10	WÜSTENROT poisťovňa	30.27	27.53	9.96	2.64	2.44
11	AEGON Životná poisťovňa	30.13	25.30	19.06	2.63	2.25
12	UNIQA poisťovňa	29.77	28.42	4.75	2.60	2.52
13	ERGO životná poisťovňa	12.73	7.56	68.52	1.11	0.67
14	UNION poisťovňa	11.17	11.66	-4.25	0.98	1.04
15	VICTORIA-VOLKSBANKEN Poisťovňa	5.70	10.18	-43.99	0.50	0.90
16	Deutscher Ring Lebensversicherung	5.65	4.99	13.19	0.49	0.44
17	Poisťovňa Poštovej banky	5.40	3.42	57.61	0.47	0.30
18	Poisťovňa CARDIF Slovakia	2.51	1.70	47.96	0.22	0.15
19	GROUPAMA životná poisťovňa	0.71	1.21	-41.44	0.06	0.11
TOTAL MARKET (SLASPO)		1,145.00	1,126.44	1.65	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ALLIANZ - Slovenská poisťovňa	349.54	353.57	-1.14	36.25	37.59
2	KOOPERATIVA poisťovňa VIG	253.14	248.03	2.06	26.25	26.37
3	GENERALI Slovensko poisťovňa	106.69	106.72	-0.03	11.06	11.34
4	UNIQA poisťovňa	70.13	74.34	-5.66	7.27	7.90
5	KOMUNÁLNA poisťovňa VIG	55.05	51.89	6.09	5.71	5.52
6	UNION poisťovňa	32.18	28.48	12.99	3.34	3.03
7	WÜSTENROT poisťovňa	25.71	23.21	10.79	2.67	2.47
8	ČSOB Poisťovňa	24.21	21.12	14.60	2.51	2.25
9	AXA poisťovna	12.88	-	-	1.34	-
10	Poisťovňa CARDIF Slovakia	12.51	11.15	12.22	1.30	1.19
11	GROUPAMA poisťovňa	7.00	7.43	-5.77	0.73	0.79
12	AMSLICO AIG Life poisťovňa	5.92	6.02	-1.58	0.61	0.64
13	Deutscher Ring Sachversicherung	3.65	3.60	1.19	0.38	0.38
14	D.A.S. poisťovňa právnej ochrany	2.40	2.22	8.02	0.25	0.24
15	AXA životní poisťovna	1.67	1.56	7.10	0.17	0.17
16	Poisťovňa Poštovej banky	1.03	0.80	27.49	0.11	0.09
17	VICTORIA-VOLKSBANKEN Poisťovňa	0.63	0.52	21.86	0.07	0.05
18	Slovenská kancelária poisťovateľov	0.01	0.01	-12.50	0.00	0.00
TOTAL MARKET (SLASPO)		964.34	940.66	2.52	100.00	100.00



Slovenia



Life assurance	10.64%
Unit-linked	18.86%
Other life insurance	1.00%
Accident insurance	4.95%
Health insurance	20.48%
Fire and allied perils	4.72%
Damages to property	6.82%
Motor Hull	12.16%
MTPL	13.55%
GTPL	2.52%
Credit insurance	2.12%
Travel	0.87%
Other non-life insurance	1.29%

SOURCES:

SLOVENIAN INSURANCE ASSOCIATION

SLOVENIAN CURRENCY: EURO

Profitability, the main target

In Slovenia economic growth declined throughout the year, with GDP falling by 0.2%, while it was still relatively favorable in the euro area in the first half of 2011. According to Bank's of Slovenia Annual Report for 2011, the average core inflation was low, and below the euro area average. The harmonized index of consumer prices rose by 2.1% in 2011. Although wage growth slowed, unit labor costs have remained at the elevated levels seen at the very end of 2008 and beginning of 2009. The labor market is adjusting primarily via job losses, and less via adjustments in labor costs.

Economic crisis affected last year the insurance industry: the 19 insurers member of Insurance Association (SIA) generated EUR 2.092 billion in gross written premiums, 0.12% less compared to 2010, primarily due to the decrease in life insurance. *The crisis is the main reason for the result in 2011, as the increasing unemployment rate and poverty left less money to spend for insurance. The market has shrunken for the first time in 2011 since the systematic monitoring began in 1995, stated for XPRIMM News Tomaz MANCINI, B.Sc., Head of the Statistical Analysis and Information Technology Service, Slovenian Insurance Association.*

On the other hand, in terms of profitability, Slovenian insurance companies operated relatively successfully in year 2011, as Jernej MERHAR, M. Sc., Deputy Director of AZN – the Slovenian Insurance Supervision Agency told xprimm. The total net profit of the Slovenian insurance undertakings amounted EUR 99.4 million, 27.6% up in comparison with the year 2010. On the individual basis, 15 out of 16 Slovenian insurance undertakings concluded the year 2011 with a positive financial result. Also, the surplus of available capital of Slovenian insurers increased by 68.1% y-o-y.

According AZR, the most obvious positive change was observed in terms of operational profitability of the Slovenian insurance undertaking. In terms of the gross premium written and the gross claims paid, there were no considerable changes on Slovenian insurance market in year 2011, comparing to the year 2010. Within the individual non-life insurance classes in the year 2011, the largest increase of insurance premiums written, occurred in Assistance insurance class (by over 45%) and followed by Suretyship insurance. The largest decline in the year 2011 occurred to the non-life premium collected in Air-

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,092.32	2,094.78	-0.12	1,282.99	1,242.78	3.24	100.00	100.00
TOTAL LIFE	638.23	656.01	-2.71	339.04	245.32	38.20	30.50	31.32
Life assurance	222.62	228.41	-2.54	176.57	169.69	4.05	10.64	10.90
Unit-linked	394.66	404.73	-2.49	136.34	71.10	91.77	18.86	19.32
Other life insurance	20.95	22.87	-8.40	26.12	4.53	477.22	1.00	1.09
TOTAL NON-LIFE	1,454.09	1,438.77	1.06	943.95	997.46	-5.36	69.50	68.68
Accident insurance	103.61	107.01	-3.18	37.69	39.97	-5.70	4.95	5.11
Health insurance	428.52	409.66	4.60	375.44	365.66	2.67	20.48	19.56
Overall property insurance	241.62	231.67	4.29	112.78	135.36	-16.68	11.55	11.06
Fire and allied perils	98.82	94.88	4.15	40.17	52.29	-23.18	4.72	4.53
Damages to property	142.80	136.79	4.39	72.61	83.07	-12.59	6.82	6.53
Overall motor insurance	537.91	557.08	-3.44	333.89	364.50	-8.40	25.71	26.59
Motor Hull	254.49	254.22	0.11	178.73	195.45	-8.56	12.16	12.14
MTPL	283.41	302.87	-6.42	155.16	169.05	-8.21	13.55	14.46
GTPL	52.75	50.25	4.97	27.92	26.84	4.04	2.52	2.40
Credit insurance	44.41	46.16	-3.78	38.11	45.90	-16.98	2.12	2.20
Travel insurance	18.21	12.50	45.64	7.77	6.82	13.81	0.87	0.60
Other non-life insurance	27.06	24.43	10.79	10.36	12.41	-16.52	1.29	1.17

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	TRIGLAV	200.95	207.63	-3.22	31.49	31.65
2	MODRA ZAVAROVALNICA	139.92	147.50	-5.13	21.92	22.48
3	MARIBOR	75.40	71.31	5.74	11.81	10.87
4	KD ŽIVLJENJE	62.49	70.11	-10.87	9.79	10.69
5	MERKUR	40.29	40.26	0.07	6.31	6.14
6	NLB VITA	30.08	30.52	-1.44	4.71	4.65
7	GRAWE	21.64	22.49	-3.78	3.39	3.43
8	GENERALI	19.62	18.17	7.98	3.07	2.77
9	WIENER STÄDTISCHE	14.93	14.42	3.58	2.34	2.20
10	ADRIATIC SLOVENICA	12.63	13.66	-7.54	1.98	2.08
11	TILIA	10.28	10.20	0.78	1.61	1.55
12	ERGO	3.51	3.52	-0.31	0.55	0.54
13	VICTORIA-VOLKSBANKEN	3.45	2.58	33.43	0.54	0.39
14	SOP	3.04	3.65	-16.69	0.48	0.56
TOTAL MARKET		638.23	656.01	-2.71	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	TRIGLAV	494.01	512.23	-3.56	33.97	35.60
2	ADRIATIC SLOVENICA	252.67	247.52	2.08	17.38	17.20
3	VZAJEMNA	249.07	240.26	3.67	17.13	16.70
4	MARIBOR	187.84	188.29	-0.24	12.92	13.09
5	TRIGLAV ZDRAVSTVENA	80.19	72.66	10.36	5.51	5.05
6	TILIA	68.61	63.59	7.91	4.72	4.42
7	GENERALI	66.62	62.52	6.56	4.58	4.35
8	SID-PKZ	21.07	19.88	5.97	1.45	1.38
9	GRAWE	12.74	12.42	2.53	0.88	0.86
10	MERKUR	7.22	7.10	1.74	0.50	0.49
11	WIENER STÄDTISCHE	5.97	4.94	20.89	0.41	0.34
12	ALLIANZ HUNGARIA	3.73	3.33	11.98	0.26	0.23
13	ARAG	2.17	1.98	9.45	0.15	0.14
14	NLB VITA	1.73	1.73	0.19	0.12	0.12
15	VICTORIA-VOLKSBANKEN	0.44	0.32	38.79	0.03	0.02
TOTAL MARKET		1,454.09	1,438.77	1.06	100.00	100.00



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

craft insurance (by 19.6%), Motor liability insurance (6.45) and Accident insurance (by 3.3%). On the other hand the biggest drop within the individual life insurance classes in the year 2011 happened in Capital redemption insurance (by 6.3%). In the year 2011, the Supplementary health insurance premiums increased by 4.6 percentage points.

According to SIA, another important

reason of the life insurance decline was a "statistical" one, following a change in the Association membership: *One company, Kapitalska družba (KAD), which is not a classic insurer, has established last year a life insurance subsidiary, MODRA Zavarovalnica, to which it has transferred a part of its portfolio. After that, KAD left the Association, so that only MODRA is now a SIA member and its business, smaller than of the KAD before, is the part of the market aggregate we monitor and reveal. So, the number of the member companies has not changed, but the life premium aggregate has become smaller,* explained Tomaz MANCINI.

The market leaders were three companies with Slovenian ownership: TRIGLAV, with a 33.2% market share, followed by ADRIATIC SLOVENICA with 12.7% and MARIBOR (12.6%). Top 3 accounted 58.5% of the total market.

In our opinion and having regard to the economic crisis, the biggest challenges for the Slovenian insurance undertakings are to retain adequate solvency positions, to operate profitably and to keep the collected premiums on the same level as in year 2011, the AZN representative said with respect to the future challenges of the Slovenian insurance market. As the economy will gradually recover, insurance sector is expected to grow between 5% and 10% in terms of the total premium written, returning to the pre-crisis dynamic, said MERHAR.

■ (DG)

Read the full interview with **Jernej MERHAR, M. Sc.,** Deputy Director of AZN – the Slovenian Insurance Supervision Agency on www.xprimm.com





Cyprus



Life insurance	45.02%
Accident & health	11.92%
Motor	22.52%
MAT	0.67%
Fire	13.49%
Liability	4.78%
Credit	0.02%
Miscellaneous	1.57%



SOURCES:
INSURANCE ASSOCIATION OF CYPRUS
CYPRUS CURRENCY: EURO

Large room for expansion

Over 34 insurance companies operate currently in Cyprus mainly revolved around the domestic market in the past. As an EU member at the moment, the island has attracted some major international industry players having a key role serving the markets of the Eastern Mediterranean, Middle East, Russia and the CIS region.

Up until 1960 (independence year from Britain) insurance in Cyprus was provided from the large UK insurance houses with agencies in Cyprus. Companies registered in England, operating under British insurance law until 1969, when the state passed the Insurance Companies Law making it possible for the establishment of local insurance companies and transforming many of the former agencies into fully-fledged independent insurance companies. This helped the Cypriot market to expand both in number of companies and volume of business substantially.

Cypriot domestic insurance sector is considered to be a highly competitive and sophisticated one, which is mainly due to the large number of insurance suppliers in relation to the size of population. 34 insurance companies are operating in the domestic market including five EU firms and three non-EU undertakings plus another six international insurance/reinsurance companies provided services solely outside of Cyprus. The supervision and regulation for all companies it is handled by the Superintendent of Insurance appointed by the Ministry of Finance assisted by the Insurance Companies Control Service.

In Cyprus most of the largest insurance companies have a banking background, meaning that these companies are either subsidiaries or affiliates of banks. For example in the life segment LAIKI Cyprialife and EUROLIFE had the largest market share in 2010 accounting each of them for almost 30%, followed by Universal Life at 15%. In non-life Laiki insurance, a subsidiary of the MARFIN Laiki Bank and General insurance of Cyprus are leading the market. Whilst the banks have expanded their operations internationally, mainly into Russia, the Balkan States and the CIS countries, their insurance arms followed suit, thus taking bancassurance products managed from Cyprus to the various countries in which Cypriot banks have a presence. In addition, almost 400 EU insurance companies are exercising their right to provide cross-border services in Cyprus. While the official figures on passporting-based operations in the Single Market of the EU are not available, insurance experts estimate that cross-border business will expand in the next few years.

As the market grew with the years in the island it has shown an impressive development, with data released by the IAC (Insurance Association of Cyprus) the total gross premiums written amounted to EUR 761.6 million in 2010, up by 71% from EUR 446 million in 2001. Life premiums totaled EUR 375.2 million in 2010 while non-life premiums reached EUR 386.4 million in the same year. The industry registered 6% growth in life premiums written and 4% in non-life premiums written in 2010. This growth con-

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	854.34	836.27	2.16	100.00	100.00
TOTAL LIFE	384.59	375.15	2.51	45.02	44.86
TOTAL NON-LIFE	469.75	461.12	1.87	54.98	55.14
Accident & health*	101.82	95.83	6.26	11.92	11.46
Motor	192.39	192.58	-0.10	22.52	23.03
MAT	5.76	5.87	-1.96	0.67	0.70
Fire	115.27	115.31	-0.03	13.49	13.79
Liability	40.84	40.21	1.55	4.78	4.81
Credit	0.21	0.23	-6.46	0.02	0.03
Miscellaneous	13.45	11.09	21.33	1.57	1.33

*Including A&H premiums by Life Companies



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	LAIKI CYPRIA LIFE	111.84	106.82	4.70	29.08	28.47
2	EUROLIFE	106.65	105.74	0.87	27.73	28.18
3	UNIVERSAL LIFE	53.88	54.49	-1.12	14.01	14.53
4	METLIFE ALICO	26.70	26.51	0.70	6.94	7.07
5	PRIME	25.09	24.69	1.64	6.52	6.58
6	ALLIANZ HELLAS	18.39	16.03	14.69	4.78	4.27

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
7	HELLENIC ALICO	12.69	11.51	10.29	3.30	3.07
8	ALPHA	12.66	12.39	2.18	3.29	3.30
9	ETHNIKI INSURANCE	7.44	7.11	4.64	1.93	1.89
10	LIBERTY LIFE	6.83	7.03	-2.79	1.78	1.87
11	MINERVA	2.41	2.84	-15.16	0.63	0.76
TOTAL MARKET		384.59	375.15	2.51	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	LAIKI INSURANCE	67.39	67.93	-0.79	14.35	14.73
2	GENERAL INSURANCE OF CYPRUS	54.52	55.49	-1.76	11.61	12.03
3	PANCYPRIAN	34.36	34.68	-0.93	7.31	7.52
4	UNIVERSAL LIFE	27.47	25.89	6.10	5.85	5.61
5	AMERICAN HOME	25.69	22.92	12.11	5.47	4.97
6	COSMOS	25.45	26.08	-2.42	5.42	5.66
7	ATLANTIC	21.99	20.59	6.82	4.68	4.47
8	ALPHA	15.27	16.21	-5.77	3.25	3.51
9	PRIME	13.48	12.11	11.35	2.87	2.63
10	MINERVA	13.18	17.44	-24.40	2.81	3.78
11	COMMERCIAL GENERAL INSURANCE	12.81	14.26	-10.19	2.73	3.09
12	LAIKI CYPRIALIFE	12.60	11.70	7.67	2.68	2.54
13	METLIFE ALICO	12.49	12.17	2.61	2.66	2.64
14	ALLIANZ HELLAS	11.96	11.20	6.73	2.55	2.43
15	EUROLIFE	11.76	10.44	12.66	2.50	2.26
16	HYDRA	11.14	11.29	-1.30	2.37	2.45
17	TRUST	10.91	5.90	84.94	2.32	1.28

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
18	ROYAL CROWN	10.72	11.47	-6.57	2.28	2.49
19	ETHNIKI GENERAL INSURANCE	10.67	10.48	1.82	2.27	2.27
20	GAN DIRECT	9.04	8.95	1.02	1.92	1.94
21	OLYMPIC	7.73	5.40	43.22	1.65	1.17
22	YDROGIOS	7.66	8.02	-4.58	1.63	1.74
23	EUROSURE	6.98	7.84	-11.00	1.49	1.70
24	DEMCO	6.54	6.25	4.65	1.39	1.36
25	CYPRUS HIRE RISKS POOL	6.46	6.07	6.49	1.38	1.32
26	KENTRIKI	5.83	5.98	-2.60	1.24	1.30
27	BUPA	5.00	3.99	25.18	1.06	0.87
28	PROGRESSIVE	4.62	4.41	4.85	0.98	0.96
29	LIBERTY LIFE	2.95	3.39	-13.02	0.63	0.74
30	LLOYD'S	1.28	1.13	12.56	0.27	0.25
31	LUMEN	0.89	0.51	73.67	0.19	0.11
32	HELLENIC ALICO	0.63	0.58	9.03	0.13	0.13
33	OSEDA	0.28	0.33	-16.91	0.06	0.07
TOTAL MARKET		469.75	461.12	1.87	100.00	100.00

tinued also in 2011 where the 4Q premiums reached EUR 402 million in non-life premiums a 1.24% change from 2010. While the total gross written premiums including A&H premiums by Life Companies reached EUR 460 million a 3.62% change since 2010.

Cyprus industry with over 2000 direct employees and a further 2000 intermediaries accounts for some 4-5% of GDP which is lower than the global average of 9%, a fact that indicates ample space for significant growth. Executives say that in the years to come a major shift is likely to occur regarding attitude and a corresponding increase in underwriting in Cyprus, where the penetration rate for insurance policy has been lower than in Western Europe. With Life insurance showing great potential managing a 6% increase even through 2010. The demand has grown due to the challenge of an ageing population in Cyprus also considering pension reforms as the country recognizes that, along with other western countries making it harder in terms of funding pension programs when forecast of the number of elderly people is to triple in the next few decades. Therefore the insurance industry sees great opportunities in providing private funded policies for people's health and

retirement encouraging the government to open the market to them.

Having such a great and rapid development the insurance sector of Cyprus is one of the most interesting areas of the island's financial services industry, being attractive to EU or non-EU based insurance companies and managers. The target is to become a centre for insurance and reinsurance activities reaching to countries that want to enter the EU, Russia, CIS countries, the Middle East or Mediterranean to choose the Island as their regional headquarters in order to benefit from the easy market access and the fact that it has a stock of insurance professionals to service the industry and a reputable international financial centre. Another advantage is also Cyprus tax system, a strong network of double tax agreements, no tax on capital gains and the participation exemption of dividends - both receivable and payable - without onerous conditions and without any thin capitalization rules. Thus, Cyprus has already become an attractive option for holding companies for multinational groups.

On the other side now regarding the necessity of regulatory requirements, Sol-

veny II, is inevitably the next challenge for the Cypriot insurance industry. While the deadline for 2013 will most probably be pushed back to 2014 many companies are preparing themselves for the future trying to find ways to increase their capital reserves and risk management standards as required under the new directive. As a result, many companies will not be able to meet the requirements and a period of consolidation is expected in the near future, therefore a reduction of number of current players is most likely to occur, which will leave the ground to larger sized insurance firms with higher capital. For example the first merger has already made the market with INTERLIFE joining forces with Greek insurance firm DEMCO changing its name to PRIME Insurance in 2011.

In conclusion, even though the island's insurance industry remains a small one compared internationally its believed that the backup of experience and the large number of qualified professionals gives it an edge when seeking to attract international insurance management and reinsurance operations.

■ (DT)



Greece



Annuities and supplementary ins.	29.49%
Unit-linked	7.11%
Other life insurance	6.89%
Fire and allied perils	8.71%
Damages to property	2.29%
Motor Hull	6.95%
MTPL	29.95%
GTPL	1.53%
Travel	1.86%
Other non-life insurance	5.21%



SOURCES:

HELLENIC ASSOCIATION OF INSURANCE COMPANIES

GREEK CURRENCY: EURO

A part to play

Greek economy is sunk in deep recession suffering from several austerity measures imposed by the creditors of Greece (IMF and ECB), great sacrifices had to be made by the Greek people; on the other hand it may be the only way out.

Greek macroeconomic environment: GDP dropped from -3% (2011 prediction) to -5.4%, unemployment rose from 14.5% (2011 prediction), to 20.9% (11/2011) and inflation rate went up from 2.2% (2011 prediction) to 3.3%.

Investment valuations are negative. Spreads for 10 year bonds reached 33% (02/2012) from 9.6% (12/2010 NBG). Stoke market had a y-o-y 50% decline (02/2012 to 02/2011). Properties housing pricing index was at -5.9% for (Q4 2011). Industry decreased from -5.7% (2010) to -8.4% (2011) while trade in the retail turnover was at -7.6% (11/2011).

Socio-politically, we see salary and pension cuts, public health shrinking, tax system constantly changing, putting people and businesses on the unfavorable side, companies close, rampant unemployment, middle class fails (target group), making intern and foreign investors reluctant to invest for the time being in Greece.

Total premium production was at EUR 4.98 billion, a 7% reduction since 2010. Life premiums reached EUR 2.17 billion making a 8% negative growth compared with 2010 and leaving non-life insurances with a production of EUR 2.83 billion and a 6.5% decrease from the one in 2010. Income reductions, shrinking of middle class (target group) and the overtone for several insurance companies' scandals drove to

these results.

In spite of the markets constant efforts the ratio of premiums to GDP remains at 2.2% to 2.3% for the last seven years having the insurance investments taking a great pressure due to the continuous decline in stock prices, depreciation of property market and the "haircut" of G.P. Bonds (PSI), result to corporate profitability reduction, while capital and organizational requirements grow.

Still, Greek insurance market offers valuable services, high knowledge and experience, plethora of insurance programs, strict supervision, Solvency II. But factors like low insurance consciousness and license revocations have an impact on the liability of the market. In the external front, investment opportunities can appear with an increase on reliability, a shifting of the balance in social and private insurance sectors or finding new risks to insure.

Greek insurance market offers notable chances for growth in this crisis. Public insurance funds due to problems that accumulated in time suffer great deterioration; long term actuarial deficits, impairment of property that exceeds EUR 3.5 billion because of reduced value bonds and treasury bills, less or no contribution to unemployment and flexible forms of work that reach EUR 6.5 billion, uncollectible debt over EUR 11 billion, evasion touched EUR 8 billion plus there is no "red line" for cuts on the contribution field. Therefore Greek reality creates a great opportunity for private insurance to prove its importance and to show that it can offer solutions.

■ (DT)

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	4,987.27	5,332.35	-6.47	100.00	100.00
TOTAL LIFE	2,169.14	2,318.09	-6.43	43.49	43.47
Annuities and supplementary ins.	1,470.76	1,660.52	-11.43	29.49	31.14
Unit-linked	354.66	281.94	25.79	7.11	5.29
Other life insurance	343.72	375.64	-8.50	6.89	7.04
TOTAL NON-LIFE	2,818.13	3,014.25	-6.51	56.51	56.53
Overall property insurance	548.64	600.12	-8.58	11.00	11.25
Fire and allied perils	434.63	460.57	-5.63	8.71	8.64
Damages to property	114.00	139.55	-18.31	2.29	2.62
Overall motor insurance	1,840.30	1,964.24	-6.31	36.90	36.84
Motor Hull	346.75	413.37	-16.12	6.95	7.75
MTPL	1,493.55	1,550.87	-3.70	29.95	29.08
GTPL	76.45	85.17	-10.25	1.53	1.60
Travel	92.73	98.62	-5.97	1.86	1.85
Other non-life insurance	260.02	266.10	-2.28	5.21	4.99

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Turkey



Life insurance	15.64%
Accident	3.86%
Health	11.64%
Goods in transit	2.09%
Fire and allied perils	13.45%
Damages to property	8.59%
Motor Hull	22.06%
MTPL	17.32%
GTPL	2.27%
Other non-life insurance	3.07%



SOURCES:

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

TURKISH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2.4636 TURKISH LIRA - TRY
(DECEMBER 31ST, 2011)

1 EUR = 2.0650 TURKISH LIRA - TRY
(DECEMBER 31ST, 2010)

On the growth track

In the last 10 years several structural reforms have been made in Turkey and since then the country is experiencing a rocket fast development and growth in most areas of the economy. Policies applied by the government, in order to meet terms with the process for EU accession, Turkey managed to surpass even the giant called China in terms of growth and development.

Therefore, for 2011 Turkish economy has achieved results that exceeded specialists' predictions and grew at a rapid pace of 8.5%, although growth slowed by the fourth quarter to 5.2%. Government had forecasted an 8% growth for 2011 but already by the first three trimesters' growth reached 9.6%. GDP reached EUR 7.800, almost EUR 280 more over 2010.

The main role for these reforms were to increase the private sector in the Turkish economy, to enhance the efficiency and resiliency of the financial sector, and place the social security system on a more solid foundation. As these reforms have strengthened the macroeconomic fundamentals of the country, the economy grew with an average annual real GDP growth rate of 5.2%.

A piece of history

In Turkey, development of private insurance is in close relationship with developments in socioeconomic structure and politic developments. In Ottoman period insurance was ignored because

of religious reasons. After Administrative Reforms in 1839 progress in insurance has occurred. In 1870, conflagration in Beyoglu led to about 3,000 houses and workplaces burned with many casualties. This event attracted the attention for the necessity and benefits private insurance has to offer. In 1878, first French company La Fonciere started activity and later in 1890, 15 foreign companies' representatives established in Turkey. Though, these companies used their own language for insurance litigation in their country's courts, a case that caused detriment of policy owners.

In 1900, Fire Insurance Company Labor Union was established the pioneer insurance union in Turkey. The name of Labor Union changed in 1916 to Insurance Companies Association while in 1929 National Reinsurance T.A.S was established. In 1938 changes in several laws allowed the state to be able to audit insurance companies' more strictly. By 1942 Dogan Insurance was established being the first ever Turkish financed insurance company. Obligatory Responsibility Insurance application to motor vehicle started by 1953 but the industry really flourished after 1988 when the law allowed the establishment of new companies.

Insurance sector in developing countries is one of the most dynamic sectors of the economy. Generally the share of insurance sector in low-income countries is down, for high-income countries though the share is very important for

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011 EUR m	2010 EUR m	Change %	2011 %	2010 %
TOTAL MARKET	6,970.71	6,842.32	1.88	100.00	100.00
TOTAL LIFE	1,090.15	1,056.30	3.20	15.64	15.44
TOTAL NON-LIFE	5,880.57	5,786.03	1.63	84.36	84.56
Accident	269.20	289.77	-7.10	3.86	4.24
Health	811.63	825.90	-1.73	11.64	12.07
Goods in transit	145.74	144.62	0.77	2.09	2.11
Overall property insurance	1,536.55	1,439.85	6.72	22.04	21.04
Fire and allied perils	937.76	958.75	-2.19	13.45	14.01
Damages to property	598.79	481.10	24.46	8.59	7.03
Overall motor insurance	2,744.91	2,741.65	0.12	39.38	40.07
Motor Hull	1,537.55	1,509.23	1.88	22.06	22.06
MTPL	1,207.36	1,232.42	-2.03	17.32	18.01
GTPL	158.29	158.67	-0.24	2.27	2.32
Other non-life insurance	214.25	185.56	15.47	3.07	2.71

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	ZIRAAT HAYAT VE EM.	327.16	291.38	12.28	30.01	27.59
2	ANADOLU HAYAT EM.	141.10	173.05	-18.47	12.94	16.38
3	GARANTI EM.	97.62	113.39	-13.92	8.95	10.74
4	HALK HAYAT VE EM.	74.60	68.42	9.04	6.84	6.48
5	YAPI KREDI EMEKLILIK	69.84	53.12	31.47	6.41	5.03
6	VAKIF EMEKLILIK	51.39	40.37	27.32	4.71	3.82
7	FINANS EM. VE HAYAT	50.59	41.29	22.52	4.64	3.91
8	AVIVASA	49.37	60.22	-18.02	4.53	5.70
9	DENIZ EM. VE HAYAT	37.20	29.28	27.07	3.41	2.77
10	ALLIANZ HAYAT VE EM.	33.86	35.98	-5.89	3.11	3.41
11	CARDIF HAYAT	30.97	17.18	80.26	2.84	1.63
12	GROUPAMA EM.	23.95	18.77	27.56	2.20	1.78
13	AXA HAYAT VE EM.	22.15	27.26	-18.76	2.03	2.58
14	METLIFE ALICO	19.69	25.22	-21.92	1.81	2.39

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
15	ING EMEKLILIK	15.21	9.46	60.86	1.40	0.90
16	AEGON EM. VE HAYAT	12.09	6.93	74.41	1.11	0.66
17	CIV HAYAT	10.24	10.94	-6.42	0.94	1.04
18	ERGO EM. VE HAYAT	9.68	12.58	-23.02	0.89	1.19
19	MAPFRE GENEL YASAM	4.90	6.31	-22.41	0.45	0.60
20	CARDIF EMEKLILIK	4.38	8.59	-48.97	0.40	0.81
21	DEMIR HAYAT	1.86	2.32	-19.65	0.17	0.22
22	ACIBADEM	1.84	2.57	-28.50	0.17	0.24
23	NEW LIFE YAŞAM	0.33	1.43	-76.74	0.03	0.14
24	AK	0.06	0.13	-52.94	0.01	0.01
25	RUMELI HAYAT	0.05	0.10	-48.72	0.00	0.01
26	CIGNA HAYAT	0.01	-	-	0.00	-
27	GENERALI	0.00	0.00	-74.27	0.00	0.00
TOTAL MARKET		1,090.15	1,056.30	3.20	100.00	100.00

economic growth. High demand of services in developed countries creates a more elastic ground for fund flow which gives the fuel for the insurance sector to grow.

In Turkey now insurance sector, especially after 1980 with the liberation of Accident, Engineering and Agricultural insurance tariffs, followed by Fire and Transportation insurances, have reached a dynamic structure. As a result of globalization it is important for insurance companies to use different kind of resources in a most efficient way, to evaluate their performances relatively and determine the firms' reference.

Therefore, and for the last 20 to 25 years major wave of changes formed the Turkish insurance market. Actually, unfortunate events gave a nudge for better legislation establishment. After the Istanbul earthquake (1999), by the year 2000 the National Disaster Insurance Institute (TCIP) sprouts to life in order to carry out mandatory earthquake insurance for dwellings.

2001 was the year when the law on Individual Pension Savings and Investment System passed by the private pension system that went into operation in 2003. In June 2005 the Agricultural Insurance Act gave birth to TARSIM insurance pool. TRAMER, the Motor TPL Insurance Information Center was created also in 2003.

While in 2007 the Insurance Supervision Law, which regulated insurance activities for 47 years, has been replaced with the Insurance Law with the main purpose to lead the Turkish Insurance sector into compliance with international standards and norms and to provide mechanisms to companies for more effective accounting for activities, assets, subsidiaries, claims, equity, debts, and financial structures of insurers and reinsurers as well as of all the elements that might have an

impact on insurers' administration.

Turkish insurance market must determine its position correctly in order to have a constant growth and development, because events like the 2000-2001 economic crises, which were Turkey's biggest economic contraction in its history, the affects of which were felt intensively by the banking sector, caused an impact the insurance sector as well due to partnership relationships.

TURKEY becomes a hot spot on the acquisitions map

According to REUTERS, Germany's GÖTHAER Insurance Group is in talks to buy a majority stake in Turkish insurer ISIK Sigorta from Bank Asya "as it seeks to tap a potential growth market". Turkey's Bank Asya, which offers banking services that comply with Islamic law, holds almost two thirds stake in ISIK Sigorta. Other shareholders may also sell their stakes, the REUTERS' sources said.

At the same time, AXA, SAMPO and AEGON are interested in buying FINANS Emeklilik, the insurance unit of FINANSBANK owned by National Bank of Greece. According to the source, FINANS Emeklilik has hired Bank of America and UBS to manage the possible sale of its pension fund and life insurance unit.

At the end of January, Turkey's HABERTURK newspaper reported without giving a source that Swiss ZÜRICH Insurance placed a bid to buy Turkey's YAPI KREDI Sigorta and pension unit YAPI KREDI Emeklilik. Shares in YAPI KREDI Sigorta traded almost 11% higher after the newspaper report that Swiss ZÜRICH Insurance placed a bid to buy the company. The bank said in a statement it had not taken a decision on the sale and thus no sale process was under way for YAPI KREDI Sigorta.

METLIFE was the latest foreign company to buy a stake in Turkey, acquiring the life insurance unit of DEXIA for EUR 162 million in October 2011.





Turkish insurance market in figures

The Turkish insurance market closed the year 2011 with a premium production of TRY 17.17 billion, 21.5% up in nominal terms as compared to 2010. However, in real terms, considering the 10.45% inflation rate registered in 2011, the growth was of 10.04%. Moreover, 2011 also brought a significant devaluation of the Turkish Lira in relation to the European currency. As a result, denominated in Euro, market output was of EUR 6.07 billion, only 1.88% higher than in 2010. Yet, although at a lower pace, the Turkish market remains one of the very few which didn't leave the positive territory in the last years.

Life insurance accounted for about 15.6% of the market portfolio, similar to 2010, while the underwritings volume grew by 3.2% (nominal, Euro), to EUR 1.09 billion. ZIRAAT Hayat ve Emeklilik, the life insurance and pensions subsidiary of the financial group parented

by the most important Turkish bank, continued to lead the life insurance market in 2011, with an EUR 327 million premium volume. The company's market share grew by 3 percentage points in 2011, following a y-o-y nominal growth in euro of its business volume of 12.3%. It is interesting to note that most of the relevant life insurance companies belong to large financial groups - domestic or international -, comprising important banks. As a result, bancassurance arrangements account for a large part of the life insurance distribution, of about 45 - 50%, according to sources.

On the non-life segment, GWP volume amounted EUR 5.88 billion, with a very small y-o-y increase, of about 1.6% (nominal, in Euro). Motor insurance lines hold the largest share in GWP, of over 39%. GWP for Motor Hull insurance amounted EUR 1.53 billion, up 1.88% (nominal in Euro) as compared to 2010, representing 22.06% of the total market GWP volume. The MTPL class registered a slight decrease of about 2% (nominal

in Euro) in the last 12 months, to EUR 1.2 billion.

The second largest non-life business line was property insurance, with a GWP volume of EUR 1.53 billion and 22.04% market share. This volume includes the EUR 153.4 million in premium corresponding to the over 3.72 million mandatory insurance policies sold by TCIP - The Turkish Catastrophe Insurance Pool in 2011, according to TCIP statistics. Currently, the average penetration rate of the mandatory household policies is of 22.84% of the 16.37 million houses registered in the pool's data base. In Istanbul and the Marmara region, the penetration rate is higher, of 31.4%.

AXA Sigorta and ANADOLU Sigorta are the non-life insurance leaders, with almost equal market shares, of 13.8% and 13.3% respectively. Both companies reported positive growth rates in 2011 of over 10% (nominal, in Euro), up to EUR 810 million written premium for AXA and EUR 781.8 million for ANADOLU.

■ (DT)

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	AXA	810.85	735.37	10.26	13.79	12.71
2	ANADOLU	781.82	687.87	13.66	13.29	11.89
3	AK	461.35	429.07	7.52	7.85	7.42
4	ALLIANZ	458.29	482.22	-4.96	7.79	8.33
5	YAPI KREDI	394.99	367.15	7.58	6.72	6.35
6	GUNES	332.82	357.08	-6.79	5.66	6.17
7	GROUPAMA	332.14	336.02	-1.15	5.65	5.81
8	EUREKO	287.81	299.47	-3.89	4.89	5.18
9	ERGO	284.13	335.91	-15.42	4.83	5.81
10	MAPFRE GENEL	226.41	199.41	13.54	3.85	3.45
11	SOMPO JAPAN	133.83	154.28	-13.26	2.28	2.67
12	ZIRAAT	129.27	83.58	54.66	2.20	1.44
13	ZURICH	128.41	111.97	14.68	2.18	1.94
14	AVIVA	122.16	136.47	-10.49	2.08	2.36
15	HDI	116.87	108.25	7.97	1.99	1.87
16	RAY	103.27	122.22	-15.50	1.76	2.11
17	CHARTIS	84.29	84.06	0.27	1.43	1.45
18	HALK	83.82	75.40	11.17	1.43	1.30
19	ACIBADEM	69.93	62.90	11.18	1.19	1.09
20	ANKARA	57.33	104.50	-45.14	0.97	1.81
21	ISIK	56.04	57.26	-2.14	0.95	0.99
22	MAPFRE GENEL YASAM	47.17	70.15	-32.77	0.80	1.21
23	DUBAI GROUP	46.95	62.00	-24.28	0.80	1.07
24	GENERALI	43.34	41.28	5.01	0.74	0.71
25	EURO	40.72	28.52	42.79	0.69	0.49
26	LIBERTY	37.93	28.95	31.03	0.65	0.50
27	NEOVA	34.47	29.93	15.20	0.59	0.52
28	SBN	27.89	53.24	-47.61	0.47	0.92
29	HUR	20.33	25.57	-20.49	0.35	0.44
30	DEMIR HAYAT	18.53	22.86	-18.92	0.32	0.40

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
31	T.NIPPON	14.59	10.22	42.68	0.25	0.18
32	METLIFE ALICO	13.47	11.95	12.65	0.23	0.21
33	AVIVASA	10.87	14.99	-27.48	0.18	0.26
34	ACE EUROPE	9.92	10.77	-7.89	0.17	0.19
35	COFACE	9.66	8.65	11.64	0.16	0.15
36	DENIZ EM. VE HAYAT	7.96	5.80	37.24	0.14	0.10
37	DEMIR	6.96	5.07	37.21	0.12	0.09
38	GROUPAMA EMEKLILIK	6.86	6.23	10.19	0.12	0.11
39	VAKIF EMEKLILIK	5.95	4.67	27.44	0.10	0.08
40	EULER HERMES	4.77	-	-	0.08	-
41	BNP PARIBAS CARDIF	4.57	7.74	-40.93	0.08	0.13
42	ATRADIUS	3.27	2.49	31.33	0.06	0.04
43	CIV HAYAT	1.72	1.47	17.49	0.03	0.03
44	ZIRAAT HAYAT VE EM.	1.66	0.03	5,116.63	0.03	0.00
45	YAPI KREDI EMEKLILIK	1.60	0.13	1,176.68	0.03	0.00
46	ING EMEKLILIK	1.08	0.39	179.11	0.02	0.01
47	KORU	0.85	-	-	0.01	-
48	CARDIF HAYAT	0.61	0.62	-1.30	0.01	0.01
49	ANADOLU HAYAT EM.	0.34	0.13	170.31	0.01	0.00
50	ALLIANZ HAYAT VE EM.	0.25	0.27	-5.74	0.00	0.00
51	AXA HAYAT VE EM.	0.12	0.17	-33.04	0.00	0.00
52	CIGNA HAYAT	0.08	-	-	0.00	-
53	ERGO EM. VE HAYAT	0.08	0.05	61.22	0.00	0.00
54	HALK HAYAT VE EM.	0.07	0.03	162.81	0.00	0.00
55	AEGON EM. VE HAYAT	0.06	0.02	244.46	0.00	0.00
56	BNP PARIBAS CARDIF EM.	0.03	0.91	-96.38	0.00	0.02
57	FINANS EM VE HAYAT	0.02	0.11	-81.03	0.00	0.00
58	GARANTI EMEKLILIK	0.00	0.00	221.59	0.00	0.00
59	NEW LIFE YAŞAM	0.00	0.20	-99.30	0.00	0.00
TOTAL MARKET		5,880.57	5,786.03	1.63	100.00	100.00

Post Catastrophe Loss Assessment

Holding prices back

Following a year of heavy catastrophe losses and growing concerns over increased risk exposure, insurance professionals attending the LOCKTON Post Catastrophe Loss Assessment Seminar in Istanbul, Turkey, on May 4, were provided both with a basic understanding of damage risks following a catastrophic event and an overview of steps needed to assess and mitigate those risks.

Even though it has yet to become a hard market, it is a very difficult one for buyers of property catastrophe insurance, as last years' catastrophe losses have played a significant role in the market shift. Thus, property-catastrophe insurers have been raising prices, reducing capacity and stiffen underwriting policies.

Insured catastrophe losses went up to USD 105 billion in 2011, making it the costliest year in history and exceeding the 2005 record loss of USD 101 billion, according to MUNICH Re. The largest loss for the year was the earthquake and tsunami in Japan, with insured losses of as much as USD 40 billion, other significant losses including tornadoes in the U.S., with insured losses estimated at USD 25 billion, and floods in Thailand (USD 10 billion).

As a result of these catastrophes, the insurance industry turned in its worst underwriting performance since 2002. The combined ratio, a key measure of underwriting profitability, deteriorated to an estimated 107.5 from 101 in 2010, according to A.M. Best.

The Seminar in Istanbul explored both the international loss adjust-

ment activity and the structural and technical challenges following a catastrophic event, these approaches showing the need to encourage the development of fast and flexible methods to assess post-disaster damage and losses.

Another area of heightened concern is contingent business interruption exposures. Insurers have become much more focused on reducing risk in this area after the supply chain disruptions arising from the earthquake in Japan and the floods in Thailand.

In addition to all of the pressures on the liability side, insurers also have been experiencing poor investment returns. With interest rates low, insurers didn't manage to compensate their underwriting losses with investment income, putting added pressure on insurers to raise prices. These factors have led to a very difficult property-catastrophe market. Even accounts that have excellent loss histories and have provided underwriters with a high level of detailed infor-

mation have seen 5 to 10 percent price increases and sometimes more, while for those with major catastrophe losses, price increases have been dramatic.

As insurers started to rely more on catastrophe models, these have resulted in increased risk exposure ratings which can be offset only with specific and exact information, which is critical to mitigate price increases.

Insurers also now are reluctant to provide contingent business interruption coverage unless a company can provide very detailed information about its suppliers and receivers.

So, the underwriting losses, increasing concerns about risk exposure and poor investment returns are creating very difficult conditions in the property-catastrophe market. In this market, clients that begin the renewal process early and provide underwriters with enough detailed information will be in a position to minimize or even avoid significant price increases.



Mr. Okan CAGLAYAN, Director and Mr. Antony JOSE, Executive Director, LOCKTON together with Mrs. Adriana PANCIU, CEO, Media XPRIMM



Armenia



Accidents	1.41%
Health	6.64%
Fire and allied perils	8.50%
Other damages to property	1.10%
Motor Hull	6.84%
MTPL	66.44%
CARGO	2.32%
GTPL	2.14%
Financial risks	1.63%
Travel	1.62%
Travel insurance	1.36%

SOURCE:

ARMINFO NEWS AGENCY
CENTRAL BANK OF ARMENIA
INSURANCE MARKET ASSOCIATION OF ARMENIA

ARMENIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 498.72 DRAM - AMD
(DECEMBER 31ST, 2011)
1 EUR = 481.16 DRAM - AMD
(DECEMBER 31ST, 2010)

Reinforced by MTPL

The Armenian insurance market, though small, has demonstrated stable growth rates during the past years. The implementation of mandatory motor third-party liability insurance triggered the development of insurance industry.

In 2011, total insurance premium production of the Armenian insurance companies amounted AMD 22.4 billion or EUR 44.9 million, almost three times more than in 2010 (EUR 17.6 million). Also, in the reference year, insurers have paid claims of AMD 8.1 billion (EUR 15.7 million), according to data published by the local Agency ArmlInfo. In 2011, net profit recorded by insurance companies in Armenia amounted to AMD 2.4 billion or EUR 4.6 million, four times more than in 2010.

Practically, the major differences developed as a result of legislative changes produced in 2011 that implied introducing MTPL, insurance class which modified drastically the market portfolio: in the first year since it was introduced, MTPL policies accumulated 66.4% of the total GWP, or AMD 14.8 billion (EUR 29.8 million). On the other hand, the property insurance gross written premium (fire, natural disasters and other property insurance) totaled in the previous year, AMD 2.2 billion (EUR 4.3 million), equivalent to 9.6% of the total GWP.

The Armenian Government has debated on the necessity to introduce mandatory MTPL insurance for a long period and finally decided to trust the Armenian insurers for the implementation of mandatory insurance. Now we are doing our best to justify this confidence. It is a good opportunity for the Armenian insurers, to demonstrate both to the citizens and the Government their capacity to service such an extensive project. Our efforts proved to be fruitful. According to the results of the survey conducted by us among the people affected by car accidents, about 95% of the respondents are satisfied with the mandatory MTPL insurance system. I believe this is the most valuable assessment of our activities. We'll continue our efforts to improve the system and show high growth rates. As regards the challenges, the most critical challenges have been overcome in the initial stage and the problems that we currently face are mainly technical and are solved on a day-to-day basis, explained Andranik OHANJANYAN, Director, Insurance Market Association of Armenia.

Compensation limits increased

Since January 1st, 2012, the insurance compensation limits in the mandatory car insurance sector have been raised. Local

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	44.88	17.16	161.56	16.29	3.62	349.94	100.00	100.00
Accidents	0.63	0.52	23.26	0.06	0.04	31.88	1.41	3.00
Health	2.98	2.22	34.32	2.09	1.29	62.11	6.64	12.92
Overall property insurance	4.31	4.53	-4.75	0.40	0.20	98.27	9.61	26.38
Fire and allied perils	3.82	3.75	1.62	0.39	0.20	96.77	8.50	21.88
Other damages to property	0.50	0.77	-35.74	0.00	0.00	844.40	1.10	4.50
Overall motor insurance	32.89	3.35	882.09	13.03	1.39	839.09	73.28	19.52
Motor Hull	3.07	3.35	-8.32	1.94	1.39	39.67	6.84	19.52
MTPL	29.82	-	-	11.09	-	-	66.44	-
CARGO	1.04	0.92	12.81	0.09	0.14	-39.69	2.32	5.37
GTPL	0.96	1.09	-12.02	0.18	0.02	633.68	2.14	6.36
Financial risks	0.73	0.94	-22.32	0.25	0.14	76.58	1.63	5.49
Travel	0.73	0.65	12.18	0.16	0.13	24.66	1.62	3.77
Other	0.61	2.95	-79.24	0.03	0.26	-86.46	1.36	17.20

All insurance lines ranking

media underlined that the increase in the insurance compensation limits will not cause rise in MTPL insurance tariffs paid by drivers.

According to the Armenian Car Insurance Bureau, the compensation on insurance policies in cases when a person's health or life are concerned, has been raised by 10%, totalling AMD 3.3 million per each victim. At the same time, when several people are victims in one road accident, payment on the insurance policy cannot be more than AMD 10 million, AMD 1 million more as compared to previous year.

The compensation of property damage has also been raised by AMD 300 thousands totaling AMD 1 million.

According to the Road Patrol Service of the Armenian Police data, 2,319 road accidents were registered in 2011 (by 345 accidents more as compared to the previous year).



Andranik OHANJANYAN
Director
Insurance Market
Association of Armenia

Read the full interview on www.xprimm.com

Because this is a social-oriented program, the rise in compensation limits is connected with not the increase in car accidents but is rather directed at full compensation of accident damages, so that drivers themselves pay as little money as possible for damages caused by road accidents, says Armine HAKOBYAN, the press officer of the Armenian Car Insurance Bureau quoted by ArmeniaNow.com.

No life insurance yet

Absence of life insurance in Armenia is the result of two key factors: legal framework and market conditions. According to the Armenian Law "On Insurance" that came into effect in 2007, Armenian companies are required to choose among life and non-life insurance activities. *So those insurance companies that were licensed to provide both life and non-life insurance and were actually doing so before the enforcement of the law, had to withdraw from life insurance business, a less demanded type of insurance, and focus on non-life insurance*

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ROSOGOSTRAKH Armenia	13.12	3.85	240.83	4.85	0.67	619.34	29.24	22.44
2	INGO Armenia	9.73	4.00	143.61	3.42	1.00	240.58	21.69	23.29
3	NAIRI Insurance	5.35	1.61	232.03	1.71	0.25	591.90	11.92	9.39
4	RESO	4.72	1.00	373.12	1.63	0.36	351.47	10.53	5.82
5	CASCADE Insurance	4.34	2.36	83.59	1.70	0.72	135.58	9.66	13.76
6	Garant-Limence	3.37	0.84	300.64	1.49	0.33	347.03	7.51	4.90
7	RASCO	2.38	0.46	415.53	0.77	0.06	1,101.69	5.31	2.69
8	SIL Insurance	1.86	0.52	258.44	0.73	0.17	335.22	4.15	3.03
9	ISG	-	2.52	-	-	0.05	-	-	14.68
TOTAL MARKET		44.88	17.16	161.56	16.29	3.62	349.94	100.00	100.00

only, underlined Mr. OHANJANYAN.

On the other hand, the demand for life insurance in Armenia is not high enough to trigger investments into this sector and start of insurance operations. *According to the information I have, there are some companies which demonstrate interest in this sector and if the trend is positive, they are ready to found a life insurance company in Armenia, added Andranik OHANJANYAN.*

Also it is expected that the Armenian Government will implement a social benefits system for the Civil Service employees engaged in state agencies. *These benefits will in particular include health insurance for the Civil Service employees and their family members, said Mr. OHANJANYAN.*

Novelties and perspectives

The market perspectives for 2012 depend on the further development of mandatory insurance types in Armenia, i.e. ongoing improvement of mandatory MTPL system and, as a result of it, development of voluntary motor insurance, as well as introduction of health insurance.

■ (VB)

The statistics submitted to the analysis have been supplied by:





Azerbaijan



Voluntary life insurance	1.72%
Compulsory life insurance	8.87%
Accident and diseases (V)	3.89%
Medical insurance (V)	13.34%
Fire insurance (V)	13.97%
Aircraft insurance (V)	7.30%
Ships insurance (V)	0.97%
Cargo insurance (V)	5.99%
Aircraft liability insurance (V)	2.70%
GTPL (V)	2.86%
Motor Hull (V)	21.07%
MTPL (M)	2.04%
Military servants (M)	7.45%
Fire insurance (M)	3.34%
Servants of judicial and law-enforcement bodies (M)	2.11%
Other non-life insurance (V)+(M)	2.38%



Inspired by Europe

Although last year GDP growth rate reduced (0.9% according to World Economic Situation and Prospects – WESP), Azerbaijan predicted to have lowest GDP growth among CIS countries, local insurance companies posted in 2011 an impressive double digit nominal y-o-y growth rate of 37%. Denominated in European currency, the 2011 GWP figures show even a higher dynamic, of 42%, due to an almost 4% strengthening of the Azeri currency, Manat (AZN). Thus, the GWP volume reached EUR 209.26 million, of which a share of about 26% comes from the mandatory insurance lines, including MTPL.

Last three years have been the best in changes for the Azeri insurance market, said Azer ALIYEV, Executive Director, Azerbaijan Insurance Association. As you know, my country was a part of the Soviet Union. This period was followed by a period of construction of the economy and industry. Today we try to follow Europe, added Mr. ALIYEV. The main problems of Azeri insurance market identified by Azer ALIYEV are, in this moment, the lack of experience on the retail market, lack of a single strategy between all market players directed to the popularization of the compulsory and voluntary insurance, lack of professional insurance education and lack of long term development strategies. *We have a great market with a great potential. The main problem is the lack of insurance culture, which practically does not exist.*

Life insurance represents still a small part of the Azeri market, less than 11%, after a quite tremendous evolution in 2011, from a EUR 1.3 million to about EUR 22 million. The driver of this 1,505% growth was the introduction of compulsory insurance against accidents in the workplace which has become an effective tool for development of life insurance market in Azerbaijan.

On the non-life side, motor insurance continued to hold the biggest share in the market portfolio, of 23% and placed a 27% growth rate, up to EUR 48.35 million. Increasing car sales and a growing lending activity on the banking sector side, represent the source of the significant rise on motor insurance. Fire insurance and medical insurance, holding each a market share of about 13 - 14%, also registered some of the highest growth rates, of 35.8% and 26.3% respectively.

According to Namik KHALILOV, Head of

Insurance Supervision Service of the Ministry of Finance, the evolution of the insurance market in related to the new changes in legislation (editor's note: enforcing a new Law on compulsory insurance) and raising awareness of the population about insurance. Thus, the number of insured persons in Azerbaijan has increased by 30 - 40 % as compared to 2010.



Namik KHALILOV
Head of State Insurance Supervision Service
Ministry of Finance

The insurance market is formed of 25 non-life companies, 3 life insurance companies, 6 brokers and one reinsurance company. *Today there are a lot of requirements, and is complicated to open a new insurance company.*

2012 will be another year of development for the insurance market in Azerbaijan, based on MTPL and life insurance, added Mr. ALIYEV.

AZERSIGORTA, IPEK YOLU Sigorta, AzSigorta, ATESHGAH Sigorta, AXA MBASK are the Top 5 insurers of Azerbaijan, with an aggregated market share of almost 47%. Currently, there are 28 insurance companies operating in Azerbaijan.

Future sounds "billionaire"

The potential of the insurance market of Azerbaijan exceeds one AZN billion affirmed the experts. The basis of this theory consists of the fact that on December 16 the insurance companies of Azerbaijan started to apply the new law "On mandatory types of insurance", which regulates four types: mandatory liability insurance for owners of motor vehicles, property insurance, liability insurance for the operation of real estate and insurance of passengers.

In few years, the insurance market of Azerbaijan can collect premiums worth over a AZN billion. This insurance market is reborn due to activation of compulsory insurance. This gave a real boost to the market and created an opportunity to enhance and realise

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	209.26	147.34	42.03	60.49	50.97	18.67	100.00	100.00
TOTAL LIFE INSURANCE	22.16	1.38	1,505.56	0.46	0.31	46.66	10.59	0.94
Voluntary life insurance	3.59	1.38	160.04	0.17	0.31	-44.57	1.72	0.94
Compulsory life insurance*	18.57	-	-	0.29	-	-	8.87	-
TOTAL NON-LIFE INSURANCE	187.10	145.96	28.19	60.03	50.66	18.49	89.41	99.06
Accident and diseases (V)	8.14	7.06	15.37	1.68	1.39	21.01	3.89	4.79
Medical insurance (V)	27.92	22.09	26.35	18.94	15.92	18.95	13.34	15.00
Fire insurance (V)	29.24	21.52	35.86	3.67	3.10	18.58	13.97	14.61
Aircraft insurance (V)	15.28	8.42	81.38	8.88	3.95	124.67	7.30	5.72
Ships insurance (V)	2.04	2.19	-7.16	0.08	1.47	-94.33	0.97	1.49
Cargo insurance (V)	12.53	10.25	22.18	1.13	1.21	-7.09	5.99	6.96
Aircraft liability insurance (V)	5.65	2.74	106.41	0.17	0.08	127.51	2.70	1.86
GPL (V)	5.98	4.13	44.81	0.07	0.05	27.73	2.86	2.80
Overall motor insurance	48.35	38.06	27.03	16.52	14.70	12.41	23.10	25.83
Motor Hull (V)	44.08	34.54	27.61	15.53	14.07	10.41	21.07	23.44
MTPL (M)	4.27	3.52	21.27	0.99	0.63	57.01	2.04	2.39
Military servants (M)	15.59	13.84	12.65	6.99	6.44	8.44	7.45	9.39
Fire insurance (M)	6.99	6.85	2.02	0.58	0.31	87.40	3.34	4.65
Servants of judicial and law-enforcement bodies (M)	4.41	4.41	0.13	0.82	0.69	18.95	2.11	2.99
Other non-life insurance (V)+(M)	4.99	4.39	13.73	0.51	1.36	-62.60	2.38	2.98

*compulsory insurance against industrial disability arising out of industrial accidents and occupational illnesses

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



AZER ALIYEV
Executive Director
Azerbaijan Insurance
Association

its potential, declared Tural GASIMOV, Coordinator of business development of the Azerbaijani office of the American brokerage firm MARSH, quoted by www.trend.az.

Only in the period from January to March this year, the total volume of premiums of companies operating in the country amounted to AZN 81.6 million, growing by over 66% compared to 1Q2011. GASIMOV noted that the market could grow to an AZN billion and exceed this level within three to five years.

SOURCE:

MINISTRY OF FINANCE OF REPUBLIC OF AZERBAIJAN
CENTRAL BANK OF AZERBAIJAN REPUBLIC

AZERBAIJAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 1.0178 MANAT - AZN
(DECEMBER 31st, 2011)
1 EUR = 1.0560 MANAT - AZN
(DECEMBER 31st, 2010)

All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	AZERSIGORTA	25.69	22.91	12.14	10.88	10.14	7.32	12.28	15.55
2	iPEK YOLU Sigorta	21.20	11.47	84.89	8.82	3.86	128.25	10.13	7.78
3	AzSigorta	20.42	14.80	37.99	1.94	1.28	52.05	9.76	10.05
4	ATESHGAGH Sigorta	18.22	13.80	32.07	6.10	4.98	22.38	8.71	9.36
5	AXA MBASK	12.50	7.95	57.36	3.19	3.35	-4.93	5.97	5.39
6	BEYNALXALQ Sigorta	12.19	9.64	26.47	5.59	4.87	14.80	5.83	6.54
7	PASHA Sigorta	10.32	12.36	-16.46	2.15	2.31	-6.81	4.93	8.39
8	STANDART Insurance	9.55	8.16	17.03	2.74	2.10	30.29	4.57	5.54
9	ATESHGAGH-Hayat	9.36	0.98	850.15	0.17	0.02	779.61	4.47	0.67
10	XALQ Sigorta	8.60	6.91	24.39	2.55	1.70	49.55	4.11	4.69
11	PASHA Life Insurance	8.04	-	-	0.18	-	-	3.84	-
12	A-QROUP Sigorta	7.96	6.66	19.64	5.25	4.96	5.73	3.81	4.52
13	QARANT Sigorta	7.95	6.70	18.75	1.23	2.35	-47.66	3.80	4.54
14	AZERBAIJAN SENAYE	6.58	4.89	34.60	1.77	1.58	11.94	3.14	3.32
15	ATASIGORTA	5.35	4.01	33.45	2.05	1.00	104.14	2.55	2.72
16	QALA Life	4.68	0.10	4,389	0.04	0.01	348.99	2.23	0.07
17	BAKI Sigorta	4.46	2.45	81.93	1.00	1.12	-10.52	2.13	1.66
18	ALFA Insurance	3.00	2.15	39.57	0.53	0.27	92.46	1.43	1.46
19	BASHAK INAM	2.82	2.46	14.67	1.26	1.43	-12.20	1.35	1.67
20	RAVAN Sigorta	2.03	1.60	26.83	0.82	1.01	-18.65	0.97	1.09
21	ERA-TRANS	1.77	2.02	-12.03	0.90	0.98	-7.91	0.85	1.37
22	MEQA Sigorta	1.72	0.29	485.63	0.12	0.21	-40.19	0.82	0.20
23	CHARTIS Azerbaijan	1.58	1.65	-4.35	0.01	0.26	-94.20	0.75	1.12
24	AZERQARANT Sigorta	1.26	0.84	49.49	0.31	0.08	305.55	0.60	0.57
25	EMRAH Sigorta	0.64	0.70	-8.33	0.36	0.30	19.54	0.31	0.48
26	THAMES Ins. Group	0.60	0.79	-23.44	0.14	0.42	-66.96	0.29	0.53
27	GUNAY Sigorta	0.48	0.62	-22.54	0.19	0.16	20.54	0.23	0.42
28	FIDAN Sigorta	0.27	0.45	-39.37	0.20	0.22	-6.88	0.13	0.30
TOTAL MARKET		209.26	147.34	42.03	60.49	50.97	18.67	100.00	100.00

■ (VB)

PROGRAM

Wednesday, July 4th

9:00 - 9:30 Registration & Welcome Coffee

09.30 - 09.45 Official Opening

09.45 - 13.30 **Part 1: Trends and perspectives of the insurance markets of Caucasus Region**

09.45 - 11.00 **Section 1: Insurance market overview in the Caucasus Region**

- International standards and approaches to regulation and supervision of insurance activities
- Development of local insurance infrastructure - starting point for the quality increase
- Investment opportunities in the Caucasus region's insurance field
- The potential and opportunities of the insurance market for oil and gas sector and other major energy risks
- Are the European solvency standards and the risk based supervision philosophy suitable to the Caucasus region?

11.00 - 11.30 Coffee Break

11.30 - 13.30 **Section 2: Mandatory insurance lines, effectiveness for the market development**

- Motor insurance
- Household insurance (compulsory insurance for flats and houses)
- Accident insurance
- Compulsory Insurance Bureau - the heart of the compulsory insurances' market: responsibilities, challenges, priorities

13.30 - 14.30 Lunch

14.30 - 16.00 **Part 2: Section 3: Reinsurance perspectives in the Caucasus Countries and Middle Asia**

- Solutions for emerging markets: local, regional & international reinsurance
- Features of the property and catastrophic risks reinsurance

16.00 - 16.30 Coffee Break

20:00 - 22:00 Dinner

Thursday, July 5th

09:30 - 14:00 **Part 3 Life and civil liability insurance lines - new drivers of the market growth**

09:30 - 10:00 Welcome Coffee

10.00 - 11.30 **Section 1: Life insurance in the emerging markets**

- Life Insurance in Caucasus countries: Current development and market trends
- International experience and prospects of development of long-term types of life insurance
- The European experience of the retail distribution
- State and prospects of development of civil liability insurance

11.30 - 12.00 Coffee Break

12.00 - 13.00 **Section 2: Insurance distribution**

- Insurance intermediation - status and future development opportunities and challenges
- Expansion of sales channels using the Internet and IT - technology
- Adding efficiency to sales channels

13.00 - 14.00 Lunch

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3rd Edition

AZERBAIJAN INTERNATIONAL INSURANCE FORUM

AZERBAIJAN INTERNATIONAL INSURANCE FORUM

NEW PERSPECTIVES IN THE CAUCASUS REGION

July 4th-5th, 2012

Jumeirah Hotel, Baku, Republic of Azerbaijan

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Belarus



■ Life insurance 4.57%
 ■ Non-Life insurance 95.43%



Shocked by hyper-devaluation

The year 2011 was "the crisis one" for The National Bank of Belarus (NBB). Just in one year, NBB strongly devalued the official rate of national currency: the exchange rate as of December 31st, 2011 was set at 10,800 BYR per EUR, almost triple compared to last day of 2010. This fact had a major impact for the insurance market year-on-year comparative calculations.

Although inflation is still very high, it began to slow down, the pressure on devaluation of BYR decreased and foreign reserves increased. *A positive trend can be observed and with BYR which stabilized and even appreciated in March this year. Stabilization of its exchange rate came as a result of tight monetary policy and very high refinancing rates. That was a necessary measure to cope with inflation, but it has obviously paralyzed the lending market as commercial banks derive their interest rates from the refinancing rate set up by NBB,* explained Anton NEDVEDSKY, External Relations Manager, Belarusian Association of Insurers.



Anton NEDVEDSKY
 External Relations Manager, Belarusian Association of Insurers

Read the full interview on www.xprimm.com

The officials predict that economic situation is going to normalize in 2012 while the inflation and refinancing rate are decreasing: *These factors are expected to drive insurance market as purchasing power is growing and bank loans are becoming cheaper,* added Anton NEDVEDSKY.

According to results published by The Belarusian Association of Insurers, in 2011, total premiums in the insurance market rose in local currency by 76% year-on-year to BYR 2,362 billion. In European currency, due the devaluation of BYR in relation to EUR, the insurance market did not show growth in terms of written premiums: EUR 219 million, representing a decrease of 35%.

Market monopoly

In 2011, 24 players operated in the Belarusian insurance market, four of these specialized on life segment, nineteen non-life insurers and one exclusive reinsurance company.

The insurance concentration of the first 5 companies, in GWP terms, increased from 75.5% in 2010 to 76.7% in 2011, while more than 80% of GWP were provided by state fully owned or controlled insurers. This is due to the fact that the state grants its insurance companies a number of significant privileges allowing state-owned insurance companies to dominate the market. According to the Belarusian legislation, compulsory insurance can be only provided by fully state-owned insurers or insurers with more than 50% state ownership. Also, in the segments of life insurance, property insurance performed by state organizations, insurance companies with more than 49% foreign ownership are not allowed.

State support expected

Last year, Anton NEDVEDSKY underlined in an interview that *insurers expect an adoption of a presidential decree, which includes a number of liberal items for the insurance market. Insurers hope that the decree will lift restrictions for foreign investors in life insurance. (...) The insurance market also expects the introduction of new*

SOURCE:

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

BELARUSIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 10,800.00 RUBLE - BYR
 (DECEMBER 31ST, 2011)
 1 EUR = 3,972.60 RUBLE - BYR
 (DECEMBER 31ST, 2010)

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	218.68	337.83	-35.27	123.59	202.50	-38.97	100.00	100.00
LIFE INSURANCE	9.99	19.87	-49.75	3.27	3.65	-10.47	4.57	5.88
NON-LIFE INSURANCE	208.69	317.95	-34.36	120.32	198.84	-39.49	95.43	94.12

insurance classes, improving the quality of insurance services and the possibility for private insurers to practice mandatory MTPL insurance.

Belarusian Telegraph Agency related in February 2012, that the Prime Minister, Mikhail MYASNIKOVICH gets involved in the insurance market's development process. He strongly suggested the Belarusian Finance Ministry and interested agencies should put efforts into attracting major investors to the Belarusian insurance market.

According to Mikhail MYASNIKOVICH, the development of the securities market is slow due to unresolved issues relating to insurance services. He said *one unfinished institution slows down the development of another one. As a result, the effectiveness of the entire financial system is low. Capital is consumed and exported instead of working for the benefit of the economy*, BelTA reported.

The Prime Minister gave instructions to take concrete steps to develop and enable effective operation of the insurance market. *In 2012 it is necessary to launch the insurance services market based on a modern legal base and to attract major investors in this area*, added Mikhail MYASNIKOVICH, quoted by Belarusian Telegraph Agency.

Local media related that in May 2012, a draft decree has submitted to develop insurance services: The Finance Minister, Andrei KHARKOVETS, in a session of the Council of Ministers Presidium, has discussed about the implementation of the 2011-2015 insurance development program and measures to improve insurance effectiveness.

According to BelTA, the draft decree include the gradually increasing the capitalization of insurance companies by *raising the authorized fund threshold up to an equivalent of EUR 5 million. It will be the default threshold for new organizations and it will allow improving the competitive ability of Belarusian insurers on the Single Economic Space market*.

At the same time, to harmonize the insur-

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	STRAVITA	6.96	14.84	-53.08	1.76	2.33	-24.36	69.71	74.65
2	National Belarusian Ins. Pension Fund.	1.47	3.70	-60.41	0.51	1.10	-53.61	14.68	18.63
3	SEDYMAIA LINYA	1.39	1.13	22.82	0.99	0.19	415.44	13.94	5.70
4	PENSIONNIE GARANTYI	0.17	0.20	-17.12	0.01	0.03	-63.79	1.67	1.01
TOTAL MARKET		9.99	19.87	-49.75	3.27	3.65	-10.47	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	BELGOSSTRAKH	107.65	175.76	-38.76	68.25	116.57	-41.46	51.58	55.28
2	TASK	19.83	25.05	-20.85	11.68	16.07	-27.34	9.50	7.88
3	PromTransInvest	15.19	20.88	-27.24	7.69	9.72	-20.86	7.28	6.57
4	BELNEFTSTRAKH	13.34	17.76	-24.89	6.00	8.30	-27.69	6.39	5.59
5	EXIMGARANT OF BELARUS	11.76	15.64	-24.81	3.03	6.79	-55.45	5.63	4.92
6	B&B Insurance	11.55	22.31	-48.20	9.89	20.88	-52.63	5.54	7.02
7	BELKOOTSTRAKH	8.52	11.87	-28.22	4.01	5.58	-28.13	4.08	3.73
8	BELROSSTRAKH	5.99	7.58	-21.00	3.17	5.37	-40.99	2.87	2.38
9	BELINGOSSTRAKH	3.23	5.12	-36.96	1.86	3.00	-38.08	1.55	1.61
10	KUPALA	3.07	3.62	-15.11	1.24	1.75	-29.24	1.47	1.14
11	KENTAVR	1.99	1.91	4.49	0.71	0.93	-23.20	0.95	0.60
12	BELVNESHSTRAKH	1.96	2.71	-27.59	0.90	1.38	-34.58	0.94	0.85
13	GENERALI	1.81	2.84	-36.30	0.01	0.00	11.90	0.87	0.89
14	ERGO	1.31	1.25	4.92	0.95	0.81	17.11	0.63	0.39
15	GARANTYA	0.66	1.12	-41.35	0.04	0.11	-61.85	0.32	0.35
16	ZEPTER Insurance	0.44	2.07	-78.55	0.67	1.29	-48.08	0.21	0.65
17	BAGACH	0.27	0.43	-36.70	0.22	0.30	-25.92	0.13	0.13
18	ROSGOSSTRAKH	0.11	0.02	485.46	0.02	-	-	0.05	0.01
19	DELTA Insurance	0.00	0.01	-89.57	-	-	-	0.00	0.00
TOTAL MARKET		208.69	317.95	-34.36	120.32	198.84	-39.49	100.00	100.00

ance legislation with the Single Economic Space legislation the document suggests:

- removing restrictions that prevent private insurance organizations from offering three out of nine kinds of mandatory insurance;
- allowing for foreign companies to provide life insurance services;
- elimination of the 35% foreign ownership cap on the authorized fund of an insurance organization.

Andrei KHARKOVETS also underlined

that the Belarusian insurance market lags behind that of the European Union and the Single Economic Space.

In 2011 the ratio of insurance premiums to the GDP totaled 0.86% while the target was set at 1.2-1.3%. In Russia the figure stands at 1.22%, in Kazakhstan 0.67%, and varies from 1% to 4% in the European Union.

■ (VB)

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**Georgia
Ex CIS**



Life insurance	4.37%
Health	63.90%
Motor Hull	8.07%
MTPL	1.10%
Property	12.25%
GTPL	1.86%
Aviation	2.94%
Suretyship	2.11%
Other	3.39%

SOURCE:
NATIONAL BANK OF GEORGIA
GEORGIAN INSURANCE ASSOCIATION

GEORGIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:
1 EUR = 2.2641 LARI - GEL
(SEPTEMBER 30TH, 2011)
1 EUR = 2.4585 LARI - GEL
(SEPTEMBER 30TH, 2010)

“Healthy” competition

Since Georgia has regained its independence in 1991, the newly emerging economy - with later establishing insurance system -, went through different stages of development.

Until the end of 90s, several private insurance companies, with one dominant, were operating in Georgia. In 1997, the Georgian Parliament has ratified the first and still main regulation over insurance service in Georgia. Later, the Parliament has given the companies a governmental mandate for obligatory motor insurance that was abolished after a short period, in 2004, leaving the market with no form of mandatory insurance. *Since then, population's demand for voluntary insurance was gradually increasing. Thus, by the end of 2006, the number of health insurance holders in Tbilisi, the Georgian capital, was nearly equal to 100,000 people (the population of Tbilisi is approximately 1 million people). Soon it became clear that the Governmental support and involvement is of ultimate importance for the further development of the national insurance system,* explained Vakhtang DEKANOSIDZE, General Director, IIC IRAO Ltd. VIENNA INSURANCE Group.

According to the results published by the National Bank of Georgia, in January-September, 2011, Georgian insurers generated a premium volume of EUR 116 million, 6% less compared to 3Q2010. Despite

this decrease, life insurance premiums recorded a double value to EUR 5 million, but this type of insurance is still significantly under-represented, with a share of less than 5% in the total premium volume.

Health - 64% of the market

A significant share in the insurance market portfolio was represented by health insurance, the businesses of Georgian insurers being focused to a percent of 63.9% on this type of insurance (over EUR 74 million). This different situation compared to other insurance markets is explained by the fact that *starting 2006, the Georgian Government has launched a number of social programs for health insurance, mainly based on reforming and the State Health organizations involvement, in close collaboration with private insurance companies. According to the rates of 2010, around 1,104,785 people became a health insurance holders/ beneficiaries, within the frames of the various State Health Programs, added Mr. DEKANOSIDZE.*

The difference between European and Georgian health insurance systems is that in Georgia there is mono direction - health insurance, while in developed markets diversification of products is big which brings stability to the market.

Compared to developed markets we lack professional qualification, qualified staff,

Market portfolio as of September 30st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	116.22	124.09	-6.34	75.55	57.10	32.31	100.00	100.00
TOTAL LIFE	5.08	2.61	94.38	0.79	0.65	21.88	4.37	2.10
TOTAL NON-LIFE	111.15	121.48	-8.50	74.77	56.46	32.43	95.63	97.90
Health	74.27	88.17	-15.77	57.11	46.70	22.31	63.90	71.06
Overall motor insurance	10.66	9.67	10.21	5.04	5.32	-5.12	9.17	7.79
Motor Hull	9.38	8.64	8.56	4.44	4.61	-3.65	8.07	6.96
MTPL	1.28	1.03	23.98	0.60	0.71	-14.65	1.10	0.83
Property	14.24	10.59	34.52	0.56	1.65	-65.86	12.25	8.53
GTPL	2.17	2.63	-17.48	0.03	0.03	4.23	1.86	2.12
Aviation*	3.42	2.94	16.05	6.98	-	-	2.94	2.37
Suretyship	2.46	4.45	-44.84	3.34	2.41	38.66	2.11	3.59
Other	3.94	3.03	30.22	1.69	0.36	374.52	3.39	2.44

* mandatory and voluntary, summed



Devi KHECHINASHVILI
Chairman of the Board
Georgian Insurance
Association



Vakhtang DEKANOSIDZE
General Director
IIC IRAO Ltd. VIG

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processes and systems. If within 2-3 years information deficits are eliminated and we manage to form professional educational systems the insurance system will be more efficient in the country, declared Devi KHECHINASHVILI, Chairman of the Board of the Georgian Insurance Association.

According to KHECHINASHVILI the prices of insurance between Georgia, EU countries and the US are incomparable. Private insurance in the EU is expensive. Whilst in Georgia the average annual premium is GEL 300 (about EUR 120), in the EU this is EUR 4,000-4,500. However, Insurance Association President predicts price hike on insurance products in 2012. Devi KHECHINASHVILI declared, quoted by COMMERSANT that companies have made large investments in development of hospitals, the number of consumers is increasing, and, as a result, we should expect insurance price hike both in corporate and government programs. Taking into account these processes KHECHINASHVILI considers that 2012 will be difficult for the insurance industry.

Motor insurance below 10%

Regarding motor insurance, in 3Q2011, this segment generated only EUR 10.7 million, of which EUR 9.4 million related to Motor Hull policies, and EUR 1.3 million - MTPL. Motor insurance in Georgia is quite weak, and is mainly associated with the corporate segment or newly bought cars. Common people still have difficulties in appreciating the concept of insuring one's car whether or not it will later come in useful. In terms of corporations, insurance is better as risks are budgeted, added KHECHINASHVILI.

In the analyzed period, GPI Holding (member of VIENNA INSURANCE Group) was the market leader. The underwritings value reached EUR 20 million (market share -

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	IMEDI-L International	1.67	0.85	96.66	0.11	0.14	-23.50	32.84	32.45
2	GPI Holding	1.10	0.55	101.35	0.19	0.22	-11.67	21.73	20.98
3	ALDAGI BCI	0.79	0.74	6.42	0.44	0.19	125.49	15.56	28.42
4	TAO	0.63	0.07	744.37	0.00	0.01	-78.74	12.35	2.84
5	ALPHA	0.36	0.06	536.90	0.03	0.00	870.04	7.10	2.17
6	ARCHIMEDES Global Georgia	0.21	0.07	186.36	0.01	0.01	-34.85	4.12	2.79
7	PSP Insurance	0.18	-	-	-	-	-	3.49	-
8	IC Group	0.12	0.25	-52.64	0.00	0.04	-87.65	2.29	9.40
9	IRAO	0.02	0.02	4.94	-	0.02	-	0.33	0.62
10	PARTNER	0.01	0.01	26.73	0.00	-	-	0.20	0.31
11	CARTU	0.00	0.00	-86.33	-	-	-	0.00	0.02
TOTAL MARKET		5.08	2.61	94.38	0.79	0.65	21.88	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALDAGI BCI	19.10	20.43	-6.47	11.27	11.33	-0.51	17.19	16.81
2	GPI Holding	18.83	16.75	12.39	12.27	9.51	29.07	16.94	13.79
3	IMEDI-L International	17.22	28.39	-39.33	10.72	11.01	-2.66	15.49	23.37
4	ALPHA	14.24	11.61	22.64	12.23	1.65	641.40	12.81	9.56
5	IC Group	12.10	12.24	-1.12	12.41	7.60	63.32	10.89	10.08
6	IRAO	7.90	14.30	-44.75	6.40	7.64	-16.23	7.11	11.78
7	UNISON	5.87	-	-	0.02	-	-	5.29	-
8	CARTU	4.20	4.26	-1.35	2.39	2.76	-13.40	3.78	3.51
9	ARCHIMEDES Global Georgia	3.90	3.14	24.22	1.60	1.54	4.02	3.51	2.59
10	PARTNER	2.46	1.83	34.38	1.94	0.65	199.59	2.21	1.51
11	TAO	1.98	1.05	88.57	1.53	0.87	76.37	1.78	0.86
12	ARDI Group	1.31	0.10	1,235.27	0.29	0.00	58,592.13	1.18	0.08
13	PSP Insurance	1.19	-	-	0.88	-	-	1.07	-
14	CHARTIS Europe - Georgian branch	0.46	0.32	46.00	0.09	0.00	1,614.67	0.42	0.26
15	STANDARD Insurance Georgia	0.36	0.78	-53.57	0.73	0.26	181.50	0.32	0.64
16	MOBIUS*	-	0.80	-	-	0.11	-	-	0.66
17	VEST*	-	5.48	-	-	1.53	-	-	4.51
TOTAL MARKET		111.15	121.48	-8.50	74.77	56.46	32.43	100.00	100.00

* Insolvency Proceedings

17%), while claims amounted to EUR 12.5 million. In 3Q/2010, the company GPI Holding ranked third, with a market share of 14%. During 2011, the company has improved step by step its market ranking, becoming market leader by the end of the first half of the year.



The insurance market in Georgia is lead by 5 companies: ALDAGI BCI, IMEDI L, GPI, IRAO and IC Group. ALFA has a specific niche as it has had an important role in government programs, KHECHINASHVILI declared.

Georgia, with its population of around 4.6 million, currently has 15 companies active in the insurance market (of these, 11 insurers are composite companies, and 4 operate only on the non-life insurance segment) and 11 mediation brokers. In the Georgian market almost all the companies, except CHARTIS Insurance, are based in Georgia. However many of them are partly owned by foreigners. ARCHIMEDES Global Georgia is 100% Israeli owned, and 90% of IRAO is under Vienna Insurance Group, said KHECHINASHVILI.

■ (VB)



Kazakhstan



Life insurance (v)	3.26%
Annuity (v)	12.09%
Accidents (v)	5.78%
Sickness (v)	6.25%
Property insurance (v)	23.40%
Motor Hull (v)	2.15%
MTPL (c)	13.86%
Aviation insurance (v)	1.09%
CARGO (v)	2.66%
GTPL (v)	7.76%
Financial losses (v)	5.51%
Worker against accidents (c)	11.39%
Others (c)+(v)	4.80%

A time for upgrades

In November 2011, SANDARD & POOR'S has upgraded Kazakhstan's rating one notch to BBB+, the third-lowest investment grade, with a stable outlook, citing the effect of rising commodity exports on fiscal and current account surpluses. The agency now rates Kazakhstan one level higher than Russia, two higher than Brazil and the same as Ireland and Thailand. Kazakhstan holds 3% of the world's crude reserves, compared with 5.6% for Russia, according to Bloomberg data. Also, the resources have determined, in case of Kazakhstan, the third position in the CIS Region, for the insurance market, behind Russia and Ukraine. Shortly, the annual growth in GDP, followed naturally by increasing the standard of living of the population and the income per capita increase, determined an increase of non-food categories like property and motor vehicles segment, followed by a natural need for insurance.

Thus, in recent years, Kazakh insurance market recorded impressive growth rates. Despite this reality, only the non-life insurance segment recorded spectacular growth rates, the life insurance segment being still in nascent stage and accounting for a very small share of the domestic insurance market. According to local insurance specialists, the non-development

of life-insurance is due to the low grade of trust of the local people in using the financial institutions as a way of long-time savings and investments.

The market entered "the first billion euro" area

In 2011, the gross premiums written by the 38 insurance companies in Kazakhstan increased in local currency by 29.32%, reaching KZT 198.50 billion (EUR 1.04 billion), compared to KZT 153.50 billion (EUR 786.24 million) in 2010. Claims paid by insurers amounted to KZT 46.14 billion (EUR 241 million) according to official data published by the Supervisory Commission of Financial Markets.

In 2011, underwritings on life insurance increased by 63.4% compared to previous year, reaching KZT 30.5 billion (almost EUR 159 million). According to Marina SHIPOVALOVA, Chief Editor, RYNOK STRAKHOVANIYA Magazine, quoted by *caspienet.kz*, *annuity insurance is the leader of growth. Moreover, annuity insurance is increasing mainly due to pension contributions. In monetary terms the growth was also high and health insurance was quite high as well.*

Local experts noted another market trend

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,035.38	786.24	31.69	240.66	139.01	73.12	100.00	100.00
TOTAL LIFE	158.98	95.51	66.45	73.24	31.15	135.08	15.35	12.15
Life insurance (v)	33.76	8.48	298.22	1.28	0.84	51.69	3.26	1.08
Annuity (v)	125.21	87.03	43.87	71.96	30.31	137.39	12.09	11.07
TOTAL NON-LIFE	876.41	690.73	26.88	167.42	107.86	55.22	84.65	87.85
Accidents (v)	59.86	35.56	68.36	2.75	2.66	3.57	5.78	4.52
Sickness (v)	64.69	54.02	19.75	46.95	35.62	31.82	6.25	6.87
Property insurance (v)	242.28	211.98	14.29	10.82	5.11	111.94	23.40	26.96
Overall motor insurance	165.81	124.57	33.10	45.11	28.80	56.65	16.01	15.84
Motor Hull (v)	22.30	17.24	29.31	7.70	6.52	18.07	2.15	2.19
MTPL (c)	143.51	107.33	33.71	37.41	22.27	67.95	13.86	13.65
Aviation insurance (v)	11.25	9.19	22.47	2.90	1.69	71.82	1.09	1.17
CARGO (v)	27.52	23.16	18.82	2.21	3.45	-36.03	2.66	2.95
GTPL (v)	80.38	91.72	-12.36	2.59	0.37	593.61	7.76	11.67
Financial losses (v)	57.05	32.51	75.49	22.42	0.89	2,424	5.51	4.13
Worker against accidents (c)	117.88	64.67	82.30	28.32	23.40	21.00	11.39	8.22
Others (c)+(v)	49.67	43.35	14.58	3.36	5.88	-42.91	4.80	5.51

(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
 WWW.CASPIONET.KZ

**KAZAKH CURRENCY EXCHANGE RATE FOR
 CALCULATIONS:**

1 EUR = 191.72 Tenge - KZT
 (DECEMBER 31ST, 2011)
 1 EUR = 195.23 Tenge - KZT
 (DECEMBER 31ST, 2010)

where despite the growth of premiums on the third party liability insurance of vehicle owners the paid claims have not increased significantly. They say that this shows that insurers are reluctant to fulfill their obligations before clients: *Unprofitability dropped in 2011 because the increase in premiums was significant. Premiums have grown for many reasons. The administrative punishment for the lack of policy was toughened. Many drivers do not risk driving without an insurance policy. Besides, charges increase from every year, say Talgat USSENOV, Chairman, CENTRAS Insurance, quoted by caspionet.kz.*

Who are the market leaders?

HALYK-Kazakhinstrakh achieved last year a market share of 14.5%, and thus consolidated their position as the number 1 in the Kazakh non-life insurance market (gross written premiums of KZT 126.9 billion). Founded in 1995, the company is a part of financial HALYK Group and activate on non-life insurance segment. The Financial Group HALYK is a universal regional financial services group, which offers a wide range of services (banking, pensions, life and general insurance, leasing, brokerage and asset management) in retail, corporate and SME sectors.

On life insurance segment, the absolute market leader is "Life Insurance Company State Annuity Company" (LIC SAC) - 21.4% market share. In 2005 by Kazakhstan's government decree for further successful implementation of the Insurance Market Development Program of 2004-2006, and the 2005-2007 Program of further extension of social reforms in the country there was created JSC "Life-insurance Company State Annuity Company". Administration of complete holding of shares was given to the Ministry of Labor and Social Protection of Kazakhstan. Creation of LIC SAC is associated with reforming of national insurance industry directed to strengthening of the role of insurance as an efficient mechanism of defending the interests of citizens and economic entities from financial, social and other risks and a reliable source of long-term domestic investment.

■ (VB)

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	LIC State Annuity Company	33.99	24.96	36.20	20.11	9.84	104.38	21.38	26.13
2	KAZKOMMERTS-Life	29.74	16.14	84.23	12.75	5.14	148.16	18.71	16.90
3	HALYK-Life	27.87	16.49	69.06	15.03	6.72	123.72	17.53	17.26
4	BTA Life	21.45	13.85	54.88	10.32	4.26	142.08	13.49	14.50
5	GENERALI life	18.17	1.94	837.22	0.41	0.19	113.91	11.43	2.03
6	ALLIANCE-Life Ins.	15.20	15.11	0.64	8.58	3.97	115.99	9.56	15.82
7	ASTANA-FINANCE Life	12.55	7.03	78.59	6.03	1.03	486.71	7.90	7.36
TOTAL MARKET		158.98	95.51	66.45	73.24	31.15	135.08	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	HALYK-Kazakhinstrakh	126.87	75.58	67.87	24.49	23.05	6.26	14.48	10.94
2	EURASIA	121.45	96.89	25.34	20.69	11.72	76.61	13.86	14.03
3	NOMAD Insurance	62.65	34.92	79.40	7.35	3.50	110.15	7.15	5.06
4	KAZKOMMERTS-Policy	58.43	85.17	-31.40	9.33	5.52	69.10	6.67	12.33
5	VICTORY	56.24	25.29	122.39	1.35	1.65	-17.99	6.42	3.66
6	OIL Ins. Company	46.98	46.87	0.22	10.02	7.81	28.27	5.36	6.79
7	ALMATY In. Ins. Group	43.29	24.80	74.53	1.71	-3.61	-147.29	4.94	3.59
8	LONDON-ALMATY	35.67	27.14	31.43	3.05	3.71	-17.81	4.07	3.93
9	PANA Insurance	31.18	10.65	192.69	2.49	1.05	137.12	3.56	1.54
10	KAZAKHMYS	27.28	5.36	408.64	5.05	4.54	11.17	3.11	0.78
11	AMANAT Insurance	27.12	26.01	4.28	3.42	1.72	99.46	3.09	3.77
12	BTA Insurance	22.14	11.84	86.99	7.10	3.91	81.72	2.53	1.71
13	ALLIANZ Kazakhstan	20.16	39.19	-48.55	2.95	3.44	-14.09	2.30	5.67
14	CHARTIS Kazakhstan	19.46	30.05	-35.26	24.08	2.40	901.30	2.22	4.35
15	CENTRAS Insurance	18.14	23.95	-24.24	5.79	5.03	15.21	2.07	3.47
16	KOMMESK-Omir	17.28	14.37	20.26	5.80	3.33	73.97	1.97	2.08
17	ALLIANCE-POLICY	17.11	14.02	22.04	5.32	5.31	0.09	1.95	2.03
18	TSASO	15.51	9.59	61.66	0.03	0.18	-82.34	1.77	1.39
19	InterTeach	12.14	13.24	-8.34	7.62	7.82	-2.61	1.39	1.92
20	EKO Policy	11.99	7.91	51.58	2.99	1.26	136.83	1.37	1.15
21	ALATAU	11.53	5.98	92.82	1.77	0.24	640.47	1.32	0.87
22	ASTANA-FINANCE	11.21	8.09	38.56	3.25	1.68	92.85	1.28	1.17
23	GENERALI life	10.74	4.47	140.30	0.09	0.34	-74.49	1.23	0.65
24	TSESABANK	10.42	0.88	1,084.76	0.15	0.00	6,659.28	1.19	0.13
25	ASKO	9.05	7.37	22.86	1.29	0.98	32.63	1.03	1.07
26	TransOil	7.70	8.11	-5.03	1.68	1.84	-8.85	0.88	1.17
27	GRAIN Ins. Company	4.28	4.76	-10.09	0.27	1.80	-85.19	0.49	0.69
28	SAYA	3.67	5.51	-33.45	1.29	1.30	-1.05	0.42	0.80
29	HALYK-Life	3.14	0.83	276.53	0.19	0.38	-49.70	0.36	0.12
30	ARCHIMEDES - Kazakhstan	3.02	4.13	-26.94	3.62	3.48	4.22	0.34	0.60
31	KazExportGarant	2.64	2.08	26.90	0.23	0.19	18.18	0.30	0.30
32	NURPOLICY	2.59	3.81	-31.88	1.44	1.71	-15.49	0.30	0.55
33	TRUST Insurance	2.34	3.35	-30.05	0.09	-	-	0.27	0.48
34	KAZKOMMERTS-Life	2.25	0.71	215.80	0.07	0.08	-10.11	0.26	0.10
35	BTA Life	0.55	0.37	47.33	0.13	0.25	-47.20	0.06	0.05
36	LIC State Annuity Company	0.18	7.42	-97.54	1.22	0.26	378.19	0.02	1.07
37	ALLIANCE-Life Ins.	0.02	0.00	425.28	0.00	-	-	0.00	0.00
38	ASTANA-FINANCE Life	0.00	-0.00	-3,911.38	-	-	-	0.00	-0.00
TOTAL MARKET		876.41	690.73	26.88	167.42	107.86	55.22	100.00	100.00



Kyrgyzstan



Personal insurance	8.34%
Property insurance	77.62%
Liability insurance	6.47%
Mandatory insurance	7.57%



SOURCE:

NATIONAL BANK OF THE KYRGYZ REPUBLIC
FSA - GOSFINNADZORA

KYRGYZ CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 61.1059 Som - KGS
(SEPTEMBER 30TH, 2011)

1 EUR = 62.7318 Som - KGS
(SEPTEMBER 30TH, 2010)

Property area

According to Financial Supervisory Commission, on the 30th September, insurance premium revenues were about KGS 632 million (EUR 10.4 million), or 44% (in European currency) more than the same period in 2010.

At the same time, the local insurance market continued to be dominated by property insurance, which accounted for more than 77% of the total premium volume - very few houses being covered by insurance. Meanwhile, personal, liability and mandatory insurance generated each about 7% of total market.

Despite major loss potentials from natural disasters, the level of insurance density in Kyrgyzstan is the lowest in CIS Region (about 1 euro/capita), and insurance penetration is *much too low*

to mitigate the adverse financial consequences of future natural disasters on the economy, central government and households budgets, as the GFDRR report "Disaster Risk Management Notes for Priority Countries 2009-2015 in Europe and Central Asia" states.

KYRGYZINSTRAKH, subsidiary of the INGOSSTRAKH Group of Russia, is the largest company in the market with a 70% market share. In fact, property insurance defines the market ranking: For example, in 3Q2010 the portfolio of AUB Insurance was defined in proportion of 99% of property insurance. A year later, a percentage of 88% of the company KYRGYZINSTRAKH's business was produced by this type of insurance.

All insurance lines insurance ranking

■ (VB)

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	KYRGYZINSTRAKH	7.23	0.58	1,142	0.14	0.03	349.44	69.90	8.07
2	KYRGYZSTAN	0.74	0.49	52.43	0.04	0.05	-16.20	7.19	6.76
3	NSK Insurance	0.55	0.60	-8.53	0.06	0.03	107.08	5.29	8.30
4	LONDON-BISHKEK	0.44	0.41	7.30	0.04	0.02	107.20	4.28	5.72
5	MEGA Insurance Group	0.35	0.34	4.83	0.02	0.00	620.90	3.40	4.65
6	ROSSTRAKH- KYRGYZSTAN	0.34	0.22	57.98	0.16	0.02	653.00	3.33	3.02
7	AK-JOL	0.19	0.27	-30.55	0.00	0.00	-38.63	1.82	3.75
8	FCB Insurance	0.12	0.11	9.48	0.05	0.02	114.37	1.19	1.55
9	STRAKHOVOY REZERV	0.11	0.06	69.62	-	-	-	1.06	0.90
10	ZDOROVYE	0.11	0.08	38.12	0.03	0.02	61.64	1.04	1.08
11	FAVORIT	0.07	0.14	-51.03	-	-	-	0.67	1.96
12	ATH Polis	0.05	0.07	-25.66	0.01	0.02	-42.18	0.51	0.98
13	DOSINVEST	0.02	0.01	59.84	0.00	0.00	83.32	0.22	0.20
14	INKOM POLIS	0.01	0.04	-78.75	0.00	0.00	-96.41	0.09	0.62
15	ANGLO-KYRGYZSKAYA	-	0.04	-	-	0.00	-	-	0.60
16	KIRGYZ Re (June, 2010)	-	0.10	-	-	0.00	-	-	1.35
17	STRAKHOVOY DOM (June, 2010)	-	0.00	-	-	0.00	-	-	0.02
18	AUB Insurance	-	3.64	-	-	0.00	-	-	50.47
TOTAL MARKET		10.34	7.21	43.35	0.56	0.23	148.82	100.00	100.00

Market portfolio as of September 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010	Change	3Q 2011	3Q 2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	10.34	7.21	43.35	0.56	0.23	148.82	100.00	100.00
Life insurance	-	0.00	-	-	0.00	-	-	0.06
Personal insurance	0.86	0.87	-0.96	0.16	0.06	150.03	8.34	12.08
Property insurance	8.02	5.45	47.28	0.39	0.14	170.36	77.62	75.55
Liability insurance	0.67	0.80	-16.16	0.02	0.02	-10.23	6.47	11.06
Mandatory insurance	0.78	0.09	760.27	-	-	-	7.57	1.26

AVUS



Moldova



Life insurance	6.51%
Accidents insurance	1.58%
Health - valid in Moldova	2.10%
Health - valid outside Moldova	2.92%
Fire and allied perils	9.10%
Damages to property	1.59%
Motor Hull	19.14%
MTPL	22.83%
Green Card	18.97%
Other motor insurance	2.45%
Aircraft insurance	3.69%
Aircraft liability	5.06%
GTPL	1.96%
Financial loss	1.62%
Other non-life insurance	0.49%

SOURCE:

NATIONAL COMMISSION OF FINANCIAL MARKET
NATIONAL BANK OF MOLDOVA

MOLDAVIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

MDL 16.3369/EUR - IN 2011
MDL 16.3995/EUR - IN 2010

The MTPL year

Certainly, 2012 is the most important year in the history of almost 21 years of the Moldavian insurance market because of the enforcement of the reforms which specifically refers to MTPL segment and the capitalization of market players.

Motor insurance represents the most important income source for Moldavian insurance companies, the value of underwritings on this segment representing in 2011 about 64%, 42% of which being compulsory insurance (MTPL and Green Card).

As from April 6th, 2012, came into effect the new Insurance Law, which brings a series of changes for the MTPL segment, such as the elimination of the wearing coefficient in claims payment. Also, a semi-liberalization of MTPL prices is expected this year, together with an increase of liability limits, which will directly influence the claims volume paid by companies and the price paid by the customer - the most important part of the equation.

Before the date, the Moldavian insurers applied a wearing coefficient for each insured car that had been damaged by an accident. With the enforcement of the new law, the drivers are entitled to receive compensations covering the entire repair costs, regardless of the wear of spare parts. These stipulations were supposed to be enforced in 2007, but at that time

insurers were granted a five year adjournment. A method of claims payment at the real value must be established, a method that would satisfy the client, in order to increase the client's trust in the system. The insurance market must be an honest market, it must offer benefits that would increase the investors' interest in this sector. With this purpose, CNPF launched various actions in order to increase the products' quality and attract foreign investors, noted Artur GHERMAN, Vice-President, National Commission of Financial Market (CNPF).

As far as motor insurance sector is concerned, CNPF is aware of the MTPL insur-

The company MOLDASIG received the approval of the Insurance Supervisory Commission for the acquisition of 99.9% of the shares of ASITO KAPITAL in Romania.

This is the first investment of a Moldavian insurer on the Romanian market, behind it being the leader of the Russian profile market, ROSGOSSTRACH Group.

ance's importance for the entire market. The increase of the number of contracts to 480,000 in 2011, from a total of 580,000 vehicles, is the proof that the coverage degree

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	61.60	55.78	10.44	21.33	19.68	8.38	100.00	100.00
TOTAL LIFE	4.01	3.28	22.21	0.60	0.74	-19.01	6.51	5.88
TOTAL NON-LIFE	57.59	52.50	9.70	20.73	18.94	9.45	93.49	94.12
Accidents insurance	0.97	1.10	-11.49	0.19	0.31	-39.46	1.58	1.97
Overall health insurance	3.09	2.77	11.68	1.38	0.63	120.58	5.02	4.97
Health - valid in Moldova	1.30	1.05	23.04	1.04	0.31	233.53	2.10	1.89
Health - valid outside Moldova	1.80	1.72	4.71	0.34	0.31	8.26	2.92	3.08
Overall property insurance	6.58	6.87	-4.15	2.40	1.92	24.78	10.69	12.31
Fire and allied perils	5.60	5.18	8.28	2.35	0.98	139.32	9.10	9.28
Damages to property	0.98	1.69	-42.19	0.05	0.94	-94.87	1.59	3.03
Overall motor insurance	39.05	35.74	9.26	16.64	15.79	5.42	63.39	64.07
Motor Hull	11.79	10.76	9.57	7.58	7.97	-4.93	19.14	19.29
MTPL	14.06	13.16	6.85	5.36	5.32	0.67	22.83	23.59
Green Card	11.69	10.40	12.34	3.64	2.44	48.79	18.97	18.65
Other motor insurance	1.51	1.41	6.69	0.07	0.05	41.84	2.45	2.54
Aircraft insurance	2.27	2.36	-3.81	0.00	0.05	-98.80	3.69	4.24
Aircraft liability	3.12	1.76	76.70	0.00	0.06	-94.90	5.06	3.16
Goods in transit	1.20	0.24	399.76	0.03	-	-	1.96	0.43
GTPL	1.00	0.82	21.50	0.08	0.10	-25.78	1.62	1.48
Other non-life insurance	0.30	0.83	-63.86	0.00	0.07	-95.63	0.49	1.50



Artur GHERMAN
Vice-President
National Commission of
Financial Market



Vladimir ŞTIRBU
Director of Insurance
Department
National Commission of
Financial Market

is a very good one. The clients are aware that they need protection, and the efforts of CNPF are not in vain.

10% growth in GWP led the market over the first MDL billion threshold

Moldavian insurers registered last year MDL 1 billion (EUR 61.6 million) in premiums, representing about 10% more than a year earlier. Claims reached MDL 348.4 million (EUR 21.3 million), an 8% increase in comparison to previous year. Last year, the share of insurance market in GDP was 1.3%. If this indicator will reach 3%, as in developed countries, it is clear that doubling the market (MDL 2 billion) is a possibility for the next years, said Vladimir ŞTIRBU, Director of Insurance Department of NCFM.

The life insurance segment increased by 22% to MDL 65.5 millions, but still accounts for a modest 6.5% share of the total market. Moreover, competition in this segment is very low, only two specialized companies activating on the market: GRAWE CARAT Asigurări (market share of 94%) and SIGUR-ASIGUR.

On the non-life insurance segment, Motor insurance (Motor hull, MTPL, Green Card and other motor insurance, added-up) generated MDL 637.9 million in premiums, or 64% of the market, while property insurance (Fire, allied perils, and other goods, added-up) totaled MDL 107.5 million, 4.5% less comparing to previous year.

The top companies are MOLDASIG (member of Russian Group ROSGOSSTRAKH) and ASITO, with 28%, respectively 15.5% market shares. They are followed by GRAWE CARAT Asigurări, with 11.5%, MOLDAGRO, with 9.4% and DONARIS-GROUP - 8.4%.

At the same time, MDL 297.6 million (EUR

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE CARAT	3.75	3.00	24.74	0.08	0.16	-49.84	93.39	91.49
2	SIGUR-ASIGUR	0.22	0.21	3.07	0.00	0.00	-13.95	5.37	6.36
3	ASITO	0.04	0.05	-24.05	0.51	0.55	-7.14	1.04	1.67
4	ASTERRA GRUP	0.01	0.02	-47.60	-	-	-	0.20	0.47
TOTAL MARKET		4.01	3.28	22.21	0.60	0.74	-19.01	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	MOLDASIG	17.26	15.99	7.93	5.97	6.27	-4.81	29.97	30.46
2	ASITO	9.54	11.60	-17.78	3.68	3.37	9.34	16.56	22.09
3	MOLDCARGO	5.80	2.93	97.90	1.38	1.15	20.36	10.07	5.58
4	DONARIS-GROUP	5.17	4.24	21.88	1.81	1.58	14.25	8.98	8.08
5	GRAWE CARAT	3.33	3.38	-1.52	1.43	1.26	12.98	5.79	6.45
6	ACORD-GRUP	3.26	2.10	55.23	0.06	0.05	5.82	5.66	4.00
7	EUROASIG	2.46	1.96	25.44	1.12	0.65	71.36	4.27	3.73
8	VICTORIA Asigurări	2.25	1.07	110.56	1.29	0.62	106.63	3.91	2.04
9	TRANSELIT	1.53	1.22	25.43	0.39	0.35	10.30	2.66	2.32
10	KLASSIKA Asigurări	1.52	1.28	18.16	0.64	0.59	9.01	2.63	2.44
11	EXIM-ASINT	1.02	1.35	-24.34	0.30	0.70	-57.15	1.78	2.58
12	AUTO-SIGURANŢA	0.87	0.69	25.05	0.35	0.27	28.66	1.50	1.32
13	GARANŢIE	0.85	0.75	14.41	0.75	0.39	89.87	1.48	1.42
14	ASTERRA GRUP	0.71	0.60	18.36	0.20	0.13	58.09	1.23	1.14
15	MOLDOVA-ASTROVAZ	0.61	1.33	-54.36	0.43	0.69	-37.93	1.05	2.53
16	GALAS	0.60	0.69	-14.30	0.40	0.28	41.18	1.03	1.32
17	VITORIASIG	0.33	0.33	-1.12	0.11	0.09	26.08	0.57	0.63
18	IDEEA Asigurări	0.33	0.43	-23.71	0.23	0.13	80.08	0.57	0.81
19	ARTAS	0.12	0.39	-68.59	0.16	0.23	-32.69	0.21	0.75
20	ALIANŢA-MOLDCOOP	0.05	0.05	-9.64	0.02	0.02	35.04	0.09	0.10
21	SIGUR-ASIGUR	0.00	0.01	-73.13	0.00	0.00	39.07	0.01	0.03
22	GARANT	0.00	0.05	-98.88	0.01	0.05	-73.54	0.00	0.10
TOTAL MARKET		57.59	52.50	9.70	20.73	18.94	9.45	100.00	100.00

18.2 million) was the volume of gross written premiums of insurance brokers. Compared to 2010, the mediation market increased over 40%. The brokerage market share in the insurance market, as it reached 29.6%, after at the end of December, 2010 it stood at 23.2%.

The Moldavian Information System is on trial

One of the major challenges that the Moldavian watchdog must face in 2012 is the completion of the informatic system for MTPL policies: *As far as the implementation process goes, we wish we could have used the electronic issuing system from a while back, but the context didn't allow it. We are now on trial period, and soon the system will enter the pilot phase*, declared Vladimir ŞTIRBU.

We intend to continuously consolidating the companies, implementing the electronic issuing system and, in general, adjusting the

current legislation to the European aquis by implementing the best European standards and practices, underlined Mr. GHERMAN.

This new information system will also facilitate the introduction of the Bonus-Malus system, whose main purpose is to discipline the driver, by awarding bonus or malus based on his claims history. The estimated term for launching this system is the beginning of 2013.

Austrian insurer VIENNA Insurance could make new acquisitions in Moldova and Hungary this year if interesting targets were available, according to company's officials cited by REUTERS.

Also, VIG's representatives told reporters that they are eyeing potential growth opportunities in other CEE & CIS countries as Poland and Ukraine.

■ (VB)



Russia



Life insurance (V)	2.74%
Personal insurance (V)	11.48%
Property insurance (V)	29.39%
Liabilities (V)	2.16%
Mandatory health ins.	47.65%
MTPL	7.20%
Other mandatory ins.	0.59%

SOURCE:

MEDIA-INFORMATION GROUP, "INSURANCE TODAY"
CENTRAL BANK OF THE RUSSIAN FEDERATION
FEDERAL INSURANCE SUPERVISION SERVICE

RUSSIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 41.6714 RUBLE - RUB
(DECEMBER 31ST, 2011)
1 EUR = 40.3331 RUBLE - RUB
(DECEMBER 31ST, 2010)

Maintaining the ascending trend

Russian insurance market registered a remarkable high dynamic in 2011, as the GWP volume grew by almost 22% in local currency, to RUB 1,267.8 billion. Without considering the class of mandatory health insurance, the nominal growth rate in local currency was of 19%. In European currency, overall GWP amounted EUR 30,4 billion, almost 18% more than in 2010.

Despite the economic crisis, which obviously affected the Russian economy, the insurance sector maintained a positive evolution, although at a lower pace than otherwise. There is a well known fact that insurance market's evolution is closely linked to the overall economic trend. Yet, looking at statistical data of the last years, one should notice that the negative macroeconomic changes registered due to the crisis didn't significantly impact upon the insurance industry: when the GDP went on a downfall trend, the insurance industries' growth was only slowed, not reversed, showing the high resilience of the Russian insurance sector, commented Andrey VESELKOV, General Director, Media – Information Group, "Insurance Today" for xprimm.

Life insurance accounts for an almost insignificant share of the Russian insurance market, of less than 3%. Still, in 2011, it gained an extra 0.5pp weight, due to the

54% growth, to RUB 34.7 billion. According to a recent edition of BRICdata report published by IBR, the absence of tax benefits on life insurance products, the inert private pension system and lack of trust over substantial benefits accruing from long-term insurance products among the Russian population are the primary impediments to the growth of Russia's life insurance market.

Premium written on the Non-life insurance segment amounted RUB 1,233.15 billion (EUR 29.6 billion), 21% up as compared to 2010. Mandatory insurance lines accounted for almost 58% of the non-life

50% of Russian insurers may leave the market in 2012

Over 50% of Russian insurers did not increase their share capital by September 1st of this year, said Andrei KIGIM, President of Insurers Association of Russia. According to him, out of 600 companies, a total of 368 did not raise their capital, and since 2012 come into force new rules on minimum share capital requirements.

Market portfolio as of December 31st, 2011

(V) - Voluntary insurance

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	30,424.98	25,812.39	17.87	21,318.88	19,055.98	11.87	100.00	100.00
LIFE INSURANCE (V)	832.69	558.69	49.04	183.87	194.46	-5.44	2.74	2.16
NON-LIFE INSURANCE	29,592.29	25,253.70	17.18	21,135.00	18,861.52	12.05	97.26	97.84
Personal insurance (V)	3,493.45	3,027.05	15.41	1,949.76	1,764.23	10.52	11.48	11.73
Accidents (V)	1,165.71	903.07	29.08	191.92	146.03	31.42	3.83	3.50
Health (V)	2,327.74	2,123.98	9.59	1,757.85	1,618.19	8.63	7.65	8.23
Property insurance (V)	8,940.87	7,751.07	15.35	3,636.55	3,778.17	-3.75	29.39	30.03
MOTOR HULL (V)	3,948.22	3,442.01	14.71	2,537.52	2,605.80	-2.62	12.98	13.33
Other goods (V)	3,417.40	2,970.58	15.04	669.74	739.94	-9.49	11.23	11.51
Agricultural ins. (V)	389.30	237.18	64.14	197.12	191.24	3.08	1.28	0.92
Railway, aircraft and ships (V)	241.24	245.23	-1.63	108.33	110.14	-1.64	0.79	0.95
Financial risks (V)	288.84	195.10	48.05	35.54	59.94	-40.71	0.95	0.76
Liabilities (V)	655.86	660.97	-0.77	88.31	71.12	24.16	2.16	2.56
Mandatory health ins.	14,498.88	12,031.97	20.50	14,044.48	11,781.18	19.21	47.65	46.61
MTPL	2,478.86	2,272.44	9.08	1,348.56	1,375.04	-1.93	8.15	8.80
Other mandatory ins.	180.22	171.17	5.29	155.66	162.91	-4.45	0.59	0.66
TOTAL VOLUNTARY INSURANCE	13,267.02	11,336.81	17.03	5,770.19	5,736.86	0.58	43.61	43.92
TOTAL MANDATORY INSURANCE	17,157.96	14,475.58	18.53	15,548.69	13,319.12	16.74	56.39	56.08

TOP 25 - Life insurance

Company	Region	GWP 2011	MARKET SHARE
		EUR m.	%
ROSGOSSTRAKH Life	Moscow	102.33	12.29
ALICO	Moscow	101.14	12.15
ALFASTRAKHOVANIE	Moscow	97.69	11.73
RUSSIAN Standard Ins.	Moscow	79.18	9.51
SOGAZ Life	Moscow	75.07	9.01
ALLIANZ Rosno Life	Moscow	67.52	8.11
SOGEKAP Life Ins.	Moscow	52.04	6.25
CIV Life	Moscow	38.77	4.66
GENERALI PPF Life	Moscow	33.76	4.05
RAIFFEISEN Life	Moscow	25.75	3.09
RENAISSANS Life	Moscow	21.50	2.58
DISKONT	Saratov	16.09	1.93
CHULPAN Life	Almetyevsk	14.21	1.71
ROSSIA	Moscow	14.08	1.69
ZHASO Life	Moscow	10.02	1.20
INGOSSTRAKH Life	Moscow	8.56	1.03
MSK Life	Moscow	8.16	0.98
URALSIB Life	Moscow	7.59	0.91
KOLYMSKAYA	Khabarovsk	7.54	0.91
NSG Life	Moscow	6.94	0.83
AVIVA	Moscow	6.33	0.76
ERGO Life	Moscow	5.81	0.70
ASKO Life	Naberezhnye Chelny	5.42	0.65
SOYUZ Life	Rostov-on-Don	4.97	0.60
GEOPOLIS	Moscow	4.84	0.58
FIRST 10 COMPANIES		673.24	80.85
FIRST 25 COMPANIES		815.31	97.91
TOTAL MARKET		832.69	100.00

TOP 25 - Personal insurance

Company	Region	GWP 2011	MARKET SHARE
		EUR m.	%
SOGAZ	Moscow	454.21	13.00
ALLIANZ	Moscow	207.05	5.93
ROSGOSSTRAKH	Lyubertsy	191.67	5.49
ZHASO	Moscow	188.32	5.39
GENERALI PPF Life	Moscow	164.69	4.71
RESO-Garantia	Moscow	162.89	4.66
ALFASTRAKHOVANIE	Moscow	158.33	4.53
INGOSSTRAKH	Moscow	150.51	4.31
VBT Insurance	Moscow	119.46	3.42
VSK	Moscow	118.03	3.38
SOGLASIE	Moscow	93.92	2.69
TRANSNEFT	Moscow	84.32	2.41
RENAISSANS Ins. Group	Moscow	71.62	2.05
MAKS	Moscow	61.90	1.77
AVIVA	Moscow	58.24	1.67
KARDIF	Moscow	55.53	1.59
URALSIB	Moscow	55.33	1.58
SURGUTNEFTEGAZ	Surgut	42.89	1.23
KAPITAL Insurance	Kogalym	42.61	1.22
ROSGOSSTRAKH Life	Moscow	40.95	1.17
ENERGOGARANT	Moscow	38.72	1.11
MSK Ins. Group	Kazan	37.55	1.08
YUGORIA	Khanty-Mansiysk	34.53	0.99
PROGRESS-GARANT	Moscow	30.67	0.88
ALIKO	Moscow	29.35	0.84
FIRST 10 COMPANIES		1,915.16	54.82
FIRST 25 COMPANIES		2,693.30	77.10
TOTAL MARKET		3,493.45	100.00

TOP 25 - Mandatory health insurance

Company	Region	GWP 2011	MARKET SHARE
		EUR m.	%
MAKS - M	Moscow	2,023.85	13.96
ROSNO - MS	Moscow	1,797.36	12.40
SOGAZ MED	Moscow	1,335.96	9.21
ROSGOSSTRAKH MED	Saint Petersburg	802.31	5.53
KAPITAL MED Insurance	Kogalym	773.90	5.34
SIBIRI	Kemerovo	630.06	4.35
SOVITA	Moscow	614.66	4.24
RESO-MED	Pavlovskiy Pasad	522.87	3.61
SPASSKIE VOROTA - M	Moscow	495.15	3.42
YUGORIA - MED	Surgut	420.23	2.90
INGOSSTRAKH-M	Moscow	383.42	2.64
AK BARS-MED	Kazan	314.96	2.17
URALSIB	Klimovsk	313.82	2.16
ALFASTRAKHOVANIE-MC	Moscow	222.90	1.54
ASTRAMED-MC	Yekaterinburg	193.61	1.34
NADEJDA	Krasnoyarsk	190.18	1.31
MEDSTRAKH	Moscow	183.75	1.27
DALI-ROSMED	Khabarovsk	177.87	1.23
SAHAMEDSTRAKH	Yakutsk	168.67	1.16
ASK-MED	Saint Petersburg	165.27	1.14
EMESK	Stavropol	155.18	1.07
East Insurance Alliance	Vladivostok	123.70	0.85
RUSSKIY MIR	Saint Petersburg	116.14	0.80
SAMARA-MED	Samara	108.50	0.75
GSMK	Saint Petersburg	105.17	0.73
FIRST 10 COMPANIES		9,416.35	64.95
FIRST 25 COMPANIES		12,339.47	85.11
TOTAL MARKET		14,498.88	100.00

TOP 25 - Property insurance (except liabilities)

Company	Region	GWP 2011	MARKET SHARE
		EUR m.	%
ROSGOSSTRAKH	Lyubertsy	971.22	11.72
INGOSSTRAKH	Moscow	854.76	10.31
SOGAZ	Moscow	794.53	9.59
RESO-Garantia	Moscow	652.59	7.87
SOGLASIE	Moscow	412.43	4.98
VSK	Moscow	407.60	4.92
ALFASTRAKHOVANIE	Moscow	390.10	4.71
MSK Insurance Company	Kazan	247.71	2.99
RENAISSANS Ins. Group	Moscow	226.00	2.73
ALLIANZ	Moscow	205.96	2.48
URALSIB	Moscow	139.92	1.69
YUGORIA	Khanty-Mansiysk	139.46	1.68
ZURICH	Moscow	120.53	1.45
MASK	Moscow	109.05	1.32
KAPITAL Insurance	Kogalym	108.37	1.31
GUTA Insurance	Moscow	97.65	1.18
TRANSNEFT	Moscow	86.59	1.04
ENERGOGARANT	Moscow	83.29	1.00
PROGRESS-GARANT	Moscow	80.29	0.97
VTB Insurance	Moscow	76.37	0.92
RUSSIAN INSURANCE CENTER	Moscow	67.87	0.82
ROSSIA	Moscow	56.19	0.68
GENERALI PPF Life	Moscow	55.04	0.66
ROSAGROSTRAKH	Korolev	51.39	0.62
NSG	Dolgoprudny	47.50	0.57
FIRST 10 COMPANIES		5,162.90	62.29
FIRST 25 COMPANIES		6,482.39	78.20
TOTAL MARKET		8,289.12	100.00



Insurance penetration degree, 1998-2011

	Overall insurance market	Overall market, except mandatory health insurance	Overall voluntary insurance	Voluntary insurance and MTPL, summed
1998	1,6%	1,1%	1,0%	1,0%
1999	2,2%	1,7%	1,7%	1,7%
2000	2,4%	2,0%	2,0%	2,0%
2001	3,3%	2,9%	2,9%	2,9%
2002	3,0%	2,5%	2,5%	2,5%
2003	3,4%	2,8%	2,6%	2,8%
2004	2,8%	2,2%	1,8%	2,1%
2005	2,3%	1,7%	1,4%	1,7%
2006	2,3%	1,5%	1,3%	1,5%
2007	2,3%	1,5%	1,2%	1,5%
2008	2,3%	1,3%	1,1%	1,3%
2009	2,5%	1,3%	1,1%	1,3%
2010	2,34%	1,24%	1,03%	1,23%
2011	2,43%	1,23%	1,04%	1,23%

Dynamics of insurance contracts, 2010-2011

Business line		2010	2011	Change
Overall market, except mandatory health insurance	ended	129,0	133,4	3,4%
	on going	81,3	84,1	3,5%
Overall voluntary insurance	ended	92,5	130,4	40,9%
	on going	47,4	47,4	0,1%
Life insurance	ended	3,7	4,5	21,6%
	on going	4,7	5,0	7,2%
Personal insurance	ended	66,2	63,0	-4,9%
	on going	24,1	21,2	-11,8%
Property insurance	ended	14,6	15,8	8,5%
	on going	13,1	14,4	10,0%
Liabilities	ended	5,0	7,3	46,1%
	on going	3,6	5,4	50,3%
Financial risks	ended	3,0	3,9	28,2%
	on going	2,0	2,5	29,9%
MTPL	ended	36,5	38,9	6,6%
	on going	33,9	35,5	4,9%

GWP, while the remaining 42 percentage points belong represent written premium for voluntary insurance products.

The most important class of the mandatory segment is the health insurance, with a 47.65% share of the total market GWP. In 2011, the premium production for this line of business amounted RUB 604.18 billion, 24.5% up as compared to 2010. MTPL insurance, the second ranking mandatory class, represents only 8.15% of the overall GWP and recorded in 2011 a 12.7% growth rate, up to RUB 103.3 billion.

On the voluntary side, Motor Hull holds the biggest slice of the market portfolio, of almost 13%. Premiums written for this line grew by 18.5% in 2011, up to RUB 164.5 billion.

Claims paid by Russian insurers amounted RUB 888.4 billion, 15.6% up as compared to 2010. The highest amount of paid claims was related to the mandatory health insurance line (RUB 585.25 billion). Disregarding this line of business, one should notice that the paid claim volume only grew by 3.3%. In this context, the Motor Hull class is responsible for about one third of the paid claims in 2011. According Andrey VESELKOV, the Russian insurance market recorded in 2011 the greatest claim in its history: RUB 7.5 billion were paid by INGOSSTRAKH for the failed launch of the Express AM4 satellite.



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



VIG leaves the market

Austrian VIG intends to sell its shares in two insurance companies from Russia, MSK and MSK Life, to VTB Bank. VIG now holds a minority share of 25% in MSK Life and of 3.45% in MSK.

VTB Bank belongs to the leading Russian financial VTB Group, operating across Russia, the CIS region and Georgia, and in particular countries of Western Europe, Asia and Africa.

According 4-traders.com, PPF Investments is also in talks to sell its 40% stake in Russian insurer INGOSSTRAKH to VTB Bank. INGOSSTRAKH has branches throughout Russia and offices in Azerbaijan, Kazakhstan, Ukraine, India and China. PPF Investments owns 38.5% of INGOSSTRAKH.

■ (DG)



Tajikistan



Mandatory insurance	75.00%
Voluntary insurance	25.00%

SOURCE:

NATIONAL BANK OF TAJIKISTAN

TAJIKISTAN'S CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 6.1565 SOMONI - TJS
(DECEMBER 31ST, 2011)
1 EUR = 5.9105 SOMONI - TJS
(DECEMBER 31ST, 2010)

Still in “infancy”

According our estimations, the total GWP amounted about EUR 20 million in 2011, respectively EUR 16 million in case of 2010, representing about 0.4% of GDP (EUR 4.9 billion in 2011 and EUR 4.2 billion in 2010 - published by the National Bank of Tajikistan), Tajik insurance industry being the smallest of the Central Asian CIS markets. Despite rapid growth in recent years, the insurance sector is still underdeveloped, highly concentrated, the majority of companies are undercapitalized, while many forms of insurance protection common in other parts of the world are not yet available.

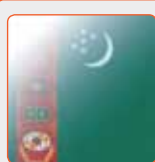
The most recent data indicates that there are 16 insurance companies, including two state owned companies TOJIKSUGURTA (which is the successor to TAJIK GOSSTRAXH) and TAJIKSARMOY-AGUZOR, and 14 private companies, of which the most important one is ORIEN Insurance.

Also, the Tajik's Insurance Law stipulates 16 types of mandatory insurance products, which defines the market portfolio (estimated), approximately 75% being covered by this type of insurance.

■ (VB)

Market portfolio as of December 31st, 2011 - estimations

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	20.00	16.00	25.00	100.00	100.00
Mandatory insurance	15.00	12.00	25.00	75.00	75.00
Voluntary insurance	5.00	4.00	25.00	25.00	25.00



Turkmenistan



Mandatory insurance	4.74%
Voluntary insurance	95.26%

SOURCE:

THE CENTRAL BANK OF TURKMENISTAN

STATE INSURANCE ORGANIZATION OF TURKMENISTAN

TURKMENISTAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 3.6908 MANAT - TMT
(DECEMBER 31ST, 2011)
1 EUR = 3.7737 MANAT - TMT
(DECEMBER 31ST, 2010)

Appetite for insurance

In 2011 the gross premium written in Turkmenistan was of EUR 45.7 million, 15% more as compared to a year before. 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. Responsible for the development of the insurance industry is “the only one” company that operates: TURKMEN GOSSTRAXH which can be translated into “State Insurance Organization of Turkmenistan”.

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 GOSSTRAXH which was taken into full state ownership in 1997, remaining the only one player. For a period of some years, this reality resulted in blocking the industries' development. At the same time, market penetration declined because TURKMEN GOSSTRAXH does not have the entrepreneurial spirit that the private insurers had.

In recent years, insurance market has rebounded, growing exponentially, demonstrating the “local appetite” for insurance.

■ (VB)

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2011	2010	Change	2011	2010
	EUR m	EUR m	%	%	%
TOTAL MARKET	45.66	39.63	15.19	100.00	100.00
Mandatory insurance	2.17	1.98	9.14	4.74	5.01
Voluntary insurance	43.49	37.65	15.51	95.26	94.99
Personal insurance	1.20	1.03	16.86	2.62	2.59
Property insurance	38.65	33.96	13.81	84.66	85.69
Liability insurance	3.64	2.66	36.76	7.97	6.72



Ukraine



Life insurance	9.23%
Personal insurance	12.37%
Property insurance	53.42%
Liabilities	4.46%
Mandatory insurance	20.53%



SOURCE:

NATIONAL BANK OF UKRAINE
INSURANCE TOP MAGAZINE

UKRAINIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 10.298053 HRYVNIA - UAH
(DECEMBER 31ST, 2011)

1 EUR = 10.573138 HRYVNIA - UAH
(DECEMBER 31ST, 2010)

Struggling to gain momentum

Gross written premium volume reported by the Ukrainian insurers in 2011 amounted UAH 14.33 billion, 9.70% up as compared to 2010, in nominal terms. Due to the 3% appreciation of the local currency, Hryvnia, in relation with Euro, the figures denominated in European currency show an even higher growth rate, of 12.63%, to EUR 1.39 billion.

Life insurance accounts only for a 9.2% share of the market portfolio, but the growth pace on this segment recorded an impressive value, of about 46% in local currency. Weak purchasing power and a strong distrust in almost saving products, motivated by the past experiences to see their savings grabbed by the state, are the main causes of the underdevelopment of the life insurance segment.

Yet, although growing to a less spectacular speed, non-life insurance remains the main line of business. Property insurance holds the "lion share" of the non-life market, representing over 53% of the total GWP. During 2011, yet, this class recorded a flat evolution, losing 6pp of its weight in the portfolio. Fortunately, the paid claims volume decreased by about 17%, improving the sectors technical balance.

Mandatory insurance classes, including MTPL, represent 20.5% of the market, and showed a positive change of 15.4% in 2011, up to UAH 2.94 billion.

Still, the overall development of the Ukrainian insurance market seems somehow disappointing and not responding to the market's players expectations. *In total, insurance in the country developed sluggishly, passively following fluctuations of the macroeconomic conjuncture, says Alexandr ZALETOV, Deputy Chairman of the Council of the League of Insurance Organizations of Ukraine and Editor in Chief, Insurance TOP Magazine.* He underscored that the share of insurance payments to Ukraine's GDP continues to decrease: *For instance, if in 2008 this index made up 1.7%, while in 2011 its value stood at only 1.3%, with a possible appreciation by the end of the year.*

Agricultural insurance close to return to the 2008 level

Despite the adverse economic conditions, the Ukrainian agricultural insurance market showed a continuous development, slowly recovering after the 2009 market shock determined by the cease of the state subsidies for insurance. According to the International Finance Corporation (IFC) figures, the amount of collected payments reached UAH 133.5 million, of which during the autumn-winter 2010/2011 season -106.3 million UAH, and in the Spring-Summer 2011 season the remaining UAH 27.2 million. The total number of contract was of about 2.700. In terms of insurance

Rate	2005	2006	2007	2008	2009	2010	2011
GWP, UAH million	12.8	28.5	117.1	155.4	42.0	84.0	133.5
Amount of state subsidies, UAH Million	5.8	12.5	47.8	72.8	0.0	0.0	0.0
Insured area, 10ha	39.0	67.0	236.0	117.0	51.0	55.0	77.0
Number of policies, units	910	1,330	4,397	1,637	1,980	1,960	2,694

Source: IFC

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,391.50	1,235.45	12.63	363.89	354.41	2.67	100.00	100.00
TOTAL LIFE	128.41	85.63	49.96	7.05	4.97	41.73	9.23	6.93
TOTAL NON-LIFE	1,263.09	1,149.82	9.85	356.83	349.44	2.12	90.77	93.07
Personal insurance	172.13	115.67	48.81	79.86	60.32	32.38	12.37	9.36
Property insurance	743.27	734.10	1.25	175.94	208.08	-15.45	53.42	59.42
Liabilities	62.02	58.91	5.29	2.91	2.38	22.61	4.46	4.77
Mandatory insurance	285.65	241.14	18.46	98.12	78.65	24.75	20.53	19.52

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



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

coverage for the cultivated lands, the 769.55 ha insured represent about 5% of the total cultivated surface of the country. The original, pre-crisis, expectations, for 10 -12% coverage in 2011, remained unfulfilled, while the market is still striving to get back, to the 2008 level.

In the fall of 2010 Ukraine had, according statistics, about 48,000 farmers, of which only about 2,000 had concluded insurance contracts to protect their crops, meaning that only 3-4% of the cultivated lands were covered by insurance. As compared with 2008, the peak year of the Ukrainian agricultural insurance business, this situation represented a drop of about 50%, down from 8% coverage and even more in terms of written premiums.

Starting 2005, the Ukrainian government introduced a state subsidy for agricultural insurance, partially covering the insurance premium paid by farmers. As a result, the agricultural insurance business grew constantly. In 2009, the state subsidy was ceased, leaving the industry to evolve exclusively on voluntary basis. As a first result, premium volume for this line of business dropped in 2009, as compared to 2008, by 3.5 times. One year later, the industry managed to double the 2009 amount, but was still far from regaining the 2008 status. Moreover, the growth in 2010 originated exclusively in the higher insurance rates, following the huge claims registered due to the adverse weather conditions. The very cold 2009-2010 winter and the drought during 2010's summer raised the loss ratio figure to an historical record of 184%.

In the 2010/2011 years, agricultural insurance was carried out 15 insurance companies.

In 2010, leading insurers of Ukraine, supported by IFC, established the Agri-Insurance Bureau-- a pool of insurance companies that join their resources to provide quality insurance services to farmers and improve their access to finance. The Bureau, supported by IFC, helps its members to organize quality training programs for the staff, negotiate re-insurance terms, ensure transparent loss adjusting, and conduct education campaigns for farmers.

Top 20 - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	RENESANS Life	31.38	10.96	186.39	24.44	12.80
2	ALICO Ukraine	21.17	18.68	13.34	16.49	21.81
3	GRAWE Life	14.57	14.09	3.36	11.35	16.46
4	TAS	13.29	12.13	9.56	10.35	14.16
5	UNIQA Life	9.74	4.83	101.85	7.59	5.64
6	PZU Ukraine	7.58	4.82	57.01	5.90	5.63
7	FIDEM Life	5.52	2.95	87.34	4.30	3.44
8	DELYTA Life	4.21	1.35	212.42	3.27	1.57
9	ASKA Life	3.51	1.05	235.41	2.73	1.22
10	LEMMA Life	2.93	1.97	48.73	2.29	2.30
11	VIG - Yupiter Life	2.65	1.50	76.04	2.06	1.76
12	KD Life	1.81	1.79	1.38	1.41	2.09
13	GARANT Life	1.58	1.86	-15.08	1.23	2.17
14	YLICHEVSKAYA	1.42	1.11	28.52	1.11	1.29
15	ORANTA Life	1.02	1.35	-24.10	0.80	1.58
16	UKRAINIAN Ins. Group VIG	0.87	1.02	-14.61	0.68	1.19
17	FORTE Life	0.84	0.29	192.12	0.65	0.34
18	UNIVERSALNA Ins. Company	0.77	0.58	33.49	0.60	0.67
19	SEB Life	0.71	0.31	132.70	0.55	0.36
20	GENERALI PPF	0.64	0.46	37.16	0.50	0.54
TOTAL MARKET		128.41	85.63	49.96	100.00	100.00

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

Top 20 - Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2011	2010	Change	2011	2010	Change	2011	2010
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	KREMENY	117.61	119.68	-1.73	2.06	1.67	23.78	9.31	10.41
2	AXA Insurance	70.74	68.29	3.60	28.60	31.82	-10.11	5.60	5.94
3	ORANTA	61.86	60.90	1.59	20.70	27.48	-24.68	4.90	5.30
4	UNIQA	61.70	49.97	23.47	31.30	20.91	49.74	4.88	4.35
5	PROVIDNA	58.74	42.97	36.70	27.59	22.19	24.31	4.65	3.74
6	LEMMA	57.88	36.79	57.33	2.27	12.87	-82.37	4.58	3.20
7	INGO Ukraine	49.32	41.35	19.26	23.36	18.25	27.98	3.90	3.60
8	UPSK	42.91	-	-	10.90	-	-	3.40	-
9	ASKA	40.78	27.50	48.29	14.51	11.36	27.73	3.23	2.39
10	UKRAINIAN Ins. Group VIG	39.59	38.55	2.68	20.33	25.05	-18.83	3.13	3.35
11	TAS	36.86	32.81	12.33	17.67	11.92	48.22	2.92	2.85
12	ALFA Insurance	34.91	3.49	900.37	9.00	1.97	356.17	2.76	0.30
13	ARSENAL Insurance	32.02	13.07	144.97	3.49	1.12	210.55	2.54	1.14
14	PZU Ukraine	31.59	26.29	20.16	11.42	9.83	16.22	2.50	2.29
15	DNEPROINMED	31.10	35.68	-12.84	1.63	1.63	0.09	2.46	3.10
16	GARANT-AVTO	27.55	-	-	14.12	-	-	2.18	-
17	UNIVERSALNA Ins.	24.55	23.55	4.23	7.73	8.20	-5.73	1.94	2.05
18	DOBROBUT	20.77	15.51	33.95	3.49	1.63	113.81	1.64	1.35
19	PROSTO Insurance	18.26	16.66	9.60	7.12	7.25	-1.89	1.45	1.45
20	VUSO	17.29	16.78	3.08	3.21	2.75	16.42	1.37	1.46
TOTAL MARKET		1,263.09	1,149.82	9.85	356.83	349.44	2.12	100.00	100.00

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

■ (DG)



Uzbekistan



■ Mandatory 28.30%
■ Voluntary 71.70%



SOURCE:

INFORMATION-RATING AGENCY SAIPRO
 NATIONAL BANK OF UZBEKISTAN

UZBEKISTAN'S CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2335.78 Som - UZS
 (DECEMBER 31ST, 2011)
 1 EUR = 2167.07 Som - UZS
 (DECEMBER 31ST, 2010)

Continued uptrend

Uzbekistan recorded in 2011 the second best economic growth rate in the Commonwealth of Independent States according to the UN report World Economic Situation and Prospects 2011 (WESP). In line with the forecast of the UN experts, the real gross domestic product (GDP) increased by 7.3% in 2011 (partially estimated), while, in 2012 Uzbekistan's economy is expected to rise by 7%.

In this context, alike during the previous years, in 2011 the insurance market of Uzbekistan has experienced tremendous double-digit growth in both market segments: voluntary and mandatory insurance.

In 2011, in Republic of Uzbekistan insurance companies have signed 6 million insurance contracts, and the volume of the gross written premiums rose to UZS 231.6 billion (EUR 99.15 million). This result shows a gradual quality increase of insurance services over the years. Therefore, the gross written premiums from 2007 till present has increased 3 times. Also, last year, insurance companies have paid claims of UZS 45,1 billion (EUR 19.31

million), stated Olimjon IKROMOV, Chief of the State Insurance Supervision of the Ministry of Finance of the Republic of Uzbekistan.

Last year, four new insurance companies were established: DD-General Insurance, HALK Sugurta, HAMKOR Sugurta, GROSS Insurance, indicating a constant investors' interest for this industry. Thus, the market player totalized

37 insurers one reinsurer and three brokers. In the near future, sound development of the insurance market and prudential reasons will require further capital increases. *According to the legislative amendments regarding the change of the minimum capital requirements for insurers, starting July 1, 2012 until 2015, Uzbek insurers need to boost the capital by almost 2 times. In 2011, the share capital of insurance companies reached UZS 240 billion, therefore, in the last five years the insurance market capitalization increased by about 2.5 times, explained Olimjon IKROMOV.*

■ (VB)

Top 10 - All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2011	2010	Change	2011	2010
		EUR m	EUR m	%	%	%
1	UZAGRO Insurance	16.01	13.04	22.76	16.15	16.15
2	UZBEKINVEST	13.66	10.72	27.36	13.77	13.28
3	ASIA Insurance	8.35	3.94	112.10	8.42	4.87
4	KAFOLAT	7.15	5.40	32.44	7.21	6.69
5	UVT Insurance	6.04	7.91	-23.68	6.09	9.79
6	TRANSINSURANCE Plus	5.44	2.38	128.71	5.48	2.94
7	ALFA Invest	5.05	4.25	18.86	5.09	5.26
8	KAPITAL Insurance	5.01	3.82	31.22	5.05	4.73
9	ALSKOM	4.20	3.22	30.23	4.23	3.99
10	TEMIRYOL Insurance	3.47	2.20	57.83	3.50	2.72
TOTAL MARKET		99.15	80.75	22.78	100.00	100.00

Market portfolio as of December 31st, 2011

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2011	2010	Change	2011	2010	Change	2011	2010
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	99.15	80.75	22.78	19.31	12.74	51.60	100.00	100.00
of which:								
by state insurance companies	37.18	28.15	32.09	5.87	5.40	8.64	37.50	34.86
by private insurance companies	61.97	52.61	17.80	13.44	7.34	83.22	62.50	65.14
of which:								
Mandatory insurance	28.06	21.56	30.14	na	na	-	28.30	26.70
Voluntary insurance	71.09	59.19	20.10	na	na	-	71.70	73.30



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