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by Media XPRIMM

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FY 2012

Regional & country profiles
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**CEE SURVEY
2008 - 2012**

Changing perspective in 5 steps
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COUNTRY PROFILE

CEE

ALBANIA	22	HUNGARY	34	POLAND	44
BOSNIA & HERZEGOVINA	24	KOSOVO TERRITORY	37	ROMANIA	48
BULGARIA	26	LATVIA	36	SERBIA	50
CROATIA	28	LITHUANIA	38	SLOVAK REPUBLIC	52
CZECH REPUBLIC	30	FYR OF MACEDONIA	40	SLOVENIA	54
ESTONIA	32	MONTENEGRO	42		

COUNTRY PROFILE

SEE

CYPRUS	56	GREECE	58	TURKEY	60
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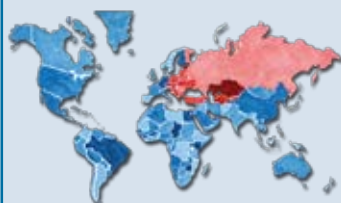
COUNTRY PROFILE

CIS

ARMENIA	64	KAZAKHSTAN	76	TAJIKISTAN	85
AZERBAIJAN	66	KYRGYZSTAN	78	TURKMENISTAN	85
BELARUS	68	MOLDOVA	80	UKRAINE	86
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This report 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), FYR of Macedonia (MK), Montenegro (MN),

Poland (PL), Romania (RO), Serbia (SB), Slovak Republic (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.



Daniela GHEȚU
Editorial Director

What if ...

After five years of crisis, the CEE insurance market managed to get in 2012 back to the 2008 level of gross written premiums. This is the first conclusion drawn from the 2012 figures that we have gathered in this report. For a region whose markets were booming at the crisis' onset, this seemingly positive news hides in fact a painful reality: 5 years of delay on the development road. What if ... the crisis had not existed?

In 2008, the average growth rate for the CEE countries, in terms of insurance premium volume, was of about 10%. A rough estimate, based on the idea that the region would have maintained a comparable dynamic, shows that for CEE insurers the crisis years have meant a business volume loss of about EUR 30 - 40 billion, more or less, one year's premium production.

Did the region gain something, in exchange to this lost potential business? One might say yes. Figures show for the most relevant markets in the region a certain gain in profitability. Known facts demonstrate a strong development of the retail segment, an improved response to the customer needs ... in short, a more proactive and innovative attitude which hopefully will survive to the hard times which have born it. Should we say that the crisis helped the CEE markets to travel faster on their way to maturity?

It is difficult to give a firm answer. Yet, in the following pages you may find in bear figures a radiography of the last five years in the CEE insurance markets.

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There is no doubt that the five years of crisis triggered in the CEE insurance market a series of important changes, speeding up the maturing process of the national markets and bringing about a resetting of priorities. As we have a much more complete picture right now after the publication of the 2012 results, we will try to review the main trends in the region.

Changing perspective in 5 steps



Daniela GHEȚU
Editorial Director

When the assumptions are changing

Being strongly and intimately related to the economies in the Eurozone, but at the same time seriously affected by their own economic weaknesses, the Central and Eastern Europe countries are still facing, after five years of economic downturn, a difficult situation with shrunk budgets and impoverished populations. Their recovery prospects remain uncertain despite the positive signals that are showing up.

At the end of the year 2012, 6 out of the 16 CEE countries for which we have information regarding the evolution of GDP – Romania, Hungary, Croatia, Slovenia, Serbia, Lethonia – were still below the level of 2008. Moreover, if the year 2011 showed an overall revival period in the region, the volatility wave brought about by the pinch of the Eurozone crisis triggered a new negative trend, many of the CEE countries confronting a strong relapse of the economic downturn. From there on, almost all the countries in the region, with a few exceptions, recorded a visible slowdown in the growth rhythm in 2012 over the year 2011, sometimes even to the limit of entering recession.

At the end of 2009, after the first year of crisis, an analysis carried out by the International Monetary Fund declared Poland as being the soundest of the region's economies, statement confirmed by the subsequent evolutions. Thus, Poland is the only country in the region that ended the year 2012 with a GDP of about 27% higher than the one achieved in 2008, even if in 2011 this country also recorded a decline. A special case is also the Czech Republic, which has managed to have better results than the regional average almost throughout the whole period.

While leaving it to the specialized analysts to carry out a detailed analysis of the macroeconomic evolutions in the region, we will stick to briefly "recapping" the main factors that led to the CEE region, considered an European growth motor before the crisis, being affected by the crisis even more strongly than the advanced economies of the EU founding countries. Each of these also played a part in the evolution of the insurance markets in the region.

Certainly, the strong dependency of these states on the economies in the Eurozone had a very important role

considering that, for many of the CEE countries, the Eurozone represented not only the main market for the exported products, but also the main source of foreign capital direct investments. Consequently, the slowdown of the Western economies was directly and immediately mirrored in the CEE economies, with dramatic effects in the Baltic countries. On the other hand, in many of the countries in the region, the pre-crisis years brought about an accelerated growth of the population's indebtedness in foreign currencies, mainly Euro. The Baltic countries as well as Romania and Hungary represent convincing examples in this respect. On the whole, the unbalances created by the massive euroization of the CEE economies required substantial correction, during the crisis, by the depreciation of the exchange rates and, especially where this was not possible, by the unemployment growth.

The way in which the CEE countries reacted to the crisis also had a strong impact on the insurance industries in the region. The austerity measures introduced on a limited term or not, the modification of the fiscal systems, the hesitant measures meant to sustain the job market or the total lack of such measures had direct negative effects on the population's purchasing power and on the evolution of certain economic sectors that were "fueling" the insurance industry.

In terms of the occupation degree, the CEE countries, with few exceptions, saw the end of the year 2012 with unemployment rates significantly higher than those in 2008. According to EUROSTAT statistics, even if Macedonia is the only country in the region where the unemployment indicators have continuously improved since 2008 until now, it continues to be the CEE country in which the job deficit is the highest, with an unemployment rate of over 30%. Bosnia & Herzegovina are nearing a similar "record" after a 5-year increase in the number of unemployed people (of about 20%), reaching 28% in 2012. Even though for these two countries the work place situation, as difficult as it may seem, is not basically very different from that of 2008, in Serbia the job deficit has risen by over 50% in the last five years, reaching 23%. As a matter of fact, despite the fact that the values of the unemployment rate in 2012 in the remaining CEE countries are somewhat lower, between 7 and 15%, one should notice that, with the exception of Romania, these values represent a level which in many cases is double than that reached in 2008. It should also be mentioned that, although in most of the cases the year 2010 represented a peak in the job deficit, there are also countries such as Slovenia, Bulgaria, Poland, Lethonia, and Albania where the

deterioration of the workplace balance continued, worsening in 2011 and 2012.

Overall, the five years of crisis materialized for the insurers into a much more difficult economic environment, in which the potential insured – physical or corporate entities – owned diminished resources for expenses with the risk management. More so, the economic sectors that provided an important business volume to the insurers – such as constructions, goods transportation, car sales and the related leasing operations, etc. – significantly reduced their activity, at least temporarily. Last but not least, the population's saving capacity dwindled to a great extent and, on top of that, the trust in the financial services had a lot to suffer. We will see in what follows how all this state of affairs was reflected in the insurance activity and results in the CEE region in 2008 – 2012.

Starting point

The year 2008, the moment when the first wave of the financial crisis hit, found the markets in the region with a clearly set reputation, as being the growth tank for insurance in Europe. With a penetration degree visibly lower than that of the mature markets in the European Union – 3.4% in comparison with the EU average, 7.7% - but recording every year double-digit growth rates, the young markets of Eastern and Central Europe were offering a promising land for the European insurers to develop their businesses. And even if in 2008 the total premiums volume underwritten in the region was not more than 3.2% of the total underwritings at the EU level, the area's potential was considered very high, especially on medium and long term, once the economic development of the region would have been reflected in a higher living standard of the citizens, which would have allowed them to spend larger amounts on insurance. Viewed from this perspective, the situation may afford a clear explanation of the behavior that most of the big companies entering the region adopted on the market – the fight for the market share which would ensure them as large a customer base as possible in the future, and a less obvious concern for making a profit. This is why these markets have turned mostly to motor insurance, a class which also benefited from the substantial car sales growth, offering the underwriting increase basis that could be capitalized on the soonest. However, in terms of profitability these underwritings have always been a source of losses rather than profit.

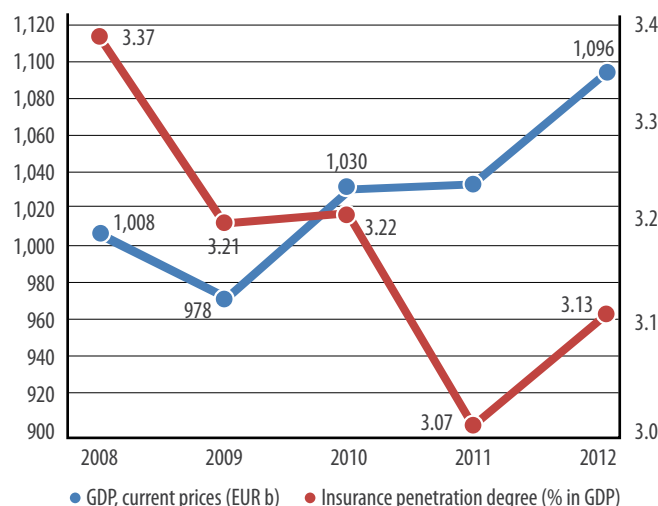
Crisis – short story in 5 acts

The end of the year **2008** brought about the first effects of the subprime mortgage crisis visible also in the insurance industry. Globally, these have been propagated in most of the cases through the depreciation of assets which affected the insurers' solvability margins for a while. However, the most

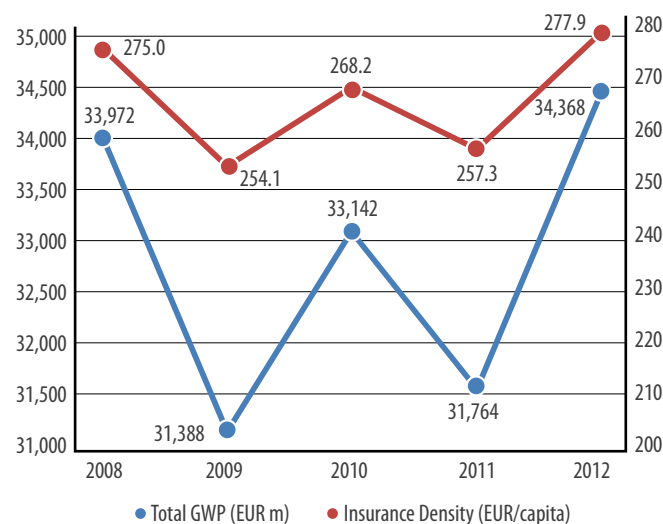
CEE aggregated basic macroeconomic & insurance indicators 2008 - 2012

Indicator	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	1,096.3	1,033.2	1,029.7	978.3	1,008.0
Population (millions)	123.7	123.5	123.6	123.5	123.5
Insurance density (EUR/capita)	277.9	257.3	268.2	254.1	275.0
Insurance penetration degree (% in GDP)	3.1	3.1	3.2	3.2	3.4

GDP and insurance penetration degree (2008-2012)



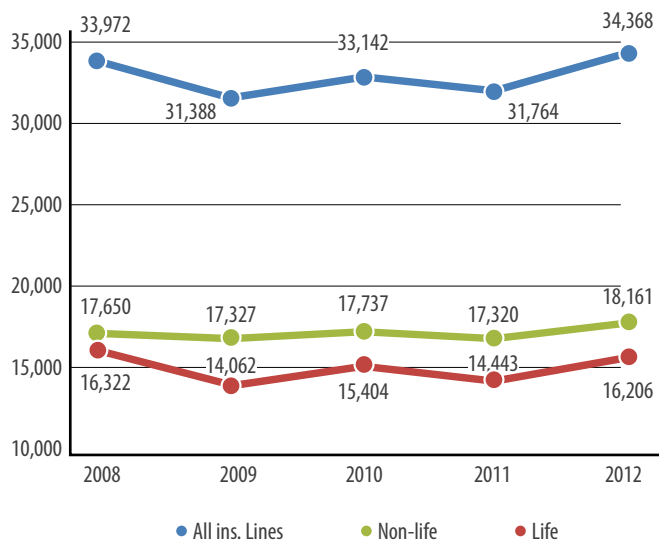
GWP and insurance density (2008-2012)



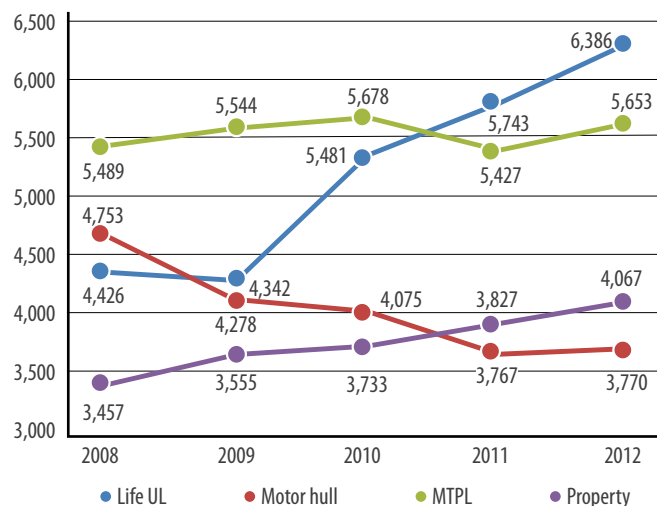
Central and Eastern Europe - GWP and CLAIMS 2008-2012

Business line	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
TOTAL MARKET	34,367.6	31,763.7	33,141.9	31,387.9	33,972.3	20,964.5	19,815.7	20,338.1	20,268.9	17,032.1
LIFE, of which:	16,206.1	14,443.5	15,404.5	14,061.9	16,321.9	11,199.8	10,305.3	9,734.3	10,304.4	7,891.6
Unit-linked	6,385.6	5,743.2	5,481.5	4,341.8	4,426.1	3,424.3	2,936.1	2,467.1	1,995.0	2,506.1
NON-LIFE, of which:	18,161.4	17,320.3	17,737.4	17,326.6	17,650.4	9,668.5	9,961.9	10,504.9	9,869.2	9,039.0
Motor hull	3,769.9	3,767.3	4,075.1	4,277.9	4,752.5	2,432.0	2,709.7	3,111.7	3,177.0	2,999.6
MTPL	5,652.7	5,427.1	5,677.8	5,544.2	5,489.4	3,122.6	3,171.0	3,278.6	3,258.9	3,018.6
Property	4,066.9	3,827.0	3,733.1	3,554.6	3,457.2	1,609.9	1,671.0	2,180.2	1,578.6	1,511.1

Main insurance lines (2008-2012, EUR million)



Main life and non-life insurance lines (2008-2012, EUR million)



obvious impact was provoked by the companies specialized in mortgage or professional liability insurance of the D&O (Directors & Officers) și E&O (Errors & Omissions) types. In Central and Eastern Europe, region in which these types of insurance held a marginal place in the insurers' portfolios, the only markets that suffered visibly due to a dramatic drop in GWP as compared with the previous year, were Hungary and Estonia, where the underwritings for life insurance – especially in the Unit-Linked or single premium classes – decreased by over 10%.

The year **2009** represented the “peak” moment in what concerns the effects of the crisis on the CEE insurance markets and, even if at the regional level it ended with a drop in the underwritings over 2008, of 7.7%, this result can be considered really encouraging after the results recorded at midyear, when the business volume drop rate was of 21%. In June 2009 only the Albania's, Bosnia's & Herzegovina's and Slovenia's markets were on a positive trend in terms of variation in the premiums volume, while Hungary's and the Baltic countries' markets, probably the CEE economies most affected by the crisis, were showing double-digit drops. To add an extra negative touch to the midyear results, the claims volume recorded in the same period a growth of over 19%.

However, the end-of-year picture of 2009 was somewhat less dramatic than the summer revealed. Thus, the decrease in underwritings remained at less than 8%, figure which was yet higher than the stretching of the region's economies (5%). Lethonia and Lithuania, with GWP drops of over 20%, followed by Romania, with approx. 13% and Hungary, with almost 10%, were the markets on which the crisis made itself felt the most powerfully, while reflecting the overall poor performance of the country. However, except these “peaks”, one can say that 2009 was obviously the year in which the underwriting negative performance was generalized in the whole region. The only markets in the region that managed to end 2009 with positive results were the very small size ones in the ex-Yugoslavia countries, along with Slovenia and the Czech Republic.

Finally, it should be added that, to a certain extent, this dynamics springing from the markets results expressed in Euro was also affected by the dramatic depreciation of some of the national currencies. Moreover, the insurance markets results mirrored other phenomena triggered by the economic crisis. A relevant example could be the fall by about 20% of the life insurance market in Poland, which represented in 2009 almost a quarter of the total CEE underwritings and which had a heavy weight in the region's dynamics. At the origin of this event was the artificial growth of the life insurance segment in Poland in the pre-crisis years, when life insurance was used as an incentive that was actually hiding a means of fiscal optimization and salary-related costs reduction.

The year **2010** could be characterized as one of crisis dampening, in which the first signs of revival were also felt in the region's insurance industry. However, it should be mentioned that the markets depending to a great extent on motor insurance – Romania, Croatia, Bulgaria – had an obvious delay in what concerns the re-entry on an upward trend, while the austerity measures that expanded in the whole region largely affected the growth potential of small markets. Among the Baltic countries, while Estonia's market was strongly picking up even at mid 2010, it was only at the end of the year that Lithuania managed to go back on a positive trend, and Lethonia continued losing in the underwritings volume until the end. The only notable positive performances that reminded of the fast growth in the region before the crisis belonged to the Czech Republic (+14.27%) and Poland (+9.4%), markets which largely benefited from the reopening of the investment “appetite” of the public.

2011 was perhaps the most uneven year in terms of the evolutions of the region's markets. After a start under good omens, which seemed to confirm the region's economies were coming back on a positive trend, the end of the year was marked by a visible slowdown of the economy. Moreover, even if in some countries the economic growth pushed the GDP indicators towards values close to those recorded in 2008, the performance of the whole region remained affected by relatively high unemployment and the population's low purchasing power. Thus, considering the interval of about half a year necessary for the insurance markets to reflect the trends present in each country's economy, the economic growth in the first part of the year was only partially capitalized on by insurers in 2011, and the CEE countries' underwriting results were very diverse: from an increase of 19% recorded by Lethonia, to a drop of 13% in Hungary. While looking for a possible common denominator of these evolutions, one could reach the conclusion that most probably the economic growth model adopted by each country and, very importantly, the degree to which this prepares the ground for an increase in the population's individual incomes, are the key factors in relation

Insurance density and penetration degree

	Insurance density (EUR/capita)					Insurance penetration degree (% in GDP)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	19.8	18.6	18.4	17.9	18.0	0.7	0.6	0.7	0.7	0.7
BOSNIA & HERZEGOVINA	66.5	64.2	61.9	60.1	59.2	1.9	1.9	1.9	1.9	1.8
BULGARIA	113.1	112.6	110.6	113.7	121.7	2.1	2.1	2.3	2.5	2.6
CROATIA	272.1	275.9	283.4	290.8	298.1	2.7	2.8	2.9	2.9	2.8
CZECH REP.	579.0	570.9	592.5	520.4	500.2	4.0	4.0	4.1	3.8	3.6
ESTONIA	257.4	232.7	233.8	228.7	217.5	2.0	2.0	2.2	2.2	1.8
HUNGARY	261.9	262.3	301.9	304.0	335.0	2.7	2.9	3.2	3.2	3.4
LATVIA	173.5	155.7	127.6	146.9	219.0	1.6	1.6	1.5	1.7	2.1
LITHUANIA	172.2	162.5	136.7	133.8	171.6	1.6	1.6	1.6	1.7	1.8
FYR of MACEDONIA	55.2	53.7	51.2	49.2	51.0	1.5	1.5	1.5	1.5	1.6
MONTENEGRO	107.5	104.5	96.4	102.1	94.7	2.0	2.0	2.0	2.2	2.0
POLAND	393.9	335.8	358.2	327.7	372.8	3.9	3.8	3.8	3.8	4.6
ROMANIA	88.8	87.1	92.9	97.7	113.2	1.4	1.4	1.6	1.8	1.7
SERBIA	71.4	72.4	71.5	76.5	80.4	1.9	1.8	2.0	2.0	2.0
SLOVAK REP.	388.9	375.4	371.6	367.1	389.2	3.0	3.0	3.1	3.2	3.1
SLOVENIA	991.0	1,020.3	1,023.3	1,020.1	1,008.8	5.7	5.8	5.9	5.8	5.4
TOTAL CEE	277.9	257.3	268.2	254.1	275.0	3.1	3.1	3.2	3.2	3.4

Overall insurance lines

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	64.1	60.0	59.1	57.1	57.3	20.2	15.9	16.5	12.5	12.5
BOSNIA & HERZEGOVINA	258.3	249.6	241.3	234.5	231.7	96.2	94.9	99.02	95.5	100.7
BULGARIA	820.2	825.1	830.1	859.7	925.9	392.3	375.2	398.4	394.4	351.7
CROATIA	1,197.7	1,214.3	1,251.9	1,288.1	1,321.7	610.7	605.2	595.1	654.4	626.9
CZECH REP.	6,109.7	6,011.3	6,224.9	5,447.6	5,192.7	3,508.1	3,302.6	3,299.7	2,861.6	2,570.3
ESTONIA	344.9	311.8	313.3	306.4	291.6	204.8	190.3	185.8	184.1	161.8
HUNGARY	2,609.3	2,619.6	3,023.4	3,049.0	3,365.1	1,961.9	1,928.2	2,164.1	1,927.4	1,937.2
LATVIA	354.2	323.0	270.7	317.7	480.1	187.5	177.7	158.0	218.9	260.6
LITHUANIA	518.0	492.3	449.5	446.6	576.3	315.1	313.0	270.9	307.0	293.1
FYR of MACEDONIA	114.0	110.7	105.4	101.1	104.6	49.0	48.9	48.6	48.4	51.8
MONTENEGRO	66.9	64.8	62.2	65.6	60.6	-	-	-	-	-
POLAND	15,322.8	12,939.4	13,672.7	12,497.5	14,210.5	9,774.9	9,012.9	9,307.1	9,778.6	7,086.5
ROMANIA	1,895.7	1,862.4	1,991.9	2,098.6	2,435.9	1,050.0	1,063.1	1,200.4	1,277.4	1,172.6
SERBIA	540.5	547.7	535.8	560.0	590.8	220.8	227.9	219.7	234.7	237.0
SLOVAK REP.*	2,115.0	2,040.2	2,014.8	1,985.4	2,100.1	1,192.5	1,176.6	1,132.0	1,034.1	963.7
SLOVENIA	2,036.4	2,091.5	2,094.8	2,072.9	2,027.7	1,380.6	1,283.2	1,242.8	1,239.9	1,205.6
TOTAL CEE	34,367.6	31,763.7	33,141.9	31,387.9	33,972.3	20,964.5	19,815.7	20,338.1	20,268.9	17,032.1

*In case of Slovak Republic, all 2012 figures are according to SLASPO. For 2008-2011, the figures are according to NBS.

to the insurance market evolution. This would explain, at least partially, why countries with a similar economic growth have had very different evolutions of their insurance markets.

Actually, the “mixed” trends of the year 2011 continued to a certain extent in 2012, when, at another level and magnitude, the CEE countries faced with a new crisis wave, this time generated by the financial unbalances in the Eurozone. Even if in GDP terms only Slovenia and Serbia recorded a clear economic fall, the growth rhythm in the whole area was again slowed down, which meant the delay of the real economic pickup. In this context, the CEE insurance market came back to positive coordinates, showing an aggregated growth rate of almost 8%. Nevertheless, one should notice that this positive result is greatly due to the spectacular increase, of over 18%, recorded by the Polish insurance market. If Poland is excluded from the calculations, the aggregated growth of the region remains slightly under 1%, in the conditions in which 5 out

of the 8 large-sized markets in the region also maintained a downward trend in 2012. More so, it should be mentioned that the appreciation of the national currency in 2012 was an extra “help” in “making up” the results in Poland, the Czech Republic and Hungary.

The major part played by the Polish insurance market can easily be observed by looking over the analysis of the results in their absolute expression. Thus, if overall the CEE market managed to come back to and even slightly exceed the level of 2008, this result is due greatly to the spectacular growth reported by the Polish insurers, the aggregated underwritings volume of the other countries being still almost EUR1 billion less than the total amount recorded in the starting year of the crisis. Consequently, the Polish market weight in the region’s total volume grew in comparison with the reference year by about 3pp, to 44.7%. The Czech Republic is the second CEE market that succeeded in 2012 to underwrite almost EUR

Overall life insurance

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	6.3	7.7	6.1	5.2	4.2	1.1	0.8	0.5	0.6	0.4
BOSNIA & HERZEGOVINA	44.1	40.9	38.1	35.5	33.7	-	-	-	-	-
BULGARIA	137.1	128.7	127.1	114.9	142.3	42.3	51.4	51.7	47.0	48.1
CROATIA	326.2	322.9	332.8	340.6	347.6	188.1	172.0	140.6	127.5	93.2
CZECH REP.	2,865.9	2,791.1	2,863.7	2,275.1	2,112.9	1,846.1	1,630.6	1,458.3	1,262.1	1,135.4
ESTONIA	73.2	69.2	70.2	73.0	46.9	57.5	40.2	37.2	46.7	20.5
HUNGARY	1,382.5	1,429.5	1,607.9	1,534.5	1,755.2	1,370.0	1,308.0	1,331.5	1,165.9	1,151.8
LATVIA	34.8	35.4	46.7	39.6	48.0	18.7	14.8	20.6	31.1	23.9
LITHUANIA	166.4	162.4	156.3	140.1	154.8	113.0	97.7	59.6	66.7	78.4
FYR of MACEDONIA	9.7	8.1	5.8	4.9	4.3	1.5	1.3	0.9	1.6	1.7
MONTENEGRO	9.5	9.1	8.4	8.1	7.2	-	-	-	-	-
POLAND	8,898.1	7,210.8	7,930.9	7,371.5	9,343.8	6,339.4	5,902.2	5,705.9	6,743.0	4,633.9
ROMANIA	402.4	400.7	386.5	377.3	501.9	41.5	67.1	56.4	52.9	48.3
SERBIA	104.3	95.5	88.7	82.4	71.9	27.6	21.1	17.0	19.6	14.9
SLOVAK REP.	1,166.3	1,094.1	1,079.3	1,029.0	1,099.0	727.2	658.9	608.9	551.5	463.1
SLOVENIA	579.4	637.6	656.0	630.1	648.2	425.7	339.0	245.3	188.5	178.2
TOTAL CEE	16,206.1	14,443.5	15,404.5	14,061.9	16,321.9	11,199.8	10,305.3	9,734.3	10,304.4	7,891.6

Overall non-life insurance

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	57.8	52.3	53.0	51.9	53.1	19.1	15.1	16.0	12.0	12.2
BOSNIA & HERZEGOVINA	214.2	208.6	203.2	199.0	197.9	-	-	-	-	-
BULGARIA	683.1	696.4	702.9	744.9	783.5	350.0	323.8	346.7	347.4	303.7
CROATIA	871.6	891.4	919.1	947.5	974.1	422.5	433.2	454.5	526.9	533.7
CZECH REP.	3,243.8	3,220.3	3,361.2	3,172.6	3,079.8	1,662.1	1,672.0	1,841.4	1,599.5	1,435.0
ESTONIA	271.7	242.6	243.1	233.4	244.8	147.3	150.1	148.6	137.4	141.3
HUNGARY	1,226.7	1,190.1	1,415.6	1,514.5	1,609.9	591.8	1,166.6	832.6	761.5	784.7
LATVIA	319.4	287.6	224.0	278.1	432.1	168.8	162.9	137.4	187.9	236.7
LITHUANIA	351.5	329.9	293.2	306.5	421.5	202.1	215.3	211.3	240.3	214.7
FYR of MACEDONIA	104.2	102.6	99.6	96.1	100.2	47.5	47.6	47.7	46.8	50.1
MONTENEGRO	57.3	55.7	53.8	57.5	53.3	-	-	-	-	-
POLAND	6,424.6	5,728.6	5,741.8	5,126.1	4,866.7	3,435.5	3,110.7	3,601.3	3,035.6	2,452.6
ROMANIA	1,493.3	1,461.7	1,605.5	1,721.9	1,934.0	1,008.5	996.0	1,144.1	1,224.7	1,124.3
SERBIA	436.2	452.2	447.1	477.5	518.9	193.2	206.8	202.7	215.1	222.1
SLOVAK REP.	948.7	946.2	935.5	956.4	1,001.1	465.3	517.7	523.1	482.6	500.7
SLOVENIA	1,457.1	1,454.0	1,438.8	1,442.8	1,379.4	954.9	944.2	997.5	1,051.4	1,027.4
TOTAL CEE	18,161.4	17,320.3	17,737.4	17,326.6	17,650.4	9,668.5	9,961.9	10,504.9	9,869.2	9,039.0

1 billion over the level of the year 2008, gaining about 2pp in terms of the regional market share. At the opposite end, Hungary and Romania are the countries which still have to make up for more than half a billion EUR in order to be at the 2008's level again.

An overview of the evolution of the number of claims paid in the region in the last five years shows that, while the claims paid for non-life insurance policies reached in 2012 a level similar or even slightly inferior to that of 2008, on the life insurance segment the indemnities paid totalled about 30% more than in the reference year. Consequently, the total volume of claims paid in 2012, of about EUR 19.7 billion, is 20% higher than that of 2008. However, it should be mentioned that, in comparison with the previous years, the year 2012 brought about an improvement in the ratio between the paid claims and the underwritten premiums. Thus, after in 2009 this indicator was at a "historic peak" in the whole period, 0.64, in 2012 the value fell to 0.57.

Life insurance – a trend setter

The „history“ of the five crisis years clearly shows us that life insurance was the class that imprinted the general trend on the CEE markets. Whereas on the non-life segment the decline of the motor insurance business was compensated for and sometimes even exceeded by the growths on other insurance lines, especially property, maintaining the total underwritings figures at values almost comparable to the ones attained in 2008, the big oscillations on the life segment were those which set up the trend on the regional market, in a „W“ evolution.

However, let us say that, if the first downward branch of the „W“ was mainly a consequence of the crisis of trust in the financial services, generated by the events taking place on the international financial markets, the second downturn episode can be rather characterized as a „statistical accident“, as the strongly descending trend of the results for EUR was

Motor Hull insurance

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	3.9	4.5	4.3	4.2	4.0	3.1	3.5	3.3	3.2	2.4
BOSNIA & HERZEGOVINA	29.5	30.3	30.0	30.7	30.9	-	-	-	-	-
BULGARIA	213.0	226.4	253.7	308.1	352.9	140.0	146.8	167.7	196.4	174.5
CROATIA	95.5	105.9	120.3	137.4	157.5	81.8	87.0	99.4	111.0	108.0
CZECH REP.	576.7	576.0	624.0	631.9	626.5	414.1	429.3	471.4	404.8	392.2
ESTONIA	85.3	77.6	85.8	88.6	98.2	50.9	58.1	63.9	61.3	67.1
HUNGARY	221.6	227.5	291.7	328.0	369.6	138.4	155.9	190.2	204.8	217.8
LATVIA	64.0	58.0	53.3	68.6	143.6	39.0	40.3	38.6	56.1	89.5
LITHUANIA	83.1	74.2	64.7	71.1	116.1	57.5	61.4	61.4	65.2	74.9
FYR of MACEDONIA	12.4	8.8	13.0	13.2	13.5	8.1	8.7	8.8	8.7	8.0
MONTENEGRO	5.5	5.7	5.9	-	-	-	-	-	-	-
POLAND	1,376.5	1,304.9	1,325.8	1,189.9	1,247.9	841.5	838.1	976.2	912.0	746.3
ROMANIA	446.4	478.8	600.1	790.7	970.0	443.0	473.4	599.2	682.9	666.9
SERBIA	60.9	68.6	72.2	79.4	95.4	39.6	44.9	47.9	55.4	56.7
SLOVAK REP.	256.4	265.6	276.1	293.6	307.6	-	183.7	188.4	199.7	206.2
SLOVENIA	239.4	254.5	254.2	242.4	218.5	174.9	178.7	195.5	215.5	189.2
TOTAL CEE	3,769.9	3,767.3	4,075.1	4,277.9	4,752.5	2,432.0	2,709.7	3,111.7	3,177.0	2,999.6

Motor TPL insurance

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	32.8	26.8	30.6	30.4	32.2	12.2	8.9	10.5	7.6	7.4
BOSNIA & HERZEGOVINA	125.2	121.4	117.9	115.7	113.9	-	-	-	-	-
BULGARIA	267.3	268.6	246.6	225.2	196.3	157.8	137.0	120.3	106.8	82.5
CROATIA	389.6	389.8	391.3	400.0	399.0	144.7	157.8	162.7	194.7	223.2
CZECH REP.	789.6	812.6	911.0	921.1	895.5	430.8	431.0	438.1	423.6	399.5
ESTONIA	67.8	61.3	59.3	59.9	67.1	43.3	44.4	38.4	37.2	46.7
HUNGARY	260.9	278.8	405.3	452.9	456.4	200.9	199.9	245.0	276.5	272.4
LATVIA	120.8	111.5	72.6	89.7	124.2	71.8	71.6	48.0	53.1	71.0
LITHUANIA	123.1	112.9	104.7	105.6	127.8	70.5	68.0	65.3	72.2	74.7
FYR of MACEDONIA	53.3	53.1	49.8	46.0	51.6	22.9	24.2	24.5	24.4	27.6
MONTENEGRO	31.5	30.0	28.3	31.1	NA	-	-	-	-	-
POLAND	2,185.8	1,947.0	1,902.7	1,736.7	1,680.1	1,332.4	1,237.3	1,334.0	1,256.2	1,050.6
ROMANIA	484.6	465.0	592.9	531.4	501.0	418.0	391.0	387.3	376.0	341.6
SERBIA	170.0	178.8	178.3	190.7	187.5	73.5	82.3	75.5	83.1	78.0
SLOVAK REP.	286.0	286.1	283.6	284.7	320.6	-	162.2	160.0	162.8	159.1
SLOVENIA	264.5	283.4	302.9	323.0	336.3	143.8	155.2	169.0	184.6	184.3
TOTAL CEE	5,652.7	5,427.1	5,677.8	5,544.2	5,489.4	3,122.6	3,171.0	3,278.6	3,258.9	3,018.6

mostly triggered by the pronounced depreciation of the Polish currency in 2011. It is also noticeable that, despite the difficult moment in 2009, when a big number of contracts were lapsed, the Unit-Linked life insurance products regained popularity, the sales on this segment growing continuously after 2009.

Motor insurance was in the period 2008 – 2012 the declared „Cinderella“ of the industry, recording a continuous fall on the optional motor insurance line and barely maintaining a relatively uniform level on the MTPL segment. Five years after the start of the crisis, the aggregated volume of the premiums underwritten for the optional motor insurance is 20% under the level of the year 2008, and if one eliminates Poland from the total CEE market, the difference grows to about 30%. Actually, Poland is the only market that succeeded, after a slight decrease in 2009, in reaching again the sustained upward trend on the optional motor insurance line, so that the 2012 underwritings exceeded by a little over 10% the volume

reached in 2008. For the Baltic countries, the last two years meant a coming back on the upward trend in the optional motor insurance segment, but the sales volume is still far from equalling the one in 2008.

The compulsory character of the MTPL insurance policies should have naturally, at least, maintained the value of the underwritings in this class. In reality, many countries in the region faced, even if temporarily, with dramatic drops in the sales volume, explainable only in part by the activity reduction of corporate operators that were insuring car parks. In fact, where there is available data about the number of the policies sold, one can notice there were no dramatic variations. However, the signals gathered from different CEE markets show that the total number of policies is currently a different structure, which continues a much more important percentage of policies signed for a six-month period. Even so, the crucial factor certainly remains the „war of prices“, a phenomenon

Overall Property insurance

	Gross written premiums (EUR million)					Paid claims/Indemnities (EUR million)				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
ALBANIA	12.2	10.1	7.7	5.9	5.7	2.3	1.6	1.3	0.7	1.8
BOSNIA & HERZEGOVINA	30.3	28.3	28.1	25.3	25.7	-	-	-	-	-
BULGARIA	132.9	132.2	133.7	142.1	132.7	33.7	22.1	29.5	20.6	20.4
CROATIA	171.7	175.5	181.1	186.0	184.0	104.4	98.2	92.0	105.9	103.5
CZECH REP.	828.6	797.9	804.1	750.5	699.4	354.2	390.2	485.3	377.1	322.1
ESTONIA	70.3	63.1	62.8	58.3	56.5	32.3	28.3	28.3	24.8	19.2
HUNGARY	525.5	473.8	505.5	510.0	520.4	187.2	190.5	322.7	193.7	208.9
LATVIA	51.6	47.0	42.1	45.4	63.6	23.7	23.3	19.0	16.3	23.8
LITHUANIA	67.9	70.5	60.4	64.5	99.1	30.2	49.4	35.2	35.5	36.3
FYR of MACEDONIA	22.6	20.3	20.8	19.4	19.7	9.6	7.9	7.7	7.5	7.2
MONTENEGRO	7.4	7.6	7.4	-	-	-	-	-	-	-
POLAND	1,259.6	1,090.4	1,049.7	905.1	796.7	598.8	529.8	776.2	430.4	341.4
ROMANIA	279.7	316.5	261.2	260.1	288.7	66.8	69.7	86.6	75.1	59.2
SERBIA	120.0	120.7	118.6	126.3	145.9	44.5	40.3	44.2	43.7	55.0
SLOVAK REP. (est. for 2012)	250.0	231.6	218.2	227.4	219.6	-	106.7	116.8	66.0	96.8
SLOVENIA	236.6	241.6	231.7	228.3	199.6	122.2	112.9	135.4	181.3	215.5
TOTAL CEE	4,066.9	3,827.0	3,733.1	3,554.6	3,457.2	1,609.9	1,671.0	2,180.2	1,578.6	1,511.1

determined by the competition becoming harsher on this market segment, which functioned as a liquidity generator. Overall, the combined effect of these factors, to which added the depreciation of the national currency, led the Hungarian market to end 2012 with an MTPL underwritings volume 42% lower than that of 2008. Similarly, but at a smaller scale, the Czech Republic, Slovakia and Slovenia recorded a 10 – 20% decline in the business volume for the MTPL class. At the opposite end, Poland reported a continuous growth of the GWP volume for the MTPL insurance, closing the year 2012 with underwritings 30% higher than in 2008.

Among the important lines of business, property insurance represents the only segment that, at least at the aggregated level, did not see any drop in the five years of crisis. At an individual level, the region's markets witnessed different oscillations, but the number of the countries ending 2012 with results inferior to those of 2008 on the property line is relatively low: Croatia, Lethonia, Lithuania, Romania and Serbia. On the other hand, Poland and the Czech Republic managed to maintain a permanent positive dynamics on this segment, ending 2012 with results significantly higher than those recorded in 2008 (+58%, respectively +18%).

The flight to profitability

One of the most important changes which the crisis years triggered on the CEE insurance markets is certainly the companies' drive to profit. Except for Romania, the market that constantly recorded a negative balance, all the important markets in the region whose profiles we have data for, managed to maintain a positive path, even to a level higher than that of 2008. This was true also for the Hungarian market which, strongly affected by the crisis from the underwritings point of view as well as from the fiscal one, succeeded in avoiding results „in red”, even though with a profitability much lower than in 2008. Reduction of costs of any kind seems to be the main concern of CEE insurers as well as of any European commercial entities in their activity.

But if it is true that, in order to obtain profitability, it is important to spend as little as possible, so is it legitimate to

say that, from a certain level on, the profitability improvement depends, in principle, on revenue growth. This simple truth became increasingly relevant in the crisis years and brought in the limelight the „mighty client”: their needs, their preferences, their ability to pay for a mix of benefits, their loyalty and, not least, the best means which their attention and trust can be attracted through. All these are aspects that put a high pressure on insurers to use their innovation potential that fortunately proved not to lack in many cases.

Technology is making itself felt more and more in the interaction with clients – in the information process, but also in sales and for sure in the post-sales services. After a period in which the products became increasingly complex, the reasons behind the sales and administration efficiency, but also the profile of the new generations of clients – more hurried, more synthetic, more oriented towards a remote access – are imposing a new word of command, „simplicity” – in structure, access, administration.

Finally, to end this report on the most difficult period in the „modern” history of the CEE insurance markets, it should be mentioned that probably these five years of crisis have serious chances of going on in the years to come. However, it is certain that the experience gathered and the mutations having happened in these years will leave the CEE markets much more prepared to capitalize, to the maximum extent, on the much-awaited moment of the true economic revival, when not only the GDP indicators, but also the living standard of the region's citizens, will improve.

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five years timeline tables containing the main macroeconomic and insurance business indicators for all the CEE countries

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FY 2012 in figures

CEE, SEE & CIS market indicators in national currencies

Country	Overall gross written premiums in local currency			Overall paid claims in local currency			EUR exchange rate		Local currency
	2012	2011	Nominal change	2012	2011	Nominal change	2012	2011	
	million	million	%	million	million	%			
Central and Eastern Europe - CEE									
ALBANIA	8,951.1	8,335.9	7.4	2,823.4	2,211.3	27.7	139.6	138.9	ALL
BOSNIA & HERZEGOVINA	505.1	488.1	3.5	188.2	185.6	1.4	2.0	2.0	BAM
BULGARIA	1,604.1	1,613.8	-0.6	767.3	733.9	4.5	2.0	2.0	BGN
CROATIA	9,037.6	9,144.2	-1.2	4,607.7	4,557.4	1.1	7.5	7.5	HRK
CZECH REP.	153,598.9	155,092.6	-1.0	88,194.3	85,207.9	3.5	25.1	25.8	CZK
ESTONIA	344.9	311.8	10.6	204.8	190.3	7.6	-	-	EUR
HUNGARY	760,054.6	815,038.3	-6.7	571,468.9	599,932.5	-4.7	291.3	311.1	HUF
KOSOVO TERRITORY	81.5	78.1	4.4	30.6	26.8	14.1	-	-	EUR
LATVIA	249.0	227.0	9.7	131.8	124.9	5.5	0.7	0.7	LVL
LITHUANIA	1,788.4	1,699.8	5.2	1,087.8	1,080.8	0.7	3.5	3.5	LTL
FYR OF MACEDONIA	7,008.1	6,808.3	2.9	3,013.7	3,006.2	0.2	61.5	61.5	MKD
MONTENEGRO	66.9	64.8	3.2	-	-	-	-	-	EUR
POLAND	62,642.6	57,150.6	9.6	39,961.6	39,808.2	0.4	4.1	4.4	PLN
ROMANIA	8,447.1	7,892.8	7.0	4,678.8	4,505.4	3.8	4.5	4.2	RON
SERBIA	61,463.7	57,314.0	7.2	25,104.5	23,847.1	5.3	113.7	104.6	RSD
SLOVAK REP.*	2,115.0	2,040.2	3.7	1,192.5	1,176.6	1.4	-	-	EUR
SLOVENIA	2,036.4	2,091.5	-2.6	1,380.6	1,283.2	7.6	-	-	EUR
Southeast Europe - SEE									
CYPRUS	819.1	841.3	-2.6	-	-	-	-	-	EUR
GREECE	4,307.2	4,823.6	-10.7	-	-	-	-	-	EUR
TURKEY	19,826.5	17,165.1	15.5	-	-	-	2.4	2.5	TRY
Commonwealth of Independent States - CIS									
ARMENIA	35,522.1	20,220.1	75.7	14,486.7	7,292.3	98.7	532.2	498.7	AMD
AZERBAIJAN	342.5	213.0	60.8	93.9	61.6	52.5	1.0	1.0	AZN
BELARUS	4,337,589.2	2,365,643.9	83.4	2,064,765.5	1,338,675.4	54.2	11,340.0	10,800.0	BYR
GEORGIA	515.5	321.1	60.5	264.7	221.9	19.3	2.2	2.2	GEL
KAZAKHSTAN	237,143.2	198,503.3	19.5	75,697.2	46,139.2	64.1	199.2	191.7	KZT
KYRGYZSTAN	733.4	725.8	-	-	-	-	61.0	60.1	KGS
MOLDOVA	1,087.4	1,006.3	8.1	430.3	348.4	23.5	15.6	16.3	MDL
RUSSIA	809,059.8	663,659.6	21.9	369,439.7	303,134.4	21.9	40.2	41.7	RUB
TAJIKISTAN	-	-	-	-	-	-	6.3	6.2	TJS
TURKMENISTAN	-	-	-	-	-	-	3.8	3.7	TMT
UKRAINE	21,500.8	22,693.5	-5.3	5,149.7	4,864.0	5.9	10.5	10.3	UAH
UZBEKISTAN	285,900.0	221,800.0	28.9	50,500.0	45,100.0	12.0	2,620.3	2,335.8	UZS

Used exchange rates used are at the end of the period. In the case of Romania and Moldova, the used exchange rates are average for the analyzed period

*In case of Slovak Republic, all 2012 figures are according to SLASPO. For 2011, the figures are according to NBS.



Life insurance	47.2%
Non-life insurance	52.8%
Unit-Linked insurance	18.6%
Other life insurance	28.6%
Motor Hull	11.0%
MTPL	16.4%
Property insurance	11.8%
GTPL insurance	3.8%
Other non-life insurance	9.8%

CEE - Overall market data

Country	Overall GWP			Change	Overall paid claims			Change	Regional market share	
	2012	2011	%		2012	2011	%		2012	2011
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
ALBANIA	64.1	60.0	6.9	20.2	15.9	27.1	0.2	0.2		
BOSNIA & HERZEGOVINA	258.3	249.6	3.5	96.2	94.9	1.4	0.8	0.8		
BULGARIA	820.2	825.1	-0.6	392.3	375.2	4.5	2.4	2.6		
CROATIA	1,197.7	1,214.3	-1.4	610.7	605.2	0.9	3.5	3.8		
CZECH REP.	6,109.7	6,011.3	1.6	3,508.1	3,302.6	6.2	17.8	18.9		
ESTONIA	344.9	311.8	10.6	204.8	190.3	7.6	1.0	1.0		
HUNGARY	2,609.3	2,619.6	-0.4	1,961.9	1,928.2	1.7	7.6	8.2		
LATVIA	354.2	323.0	9.7	187.5	177.7	5.5	1.0	1.0		
LITHUANIA	518.0	492.3	5.2	315.1	313.0	0.7	1.5	1.5		
FYR of MACEDONIA	114.0	110.7	2.9	49.0	48.9	0.3	0.3	0.3		
MONTENEGRO	66.9	64.8	3.2	-	-	-	0.2	0.2		
POLAND	15,322.8	12,939.4	18.4	9,774.9	9,012.9	8.5	44.6	40.7		
ROMANIA	1,895.7	1,862.4	1.8	1,050.0	1,063.1	-1.2	5.5	5.9		
SERBIA	540.5	547.7	-1.3	220.8	227.9	-3.1	1.6	1.7		
SLOVAK REP.	2,115.0	2,040.2	3.7	1,192.5	1,176.6	1.4	6.2	6.4		
SLOVENIA	2,036.4	2,091.5	-2.6	1,380.6	1,283.2	7.6	5.9	6.6		
TOTAL CEE	34,367.6	31,763.7	8.2	20,964.5	19,815.7	5.8	100.0	100.0		

CEE - Life insurance market data

Country	LIFE GWP			Change	Indemnities			Change	Weight in all GWP		Regional market share	
	2012	2011	%		2012	2011	%		2012	2011	2012	2011
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
ALBANIA	6.3	7.7	-17.8	1.1	0.8	35.7	9.8	12.8	0.0	0.1		
BOSNIA & HERZEGOVINA	44.1	40.9	7.6	10.3	9.5	8.2	17.1	16.4	0.3	0.3		
BULGARIA	137.1	128.7	6.5	42.3	51.4	-17.7	16.7	15.6	0.8	0.9		
CROATIA	326.2	322.9	1.0	188.1	172.0	9.4	27.2	26.6	2.0	2.2		
CZECH REP.	2,865.9	2,791.1	2.7	1,846.1	1,630.6	13.2	46.9	46.4	17.7	19.3		
ESTONIA	73.2	69.2	5.7	57.5	40.2	43.2	21.2	22.2	0.5	0.5		
HUNGARY	1,382.5	1,429.5	-3.3	1,370.0	1,308.0	4.7	53.0	54.6	8.5	9.9		
LATVIA	34.8	35.4	-1.6	18.7	14.8	26.2	9.8	11.0	0.2	0.2		
LITHUANIA	166.4	162.4	2.5	113.0	97.7	15.7	32.1	33.0	1.0	1.1		
FYR of MACEDONIA	9.7	8.1	20.4	1.5	1.3	15.0	8.5	7.3	0.1	0.1		
MONTENEGRO	9.5	9.1	5.3	-	-	-	14.3	14.0	0.1	0.1		
POLAND	8,898.1	7,210.8	23.4	6,339.4	5,902.2	7.4	58.1	55.7	54.9	49.9		
ROMANIA	402.4	400.7	0.4	41.5	67.1	-38.1	21.2	21.5	2.5	2.8		
SERBIA	104.3	95.5	9.2	27.6	21.1	31.0	19.3	17.4	0.6	0.7		
SLOVAK REP.	1,166.3	1,094.1	6.6	727.2	658.9	10.4	55.1	53.6	7.2	7.6		
SLOVENIA	579.4	637.6	-9.1	425.7	339.0	25.5	28.4	30.5	3.6	4.4		
TOTAL CEE	16,206.1	14,443.5	12.2	11,210.1	10,314.8	8.7	47.2	45.5	100.0	100.0		

CEE - Non-life insurance market data

Country	NON-LIFE GWP			Change	Paid claims			Change	Weight in all GWP		Regional market share	
	2012	2011	%		2012	2011	%		2012	2011	2012	2011
	EUR m.	EUR m.			EUR m.	EUR m.			%	%	%	%
ALBANIA	57.6	52.2	10.4	19.1	15.1	26.6	89.8	87.0	0.3	0.3		
BOSNIA & HERZEGOVINA	214.2	208.6	2.7	85.9	85.4	0.6	82.9	83.6	1.2	1.2		
BULGARIA	683.1	696.4	-1.9	350.0	323.8	8.1	83.3	84.4	3.8	4.0		
CROATIA	871.6	891.4	-2.2	422.5	433.2	-2.5	72.8	73.4	4.8	5.1		
CZECH REP.	3,243.8	3,220.3	0.7	1,662.1	1,672.0	-0.6	53.1	53.6	17.9	18.6		
ESTONIA	271.7	242.6	12.0	147.3	150.1	-1.9	78.8	77.8	1.5	1.4		
HUNGARY	1,226.7	1,190.1	3.1	591.8	1,166.6	-49.3	47.0	45.4	6.8	6.9		
LATVIA	319.4	287.6	11.1	168.8	162.9	3.7	90.2	89.0	1.8	1.7		
LITHUANIA	351.5	329.9	6.6	202.1	215.3	-6.2	67.9	67.0	1.9	1.9		
FYR of MACEDONIA	104.2	102.6	1.6	47.5	47.6	-0.1	91.5	92.7	0.6	0.6		
MONTENEGRO	57.3	55.7	2.9	-	-	-	85.7	86.0	0.3	0.3		
POLAND	6,424.6	5,728.6	12.2	3,435.5	3,110.7	10.4	41.9	44.3	35.4	33.1		
ROMANIA	1,493.3	1,461.7	2.2	1,008.5	996.0	1.3	78.8	78.5	8.2	8.4		
SERBIA	436.2	452.2	-3.5	193.2	206.8	-6.6	80.7	82.6	2.4	2.6		
SLOVAK REP.	948.7	946.2	0.3	465.3	517.7	-10.1	44.9	46.4	5.2	5.5		
SLOVENIA	1,457.1	1,454.0	0.2	954.9	944.2	1.1	71.6	69.5	8.0	8.4		
TOTAL CEE	18,161.2	17,320.2	4.9	9,754.4	10,047.3	-2.9	52.8	54.5	100.0	100.0		

CEE - Life Unit-Linked insurance

Country	UL GWP			UL Indemnities			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	EUR m.	EUR m.
ALBANIA	-	-	-	-	-	-	-	-
BOSNIA & HERZEGOVINA	-	-	-	-	-	-	-	-
BULGARIA	10.0	10.0	-0.3	2.9	4.7	-39.6	1.2	1.2
CROATIA	19.2	21.8	-11.8	9.9	7.9	26.2	1.6	1.8
CZECH REP.	1,503.5	1,418.0	6.0	701.6	508.4	38.0	24.6	23.6
ESTONIA	-	-	-	-	-	-	-	-
HUNGARY	896.3	957.3	-6.4	811.6	809.0	0.3	34.4	36.5
LATVIA	7.6	10.6	-28.1	7.9	3.2	142.2	2.1	3.3
LITHUANIA	116.8	114.7	1.9	54.8	63.8	-14.1	22.6	23.3
FYR of MACEDONIA	-	-	-	-	-	-	-	-
MONTENEGRO	-	-	-	-	-	-	-	-
POLAND	2,947.1	2,333.7	26.3	1,624.0	1,311.3	23.8	19.2	18.0
ROMANIA	142.8	144.6	-1.3	2.2	8.4	-73.6	7.5	7.8
SERBIA	-	-	-	-	-	-	-	-
SLOVAK REP.	406.7	338.4	20.2	-	83.0	-	19.2	16.6
SLOVENIA	335.6	394.1	-14.9	209.4	136.3	53.6	16.5	18.8
TOTAL CEE	6,385.6	5,743.2	11.2	3,424.3	2,936.1	16.6	18.6	18.1

CEE - Motor insurance

Country	OVERALL MOTOR INSURANCE GWP			OVERALL MOTOR INSURANCE CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%
ALBANIA	36.7	31.3	17.0	15.3	12.4	22.9	57.2	52.2
BOSNIA & HERZEGOVINA	154.7	151.6	2.0	65.4	65.9	-0.7	59.9	60.8
BULGARIA	480.4	495.0	-3.0	297.8	283.8	4.9	58.6	60.0
CROATIA	485.0	495.7	-2.2	226.5	244.8	-7.5	40.5	40.8
CZECH REP.	1,366.3	1,388.6	-1.6	844.9	860.3	-1.8	22.4	23.1
ESTONIA	153.1	138.9	10.2	94.3	102.5	-8.1	44.4	44.5
HUNGARY	482.4	506.3	-4.7	339.3	355.8	-4.6	18.5	19.3
LATVIA	184.8	169.4	9.0	110.7	111.9	-1.0	52.2	52.5
LITHUANIA	206.2	187.2	10.2	128.0	129.5	-1.1	39.8	38.0
FYR of MACEDONIA	65.7	61.9	6.1	31.0	32.8	-5.6	57.6	55.9
MONTENEGRO	37.0	35.8	3.4	-	-	-	55.3	55.2
POLAND	3,562.3	3,252.0	9.5	2,173.9	2,075.4	4.7	23.2	25.1
ROMANIA	931.0	943.7	-1.3	861.1	864.5	-0.4	49.1	50.7
SERBIA	230.9	247.4	-6.7	113.1	127.2	-11.0	42.7	45.2
SLOVAK REP.	542.4	551.6	-1.7	-	345.9	-	25.6	27.0
SLOVENIA	503.9	537.9	-6.3	318.8	333.9	-4.5	24.7	25.7
TOTAL CEE	9,422.6	9,194.4	2.5	5,620.0	5,946.5	-5.5	27.4	28.9

Country	MOTOR HULL				MTPL			
	GWP		CLAIMS		GWP		CLAIMS	
	2012	2011	2012	2011	2012	2011	2012	2011
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
ALBANIA	3.9	4.5	3.1	3.5	32.8	26.8	12.2	8.9
BOSNIA & HERZEGOVINA	29.5	30.3	20.7	20.7	125.2	121.4	44.7	45.1
BULGARIA	213.0	226.4	140.0	146.8	267.3	268.6	157.8	137.0
CROATIA	95.5	105.9	81.8	87.0	389.6	389.8	144.7	157.8
CZECH REP.	576.7	576.0	414.1	429.3	789.6	812.6	430.8	431.0
ESTONIA	85.3	77.6	50.9	58.1	67.8	61.3	43.3	44.4
HUNGARY	221.6	227.5	138.4	155.9	260.9	278.8	200.9	199.9
LATVIA	64.0	58.0	39.0	40.3	120.8	111.5	71.8	71.6
LITHUANIA	83.1	74.2	57.5	61.4	123.1	112.9	70.5	68.0
FYR of MACEDONIA	12.4	8.8	8.1	8.7	53.3	53.1	22.9	24.2
MONTENEGRO	5.5	5.7	-	-	31.5	30.0	-	-
POLAND	1,376.5	1,304.9	841.5	838.1	2,185.8	1,947.0	1,332.4	1,237.3
ROMANIA	446.4	478.8	443.0	473.4	484.6	465.0	418.0	391.0
SERBIA	60.9	68.6	39.6	44.9	170.0	178.8	73.5	82.3
SLOVAK REP.	256.4	265.6	-	183.7	286.0	286.1	-	162.2
SLOVENIA	239.4	254.5	174.9	178.7	264.5	283.4	143.8	155.2

CEE - Property insurance

Country	OVERALL PROPERTY INSURANCE GWP			OVERALL PROPERTY INSURANCE CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%
ALBANIA	12.2	10.1	21.2	2.3	1.6	46.7	19.1	16.8
BOSNIA & HERZEGOVINA	30.3	28.3	6.9	7.8	7.9	-0.6	11.7	11.3
BULGARIA	132.9	132.2	0.5	33.7	22.1	52.5	16.2	16.0
CROATIA	171.7	175.5	-2.2	104.4	98.2	6.3	14.3	14.5
CZECH REP.	828.6	797.9	3.9	354.2	390.2	-9.2	13.6	13.3
ESTONIA	70.3	63.1	11.5	32.3	28.3	14.2	20.4	20.2
HUNGARY	525.5	473.8	10.9	187.2	190.5	-1.7	20.1	18.1
LATVIA	51.6	47.0	9.8	23.7	23.3	1.7	14.6	14.5
LITHUANIA	67.9	70.5	-3.6	30.2	49.4	-38.7	13.1	14.3
FYR of MACEDONIA	22.6	20.3	11.4	9.6	7.9	20.3	19.8	18.3
MONTENEGRO	7.4	7.6	-2.4	-	-	-	11.1	11.7
POLAND	1,259.6	1,090.4	15.5	598.8	529.8	13.0	8.2	8.4
ROMANIA	279.7	316.5	-11.6	66.8	69.7	-4.1	14.8	17.0
SERBIA	120.0	120.7	-0.7	44.5	40.3	10.4	22.2	22.0
SLOVAK REP. (est. for 2012)	250.0	231.6	8.0	-	106.7	-	11.8	11.4
SLOVENIA	236.6	241.6	-2.1	122.2	112.9	8.2	11.6	11.6
TOTAL CEE	4,066.9	3,827.0	6.3	1,617.7	1,678.9	-3.6	11.8	12.0

Country	FIRE AND ALLIED PERILS				DAMAGES TO PROPERTY			
	GWP		CLAIMS		GWP		CLAIMS	
	2012	2011	2012	2011	2012	2011	2012	2011
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
ALBANIA	8.7	7.4	2.2	1.2	3.6	2.7	0.1	0.4
BOSNIA & HERZEGOVINA	14.1	15.2	3.2	3.6	16.1	13.1	4.6	4.2
BULGARIA	102.4	103.4	23.2	15.7	30.5	28.8	10.5	6.4
CROATIA	77.7	75.2	39.8	32.5	94.0	100.4	64.6	65.7
CZECH REP.	496.9	480.8	192.1	226.7	331.7	317.1	162.0	163.6
ESTONIA	46.6	40.4	16.6	12.9	23.7	22.6	15.7	15.4
HUNGARY	309.2	277.5	105.3	110.6	216.3	196.3	81.9	79.9
LATVIA	36.8	33.4	19.1	19.0	14.7	13.6	4.6	4.2
LITHUANIA	-	-	-	-	-	-	-	-
FYR of MACEDONIA	9.9	7.8	4.2	2.1	12.7	12.5	5.4	5.9
MONTENEGRO	3.7	4.4	-	-	3.7	3.2	-	-
POLAND	709.8	639.8	281.2	317.7	549.8	450.6	317.6	212.1
ROMANIA	243.5	278.5	48.7	56.3	36.2	37.9	18.0	13.4
SERBIA	41.4	42.1	15.1	7.9	78.5	78.7	29.4	32.4
SLOVAK REP.	-	-	-	-	-	-	-	-
SLOVENIA	111.1	98.8	46.6	40.3	125.5	142.8	75.6	72.7

CEE - GTPL insurance

Country	GTPL INSURANCE GWP			GTPL INSURANCE CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%
ALBANIA	2.4	1.5	61.2	0.0	0.0	-93.4	3.8	2.5
BOSNIA & HERZEGOVINA	2.8	2.6	7.2	0.5	0.4	20.0	1.1	1.0
BULGARIA	16.7	15.0	11.1	3.9	3.0	27.9	2.0	1.8
CROATIA	38.2	38.4	-0.5	17.3	14.4	20.3	3.2	3.2
CZECH REP.	494.1	481.2	2.7	244.1	241.9	0.9	8.1	8.0
ESTONIA	10.6	8.8	19.8	3.3	3.2	2.8	3.1	2.8
HUNGARY	59.8	53.6	11.4	13.2	15.2	-13.1	2.3	2.0
LATVIA	17.6	12.8	37.8	2.5	1.5	64.4	5.0	4.0
LITHUANIA	20.6	19.4	5.9	4.3	3.4	26.7	4.0	3.9
FYR of MACEDONIA	2.3	1.9	22.3	0.2	0.2	3.3	2.0	1.7
MONTENEGRO	0.9	0.9	1.1	-	-	-	1.4	1.4
POLAND	427.2	326.0	31.0	150.2	142.5	5.4	2.8	2.5
ROMANIA	95.5	63.7	49.8	13.1	12.0	9.2	5.0	3.4
SERBIA	10.0	10.1	-0.4	2.4	2.2	9.9	1.9	1.8
SLOVAK REP. (est. for 2012)	60.0	56.1	6.9	-	12.5	-	2.8	2.8
SLOVENIA	57.8	52.6	9.9	26.0	28.0	-7.0	2.8	2.5
TOTAL CEE	1,316.4	1,144.7	15.0	481.0	480.4	0.1	3.8	3.6

TOP 120 life insurance companies in CEE Region - as at December 31st, 2012

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2012	2011	Change
				EUR m	EUR m	%
1	PL	1	PZU ŻYCIE	2,278.1	2,220.2	2.6
2	PL	2	BENEFIA TU na ŻYCIE VIG	891.9	200.5	344.9
3	PL	3	OPEN LIFE TU ŻYCIE	815.2	142.3	472.7
4	PL	4	TUnŻ WARTA	655.5	563.5	16.3
5	PL	5	TU na ŻYCIE EUROPA	596.2	580.8	2.7
6	PL	6	AVIVA TUnŻ	448.4	409.7	9.4
7	CZ	1	ČESKÁ pojišťovna	435.3	433.0	0.6
8	PL	7	ING TUnŻ	432.3	461.7	-6.4
9	PL	8	TU ALLIANZ ŻYCIE POLSKA	423.7	347.6	21.9
10	PL	9	AMPLICO LIFE	416.7	377.7	10.3
11	PL	10	NORDEA POLSKA TU na ŻYCIE	351.2	384.5	-8.7
12	CZ	2	KOOPERATIVA VIG	249.0	232.5	7.1
13	SK	1	ALLIANZ Slovenská	244.1	248.7	-1.9
14	SK	2	KOOPERATIVA poisťovňa VIG	241.8	233.2	3.7
15	PL	11	GENERALI ŻYCIE TU	234.5	201.8	16.2
16	CZ	3	PČS VIG	227.9	205.8	10.7
17	HU	1	ING	225.7	242.8	-7.0
18	PL	12	AXA ŻYCIE TU	225.2	213.6	5.4
19	CZ	4	ING - ŽP	197.3	197.3	0.0
20	PL	13	AEGON TU na ŻYCIE	193.3	168.3	14.8
21	SL	1	TRIGLAV	191.8	200.9	-4.5
22	PL	14	STUnŻ ERGO HESTIA	181.9	195.7	-7.1
23	PL	15	COMPENSA TU na ŻYCIE VIG	157.4	119.3	31.9
24	HU	2	ALLIANZ	146.8	155.1	-5.3
25	HU	3	GROUPAMA	143.5	147.0	-2.4
26	CZ	5	ČSOBP Pojišťovna	137.6	130.1	5.8
27	HU	4	GENERALI-PROVIDENCIA	129.8	129.7	0.1
28	PL	16	BZ WBK - AVIVA TUnŻ	129.8	105.7	22.8
29	HU	5	MPÉ Hungarian Post Life	123.8	99.2	24.8
30	HU	6	AEGON	123.8	129.5	-4.4
31	RO	1	ING Asigurari de Viata	121.8	130.4	-6.6
32	SK	3	AMSLICO poisťovňa	117.5	118.7	-0.9
33	CZ	6	AXA - ŽP	110.7	115.9	-4.5
34	SK	4	KOMUNÁLNA poisťovňa VIG	106.7	104.0	2.6
35	CZ	7	GENERALI Pojišťovna	105.7	100.0	5.8
36	CZ	8	ALLIANZ	101.1	82.8	22.1
37	SL	2	MODRA Zavarovalnica	94.8	139.9	-32.2
38	PL	17	SKANDIA ŻYCIE TU	93.5	92.7	0.8
39	RO	2	BCR Asig. de Viata VIG	92.4	79.3	16.5
40	PL	18	HDI - GERLING ŻYCIE TU	87.9	141.9	-38.1
41	HU	7	UNIQA	81.5	76.8	6.0
42	PL	19	TUnŻ CARDIF POLSKA	80.2	78.1	2.7
43	SK	5	GENERALI Slovensko	79.2	83.6	-5.2
44	PL	20	UNIQA TU na ŻYCIE	78.6	92.4	-15.0
45	SK	6	ING Ž.p.	78.5	80.2	-2.1
46	HU	8	CIG Pannónia Life	77.3	90.2	-14.3
47	SL	3	MARIBOR	77.0	75.4	2.1
48	CZ	9	METLIFE AMCICO	66.3	65.9	0.6
49	RO	3	METROPOLITAN Life	56.5	59.4	-5.0
50	HU	9	MetLife (AVIVA)	54.4	68.0	-20.0
51	HR	1	ALLIANZ Zagreb	54.3	49.6	9.6
52	SK	7	ČSOB Poisťovňa	53.3	47.8	11.4
53	SK	8	PSS VIG	53.0	44.3	19.8
54	CZ	10	KOMERČNÍ pojišťovna	53.0	53.8	-1.5
55	SK	9	AXA životní poisťovna	52.4	50.6	3.6
56	HU	10	ERSTE	51.9	45.7	13.6
57	SL	4	KD ŽIVLJENJE	51.3	62.5	-18.0
58	HR	2	CROATIA	48.2	45.4	6.2
59	CZ	11	ČPP VIG	48.0	45.1	6.4
60	CZ	12	UNIQA	47.6	46.0	3.5

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2012	2011	Change
				EUR m	EUR m	%
61	PL	21	PRAMERICA ŻYCIE TU IR	42.6	34.8	22.7
62	HU	11	AXA	42.5	52.0	-18.3
63	CZ	13	AEGON	40.7	33.6	21.3
64	SL	5	MERKUR	39.9	40.3	-0.9
65	LT	1	Swedbank Life Ins. SE Lf	37.7	40.4	-6.7
66	HU	12	K&H	36.7	46.1	-20.3
67	SL	6	NLB VITA	35.6	30.1	18.4
68	LT	2	SEB Gyvybės draudimas	35.4	31.6	12.0
69	CZ	14	METLIFE (ex. AVIVA)	34.9	33.9	2.8
70	HR	3	MERKUR	33.8	33.9	-0.3
71	EE	1	SWEDBANK Life Ins. SE	33.6	36.2	-7.1
72	SK	10	WŮSTENROT poisťovňa	33.5	30.3	10.7
73	HR	4	GRAWE Hrvatska	33.2	32.7	1.7
74	SK	11	AEGON Ž.p.	33.0	30.1	9.5
75	LT	3	AVIVA Lietuva	32.6	28.0	16.4
76	PL	22	POLISA - ŻYCIE	32.2	27.7	16.4
77	HU	13	UNION	31.9	34.5	-7.5
78	SK	12	UNIQA poisťovňa	31.6	29.8	6.0
79	HU	14	SIGNAL	30.8	27.1	13.8
80	BG	1	ALLIANZ Bulgaria Life	30.7	28.9	6.1
81	HU	15	GRAWE	28.1	26.7	5.2
82	SB	1	DELTA GENERALI	27.2	23.8	14.0
83	HR	5	AGRAM životno	26.9	26.7	1.1
84	HR	6	BASLER osig. Zagreb	26.6	26.7	-0.4
85	PL	23	TU SKOK ŻYCIE	25.8	27.0	-4.4
86	SB	2	WIENER	24.2	23.5	2.8
87	EE	2	COMPENSA Life VIG SE	23.7	17.3	36.6
88	HR	7	KVARNER VIG	22.6	24.8	-8.9
89	SL	7	GENERALI	22.1	19.6	12.5
90	RO	4	ALLIANZ-TIRIAC	21.0	20.4	3.1
91	SL	8	GRAWE	20.4	21.6	-5.6
92	BG	2	BULSTRAD Life VIG	19.0	14.6	30.1
93	SB	3	GRAWE	19.0	18.7	1.7
94	RO	5	ASIROM VIG	18.9	19.3	-2.3
95	RO	6	GENERALI Romania	18.8	22.0	-14.8
96	HU	16	AHICO (MetLife)	18.2	20.5	-11.2
97	LT	4	MANDATUM Life Ins. Baltic SE Lf	17.5	24.2	-27.6
98	BG	3	DZI Life Insurance	16.5	16.9	-2.2
99	LT	5	ERGO Life Insurance SE	16.2	15.2	6.6
100	SL	9	WIENER STÄDTISCHE	15.6	14.9	4.6
101	HR	8	Generali	15.5	16.7	-6.8
102	HR	9	ERSTE VIG	15.3	13.9	10.7
103	HR	10	HELIOS VIG	15.3	16.4	-6.6
104	BG	4	UNIQA Life	15.0	13.4	11.9
105	RO	7	BRD Asig. de Viata	13.9	10.5	33.1
106	HR	11	UNIQA	12.4	13.4	-7.2
107	SL	10	ADRIATIC Slovenica	12.3	12.6	-2.2
108	SK	13	ERGO Ž.p.	12.1	12.7	-4.6
109	EE	3	SEB Elu- ja Pensionikindlustus	12.1	11.7	3.3
110	RO	8	GRAWE Romania	12.0	12.7	-5.9
111	BG	5	UBB-ALICO	11.7	9.8	20.0
112	HU	17	DIMENZIÓ	11.7	12.9	-9.4
113	BIH	1	MERKUR BH	11.2	10.7	4.9
114	PL	24	CONCORDIA CAPITAL	11.2	9.1	22.7
115	CZ	15	CARDIF Pojišťovna	11.1	9.9	11.8
116	HU	18	MKB Life	10.7	9.9	8.8
117	SK	14	UNION poisťovňa	10.5	11.2	-5.6
118	LT	6	COMPENSA Life VIG SE Lf	10.4	7.7	34.6
119	RO	9	GROUPAMA Asigurari	10.4	13.4	-22.3
120	SL	11	TILIA	10.0	10.3	-2.9

TOP 120 non-life insurance companies in CEE Region - as at December 31st, 2012

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2012	2011	Change
				EUR m	EUR m	%
1	PL	1	PZU SA	2,067.8	1,867.2	10.7
2	PL	2	TUIR WARTA	852.7	516.0	65.2
3	CZ	1	ČESKÁ pojišťovna	754.7	762.4	-1.0
4	PL	3	STU ERGO HESTIA	670.9	599.5	11.9
5	CZ	2	KOOPERATIVA VIG	626.8	627.6	-0.1
6	SL	1	TRIGLAV	453.8	494.0	-8.1
7	PL	4	TUIR ALLIANZ POLSKA	433.8	421.2	3.0
8	SK	1	ALLIANZ Slovenská	339.0	349.5	-3.0
9	HR	1	CROATIA	310.6	325.5	-4.6
10	HU	1	ALLIANZ	307.3	308.1	-0.2
11	PL	5	UNIQA TU	282.2	236.7	19.2
12	CZ	3	ALLIANZ	280.1	274.9	1.9
13	PL	6	INTERRISK VIG	275.0	241.1	14.1
14	SL	2	VZAJEMNA	270.9	249.1	8.8
15	PL	7	COMPENSA TU VIG	268.6	233.7	14.9
16	PL	8	GENERALI TU	258.3	217.7	18.6
17	SL	3	ADRIATIC Slovenica	256.5	252.7	1.5
18	SK	2	KOOPERATIVA poisťovňa VIG	250.0	253.1	-1.3
19	RO	1	ASTRA Asigurari	248.7	234.0	6.3
20	HU	2	GENERALI-PROVIDENCIA	247.3	254.3	-2.8
21	RO	2	OMNISIG VIG	230.6	283.8	-18.8
22	CZ	4	GENERALI Pojišťovna	207.6	224.4	-7.5
23	SL	4	MARIBOR	186.9	187.8	-0.5
24	PL	9	MOJE TU	183.2	155.5	17.8
25	CZ	5	ČPP VIG	181.9	172.2	5.6
26	RO	3	ALLIANZ-TIRIAC	181.0	191.6	-5.5
27	CZ	6	ČSOBP Pojišťovna	173.9	154.8	12.4
28	RO	4	GROUPAMA Asigurari	170.7	153.7	11.1
29	CZ	7	UNIQA	164.5	153.9	6.9
30	SB	1	DUNAV	147.5	139.8	5.5
31	HU	3	GROUPAMA	147.3	140.1	5.1
32	HU	4	AEGON	144.8	134.8	7.4
33	HR	2	EUROHERC	129.4	132.8	-2.6
34	PL	10	GOTHAER TU	124.6	108.3	15.1
35	EE	1	If P&C Insurance AS	115.2	113.9	1.1
36	RO	5	ASIROM VIG	115.0	128.9	-10.8
37	RO	6	UNIQA Asigurari	113.3	90.5	25.3
38	LT	1	Lietuvos draudimas	110.0	102.3	7.5
39	PL	11	TUW TUW	109.4	83.5	30.9
40	HU	5	UNIQA	104.9	93.9	11.7
41	SK	3	GENERALI Slovensko	101.9	106.7	-4.5
42	RO	7	EUROINS Romania	101.6	69.0	47.3
43	PL	12	TU EUROPA	92.5	106.8	-13.4
44	PL	13	PTR	91.9	70.3	30.8
45	PL	14	CONCORDIA POLSKA TUW	91.8	73.8	24.4
46	SL	5	TRIGLAV Zdravstvena	91.5	80.2	14.0
47	PL	15	AVIVA TU OGÓLNYCH	90.2	76.2	18.5
48	HR	3	ALLIANZ Zagreb	90.0	86.6	4.0
49	BG	1	ARMEEC	87.4	82.7	5.7
50	BG	2	BULSTRAD VIG	83.9	74.2	13.1
51	HR	4	JADRANSKO	83.1	85.0	-2.2
52	BG	3	LEV INS	81.1	73.4	10.6
53	CZ	8	CARDIF Pojišťovna	80.9	76.1	6.3
54	SB	2	DELTA GENERALI	80.9	80.2	0.9
55	PL	16	LINK4 TU	78.7	70.2	12.1
56	RO	8	GENERALI Romania	78.1	98.7	-20.8
57	BG	4	DZI - General Ins.	75.8	86.5	-12.4
58	SL	6	TILIA	72.6	68.6	5.8
59	SK	4	UNIQA poisťovňa	70.8	70.1	0.9
60	BG	5	ALLIANZ Bulgaria	69.2	72.6	-4.8

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2012	2011	Change
				EUR m	EUR m	%
61	PL	17	TU EULER HERMES	69.2	58.5	18.2
62	PL	18	BENEFIA TU VIG	67.7	58.8	15.0
63	SB	3	DDOR	67.1	89.0	-24.6
64	RO	9	CARPATICA ASIG	66.9	47.2	41.9
65	SL	7	GENERALI	66.1	66.6	-0.8
66	HU	6	UNION	61.0	47.2	29.2
67	RO	10	CITY Insurance	59.2	47.2	25.5
68	SK	5	KOMUNÁLNA poisťovňa VIG	58.8	55.1	6.9
69	HU	7	K&H	56.9	65.5	-13.1
70	PL	19	TUW SKOK	53.3	59.9	-10.9
71	BG	6	BUL INS	53.2	70.8	-24.9
72	PL	20	TUW TUZ	50.5	30.6	64.9
73	EE	2	SEESAM Insurance AS	47.9	26.3	82.0
74	LT	2	PZU Lietuva	46.9	39.7	18.2
75	PL	21	BRE UBEZPIECZENIA TUIR	46.8	35.2	32.9
76	LT	3	BTA	46.3	38.3	20.9
77	LT	4	ERGO Lietuva	45.3	41.6	8.7
78	PL	22	AXA TUIR	45.1	33.3	35.2
79	BG	7	EUROINS	44.0	39.1	12.5
80	EE	3	SWEDBANK Varakindlustus	42.4	39.0	8.7
81	EE	4	ERGO Kindlustus	41.7	38.7	7.7
82	BG	8	UNIQA Insurance	40.3	40.3	-0.1
83	PL	23	BZWBK - AVIVA TU OGÓLNYCH	37.2	28.8	29.4
84	HR	5	TRIGLAV	37.0	43.1	-14.2
85	HR	6	KVARNER VIG	32.0	34.7	-7.9
86	SK	6	UNION poisťovňa	31.8	32.2	-1.2
87	BiH	1	SARAJEVO	31.4	30.4	3.2
88	SB	4	UNIQA Nezivot	30.6	28.8	6.2
89	BG	9	VICTORIA	30.4	28.4	7.1
90	CZ	9	AXA	29.6	18.7	58.2
91	HR	7	Generali	29.6	26.9	9.8
92	BG	10	ENERGIA	29.5	28.7	2.5
93	CZ	10	SLAVIA	28.4	29.5	-3.9
94	PL	24	TU INTER POLSKA	27.9	21.4	30.5
95	LT	5	AAS "Gjensidige Baltic" Lf	27.5	22.0	25.2
96	MN	1	LOVČEN Insurance	27.3	29.4	-7.2
97	HU	8	MP Hungarian Post	27.1	24.5	10.6
98	CZ	11	TRIGLAV	27.1	26.0	3.9
99	HR	8	BASLER osig. Zagreb	27.0	28.0	-3.6
100	LT	6	If P&C Insurance AS Lf	26.6	28.5	-6.5
101	SB	5	WIENER	25.6	25.5	0.2
102	SK	7	ČSOB Poistovňa	25.4	24.2	4.8
103	BG	11	OZK Insurance	25.3	16.8	50.9
104	BG	12	GENERALI Insurance	25.1	28.1	-10.6
105	HR	9	HOK	24.6	23.5	4.9
106	HU	9	KÖBE	24.6	22.7	8.7
107	SK	8	WÜSTENROT poisťovňa	23.9	25.7	-7.1
108	HU	10	AIG	23.8	20.7	14.9
109	HR	10	SUNCE	22.3	22.9	-2.7
110	BiH	2	EUROHERC	21.5	20.7	3.7
111	BiH	3	BOSNA-SUNCE	21.2	21.1	0.4
112	SL	8	SID-PKZ	20.4	21.1	-3.1
113	MK	1	TRIGLAV	20.0	20.2	-0.7
114	SB	6	TAKOVO	19.7	22.0	-10.6
115	RO	11	GARANTA Asigurari	19.5	18.2	6.8
116	HR	11	GRAWE Hrvatska	18.6	19.4	-4.0
117	CZ	12	ČESKÁ pojišťovna Zdravi	18.5	16.9	9.7
118	CZ	13	HVP	18.2	18.7	-2.5
119	HR	12	UNIQA	17.5	17.6	-0.2
120	AL	1	SIGAL UNIQA Group Austria	17.5	17.1	1.9

The VIENNA Insurance Group is one of the largest listed international insurance groups in CEE, with a strong presence across the region. According to the 2012 results, VIG reported a 16% decrease on the Romanian market. However, the difficult economic background is balanced by a long-term potential, and the Group does not perceive Romania as the “black sheep”. You may read in the following pages about the Austrian Group’s view with regard to the current trends both in the Romanian and regional insurance markets, in an ...

Interview with

Mr. Franz FUCHS

Member of the Managing Board VIG

President of the Supervisory Council of ASIROM VIG

XPRIMM: Has the financial crisis changed the way in which VIG approaches the CEE markets and especially Romania?

Franz FUCHS: No, not at all. We have faced in various countries a certain political and economical impact and we are used to being in similar situations. The Romanian situation is tougher and, by the size of our investment here, a more potent one. We are not happy about the overall development, but we know that this country is undergoing severe changes on this economic environment. We know it will take time, and we don’t believe that in 1-2 years the recovery will be done. This is not feasible. It will take time, but time is something that we have. We have enough experience to deal with difficult situations and we have started these strategic and structural changes in our group in Romania – the merger, for example, so we have been a little bit prepared for this situation, but, like everybody, we have underestimated the magnitude of this economic drop. In 2-3 years these things will calm down and I see a positive outlook for the CEE countries.

XPRIMM: We have recently seen the financial results of the VIG Group and in Romania you reported a 16% decrease...

F.F.: We don’t see Romania as a black sheep. We have invested in more than 50 companies and, so far, during its life cycle, a company in a country goes up and down. Unfortunately it seems to go more downward in Romania than we have

expected, even though we have invested quite a lot. If you have a portfolio like ours, with 50 companies, you balance something – we have companies where we have much better results than what was expected. We have an extremely solid financial background and we are not changing our strategic approach because of problems in one country.

There is a real price war in the motor insurance field. This situation is really bullshit!

We are doing nothing else but insurance and only in the CEE countries. Romania is an important country in the long run and in 5 years we will look back and we will see that we have gained momentum out of this situation. Unluckily not everybody is treating this country professional enough and cares for necessary changes. So we have the market involvement, on the one hand, the political situation, on the other – plus that the insurance industry itself is not fighting shoulder to shoulder to get on the right direction...

We also have a fierce competition: a price war in the current economic situation is completely stupid. And that is why we have taken our hands off the MTPL motor pricing fights.

XPRIMM: What are, in your opinion, the 3 main issues which affect the development of the market?

F.F.: The first is the economy as such – if profit is not invested in projects, wealth is not growing and people take money out of the country. All in all, this is affecting the insurance market. The second element is that we have not so solid legal environment in the insurance industry. The treatment of claims, the bodily injuries – we cannot foresee easily enough how much we have to pay, sooner or later, for any claim. We are suffering from foreign claims, because there are millions of people living abroad, having claims there, and, this is not a surprise, the transport is pretty much relocated in Romania – the European transport industry, because it is so cheap: the insurance industry is selling policies for a few hundred or few thousands RON as compared with a few thousands EUR in Europe. There is a real price war in the motor insurance field. This situation is really bullshit! To have a contract of 150 or 250 RON on motor insurance doesn’t make sense at all.

XPRIMM: Do you encounter these problems in other CEE markets as well or is the Romanian market special?

F.F.: The economies dropped in a couple of countries, but not as much as here. The problem of increasing foreign claims is a solid one in Romania and visible in the other countries, because in CEE we see much more tourism. We have this phenomenon: the transport industry has shifted from the old Europe to the new Europe in emerging countries. We can see that in the transport industry based on the area, not only because of low priced insurance, we are offering the prices that

we experienced in the last 10 years, but 10 years ago it was not European transport. Now it is predominantly European transport multiplied by 4. Therefore we are suffering in various countries. But it is also a local market... We made a study, in Austria 50% of the claims are based for bodily injuries, and in countries like these are between 16% and less than 20%. If the other claims do not disappear and you have one fifth of all claims, you have to increase the prices, you cannot cover it very well.

So we have low prices, high commissions - these issues appear in all countries. There are two different reactions if you want to resist on the market - one is to restructure and to reduce your expenses to get the economic benefit within the company, and the second one is start a fierce competition, but fierce competition does not work. If all the environment in the insurance industry would be fine from the claims point of view, foreign claims and bodily injuries than you can start a war.

XPRIMM: During the XPRIMM Forecast Meeting most of the CEO stated that the MTPL tariffs will increase in 2013. Can you comment on that?

F.F.: I think that when it comes to the MTPL business our objective is the security of our insured because, if we are leaking money due to highly insufficient premiums, sooner or later the financial solidity of the insurance company will become questionable. And what is worrying us is that we took hands off this price dumping in MTPL and saved the insured but now we have with three companies a concentration of MTPL business of 75%. Considering this, if anything happened, the whole industry would suffer, so our interest is that the authorities undertake all the steps to protect all the insurance companies - this is not playing with one's money, is playing with the money of all people and then all the other insurance companies suffer. Others that pay solid claims will suffer, so this scenario is far too negative to risk and, in Europe, the European rule says that the market concentration is about 30-35% and more is not allowed... so the Competition Council should act because 75% is an extreme market concentration. And I appreciate very much the initiative of the CSA saying that we have to have over 90% combined ratio in the calculation. But I would like to see the calculation from the others.

In MTPL, the clients say "I don't care for the prices because if a third party gets damaged the insurer has to pay". If the insurance company cannot pay, is there



a danger that I myself, causing the claim get liable? And the damaged part might say: "I come to you because you didn't pay enough for your insurance". I think CSA imposed the right direction but than we have to prove that those things are ok. Then there is the question of reinsurance.

I want the Authorities to consult the books of all insurance companies and make clear what must be done in the next 2-3 years in order to have financial stability in the industry.

We are covering everything ... but I don't know the reinsurance policy of the other companies. If they have a prudent reinsurance policy and the reinsurer is paying all these huge losses, then I say all my statements are taken away.

Maybe we are too prudent in these aspects and we are too conservative and pay too much for reinsurance, but there are also companies that act quite the opposite of this.

XPRIMM: Do you feel that the merger of these 3 supervisory authorities will help the market? In Austria you have more or less a unified Supervisory Authority.

F.F.: It depends very much on how the board of CSA will maintain its role in the new authority and not how accurate they are transferring the ideas about managing the insurance companies. This will not change if you mixed it together with banks and pension funds and stock exchange. I guess the power and credibility of this new authority will be bigger and this might be a positive sign. The daily work, the observing of the companies and so on will not change within one day, it might take some time but in general has to be seen rather a positive sign.

XPRIMM: I asked you before about a possible merger between ASIROM and OMNIASIG. Is this option on the table?

F.F.: Not at all! Our market strategy is based on market brand. We have checked this strategy in Poland and Slovakia and now Romania. Romania is an important country for us and we want to have the same strategy in place like in other countries.

XPRIMM: Was your multibrand strategy affected by the economic crisis? Was the merger between OMNIASIG and BCR Asigurari part of the plan?

F.F.: We don't need more companies. We saw that we started all the sales a bit lower than it is necessary and that we have to be careful not to cannibalize too much in your own companies. In bigger markets we have a maximum of two strong companies. If they had been small, focused on certain client segments or targets, certain target groups, we would have kept them. But in this case we had very similar, big networks and two companies. We managed this but it does not compensate the negative results on MTPL at all.

As far as the management's performance in Romania is concerned, it is always the question of how one perceives these things. We are not happy with the overall performance in Romania; we can't be, because we expected something different. If you look at how the management is performing versus the market we can see that this is quite well done, how the

managers have managed the merger of the two companies in one year – it was heavy, but we did it – even though we had many hundreds jobs to handle, we moved two organizations together. We don't know many countries that have managed this in one year, so from this point of view it was done extremely good. We hope the results will come back to place in non-life as in life insurance we perform quite well thanks to our own networks.

I think 2013 is key for our industry. We reached the bottom and I know a couple of shareholders that would say never ever go for any other losses on MTPL.

XPRIMM: What are the three main things that you would like to happen in the Romanian market in 2013?

F.F.: I want the Authorities to consult the books of all insurance companies and make clear what must be done in the next 2-3 years in order to have financial stability in the industry. I wish Romania gets back to industry development, maybe to use more the European support if possible. I guess politically it gets more stable and this is positive, and that the economy started growing again and stopped declining and people return in this country and contribute to development.

I think 2013 is key for our industry. We reached the bottom and I know a couple of shareholders that would say never ever go for any other losses on MTPL.

XPRIMM: Regarding the mandatory household insurance scheme, there have been a lot of legislation changes – nothing is certain at the moment. Is VIG interested in joining PAID?

F.F.: No, we have no interest to become a shareholder of PAID, especially given these "in and out and new and old and allowed and not allowed" messages that are completely irritating the clients as well as the potential investors - like we would be. We are supporting the liberalism. It is really a Nat Cat cover that exists in other countries and that is organized by professional insurance calculations with professional insurers behind – this is something we would do. We need very clear rules where we are investing, not for half a year but for many years.

For the insurance industry, it is very clear that the financial solidity is most decisive for the future, price war never helps this is a short 2-3 years it is short term temptation and long term losses, heavy losses. It would be good if we get more professional in all the statements towards the clients. This discussion about PAID is an extremely negative example. This is an example of how not to do it, because people get completely confused and I cannot imagine that any agent is able to explain to the client what happens there, and then, even if one can explain it, there are 50 pages of conditions. I think that we have to invest in the quality of our people and also in order to get credibility from our clients – because we have lost credibility in the last 3 years. We wish the economy start growing and support all this development. If the environment is different, more people will stay and will have a different development in this country.

Alex CIUNCAN
Alex ROSCA



Franz FUCHS (center),
Martin STENITZER (right)
and Alexandru CIUNCAN

AVUS



Albania



Debtor's life	5.84%
Group life	1.47%
Life with savings	1.44%
Other life insurance	1.09%
Accidents insurance	4.32%
Health insurance	2.62%
Fire and allied perils	13.51%
Damages to property	5.58%
Motor Hull	6.06%
MTPL	51.14%
Goods in transit	0.45%
GTPL	3.77%
Suretyship	2.02%
Other non-life insurance	0.39%
Reinsurance accepted	0.32%



SOURCE:

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 = 139.59 LEK - ALL (DECEMBER 31st, 2012)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	9.8	9.5	8.9	8.3	8.8
GDP per capita, current prices (EUR)	3,014.0	2,941.4	2,777.0	2,611.8	2,765.2
Unemployment rate (% of total labor force)	15.0	13.3	13.6	13.6	12.5
Population (millions)	3.2	3.2	3.2	3.2	3.2
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	19.8	18.6	18.4	17.9	18.0
Insurance penetration degree (% in GDP)	0.7	0.6	0.7	0.7	0.7
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na
Exchange rate for calculations (end of the period)	139.6	138.9	138.8	138.0	123.8

During the financial turmoil the Albanian insurance sector has experienced a slight decrease in growth rates but managed to maintain a positive growth rate on average. The financial turmoil did not have direct impact on Albanian insurers and the main reasons for that are the market structure, mainly dominated by compulsory motor insurance, a resilient banking sector, the simple structure of the products as well as the prudent investment policy. The fact that strategic investors didn't transfer their problems to the Albanian subsidiaries was also helpful, stated for XPRIMM Mrs. Enkeleda SHEHI, Chairperson, Albanian FSA.

After showing a 18% increase in 2008, with almost 50% increase in voluntary insurance, the Albanian market witnessed in the following years a sharp decline of its growth rates, but still remained in positive territory. If we compare the market in 2008 and in 2012, there is an obvious change in structure, whereas in 2008, compulsory motor insurance constituted around 56% of the market structure, while in 2012 it is 51%. The main driver of this change has been the instability in pricing of the MTPL, but also the dynamic increase of voluntary products in the recent years explained the Albanian official.

Albanian insurance companies posted combined gross written premiums of ALL 8.9 billion (EUR 64 million) at the end of 2012, or 7.38% more y-o-y, according to the financial data published by Albanian Financial Supervisory Authority (FSA). Despite this increase, during FY2012, the number of signed insurance contracts were 1,057,821 or 19% less compared with year 2011.

As in the previous reporting periods, the market continued to be dominated by non-life insurance, which share was 89.85% of the total premium volume. Life insurance market share was 9.83% (premiums in year 2012 reached about ALL 880 million or 17.38% less than year 2011), while the reinsurance segment accounted for 0.32% of the total market. Market shares of compulsory (consists of mandatory motor insurances as MTPL, Green Card and Border Policies) and



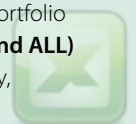
Enkeleda SHEHI
Chairperson
Albanian FSA

voluntary insurance (the rest of market portfolio, including life insurances) gross written premiums were 51.1% and 48.9%, respectively. At the same time, the total of paid claims during the year 2012 was ALL 2.8 billion (EUR 20 million) or 27.68% more y-o-y. Most of the gross paid claims were related to motor insurance, about ALL 2.1 billion or 75.49% of total gross paid claims.

According to the Albanian FSA data, the local insurance market is dominated by two Austrian insurance groups: UNIQA Group Austria and VIENNA Insurance Group. On the life insurance segment, the first position is held by SIGAL Life UNIQA Group Austria - 51.2% market share, while, on the non-life insurance segment, the three member companies member of VIENNA Insurance Group (SIGMA VIG, INTERALBANIAN VIG and INTERSIG VIG) accounted together for 33% market share.

Access www.xprimm.com
and download in MS Excel format:
Market indicators (in EUR and ALL)
GWP, claims, growth rates, portfolio
Market rankings (in EUR and ALL)

Life, non-life, motor, property,
accidents & health



The non-life insurer's profitability in 2012 exhibited an increase in comparison with 2011. In 2012 the non-life insurer's profitability accounted for 68% of the total market profit, with five out of the total eleven insurers contributing to 91% of the overall market profitability. The non-life insurer's profitability increase has been

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	64.12	60.00	6.87	20.23	15.92	27.08	100.00	100.00
TOTAL LIFE	6.31	7.67	-17.77	1.13	0.84	35.71	9.83	12.78
Debtor's life	3.74	5.02	-25.43	0.83	0.72	14.51	5.84	8.36
Group life	0.94	1.22	-22.41	0.08	0.02	295.69	1.47	2.03
Life with savings	0.92	0.84	9.24	0.07	-	-	1.44	1.41
Other life insurance	0.70	0.59	18.10	0.15	0.09	61.61	1.09	0.99
TOTAL NON-LIFE	57.61	52.20	10.38	19.09	15.08	26.60	89.85	87.00
Accidents insurance	2.77	4.88	-43.20	0.38	0.18	105.59	4.32	8.13
Health insurance	1.68	1.42	18.09	1.02	0.83	23.14	2.62	2.37
Overall property insurance	12.24	10.10	21.22	2.33	1.59	46.71	19.09	16.83
Fire and allied perils	8.66	7.40	17.04	2.19	1.23	77.93	13.51	12.33
Damages to property	3.58	2.70	32.71	0.14	0.36	-61.34	5.58	4.49
Overall motor insurance	36.68	31.33	17.05	15.27	12.42	22.91	57.20	52.22
Motor Hull	3.88	4.51	-13.83	3.05	3.48	-12.24	6.06	7.51
MTPL	32.79	26.83	22.23	12.21	8.94	36.59	51.14	44.71
DMTPL	24.14	15.87	52.09	8.97	7.00	28.03	37.65	26.45
Green Card	4.93	7.93	-37.86	2.70	1.65	63.06	7.69	13.22
Border	3.72	3.02	23.21	0.55	0.28	93.46	5.80	5.04
Goods in transit	0.29	0.18	60.11	0.00	0.03	-83.56	0.45	0.30
Aircraft liability	-	1.11	-	-	-	-	-	1.85
GTPL	2.42	1.50	61.19	0.00	0.01	-93.41	3.77	2.50
Suretyship	1.30	1.41	-7.65	0.10	0.02	347.73	2.02	2.34
Other non-life insurance	0.25	0.27	-8.67	-	-	-	0.39	0.46
REINSURANCE ACCEPTED	0.20	0.13	52.91	-	-	-	0.32	0.22

affected by the increase in the investment income. The non-life market has a low technical result but yet positive. The main insurance line that contributed in the non-life insurers' positive technical result is the motor portfolio, whereas other positive technical results have been recorded in the general liability and accidents & health portfolio, commented Enkeleda SHEHI.

Speaking about the future perspectives, she added: *The year 2013, albeit showing early signs of growth, is expected to be a difficult year for the insurance market, mainly due to the pricing transition the MTPL portfolio is undergoing. On average DMTPL premiums have almost doubled in 2012 compared to 2011, but the pricing instability and the fierce competition do play also their role, in taking away from the market its real growth potential and delaying the penetration in other insurance classes. During 2013, with the WB assistance, AFSA will provide the necessary infrastructure for the operators to start pricing according to the risks, which is very important at the current stage. AFSA has built and improved in the recent year the Motor Information Centre, including the online sales register and central claim database for MTPL, which will provide the market with aggregate risk data, crucial for pricing purposes.*

D.G.
Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SIGAL Life UNIQA	3.23	3.68	-12.27	0.60	0.49	22.93	51.16	47.95
2	INSIG	1.59	1.50	6.37	0.37	0.18	100.67	25.28	19.54
3	SICRED	1.49	2.49	-40.41	0.17	0.17	1.98	23.56	32.51
TOTAL MARKET		6.31	7.67	-17.77	1.13	0.84	35.71	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SIGAL UNIQA	17.47	17.15	1.90	5.99	4.84	23.93	30.33	32.85
2	SIGMA VIG	6.84	6.93	-1.26	1.82	1.76	3.06	11.87	13.27
3	INTERBANIAN VIG	6.83	5.27	29.62	1.95	2.02	-3.40	11.86	10.10
4	EUROSIG	5.80	4.41	31.61	0.88	0.85	4.30	10.07	8.44
5	INTERSIG VIG	5.29	4.94	7.11	3.66	1.27	187.89	9.18	9.46
6	ALBSIG	4.97	4.16	19.39	1.19	0.99	19.99	8.63	7.98
7	ATLANTIK	4.77	5.10	-6.37	1.34	1.08	24.22	8.29	9.77
8	INSIG	4.35	4.24	2.44	2.24	2.28	-1.58	7.54	8.13
9	ANSIG	1.29	-	-	0.02	-	-	2.23	-
TOTAL MARKET		57.61	52.20	10.38	19.09	15.08	26.60	100.00	100.00



Bosnia & Herzegovina



Life insurance	17.06%
Fire and allied perils	5.47%
Damages to property	6.24%
Motor Hull	11.41%
MTPL	48.47%
GTPL	1.09%
Other non-life insurance	10.26%

SOURCE:

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

BOSNIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 1.95583 CONVERTIBLE MARKS - BAM (FIXED)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	13.5	13.1	12.7	12.4	12.7
GDP per capita, current prices (EUR)	3,470.5	3,373.4	3,250.2	3,169.5	3,255.0
Unemployment rate (% of total labor force)	28.0	27.6	27.2	24.1	23.4
Population (millions)	3.9	3.9	3.9	3.9	3.9
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	66.5	64.2	61.9	60.1	59.2
Insurance penetration degree (% in GDP)	1.9	1.9	1.9	1.9	1.8
Insurance market pre-tax profit/loss (EUR m)	na	13.7	12.6	10.2	7.5
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na
Exchange rate for calculations (fixed)	2.0	2.0	2.0	2.0	2.0

Total GWP of BiH insurers totaled EUR 258 million in 2012, which is 3.5% more than in 2011. By insurance classes, on the life segment, the premiums growth was of about 8%, while on the general insurance segment it was of nearly 2.7%. *Analyzing the figures, we can conclude that the upward trend continued. In Bosnia, the insurance industry has not felt the impact of the recession,* pointed out Samir OMERHODZIC, Director, Insurance Agency of Bosnia and Herzegovina (AZOBiH).



Samir OMERHODZIC,
Director, Insurance Agency of Bosnia and Herzegovina (AZOBiH)

He also emphasized that there were no significant changes in the market portfolio, but *one shouldn't forget that the Motor third part liability insurance, as a compulsory insurance type, represent almost a half of the total gross written premium in Bosnia and Herzegovina.*

Yet, a huge grow of the credit insurance by 834.27% may be noticed. The AZOBiH official explained that *this came as a result of the insufficient purchasing power of the population and its low living standard, and as a consequence the constant need of alternative financial source. After the experience we had over last years with loans with guarantors and subsequent repayments of these loans by guarantees, the banks have changed*

their policies. It is now possible to take a loan without guarantors but loans have to be insured (insurance product for unrecoverable loans, it is between the banks and insurance companies).

A total of 14 insurance companies members of FBiH and 11 insurers registered in RS contributed to the overall GWP figure. In the structure of the total premiums, the share of the companies with registered offices in FBiH amounted to 73%, while the RS-based companies accounted for 23%, showed the financial figures published by the Insurance Supervisory Agency of the Federation of Bosnia and Herzegovina (NADOS) and the Insurance Agency of Republika Srpska (AZORS). *By ownership type, of 25 insurance companies, 15 are in domestic ownership*

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	258.27	249.57	3.49	96.20	94.89	1.38	100.00	100.00
TOTAL LIFE	44.05	40.93	7.62	10.29	9.51	8.17	17.06	16.40
TOTAL NON-LIFE	214.22	208.63	2.68	85.92	85.38	0.63	82.94	83.60
Overall property insurance	30.25	28.29	6.95	7.83	7.88	-0.63	11.71	11.33
Fire and allied perils	14.13	15.18	-6.90	3.21	3.64	-11.84	5.47	6.08
Damages to property	16.12	13.11	22.98	4.62	4.24	9.00	6.24	5.25
Overall motor insurance	154.65	151.63	1.99	65.39	65.86	-0.72	59.88	60.76
Motor Hull	29.48	30.26	-2.59	20.66	20.74	-0.39	11.41	12.13
MTPL	125.18	121.37	3.14	44.73	45.12	-0.87	48.47	48.63
GTPL	2.81	2.62	7.16	0.49	0.41	19.97	1.09	1.05
Other non-life insurance	26.51	26.10	1.57	12.22	11.25	8.59	10.26	10.46

Access www.xprimm.com

and download in MS Excel format:

**Market indicators (in EUR and BAM)
for BiH, FBiH and RS**

GWP, claims, growth rates, portfolio

**Market rankings (in EUR and BAM)
for BiH, FBiH and RS**

Tota, life and non-life



and 10 are foreign-owned insurers.

The non-life business line is controlled by domestic companies, while the life insurance segment is covered especially by foreign-owned insurers, such as MERKUR, GRAWE, UNIQA, VIG or TRIGLAV, underlined Samir OMERHODZIC.

Assesing the 2013 perspectives, the AZOBiH Director told us that based on available information on the economical development and trends in B&H for 2012 and forecasts for 2013, it is obvious that the last quarter of 2012 confirmed that Bosnia and Herzegovina in the last year found itself in a recession for the first time since the global financial crisis of 2009. However, such a scenario was largely expected bearing in mind the continuing decline in the largest number of key macroeconomic indicators during the year, and most of all those economic indicators that strongly rely on the external environment. He added: although there were some slight increments over past three years (from 2008 to 2011) in GDP and in average gross salary, there were more significant increments in number of unemployed, import-export ratio, government sector's foreign debt and foreign debt. In short, pointed out OMERHODZIC, the economic situation in the country deteriorated, and without a political consensus I can't see the way out.

D.G.

Life insurance ranking

No.	Company	Region	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
			2012	2011	Change	2012	2011	Change	2012	2011
			EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	MERKUR BH	FBiH	11.18	10.66	4.88	1.06	0.76	40.47	25.37	26.03
2	UNIQA	FBiH	9.56	8.86	7.94	0.60	0.57	5.02	21.70	21.63
3	GRAWE	FBiH	9.24	8.56	7.93	3.98	3.56	11.61	20.97	20.91
4	GRAWE	RS	5.24	4.82	8.76	1.12	0.86	30.36	11.90	11.78
5	CROATIA	FBiH	2.92	2.97	-1.65	2.29	1.96	16.61	6.64	7.26
6	TRIGLAV	FBiH	2.30	1.89	21.21	0.06	0.03	78.69	5.21	4.63
7	SARAJEVO	FBiH	1.59	1.48	7.55	0.75	1.23	-39.19	3.61	3.62
8	BOSNA-SUNCE	FBiH	1.29	1.15	12.06	0.39	0.50	-23.32	2.92	2.80
9	JAHORINA	RS	0.40	0.29	37.43	0.02	0.01	262.05	0.90	0.71
10	DUNAV	RS	0.27	0.15	79.13	0.01	0.00	306.91	0.61	0.37
11	LOK	FBiH	0.08	0.11	-30.80	0.00	0.00	24.67	0.17	0.27
12	TRIGLAV	RS	-	-	-	-	0.01	-	-	-
RS COMPANIES			5.91	5.26	12.34	1.16	0.88	31.36	13.41	12.85
FBiH COMPANIES			38.14	35.67	6.93	9.13	8.63	5.81	86.59	87.15
TOTAL Bosnia&Herzegovina			44.05	40.93	7.62	10.29	9.51	8.17	100.00	100.00

Non-Life insurance ranking

No.	Company	Region	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
			2012	2011	Change	2012	2011	Change	2012	2011
			EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SARAJEVO	FBiH	31.41	30.44	3.19	14.49	13.40	8.13	14.66	14.59
2	EUROHERC	FBiH	21.47	20.71	3.67	8.77	9.13	-3.96	10.02	9.93
3	BOSNA-SUNCE	FBiH	21.20	21.12	0.38	8.99	9.54	-5.74	9.90	10.12
4	CROATIA	FBiH	15.69	16.49	-4.85	8.52	8.64	-1.38	7.32	7.90
5	JAHORINA	RS	15.33	12.21	25.56	4.43	4.17	6.23	7.16	5.85
6	TRIGLAV	FBiH	14.38	13.77	4.40	6.28	5.95	5.48	6.71	6.60
7	VGT	FBiH	12.52	12.57	-0.40	5.95	4.83	23.12	5.84	6.02
8	UNIQA	FBiH	11.77	11.57	1.67	5.01	5.09	-1.54	5.49	5.55
9	DUNAV	RS	9.00	8.67	3.81	3.00	2.89	3.79	4.20	4.16
10	DRINA	RS	7.63	7.19	6.08	2.24	2.47	-9.56	3.56	3.45
11	BOBAR	RS	7.61	8.38	-9.16	2.73	2.80	-2.57	3.55	4.02
12	ZOVKO	FBiH	7.52	6.16	21.93	2.24	1.93	15.93	3.51	2.95
13	BRČKO-GAS	RS	7.27	7.34	-1.01	3.12	2.72	14.59	3.39	3.52
14	NEŠKOVIĆ	RS	6.28	5.88	6.75	1.71	2.05	-16.63	2.93	2.82
15	ASA	FBiH	5.13	5.02	2.16	2.51	2.77	-9.17	2.39	2.41
16	CAMELIJA	FBiH	4.10	3.80	7.77	1.48	1.57	-5.65	1.91	1.82
17	KRAJINA	RS	3.96	3.20	23.55	0.75	1.02	-26.75	1.85	1.53
18	TRIGLAV	RS	3.85	5.21	-26.04	1.72	1.67	2.87	1.80	2.50
19	AURA	RS	2.68	2.39	12.20	0.39	0.21	87.36	1.25	1.14
20	GRAWE	FBiH	2.45	1.68	46.07	0.87	0.67	29.76	1.14	0.80
21	MIKROFIN	RS	1.92	1.41	35.74	0.35	0.29	20.95	0.89	0.68
22	LIDO	FBiH	0.67	3.25	-79.32	0.25	1.50	-83.67	0.31	1.56
23	MERKUR BH	FBiH	0.39	0.15	163.74	0.11	0.05	142.51	0.18	0.07
24	GRAWE	RS	0.01	0.01	7.66	0.00	0.00	117.36	0.00	0.00
RS COMPANIES			65.53	61.89	5.88	20.45	20.31	0.66	30.59	29.67
FBiH COMPANIES			148.69	146.74	1.33	65.47	65.07	0.62	69.41	70.33
TOTAL Bosnia&Herzegovina			214.22	208.63	2.68	85.92	85.38	0.63	100.00	100.00



Bulgaria



Life ins. and annuities	12.42%
Unit-linked	1.22%
Other life insurance	3.07%
Accidents insurance	1.62%
Goods in transit	0.91%
Fire and allied perils	12.49%
Damages to property	3.72%
Motor Hull	25.97%
MTPL	32.59%
GTPL	2.03%
Credit insurance	0.54%
Travel	0.79%
Other non-life insurance	2.62%

SOURCE:

THE FINANCIAL SUPERVISION COMMISSION OF BULGARIA (FSC)

BULGARIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:
1 EUR = 1.95583 LEVA, BGN (FIXED)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	39.7	38.5	36.1	34.9	35.4
GDP per capita, current prices (EUR)	5,468.3	5,255.0	4,803.8	4,618.4	4,657.8
Unemployment rate (% of total labor force)	12.4	11.4	10.3	6.9	5.7
Population (millions)	7.3	7.3	7.5	7.6	7.6
Minimum wages (EUR/month)	138.1	122.7	122.7	122.7	112.5
Insurance density (EUR/capita)	113.1	112.6	110.6	113.7	121.7
Insurance penetration degree (% in GDP)	2.1	2.1	2.3	2.5	2.6
Insurance market pre-tax profit/loss (EUR m)	46.5	37.8	7.3	28.5	7.4
Insurance market after tax profit/loss (EUR m)	42.6	34.4	3.2	25.9	2.2
Exchange rate for calculations (fixed)	2.0	2.0	2.0	2.0	2.0

The insurance market in Bulgaria ended 2012 with a fourth consecutive year drop, of 0.6%, to a total GWP volume of EUR 820.19 million. In fact, looking back to the last 5 years, one would notice that, although still "in red", the market shows a stabilizing trend, with two consecutive years of falling by 0.6%, after the 3.45% and 7% decreasing rates recorded in 2010 and 2009, respectively.

On the other hand, in terms of profitability, the aggregated result for 2012 was by almost 24% improved as compared with 2011, the total after tax profit amounting to EUR 42.6 million.

Life insurance underwritings grew by 6.5% y-o-y, to EUR 137 million, mostly driven by the 6% growth in premium written for the life insurance and annuities class. The premium production of 2012 is, though, in line with the market expectations. For the past 14 years our population has declined by about 1 million people and is now just over 7 million. If you consider how many



Svetla NESTOROVA
Executive Director
BULSTRAD Life

people are in retirement and how much – younger than 18 years, and how long-term unemployed, actual number of those who can allocate resources for life insurance is of about 3 million people. Not much, but enough motivation to work, remember that the number of customers with existing policies is of 963,000, commented Svetla NESTOROVA, Executive Director of BULSTRAD Life, for insmarket.bg.

On the non-life side, the total GWP volume amounted to EUR 683.12 million, 1.9% down y-o-y. While on the MTPL class

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	820.19	825.10	-0.60	392.29	375.23	4.55	100.00	100.00
TOTAL LIFE	137.07	128.69	6.51	42.33	51.43	-17.70	16.71	15.60
Life ins. and annuities	101.86	96.01	6.09	32.75	39.58	-17.28	12.42	11.64
Unit-linked	10.01	10.04	-0.34	2.85	4.72	-39.55	1.22	1.22
Other life insurance	25.20	22.64	11.33	6.73	7.13	-5.58	3.07	2.74
TOTAL NON-LIFE	683.12	696.41	-1.91	349.96	323.79	8.08	83.29	84.40
Accidents insurance	13.28	12.66	4.89	3.68	2.53	45.16	1.62	1.53
Goods in transit	7.45	7.73	-3.56	1.25	1.43	-13.17	0.91	0.94
Overall property insurance	132.89	132.21	0.51	33.68	22.08	52.51	16.20	16.02
Fire and allied perils	102.41	103.41	-0.97	23.19	15.71	47.59	12.49	12.53
Damages to property	30.48	28.80	5.82	10.49	6.37	64.64	3.72	3.49
Overall motor insurance	480.37	495.04	-2.96	297.84	283.80	4.95	58.57	60.00
Motor Hull	213.03	226.42	-5.91	139.99	146.77	-4.62	25.97	27.44
MTPL	267.34	268.62	-0.48	157.85	137.03	15.20	32.59	32.56
GTPL	16.69	15.02	11.12	3.86	3.02	27.92	2.03	1.82
Credit insurance	4.41	4.17	5.76	1.89	2.38	-20.39	0.54	0.51
Travel	6.51	5.69	14.42	2.07	1.46	41.65	0.79	0.69
Other non-life insurance	21.51	23.88	-9.93	5.69	7.08	-19.68	2.62	2.89

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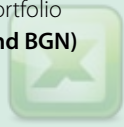
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Market indicators (in EUR and BGN)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and BGN)

Life and non-life



2012 brought the first negative change in GWP since 2008, on the Motor Hull line the downward trend seems to flatten, leaving the double-digit values zone after four years of massive decrease. In fact, since 2008, this line of business witnessed a 40% decrease in terms of GWP volume. On the other hand, in the beginning of 2013, the Bulgarian press was pointing out that since 2006, the MTPL coverage degree decreased continuously, from the initial 94% value, to about 82%, as reported by the market authority. In this context, policies' pricing plays a very important role. *The MTPL pricing policy depends on the economic situation of the country. A motor insurance is compulsory but, at the same time, it has a social public function as well, so the prices must be*



Roumen GALABINOV
Chairman
National Program
for Catastrophe Risks
Management

affordable for the population. For the past three years, the adjustments made on MTPL rates have not recorded any important changes, since the price for this product depends on people's ability to pay. However, from time to time, insurance companies try to increase the MTPL price but in the end they got convinced that there is no room for significant growth, said Roumen GALABINOV, a well-known insurance expert in Bulgaria.

Meanwhile, on the property insurance segment, the almost 6% growth in premiums managed to offset the about 1% decrease of the "fire and allied perils" line. Thus, the entire property segment recorded a 0.5% y-o-y growth in GWP. However, according to various experts, only about 9 – 10% of the Bulgarian homes are covered by insurance, mostly due to the requirements related to the property acquisition means (banking loans, mortgages etc.), which leaves a lot of space for growth in this area. **D.G.**

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALLIANZ Life	30.67	28.91	6.09	0.86	13.18	-93.51	22.37	22.46
2	BULSTRAD Life VIG	19.05	14.65	30.06	8.99	6.63	35.56	13.90	11.38
3	DZI Life Insurance	16.55	16.92	-2.19	11.90	11.55	2.99	12.07	13.15
4	UNIQA Life	14.98	13.39	11.92	5.67	6.67	-14.93	10.93	10.40
5	UBB-ALICO	11.72	9.76	20.05	1.63	1.68	-2.81	8.55	7.59
6	ALICO Bulgaria Life	9.95	10.17	-2.22	3.67	2.89	26.81	7.26	7.90
7	GRAWE Bulgaria Life	9.26	8.54	8.38	2.50	1.71	45.87	6.75	6.64
8	GROUPAMA Life	6.94	6.72	3.27	1.19	1.03	15.30	5.06	5.22
9	GENERALI Life	5.28	5.56	-4.96	3.46	3.63	-4.70	3.85	4.32
10	SyVZK	4.65	6.56	-29.15	0.16	0.30	-46.51	3.39	5.10
11	SOGLIFE Bulgaria	3.78	3.39	11.25	0.73	0.54	34.49	2.75	2.64
12	INTERAMERICAN Life	1.54	1.45	5.88	0.30	0.23	31.87	1.12	1.13
13	JZI	1.03	0.95	7.79	0.71	0.73	-2.27	0.75	0.74
14	CCB Life	1.02	0.75	35.06	0.39	0.44	-11.71	0.74	0.59
15	SAGLASIE Life	0.66	0.83	-20.25	0.14	0.17	-16.02	0.48	0.64
16	VZK DOBRUDJA-M-LIFE	0.01	0.14	-95.26	0.05	0.06	-22.49	0.00	0.11
TOTAL MARKET		137.07	128.69	6.51	42.33	51.43	-17.70	100.00	100.00

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Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ARMEEC	87.37	82.69	5.66	38.60	33.82	14.13	12.79	11.87
2	BULSTRAD VIG	83.93	74.22	13.08	47.72	50.50	-5.50	12.29	10.66
3	LEV INS	81.11	73.36	10.56	37.78	28.48	32.67	11.87	10.53
4	DZI - General Ins.	75.77	86.47	-12.37	50.81	45.79	10.95	11.09	12.42
5	ALLIANZ Bulgaria	69.17	72.62	-4.76	31.36	31.56	-0.65	10.13	10.43
6	BUL INS	53.19	70.85	-24.93	36.09	30.34	18.97	7.79	10.17
7	EUROINS	44.02	39.12	12.54	21.52	18.23	18.01	6.44	5.62
8	UNIQA Insurance	40.29	40.32	-0.09	20.75	17.97	15.46	5.90	5.79
9	VICTORIA	30.44	28.43	7.06	9.02	8.55	5.46	4.46	4.08
10	ENERGIA	29.47	28.75	2.52	1.72	1.05	64.40	4.31	4.13
11	OZK Insurance	25.32	16.77	50.93	9.81	5.89	66.47	3.71	2.41
12	GENERALI Insurance	25.12	28.11	-10.62	13.24	12.55	5.49	3.68	4.04
13	INTERAMERICAN Bulgaria	13.56	17.97	-24.55	7.99	7.76	2.94	1.98	2.58
14	HDI Insurance	11.79	11.73	0.47	5.39	5.05	6.73	1.73	1.68
15	BULGARSKI IMOTI	4.41	16.47	-73.25	16.09	24.66	-34.74	0.65	2.37
16	GROUPAMA Ins.	3.07	2.99	2.88	0.73	0.39	84.80	0.45	0.43
17	Bulgarian Export Ins. Agency	2.82	2.94	-4.00	1.16	1.09	6.50	0.41	0.42
18	UBB - AIG Ins.	2.27	2.59	-12.41	0.20	0.12	71.05	0.33	0.37
TOTAL MARKET		683.12	696.41	-1.91	349.96	323.79	8.08	100.00	100.00



Croatia



Life insurance	23.62%
Supplementary insurance	1.83%
Unit-Linked	1.60%
Other life insurance	0.18%
Accident insurance	5.58%
Health insurance	2.64%
Goods in transit	0.57%
Fire and allied perils	6.49%
Damages to property	7.85%
Motor Hull	7.97%
MTPL	32.53%
GTPL	3.19%
Other non-life insurance	5.95%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	43.8	43.8	43.8	45.0	46.9
GDP per capita, current prices (EUR)	9,942.0	9,960.2	9,924.3	10,157.0	10,574.2
Unemployment rate (% of total labor force)	15.0	13.7	12.2	9.1	8.3
Population (millions)	4.4	4.4	4.4	4.4	4.4
Minimum wages (EUR/month)	373.4	381.2	385.5	373.5	-
Insurance density (EUR/capita)	272.1	275.9	283.4	290.8	298.1
Insurance penetration degree (% in GDP)	2.7	2.8	2.9	2.9	2.8
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	54.5	39.3	0.9	1.9
Exchange rate for calculations (end of the period)	7.5	7.5	7.4	7.3	7.3

Although we are witnessing a slight decrease in premium production for forth consecutive year, the Croatian insurance market remains sound and stable. Considering the general economic perspectives, we are not really projecting growth for 2013, but there are some signs of recovery and we are expecting a steady evolution, stated Hrvoje PAUKOVIC, Director of the Croatian Insurance Bureau for XPRIMM.



Hrvoje PAUKOVIC
Director for the Croatian Insurance Bureau

According to financial data published by Croatian Insurance Bureau (HUO), in 2012, the Croatian insurance market totaled HRK 9.04 billion (EUR 1.19 billion), 1.17% down from a year earlier. Out of the 27 operating insurance companies, 12 ended 2012 with a decreasing GWP volume as compared with the previous year. In fact,

the reported value is still inferior to the figure accounted by the market at the end of 2007: EUR 1.22 billion, as showed in the Annual Report for 2011 published by HUO. In terms of profitability, it is worth mentioning that the Croatian insurers managed to improve their results despite

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,197.73	1,214.30	-1.36	610.65	605.20	0.90	100.00	100.00
TOTAL LIFE	326.17	322.85	1.03	188.12	172.03	9.35	27.23	26.59
Life insurance	282.90	277.92	1.79	171.10	158.01	8.29	23.62	22.89
Supplementary insurance	21.90	20.78	5.42	4.35	4.49	-3.19	1.83	1.71
Unit-linked	19.19	21.76	-11.84	9.91	7.85	26.19	1.60	1.79
Other life insurance	2.18	2.39	-8.77	2.77	1.69	64.11	0.18	0.20
TOTAL NON-LIFE	871.56	891.45	-2.23	422.53	433.17	-2.46	72.77	73.41
Accident insurance	66.80	68.70	-2.77	17.33	16.32	6.20	5.58	5.66
Health insurance	31.63	33.82	-6.49	24.37	25.88	-5.82	2.64	2.79
Goods in transit	6.84	8.24	-17.03	2.73	2.69	1.45	0.57	0.68
Overall property insurance	171.73	175.55	-2.17	104.39	98.24	6.26	14.34	14.46
Fire and allied perils	77.73	75.16	3.42	39.76	32.51	22.30	6.49	6.19
Damages to property	94.00	100.39	-6.36	64.63	65.72	-1.67	7.85	8.27
Overall motor insurance	485.04	495.70	-2.15	226.50	244.82	-7.48	40.50	40.82
Motor Hull	95.46	105.93	-9.89	81.79	87.03	-6.01	7.97	8.72
MTPL	389.58	389.77	-0.05	144.71	157.79	-8.29	32.53	32.10
GTPL	38.20	38.41	-0.54	17.33	14.41	20.28	3.19	3.16
Marine insurance (hull)	24.01	27.22	-11.79	15.27	12.92	18.23	2.00	2.24
Marine liability	4.75	4.86	-2.23	0.84	0.94	-10.34	0.40	0.40
Credit insurance	19.53	17.27	13.05	9.29	13.65	-31.94	1.63	1.42
Financial loss insurance	11.88	10.98	8.22	2.19	1.63	34.17	0.99	0.90
Travel insurance	7.32	6.20	18.16	1.53	1.28	19.78	0.61	0.51
Other non-life insurance	3.82	4.49	-14.90	0.76	0.41	86.45	0.32	0.37

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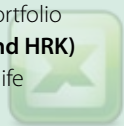
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Market indicators (in EUR and HRK)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and HRK)

Overall market, life and non-life



SOURCE:

CROATIAN NATIONAL BANK

CROATIAN INSURANCE BUREAU

CROATIAN CURRENCY EXCHANGE RATE FOR

CALCULATIONS:

1 EUR = 7.530420 KUNA - HRK

(DECEMBER 31st, 2011)

1 EUR = 7.545624 KUNA - HRK

(DECEMBER 31st, 2012)

the harsh economic environment.

At the end of 2012, the non-life premium written came to HRK 6.57 billion (EUR 872 million), down by 2% y-o-y, while, life insurance premiums increase by 1.2% to HRK 2.46 billion (EUR 326 million), equivalent to 27.2% of total market. At the same time, the total claims paid by local insurers amounted to HRK 4.60 billion (EUR 610 million), representing an increase of 1.1% against 2011.

Speaking about the MTPL segment of the market, Hrvoje PAUKOVIC explained that, with an average MTPL premium of EUR 200, which is one of the highest in the region, and 15 MTPL insurance policy providers, the Croatian specialty market proved to be a stable and reliable one. He also revealed that the new MTPL Law proposed by the Ministry of Finance is going to implement a new system of evaluation and compensation of personal injury claims, based on medical tables and tables of indemnity which will give a consistent character to the law courts decisions regarding this issue. Also, promoting and supporting the out-of-court settlement of disputes by the instrumentality of the Mediation Centre and the Insurance Ombudsman Service created within the Croatian Insurance Bureau, offered to the Croatian motor insurers the opportunity to better handle the issue of the bodily injuries claims and also to increase the quality of the services offered to their customers.

Considering the EU accession perspective of Croatia, the market is preparing the final legislative changes in order to achieve the full compliance with the EU legislation. *We are currently changing the insurance law and the MTPL law and there are also some ongoing fine tuning operations, so that finally all the EU directives will be covered by the national insurance legislation, including the Solvency II provisions,* said PAUKOVIC. **D.G.**

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ALLIANZ Zagreb	54.34	49.58	9.59	16.66	15.36
2	CROATIA	48.22	45.38	6.25	14.78	14.06
3	MERKUR	33.77	33.87	-0.29	10.35	10.49
4	GRAWE Hrvatska	33.23	32.66	1.75	10.19	10.12
5	AGRAM životno	26.94	26.65	1.08	8.26	8.25
6	BASLER osig. Zagreb	26.56	26.66	-0.38	8.14	8.26
7	KVARNER VIG	22.60	24.81	-8.91	6.93	7.69
8	Generali	15.54	16.68	-6.83	4.77	5.17
9	ERSTE VIG	15.34	13.85	10.70	4.70	4.29
10	HELIOS VIG	15.27	16.35	-6.62	4.68	5.07
11	UNIQA	12.42	13.39	-7.23	3.81	4.15
12	TRIGLAV	9.14	9.49	-3.76	2.80	2.94
13	SOCIETE GENERALE	5.58	5.02	11.21	1.71	1.55
14	ERGO životno	2.75	5.75	-52.12	0.84	1.78
15	KD Life	2.10	1.63	28.93	0.64	0.50
16	VELEBIT životno	1.47	1.06	38.62	0.45	0.33
17	WÜSTENROT životno	0.90	-	-	0.28	-
TOTAL MARKET		326.17	322.85	1.03	100.00	100.00

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Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	CROATIA	310.63	325.49	-4.57	35.64	36.51
2	EUROHERC	129.40	132.85	-2.59	14.85	14.90
3	ALLIANZ Zagreb	90.03	86.60	3.96	10.33	9.71
4	JADRANSKO	83.10	85.00	-2.23	9.53	9.53
5	TRIGLAV	36.96	43.09	-14.21	4.24	4.83
6	KVARNER VIG	32.00	34.73	-7.86	3.67	3.90
7	Generali	29.58	26.94	9.79	3.39	3.02
8	BASLER osig. Zagreb	26.99	27.99	-3.58	3.10	3.14
9	HOK	24.62	23.46	4.93	2.82	2.63
10	SUNCE	22.27	22.90	-2.73	2.56	2.57
11	GRAWE Hrvatska	18.63	19.41	-4.00	2.14	2.18
12	UNIQA	17.54	17.58	-0.23	2.01	1.97
13	CROATIA zdravstveno	13.09	12.92	1.31	1.50	1.45
14	BNP Paribas CARDIF	10.02	9.06	10.60	1.15	1.02
15	VELEBIT	8.65	8.91	-2.98	0.99	1.00
16	HELIOSVIG	8.58	7.03	21.95	0.98	0.79
17	IZVOR	4.26	2.48	71.95	0.49	0.28
18	MERKUR	4.04	3.95	2.28	0.46	0.44
19	HKO	1.02	0.89	14.59	0.12	0.10
20	ERGO	0.16	0.18	-12.58	0.02	0.02
TOTAL MARKET		871.56	891.45	-2.23	100.00	100.00



Czech Republic



Insurance Class	Share (%)
Assurance on death, survival etc.	13.88%
Unit-linked	24.61%
Personal injury or sickness	6.24%
Other life insurance	2.18%
Accidents	1.60%
Sickness	2.00%
Fire and allied perils	8.13%
Damages to property	5.43%
Motor Hull	9.44%
MTPL	12.92%
GTPL	8.09%
Credit insurance	1.84%
Financial loss	1.40%
Travel insurance	1.51%
Other non-life	0.74%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	152.7	148.9	151.6	142.0	142.9
GDP per capita, current prices (EUR)	14,468.4	14,140.3	14,430.4	13,569.2	13,765.8
Unemployment rate (% of total labor force)	7.0	6.7	7.3	6.7	4.4
Population (millions)	10.6	10.5	10.5	10.5	10.4
Minimum wages (EUR/month)	310.2	319.2	302.2	297.7	300.4
Insurance density (EUR/capita)	579.0	570.9	592.5	520.4	500.2
Insurance penetration degree (% in GDP)	4.0	4.0	4.1	3.8	3.6
Insurance market pre-tax profit/loss (EUR m)	603.6	442.7	977.9	724.0	428.6
Insurance market after tax profit/loss (EUR m)	491.7	355.9	850.6	584.9	350.7
Exchange rate for calculations (end of the period)	25.1	25.8	25.1	26.5	26.9

The Czech insurers ended 2012 with a EUR 603.6 million aggregated profit before taxes, a 36.3% higher figure than in 2011, despite the stagnant trend of the underwriting activity. In terms of gross written premium, last year's results are fairly comparable with 2011 figures, with a total premium production of EUR 6.1 billion, 1.6% higher y-o-y considering the values of the main market indicators denominated in Euro. In national currency, GWP amounted to CZK 153.6 billion, almost 1% less than in 2011.

Life insurance recorded a 2.7% y-o-y growth, in Euro, to a total amount of GWP of EUR 2.87 billion. Yet, looking at the main classes included in the life insurance segment, it is interesting to observe that GWP for Unit-Liked products grew by 6%, to EUR 1.5 billion, increasing the class' share in the overall market portfolio

by about 1pp, to 24.6%, while the indemnities paid for the same business line increased by 38%, to EUR 700 million, following a 40% growth of the sums paid for early terminating policies. Yet, the number of active UL insurance policies grew by about 220 thousand y-o-y.

The highest growth rate among the life insurance line was reported for the "Personal injury or sickness" class, which recorded a 12.4% growth in GWP, to EUR 381 million. On the other hand, despite a 17% growth of the total number of active policies, gross premium written for "Assurance on death, survival etc." decreased by about 4.8%, to EUR 848 million.

On the non-life insurance side, the slight appreciation the CZK exchange rate translated the almost 2% decrease of the GWP figure, in local currency, in a

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	6,109.74	6,011.34	1.64	3,508.13	3,302.63	6.22	100.00	100.00
TOTAL LIFE	2,865.92	2,791.05	2.68	1,846.07	1,630.65	13.21	46.91	46.43
Assurance on death, survival etc.	847.95	890.84	-4.81	803.03	793.36	1.22	13.88	14.82
Unit-linked	1,503.54	1,417.99	6.03	701.61	508.42	38.00	24.61	23.59
Personal injury or sickness	381.33	339.21	12.42	136.66	119.35	14.50	6.24	5.64
Other life insurance	133.10	143.01	-6.93	204.76	209.52	-2.27	2.18	2.38
TOTAL NON-LIFE	3,243.82	3,220.29	0.73	1,662.06	1,671.98	-0.59	53.09	53.57
Accident	97.45	103.51	-5.85	35.79	34.21	4.60	1.60	1.72
Sickness	122.27	117.71	3.87	28.13	25.47	10.41	2.00	1.96
Overall property insurance	828.62	797.88	3.85	354.15	390.22	-9.24	13.56	13.27
Fire and allied perils	496.88	480.80	3.34	192.14	226.66	-15.23	8.13	8.00
Damages to property	331.75	317.07	4.63	162.02	163.56	-0.94	5.43	5.27
Overall motor insurance	1,366.35	1,388.62	-1.60	844.88	860.27	-1.79	22.36	23.10
Motor Hull	576.74	576.04	0.12	414.10	429.26	-3.53	9.44	9.58
MTPL	789.61	812.59	-2.83	430.79	431.01	-0.05	12.92	13.52
GTPL	494.05	481.22	2.67	244.10	241.94	0.90	8.09	8.01
Credit	112.40	124.34	-9.60	71.11	45.26	57.10	1.84	2.07
Financial loss	85.41	76.14	12.17	15.85	28.72	-44.80	1.40	1.27
Travel	92.20	83.01	11.07	33.84	33.06	2.39	1.51	1.38
Other non-life	45.07	47.85	-5.82	34.20	12.83	166.51	0.74	0.80

Access www.xprimm.com
and download in MS Excel format:
Market indicators (in EUR and CZK)
according CNB

GWP, claims, growth rates, portfolio

Market rankings (in EUR and CZK)
according CAP

Overall market, life, non-life,
motor hull and MTPL


SOURCE:

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

**CZECH CURRENCY EXCHANGE RATE FOR
CALCULATIONS:**

1 EUR = 25.80 KčRON - CZK (DECEMBER 31st, 2011)

1 EUR = 25.14 KčRON - CZK (DECEMBER 31st, 2012)

y-o-y 0.7% positive change shown by the GWP denominated in Euro. Thus, the total underwritings of the Czech non-life insurers amounted to EUR 3.24 billion.

The highest growth rates were achieved on two business lines accounting together for about 3% of the market portfolio, "Financial loss" insurance - 12.17% y-o-y growth -, and "Travel" insurance, 11% growth.

GWP for property insurance amounted to EUR 828.6 million, 3.85% up y-o-y, while the claims paid for the same class decreased by 9.2%, to EUR 354 million. On the motor insurance lines, the 2012 results showed a steady evolution for the Motor Hull business (EUR 576.7 million in GWP) and a 2.8% decrease on MTPL, to EUR 789.6 million. However, it is interesting to observe that the total number of MTPL policies increased by about 313 thousand units. On the claims side, while the paid claims for Motor Hull contracts decreased by about 3.5%, the expenses made by insurers for the MTPL claims remained at the same level as in 2011.

The technical result was positive both for life and non-life insurance and was significantly higher as compared with 2011, mostly due to the higher amounts transferred from the financial placements' earnings to the technical account. Thus, the result of the technical account for life insurance was of EUR 260 million, while for non-life insurance was of EUR 288 million.

ČESKÁ poisovna, KOOPERATIVA VIG, ALLIANZ are the Top 3 market leaders, with an aggregated market share of 53.8%, in GWP terms.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ČESKÁ pojišťovna	435.35	432.96	0.55	23.07	23.98
2	KOOPERATIVA VIG	249.01	232.51	7.10	13.20	12.88
3	PČS VIG	227.90	205.83	10.72	12.08	11.40
4	ING - ŽP	197.33	197.25	0.04	10.46	10.93
5	ČSOBP Pojišťovna	137.62	130.07	5.81	7.29	7.21
6	AXA- ŽP	110.72	115.92	-4.49	5.87	6.42
7	GENERALI Pojišťovna	105.73	99.98	5.75	5.60	5.54
8	ALLIANZ	101.13	82.84	22.09	5.36	4.59
9	METLIFE AMCICO	66.30	65.90	0.61	3.51	3.65
10	KOMERČNÍ pojišťovna	52.95	53.77	-1.53	2.81	2.98
11	ČPP VIG	47.97	45.07	6.45	2.54	2.50
12	UNIQA	47.56	45.97	3.45	2.52	2.55
13	AEGON	40.73	33.58	21.29	2.16	1.86
14	METLIFE (ex. AVIVA)	34.89	33.92	2.84	1.85	1.88
15	CARDIF Pojišťovna	11.09	9.92	11.81	0.59	0.55
16	WÜSTENROT - ŽP	9.91	8.71	13.85	0.53	0.48
17	ERGO	8.29	8.99	-7.81	0.44	0.50
18	DR LEBEN	1.89	1.62	16.72	0.10	0.09
19	HVP	0.32	0.35	-9.87	0.02	0.02
20	MAXIMA	0.27	0.03	882.35	0.01	0.00
TOTAL MARKET (CAP)		1,886.97	1,805.19	4.53	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ČESKÁ pojišťovna	754.75	762.43	-1.01	27.86	28.47
2	KOOPERATIVA VIG	626.82	627.62	-0.13	23.14	23.44
3	ALLIANZ	280.08	274.88	1.89	10.34	10.26
4	GENERALI Pojišťovna	207.57	224.45	-7.52	7.66	8.38
5	ČPP VIG	181.90	172.19	5.64	6.71	6.43
6	ČSOBP Pojišťovna	173.94	154.77	12.39	6.42	5.78
7	UNIQA	164.52	153.86	6.93	6.07	5.75
8	CARDIF Pojišťovna	80.94	76.15	6.29	2.99	2.84
9	AXA	29.62	18.72	58.23	1.09	0.70
10	SLAVIA	28.40	29.55	-3.87	1.05	1.10
11	TRIGLAV	27.06	26.04	3.94	1.00	0.97
12	ČESKÁ pojišťovna Zdravi	18.51	16.87	9.67	0.68	0.63
13	HVP	18.23	18.70	-2.53	0.67	0.70
14	WÜSTENROT	13.85	12.52	10.56	0.51	0.47
15	HDI Versicherung	13.14	12.01	9.43	0.49	0.45
16	Pojišťovna VZP	12.36	15.84	-21.98	0.46	0.59
17	ERV pojišťovna	11.72	11.04	6.10	0.43	0.41
18	MAXIMA	11.53	11.91	-3.24	0.43	0.44
19	KOMERČNÍ pojišťovna	11.40	9.98	14.22	0.42	0.37
20	D.A.S.	10.83	10.17	6.47	0.40	0.38
21	DIRECT Pojišťovna	9.58	12.58	-23.85	0.35	0.47
22	METLIFE AMCICO	7.42	8.44	-12.06	0.27	0.32
23	ERGO	6.00	8.13	-26.18	0.22	0.30
24	PČS VIG	5.30	4.99	6.21	0.20	0.19
25	AXA- ŽP	3.53	4.07	-13.22	0.13	0.15
26	ČESKÁ kancelář pojistitelů	0.00	0.01	-69.18	0.00	0.00
TOTAL MARKET (CAP)		2,708.99	2,677.91	1.16	100.00	100.00



Estonia



Life insurance	21.22%
Accidents insurance	4.82%
Health insurance	2.21%
Fire and allied perils	13.50%
Damages to property	6.88%
Motor Hull	24.72%
MTPL	19.66%
GTPL	3.06%
Other non-life insurance	3.92%

SOURCE:

FINANCIAL SUPERVISION AUTHORITY OF ESTONIA

CURRENCY: EURO

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

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	17.0	16.0	14.3	13.8	16.2
GDP per capita, current prices (EUR)	12,688.4	11,902.3	10,687.6	10,266.7	12,107.3
Unemployment rate (% of total labor force)	9.8	11.7	17.3	13.8	5.5
Population (millions)	1.3	1.3	1.3	1.3	1.3
Minimum wages (EUR/month)	290.0	278.0	278.0	278.0	278.0
Insurance density (EUR/capita)	257.4	232.7	233.8	228.7	217.5
Insurance penetration degree (% in GDP)	2.0	2.0	2.2	2.2	1.8
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	73.3	50.8	60.2	85.8	15.3

In 2012, benefitting from the visible economic recovery of the country, the Estonian insurance industry ended 2012 with a 10.6% increase y-o-y in gross written premiums, returning under the sign of the double-digit increases. In absolute values, the insurance market has gained in GWP more than EUR 33 million: from EUR 312 million in 2011 to EUR 345 million in December 2012.

Claims paid by insurers amounted to EUR 205 million, according to official data published by the Estonian FSA - Financial Supervision Authority.

The break-down on insurance classes shows that underwritings on life insurance went up by 5.7% y-o-y, reaching almost EUR 73 million. At the same time Estonian non-life insurers totalled EUR 272 million, increasing 12% y-o-y, or, in absolute value by about EUR 29 million.

As far as profitability is concerned, 2012 ended with a 44% growth of the aggregated net profit figure, to EUR 73.3 million.

Insurance fraud, a challenging issue

Insurance companies operating in Estonia ascertained in 2012 a total of 250 insurance fraud cases with which fraudsters tried to get EUR 2.4 million, reported LETA/Public Broadcasting.

According to the Estonian Insurance Association data, although the total number of reported frauds decreased by about 25% last year, the total amount of undue financial benefits targeted by fraudsters grew by 26% as compared with the previous year, amounting to EUR 2.38 million.

The growth came from addition of a few very large scale insurance fraud cases - while in 2010 and 2011, the biggest ascertained fraud cases remained below EUR 100,000, and last year there was an attempt to get nearly EUR 400,000. According to the Association's experts, the tendency of growth of sums refers to organised groups and wilful crimes.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	344.88	311.83	10.60	204.80	190.27	7.64	100.00	100.00
TOTAL LIFE	73.18	69.23	5.71	57.54	40.18	43.19	21.22	22.20
TOTAL NON-LIFE	271.70	242.60	12.00	147.26	150.09	-1.88	78.78	77.80
Accidents insurance	16.63	12.95	28.42	7.68	6.13	25.19	4.82	4.15
Health insurance	7.63	6.20	23.05	5.55	4.27	30.06	2.21	1.99
Overall property insurance	70.29	63.07	11.45	32.31	28.30	14.16	20.38	20.23
Fire and allied perils	46.56	40.45	15.11	16.59	12.95	28.11	13.50	12.97
Damages to property	23.73	22.62	4.92	15.72	15.35	2.39	6.88	7.25
Overall motor insurance	153.06	138.91	10.19	94.29	102.55	-8.05	44.38	44.55
Motor Hull	85.25	77.57	9.91	50.94	58.10	-12.32	24.72	24.87
MTPL	67.81	61.34	10.54	43.35	44.45	-2.47	19.66	19.67
GTPL	10.57	8.82	19.83	3.32	3.23	2.85	3.06	2.83
Other non-life insurance (reinsurance included)	13.52	12.65	6.87	4.12	5.61	-26.58	3.92	4.06



Uninsured vehicles cost million of Euros in claims

According to a study published in 2012 by the Estonian Traffic Insurance Fund (ETIF), vehicles that lack valid traffic insurance have caused 5.2 million Euros worth of damages in traffic over the past five years, Public Broadcasting reported. While the average claim value stood at about EUR 2,140, the top values recorded for claims following a traffic accident caused by uninsured vehicles amounted to EUR 60,000.

The study also reveals that uninsured vehicles caused in average 500 traffic accidents per year and over a half of such vehicles were uninsured for over three months before the accident. Most of the uninsured vehicles involved in the accidents were old cars, many of them of 14 years, and the owners were aware that they don't have insurance. **D.G.**

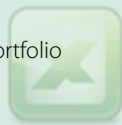
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Market indicators

GWP, claims, growth rates, portfolio

Market rankings

Life and non-life



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	SWEDBANK Life	33.58	36.16	-7.15	41.17	28.42	44.83	45.88	52.23
2	COMPENSA Life VIG	23.67	17.33	36.57	7.68	5.30	44.83	32.35	25.04
3	SEB	12.12	11.73	3.33	5.52	4.65	18.72	16.57	16.95
4	MANDATUM Life	3.80	4.00	-4.85	3.17	1.81	75.55	5.20	5.78
TOTAL MARKET		73.18	69.23	5.71	57.54	40.18	43.19	100.00	100.00

Non - Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	If P&C	115.16	113.93	1.08	58.86	69.22	-14.97	42.39	46.96
2	SEESAM	47.94	26.34	81.99	26.06	19.73	32.09	17.64	10.86
3	SWEDBANK	42.43	39.03	8.71	19.59	18.71	4.75	15.62	16.09
4	ERGO	41.73	38.75	7.69	29.41	28.80	2.14	15.36	15.97
5	SALVA	15.55	15.23	2.09	8.28	9.88	-16.21	5.72	6.28
6	INGES	6.23	7.01	-11.14	4.41	3.57	23.59	2.29	2.89
7	KredEx	1.43	1.50	-4.67	0.45	0.04	913.64	0.53	0.62
8	D.A.S.	1.25	0.82	51.82	0.20	0.14	43.48	0.46	0.34
TOTAL MARKET		271.70	242.60	12.00	147.26	150.09	-1.88	100.00	100.00

Download the **FY 2012** figures in Microsoft Excel format in local and European Currency, on

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Section: Country Profiles

- Gross Written Premium
- Paid Claims
- Growth Rates
- Market portfolios
- Rankings
- Market shares

Quarterly updates!



Hungary



Insurance Class	Percentage
Assurance on death	2.65%
Endowment	10.82%
Unit linked	34.35%
Other life insurance	5.16%
Accidents insurance	2.14%
Health insurance	0.94%
Fire and allied perils	11.85%
Damages to property	8.29%
Motor Hull	8.49%
Motor liability	10.00%
GTPL	2.29%
Financial loss	0.70%
Other non-life insurance	2.32%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	98.0	89.6	95.5	94.6	100.2
GDP per capita, current prices (EUR)	9,838.3	8,975.5	9,531.9	9,432.6	9,979.8
Unemployment rate (% of total labor force)	11.0	11.0	10.9	10.5	8.0
Population (millions)	10.0	10.0	10.0	10.0	10.0
Minimum wages (EUR/month)	295.6	280.6	271.8	268.1	271.9
Insurance density (EUR/capita)	261.9	262.3	301.9	304.0	335.0
Insurance penetration degree (% in GDP)	2.7	2.9	3.2	3.2	3.4
Insurance market pre-tax profit/loss (EUR m)	73.0	67.1	17.6	294.1	na
Insurance market after tax profit/loss (EUR m)	62.6	54.0	7.0	244.4	na
Exchange rate for calculations (end of the period)	291.3	311.1	278.8	270.8	264.8

The Hungarian insurance market didn't succeed to maintain the upward trend that seemed to emerge at the end of the first quarter of 2012. Thus, in the next quarters the market volume continuously decreased as compared with the correspondent periods of the previous year, although the appreciation of about 6.5% of the Hungarian currency in relation to the Euro somehow flattened the downward curve. Finally, 2012 ended with a 6.75% GWP decrease in the local currency, while the figures denominated in euro showed a quasi steady evolution (a -0.4% GWP change as compared with 2011).

Looking at the main business lines, motor insurance classes recorded the worst y-o-y performance (-10.8% in HUF, -4.7% in EUR), followed by the life insurance segment (-9.45% in HUF, -3.3% in EUR). The property insurance sector is the sole significant sector on the Hungarian

market which recorded a positive evolution (3.8% in HUF, 10.9% in EUR).

On the life insurance side, the main business lines - endowment insurance and UL insurance products -, recorded a visible y-o-y reduction of the GWP volume, of 6.7% and 12.3% respectively, in national currency. The market ranking remained almost unchanged as compared with 2011, ING, ALLIANZ and GROUPAMA holding the first three positions, with an aggregated market share of over 37%.

Non-life lines showed mixed results. As already mentioned above, the motor insurance lines recorded the worst performance, with an 8.8% y-o-y GWP decrease for the Motor Hull class and a 12.4% fall in the GWP volume in the MTPL class. Yet, it is interesting to observe that while for the facultative line the decrease in GWP was fairly proportional to the reduction of the number of insurance contracts (5% less valid MOD contracts at

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,609.27	2,619.61	-0.39	1,961.86	1,928.24	1.74	100.00	100.00
TOTAL LIFE	1,382.53	1,429.48	-3.28	1,370.05	1,308.04	4.74	52.99	54.57
Assurance on death	69.17	58.83	17.58	20.93	18.20	15.02	2.65	2.25
Endowment	282.30	283.49	-0.42	423.82	367.00	15.48	10.82	10.82
Unit linked	896.31	957.33	-6.37	811.60	809.01	0.32	34.35	36.54
Other life insurance (mutual companies included)	134.75	129.84	3.79	113.70	113.83	-0.11	5.16	4.96
TOTAL NON-LIFE	1,226.74	1,190.13	3.08	591.81	1,166.56	-49.27	47.01	45.43
Accidents insurance	55.71	53.53	4.09	15.33	14.50	5.67	2.14	2.04
Health insurance	24.47	19.05	28.44	6.24	5.27	18.42	0.94	0.73
Overall property insurance	525.50	473.84	10.90	187.21	190.54	-1.75	20.14	18.09
Fire and allied perils	309.18	277.54	11.40	105.29	110.63	-4.82	11.85	10.59
Damages to property	216.31	196.30	10.20	81.91	79.91	2.51	8.29	7.49
Overall motor insurance	482.42	506.27	-4.71	339.28	355.82	-4.65	18.49	19.33
Motor Hull	221.56	227.46	-2.60	138.42	155.90	-11.21	8.49	8.68
MTPL	260.86	278.81	-6.44	200.86	199.92	0.47	10.00	10.64
GTPL	59.77	53.63	11.44	13.18	15.17	-13.13	2.29	2.05
Financial loss	18.36	17.51	4.84	5.81	9.80	-40.76	0.70	0.67
Other non-life insurance (mutual companies included)	60.51	66.29	-8.73	24.77	29.10	-14.88	2.32	2.53

Access www.xprimm.com

and download in MS Excel format:

Market indicators (in EUR and HUF) according PSZAF

GWP, claims, growth rates, portfolio

Market rankings (in EUR and HUF) according MABISZ

Overall market, life, non-life and MTPL

SOURCE:

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 = 291.29 FORINTS - HUF (DECEMBER 31ST, 2012)

Hungary's central bank (MNB) is advocating its merger with the Hungarian Financial Supervisory Authority (PSZAF or HFSA), as a recently background paper issued by the bank shows.

The document shows that one of the key elements in the enhancement of overseeing systems is the establishment of an independent body that has a broader set of tools to prevent the build-up of risks at individual or systemic level or to resolve crisis situations that have already occurred in a fast and efficient manner. The bank's position on the issue is that the macroprudential framework must be strengthened in Hungary and all supervisory authorities must be integrated.

The PSZAF President Károly SZÁSZ commented that the supervision could function well even as part of the national bank, but *the current functions of the PSZAF and the NBH will need to be retained in a transparent way and relatively separated.*

the end of 2012 as compared with 2011), on the MTPL side the fall in premiums took place at the same time with a slight increase in the total number of policies issued (+1.1%), indicating a continuously soft market.

For the property insurance lines, it is worth mentioning that the 3.83% increase in premiums corresponds to a quasi constant number of "Fire and allied perils" policies, while the number of contracts issued for "damages to property" class decreased by over 5%.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ING	225.71	242.78	-7.03	16.49	17.18
2	ALLIANZ	146.79	155.07	-5.34	10.72	10.97
3	GROUPAMA	143.46	146.99	-2.40	10.48	10.40
4	GENERALI-PROVIDENCIA	129.84	129.70	0.11	9.48	9.18
5	MPÉ Hungarian Post Life	123.82	99.23	24.79	9.04	7.02
6	AEGON	123.80	129.50	-4.40	9.04	9.16
7	UNIQA	81.46	76.83	6.03	5.95	5.44
8	CIG Pannónia Life	77.32	90.20	-14.28	5.65	6.38
9	MetLife (AVIVA)	54.38	67.97	-20.00	3.97	4.81
10	ERSTE	51.90	45.67	13.65	3.79	3.23
11	AXA	42.51	52.01	-18.26	3.11	3.68
12	K&H	36.72	46.07	-20.29	2.68	3.26
13	UNION	31.90	34.49	-7.50	2.33	2.44
14	SIGNAL	30.79	27.05	13.80	2.25	1.91
15	GRAWE	28.08	26.70	5.16	2.05	1.89
16	AHICO (MetLife)	18.19	20.48	-11.20	1.33	1.45
17	DIMENZIÓ	11.71	12.92	-9.36	0.86	0.91
18	MKB Life	10.73	9.86	8.78	0.78	0.70
19	ASTRA	0.01	-	-	0.00	-
TOTAL MARKET (MABISZ)		1,369.13	1,413.53	-3.14	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ALLIANZ	307.35	308.06	-0.23	24.26	25.14
2	GENERALI-PROVIDENCIA	247.25	254.32	-2.78	19.52	20.75
3	GROUPAMA	147.33	140.12	5.15	11.63	11.43
4	AEGON	144.78	134.81	7.40	11.43	11.00
5	UNIQA	104.92	93.89	11.75	8.28	7.66
6	UNION	61.04	47.24	29.21	4.82	3.85
7	K&H	56.94	65.55	-13.14	4.49	5.35
8	MP Hungarian Post	27.11	24.52	10.56	2.14	2.00
9	KÖBE	24.61	22.65	8.66	1.94	1.85
10	AIG	23.77	20.69	14.91	1.88	1.69
11	SIGNAL	16.84	14.91	12.91	1.33	1.22
12	QBE Europe	16.39	16.51	-0.70	1.29	1.35
13	ASTRA	14.62	19.38	-24.59	1.15	1.58
14	EULER HERMES	14.17	12.02	17.86	1.12	0.98
15	WÁBERER Hungária	12.82	11.23	14.17	1.01	0.92
16	GENERTEL	11.63	11.07	5.07	0.92	0.90
17	CIG Pannónia General	10.03	0.44	2,156.41	0.79	0.04
18	MKB General	8.53	7.42	14.99	0.67	0.61
19	EUROPEAN TRAVEL	7.53	7.23	4.13	0.59	0.59
20	AXA	2.63	2.57	2.40	0.21	0.21
21	MEDICOVER	2.30	-	-	0.18	-
22	PORSCHE	2.24	1.94	15.95	0.18	0.16
23	AHICO (MetLife)	1.75	1.81	-3.69	0.14	0.15
24	TIR BE	0.20	0.22	-7.74	0.02	0.02
25	MetLife (AVIVA)	0.00	-	-	0.00	-
26	AIM	-	6.87	-	-	0.56
TOTAL MARKET (MABISZ)		1,266.79	1,225.48	3.37	100.00	100.00

It is worth mentioning that Hungary shows the highest rate of insured homes in the region, of 75%, according a study provided by Generali PPF Holding.

ALLIANZ, GENERALI-PROVIDENCIA and GROUPAMA are the Top 3 non-life insurers, holding together an over 55% market share.

According to the PSZAF reports, the Hungarian insurance market ended 2012 with an aggregated net profit of EUR 62.6 million, 13% higher than in 2011. The aggregated technical result was of EUR 123.36 million (EUR 59.4 million for life insurance and EUR 63.9 million for non-life insurance). **D.G.**



Latvia



Life insurance with savings	7.34%
Unit-linked	2.14%
Other life insurance	0.35%
Accidents insurance	1.91%
Health insurance	8.26%
Fire and allied perils	10.40%
Damages to property	4.15%
Motor hull	18.05%
compulsory MTPL	11.60%
Transport ownership liability insurance	22.50%
GTPL	4.97%
Suretyship insurance	2.61%
Assistance insurance	2.40%
Other non-life insurance	3.30%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	22.1	20.3	18.2	18.6	22.9
GDP per capita, current prices (EUR)	10,816.0	9,790.7	8,578.2	8,598.7	10,441.8
Unemployment rate (% of total labor force)	14.9	16.2	18.7	16.9	7.5
Population (millions)	2.0	2.1	2.1	2.2	2.2
Minimum wages (EUR/month)	285.9	281.9	253.8	254.1	229.8
Insurance density (EUR/capita)	173.5	155.7	127.6	146.9	219.0
Insurance penetration degree (% in GDP)	1.6	1.6	1.5	1.7	2.1
Insurance market pre-tax profit/loss (EUR m)	14.9	-2.3	22.5	19.5	23.5
Insurance market after tax profit/loss (EUR m)	14.5	-2.6	20.5	16.2	20.0
Exchange rate for calculations (fixed)	0.7	0.7	0.7	0.7	0.7

Latvian insurance market recorded a 9.7% growth rate in 2012, obviously far below the over 19% increase reported in 2011, but still close to the double-digit territory. The positive result was especially due to the good dynamic reported by the non-life insurance segment: GWP amounted to LVL 249 million (or EUR 354 million), 9.6% y-o-y up.

On the life insurance side the trend was slightly negative, with a 2% decrease in GWP, to EUR 35 million due a strong depreciation of almost 30% on the unit-linked line, while on the traditional line the underwriting volume was 10% higher than in 2011.

Non-life insurance segment takes over 90% share of the market portfolio, with a GWP volume of EUR 319 million, or 11% more, compared to FY2011. Analyzing the growth rates, the most



Juris STENGREVICIS
Chairman of the Board,
Motor Insurers'
Bureau of Latvia

impressive evolution in non-life was reported on the following business lines: GTPL (+38%), health (+27%), surety ship insurance (+12%) and motor hull (+10%) - which accounted for the one of the heaviest part of the market portfolio: 18%.

Although the compulsory MTPL holds only about 11% of the Latvian market portfolio, an explanation is maybe needed with regard to another class

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012 EUR m	2011 EUR m	Change %	2012 EUR m	2011 EUR m	Change %	2012 %	2011 %
TOTAL MARKET*	354.22	322.99	9.67	187.55	177.71	5.53	100.00	100.00
TOTAL LIFE	34.80	35.37	-1.61	18.72	14.84	26.18	9.82	10.95
Life insurance with savings	25.99	23.61	10.06	10.73	11.46	-6.30	7.34	7.31
Unit-linked	7.59	10.56	-28.09	7.87	3.25	142.21	2.14	3.27
Other life insurance	1.22	1.20	1.71	0.12	0.13	-11.33	0.35	0.37
TOTAL NON-LIFE	319.42	287.62	11.06	168.82	162.87	3.65	90.18	89.05
Accidents insurance	6.77	6.35	6.71	2.25	2.28	-1.26	1.91	1.96
Health insurance	29.26	23.02	27.13	19.35	16.31	18.65	8.26	7.13
Overall property insurance	51.56	46.97	9.77	23.69	23.29	1.73	14.56	14.54
Fire and allied perils	36.85	33.39	10.34	19.11	19.05	0.34	10.40	10.34
Damages to property	14.72	13.58	8.34	4.58	4.24	7.98	4.15	4.21
Overall motor insurance	184.75	169.43	9.04	110.73	111.86	-1.01	52.16	52.46
Motor hull	63.95	57.96	10.34	38.97	40.26	-3.20	18.05	17.95
Compulsory MTPL	41.09	37.80	8.71	27.96	30.54	-8.45	11.60	11.70
Transport ownership liability	79.71	73.67	8.19	43.81	41.07	6.67	22.50	22.81
GTPL	17.62	12.79	37.77	2.52	1.53	64.43	4.97	3.96
Suretyship insurance	9.26	8.27	11.94	2.30	0.99	131.16	2.61	2.56
Assistance insurance	8.50	8.05	5.55	1.93	1.78	8.65	2.40	2.49
Other non-life insurance**	11.70	12.74	-8.14	6.06	4.84	25.23	3.30	3.94

*Foreign insurance companies not included

**Accepted reinsurance included

included in the motor insurance segment, under the name of "transport ownership liability insurance". In fact, it is also about compulsory MTPL insurance, but this specific chapter refers to the MTPL premiums written by Latvian insurance companies abroad, as some insurance companies have branches in other EEA countries. Thus, disregarding the territorial aspect, it is fair to say that Latvian insurers' liabilities related to MTPL contracts represent the total over 34% resulting from the addition of the two classes' shares. However, as the two insurance classes describe different markets, are influenced by several unequal factors, legal norms etc., they are considered as independent chapters in the market statistics.

Despite the fact that the MTPL insurance is quite a small part of the whole non-life

insurance market in Latvia, we see the MTPL insurance as a significant part of the Latvian non-life insurance market. This insurance mode is compulsory according to the national law and attracting customers is essential, thus, interesting for insurance companies. Yet, we cannot agree that the MTPL insurance is a "market trendsetter" in Latvia, because there are other non-life insurance modes (like Casco or property insurance) with a much bigger influence on the whole insurance market, commented Juris STENGREVICIS, Chairman of the Board, Motor Insurers' Bureau of Latvia for XPRIMM.

He also offered us a more detailed description of the local MTPL market. "Currently, there are 12 insurance companies in Latvia providing MTPL insurance, 6 of which are branches of foreign insurance companies (from

SOURCE:

THE FINANCIAL AND CAPITAL MARKET COMMISSION OF LATVIA (FKTK)
NATIONAL BANK OF LATVIA

LATVIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 0.702804 LATS - LVL (FIXED)

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Estonia, Poland and Lithuania), 6 - Latvian based insurance companies and 2 have branches abroad. There is a considerable competition on the market and every single consumer is important for insurance companies, explained STENGREVICIS. **D.G.**



Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	4.9	4.6	4.2	3.9	3.9
GDP per capita, current prices (EUR)	na	na	na	na	na
Unemployment rate (% of total labor force)	na	na	na	na	na
Population (millions)	2.2	2.2	2.2	2.2	2.2
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	37.1	35.5	32.4	30.8	25.6
Insurance penetration degree (% in GDP)	1.7	1.7	1.7	1.7	1.5

At the end of 2012 Kosovo's insurers posted total gross written premiums of EUR 81.5 million, up 4.4% y-o-y, according to the financial figures published by the Central Bank of the Republic of Kosovo (CBK). During 2012, the number of policies sold by insurance companies was 757.2 thousand, representing an annual increase of 25%.

The activities of insurance companies continued to focus mainly on third party liability policies, which generate 54% of all premiums, while the remaining part of the GWP came from voluntary insurance policies.

According to CBK, in 2012, the value of GWP obtained from the sale of TPL policies amounted to EUR 44.2 million, 3.4% less y-o-y. The rest of GWP consists

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of voluntary insurance policies (EUR 22.6 million, 28% of total premiums) and border insurance policies (EUR 14.7 million, 52.6% more y-o-y).

The growing GWP was followed by a higher growth in claims paid, which in 2012 reached EUR 30.6 million (an annual increase of 14% compared with 2011). The ratio between gross written premiums and claims paid in 2012 was 37.5%, while in 2011 it was 34.3%, which indicates that the number of claims paid is increasing faster than the underwritings volume. **V.B.**

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	81.53	78.10	4.40	30.58	26.81	14.05	100.00	100.00
MTPL	44.22	45.78	-3.40	18.92	17.98	5.23	54.24	58.62
Border policies	14.72	9.64	52.58	1.13	0.96	17.42	18.05	12.35
Other (non TPL)	22.60	22.67	-0.34	10.54	7.87	33.79	27.71	29.03



Lithuania



Insurance Type	Percentage
Life assurance	9.25%
Unit-linked	22.56%
Marriage and birth	0.32%
Health insurance	6.36%
Property insurance	13.12%
Motor Hull	16.04%
MTPL	23.76%
Goods in transit	0.45%
GTPL	3.97%
Credit insurance	0.83%
Suretyship insurance	2.39%
Financial loss insurance	0.51%
Other non-life insurance	0.44%

SOURCE:

BANK OF LITHUANIA

LITHUANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 3.4528 LITAS, LTL (FIXED)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	32.8	30.8	27.6	26.7	32.4
GDP per capita, current prices (EUR)	10,899.1	10,166.7	8,399.5	7,981.8	9,652.6
Unemployment rate (% of total labor force)	13.2	15.2	17.8	13.7	5.8
Population (millions)	3.0	3.0	3.3	3.3	3.4
Minimum wages (EUR/month)	231.7	231.7	231.7	231.7	231.7
Insurance density (EUR/capita)	172.2	162.5	136.7	133.8	171.6
Insurance penetration degree (% in GDP)	1.6	1.6	1.6	1.7	1.8
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na
Exchange rate for calculations (fixed)	3.5	3.5	3.5	3.5	3.5

After shrinking in the first quarters of 2012, Lithuania's life insurance sector gained momentum and recorded an annual increase of 2.5% towards the end of the year. Last year the entire insurance market grew by 5.2%.

Towards the end of the year the life insurance market usually becomes more active. In 2012, this tendency more than proved itself - a sum of LTL 94.9 million in insurance premiums was signed in December, the largest in the history of the life insurance market, said the Deputy Director of the Prudential Supervision Department of the Bank of Lithuania's Supervision Service, Mindaugas SALCIUS.

The entire insurance market grew by 5.2% - to LTL 1.8 billion (EUR 518 million) in 2012. A contributor to the growth was not only the spurt in life insurance at the end of the year, but the gradual growth of the non-life insurance market as well. It picked up by 6.6% - to LTL 1.2 billion (EUR 352 million); almost 5 million contracts were



Mindaugas SALCIUS
Deputy Director of the Prudential Supervision Department of the Bank of Lithuania's Supervision Service

concluded, 3.7% more than in 2011.

In the non-life insurance portfolio the most significant is still motor third party liability insurance and CASCO motor insurance; their premiums increased, respectively, by 9% - to LTL 425 million (EUR 123 million), and 11.9% - to LTL 286.9 million (EUR 83 million).

In 2012, customers were disbursed LTL 697.7 million (EUR 202 million) in benefits under the non-life insurance contracts - 6.2% less than in 2011, when

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	517.96	492.29	5.21	315.06	313.02	0.65	100.00	100.00
TOTAL LIFE	166.43	162.43	2.47	112.99	97.69	15.67	32.13	32.99
Life assurance*	47.91	45.56	5.15	52.19	27.75	88.06	9.25	9.26
Unit-linked	116.85	114.67	1.89	54.82	63.80	-14.08	22.56	23.29
Marriage and birth	1.68	2.19	-23.39	5.99	6.14	-2.46	0.32	0.44
TOTAL NON-LIFE	351.53	329.86	6.57	202.07	215.33	-6.16	67.87	67.01
Health insurance	32.93	30.19	9.05	15.94	12.91	23.52	6.36	6.13
Property insurance	67.95	70.47	-3.58	30.24	49.36	-38.73	13.12	14.31
Overall motor insurance	206.19	187.17	10.16	127.99	129.47	-1.14	39.81	38.02
Motor Hull	83.10	74.23	11.95	57.46	61.43	-6.45	16.04	15.08
MTPL	123.09	112.94	8.99	70.53	68.04	3.65	23.76	22.94
Goods in transit	2.31	2.24	3.17	1.26	1.21	4.14	0.45	0.45
GTPL	20.57	19.43	5.86	4.31	3.40	26.74	3.97	3.95
Credit insurance	4.28	4.40	-2.81	20.50	15.29	34.04	0.83	0.89
Suretyship insurance	12.38	11.71	5.73	1.06	1.55	-31.67	2.39	2.38
Financial loss insurance	2.65	2.41	10.00	0.36	1.66	-78.43	0.51	0.49
Other non-life insurance	2.27	1.84	23.45	0.41	0.49	-16.11	0.44	0.37

*Annuities, death and survival insurance, summed

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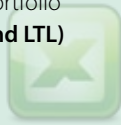
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Market indicators (in EUR and LTL)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and LTL)

Life and non-life



record-high compensations were paid out for crop insurance. The storm which swept by in the autumn of 2012 did not have a significant influence on property insurance claims either.

The amount of insurance compensations paid out under life insurance contracts last year rose by 15.7% to LTL 390.1 million (EUR 113 million). Insurance compensations, which had risen significantly during the last two years, increased due to growth in the amounts paid out to the survival insurance group.

While investment insurance continues to dominate with its life insurance premium amounts, when entering into new contracts, individuals more often chose traditional insurance products. The number of such contracts grew by a fifth, while 16% less investment life insurance contracts were signed.

Fluctuations in the life insurance market were also influenced by the fact that in 2012 a large portion of insurance contracts drawn up ten years ago expired because tax relief ceased to be effective. Further insurance market developments will also depend on the policyholders' choice of behavior after expiration of their contracts.

We project that the whole insurance market will grow by approximately 5-6% this year. The volume of the non-life insurance market is expected to grow faster - up to 7%, whereas growth in the life insurance market is expected to decelerate somewhat to 3%, estimated M. SALCIUS.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	Swedbank Life	37.72	40.41	-6.67	49.50	33.50	47.77	22.66	24.88
2	SEB	35.43	31.63	12.03	19.12	14.71	30.00	21.29	19.47
3	AVIVA Lietuva	32.59	28.00	16.40	10.30	10.41	-1.02	19.58	17.24
4	MANDATUM Life	17.50	24.18	-27.64	9.94	25.47	-60.96	10.51	14.89
5	ERGO Life	16.22	15.21	6.63	14.94	5.51	171.21	9.74	9.36
6	COMPENSA Life VIG	10.43	7.75	34.56	2.00	0.90	121.79	6.27	4.77
7	PZU Lietuva	6.08	5.51	10.40	2.32	1.39	67.57	3.65	3.39
8	BONUM PUBLICUM	5.26	5.03	4.57	1.98	1.40	41.65	3.16	3.10
9	AMPLICO Life	4.34	3.48	24.59	0.54	0.43	25.65	2.60	2.14
10	NORDEA Life	0.75	0.84	-11.40	0.06	0.01	398.41	0.45	0.52
11	LIETUVOS Draudimas	0.12	0.38	-67.49	2.28	3.96	-42.42	0.07	0.23
TOTAL MARKET		166.43	162.43	2.47	112.99	97.69	15.67	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	Lietuvos draudimas	110.02	102.33	7.52	54.75	57.30	-4.45	31.30	31.02
2	PZU Lietuva	46.89	39.67	18.21	24.99	19.46	28.43	13.34	12.02
3	BTA	46.26	38.28	20.86	23.97	24.24	-1.10	13.16	11.60
4	ERGO Lietuva	45.27	41.64	8.70	23.64	22.80	3.67	12.88	12.62
5	Gjensidige Baltic	27.50	21.96	25.23	14.82	12.14	22.13	7.82	6.66
6	If P&C Insurance	26.65	28.48	-6.45	14.82	21.26	-30.31	7.58	8.63
7	COMPENSA TU VIG	12.45	15.21	-18.17	8.59	5.35	60.42	3.54	4.61
8	SEESAM Insurance	12.10	10.90	11.02	6.95	9.94	-30.04	3.44	3.30
9	LAMANTINAS	3.93	3.64	8.07	0.06	0.13	-55.30	1.12	1.10
10	VH Lietuva	3.41	9.40	-63.74	0.85	18.38	-95.37	0.97	2.85
11	SWEDBANK P&C Ins.	3.31	3.10	6.86	1.76	0.19	810.75	0.94	0.94
12	ERGO Life	3.20	3.54	-9.44	1.98	1.95	1.83	0.91	1.07
13	COFACE	2.85	2.70	5.63	1.64	1.03	59.07	0.81	0.82
14	BALTIKUMS	2.49	1.67	49.27	0.16	0.04	324	0.71	0.50
15	SEB	2.07	3.08	-32.85	2.52	3.00	-16.02	0.59	0.93
16	COMPENSA Life VIG	1.69	1.17	44.83	0.96	0.93	3.82	0.48	0.35
17	BŪSTO	1.43	1.70	-16.20	18.85	14.26	32.22	0.41	0.52
18	BONUM PUBLICUM	0.01	0.01	169.80	0.01	0.00	228.26	0.00	0.00
19	PZU Lietuva	0.01	0.01	-28.62	0.00	0.00	-57.67	0.00	0.00
20	INDUSTRIJOS GARANTAS	0.00	1.40	-99.94	0.74	2.90	-74.36	0.00	0.42
21	LÄNSFÖRSÄKRINGAR	-	-0.00	-	-	0.03	-	-	-0.00
TOTAL MARKET		351.53	329.86	6.57	202.07	215.33	-6.16	100.00	100.00

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FYR of Macedonia



Life insurance	8.53%
Fire and allied perils	8.68%
Damages to property	11.13%
Motor Hull	10.87%
MTPL	46.76%
GTPL	1.99%
Other non-life insurance	12.04%

SOURCES:

INSURANCE SUPERVISION AGENCY
NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

MACEDONIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 61.5050 DENARS, MKD
(DECEMBER 31st, 2011)
1 EUR = 61.5000 DENARS, MKD
(DECEMBER 31st, 2012)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	7.5	7.5	7.1	6.7	6.7
GDP per capita, current prices (EUR)	3,641.5	3,641.0	3,430.8	3,270.9	3,272.6
Unemployment rate (% of total labor force)	31.3	31.4	32.1	32.2	33.8
Population (millions)	2.1	2.1	2.1	2.1	2.0
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	55.2	53.7	51.2	49.2	51.0
Insurance penetration degree (% in GDP)	1.5	1.5	1.5	1.5	1.6
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na
Exchange rate for calculations (end of the period)	61.5	61.5	61.5	61.2	61.4

An almost 3% growth in GWP, to EUR 113.95 million, driven by the positive development of the property insurance and life insurance lines - these are the main 2012 coordinates of one of the smallest CEE markets, FYROM. According to data provided by the supervising authority, the main growth factors were: introduction of new innovative products, enlargement of the risk coverage, development of alternative distribution channels and broader insurance awareness of the potential policy holders.

Although life insurance is still a small segment of the Macedonian market, its weight in the total portfolio grew in 2012 /2011 by about 1pp, to 8.5% thanks to the 20.36% growth rate recorded, the GWP for this line of business amounting to EUR 9.7 million. GRAWE and CROATIA, the two life insurers belonging to the German group GRAWE and the Croatian market leader CROATIA Osiguranje, are making together more than 85% of the Macedonian life insurance business.

On the non-life side, the GWP amount grew by only 1.57%, mostly influenced by the steady evolution of the MTPL



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

segment, which accounts for almost 47% of the market portfolio. The best dynamic was recorded on the property segment, with an 11.4% growth rate in terms of GWP, to EUR 22.57 million. In fact, most of this ascending trend was due to the "fire and allied perils" line which reported a 27% growth in GWP. *There was an equal growth in the population segment and the corporative clients' sector*, says Klime POPOSKI, Phd, President of the Council of Expert Insurance Supervisory Agency, Macedonia.

The local subsidiary of the Slovene TRIGLAV Group maintained its leadership position on the non-life market, with an over 19% market share, despite the slight decrease recorded

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	113.95	110.69	2.94	49.00	48.88	0.26	100.00	100.00
TOTAL LIFE	9.73	8.08	20.36	1.50	1.30	14.99	8.53	7.30
TOTAL NON-LIFE, of which:	104.23	102.61	1.57	47.51	47.58	-0.15	91.47	92.70
Overall property insurance	22.57	20.27	11.38	9.55	7.94	20.31	19.81	18.31
Fire and allied perils	9.89	7.78	27.15	4.20	2.06	104.21	8.68	7.02
Damages to property	12.68	12.49	1.56	5.35	5.88	-9.01	11.13	11.28
Overall motor insurance	65.67	61.90	6.09	30.99	32.84	-5.63	57.63	55.92
Motor Hull	12.39	8.82	40.48	8.14	8.66	-6.00	10.87	7.96
MTPL	53.28	53.08	0.37	22.85	24.18	-5.49	46.76	47.96
GTPL	2.27	1.86	22.32	0.21	0.20	3.30	1.99	1.68
Other non-life insurance	13.72	18.59	-26.22	6.76	6.60	2.41	12.04	16.79

The figures for 2012 are preliminary and unofficial and they are not guaranteed by Macedonian ISA

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Market indicators (in EUR and MKD)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and MKD)

Life and non-life



in underwritings (-0.75% y-o-y). The second position in the non-life ranking belongs to EUROLINK (12.3% market share), while SAVA and QBE rank 3rd and 4th, with a quasi equal market share, of about 10.5%.

Commenting the market results in terms of profitability, POPOSKI told XPRIMM that *at the end of 2012, out of 15 insurance undertakings on the Macedonian insurance market, 6 had a loss. In one of these 6 insurance undertakings, the loss is a result of the impairment of the accounts receivables and the financial investments while conducting due diligence. If we eliminate the effect of these undertakings, the profitability level of the insurance undertakings is low, but within our expectations for 2012. Above all, the low profitability level is due to the increased expenses arising from the value adjustment of the receivables with regard to the insurance premiums, as a result of using the Rulebook on valuation of the balance sheet items. Therefore, we expect the insurance undertakings in 2013 to achieve a better financial result. Also, a very important factor influencing the realization of the insurance undertaking loss and the low profitability level on the insurance market was the growth of the*

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE	4.32	3.97	8.60	0.37	0.32	15.59	44.37	49.17
2	CROATIA	3.96	3.27	21.31	0.38	0.28	33.45	40.76	40.44
3	UNIQA	0.66	0.22	202.32	0.00	-	-	6.80	2.71
4	WINNER	0.65	0.43	50.62	0.14	-	-	6.73	5.38
5	QBE	0.13	0.19	-30.00	0.61	0.70	-12.69	1.34	2.30
TOTAL MARKET		9.73	8.08	20.36	1.50	1.30	14.99	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	TRIGLAV	20.04	20.19	-0.75	12.91	13.64	-5.34	19.23	19.68
2	EUROLINK	12.87	12.57	2.46	4.80	4.26	12.68	12.35	12.25
3	SAVA	11.32	12.55	-9.81	6.48	7.40	-12.38	10.86	12.23
4	QBE	11.11	12.10	-8.22	5.16	5.89	-12.40	10.66	11.79
5	WINNER	10.23	8.63	18.62	4.78	3.37	41.83	9.82	8.41
6	INSUR. POLICY	9.38	9.29	0.99	3.49	3.95	-11.72	9.00	9.05
7	UNIQA	8.03	7.57	6.04	2.88	2.20	30.78	7.70	7.38
8	EVROINS	7.61	7.41	2.66	2.79	3.05	-8.54	7.30	7.22
9	CROATIA	5.37	4.14	29.82	1.15	0.93	23.34	5.15	4.03
10	ALBSIG	5.30	5.24	1.13	1.89	1.78	6.19	5.09	5.11
11	INSIG	2.96	2.92	1.27	1.17	1.09	6.67	2.84	2.85
TOTAL MARKET		104.23	102.61	1.57	47.51	47.58	-0.15	100.00	100.00

technical provisions level for fulfilment of the necessary technical provision level prescribed by the Law on Insurance Supervision.

Another novelty worth mentioning is the debut of the first bancassurance operator, Ohridska Banka AD Ohrid - a

member of Societe General Group, revealed the Macedonian supervisor. Yet, in 2012, the biggest participation in the GWP was realized directly (51.93%), then, through insurance brokers (21.15%) and insurance agents (18.14%), explained **D.G.**



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Montenegro



Life insurance	11.93%
Supplementary insurance	1.74%
Other life insurance	0.59%
Accident	11.05%
Health	1.52%
Fire and allied perils	5.57%
Damages to property	5.50%
Motor hull	8.16%
MTPL	47.12%
GTPL	1.41%
Other non-life insurance	5.41%



SOURCE:
INSURANCE SUPERVISION AGENCY OF MONTENEGRO

MONTENEGRO CURRENCY:
EURO

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	3.3	3.2	3.1	3.0	3.1
GDP per capita, current prices (EUR)	5,350.5	5,217.1	4,810.7	4,641.1	4,824.3
Unemployment rate (% of total labor force)	na	na	na	na	na
Population (millions)	0.6	0.6	0.6	0.6	0.6
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	107.5	104.5	96.4	102.1	94.7
Insurance penetration degree (% in GDP)	2.0	2.0	2.0	2.2	2.0
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na

In the financial year 2012, the gross premiums written by the Montenegrin insurers amounted to EUR 66.8 million, representing a very slight increase, of only 3% y-o-y, as the Insurance Supervision Agency reported. Compared with FY2011, non-life insurance premiums grew by almost 3% (to EUR 57.3 million), while the total life insurance premiums grew by 5% (to EUR 9.5 million). *Even if in Montenegro the volume of premiums does not seem very high, the insurance density is comparable to other larger countries, such as Bulgaria, Romania or Serbia, which is about EUR 100 per capita*, declared Boris SABAN, Executive Director, National Bureau of Montenegro Insurers, last week at the International Insurance Forum in Istanbul.

Montenegro is one of the smallest countries in the CEE Region with 625 thousand people and from the insurance point o view



Boris SABAN, MBA
Executive Director
National Bureau of
Montenegro Insurers

we certainly have a distinct advantage, but also disadvantages. As an advantage, we use the characteristics of a small but very flexible market compared with other bigger markets, said Boris SABAN.

As in the previous reporting periods, in the life insurance segment the absolute market leaders were the same Austrian-owned insurers: GRAWE (49% market share) and UNIQA (16.5%).

In the general insurance segment, the

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2012*	2011**	Change	2012	2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	66.86	64.79	3.19	100.00	100.00
TOTAL LIFE	9.53	9.06	5.28	14.26	13.98
Life insurance	7.98	7.79	2.36	11.93	12.03
Supplementary insurance	1.16	1.18	-1.09	1.74	1.81
Other life insurance	0.40	0.09	345.10	0.59	0.14
TOTAL NON-LIFE	57.32	55.73	2.85	85.74	86.02
Accident	7.39	7.35	0.53	11.05	11.34
Health	1.01	1.03	-1.75	1.52	1.59
Overall property insurance	7.41	7.59	-2.44	11.08	11.72
Fire and allied perils	3.73	4.41	-15.42	5.57	6.80
Damages to property	3.68	3.18	15.51	5.50	4.91
Overall motor insurance	36.96	35.75	3.38	55.28	55.18
Motor hull	5.46	5.74	-4.98	8.16	8.86
MTPL	31.51	30.01	4.98	47.12	46.32
GTPL	0.94	0.93	1.12	1.41	1.44
Other non-life insurance	3.62	3.08	17.31	5.41	4.76

* According to preliminary monthly figures published by ISA

** According to "Report on Insurance Market in Montenegro 2011"

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GWP, growth rates, portfolio

Market rankings

Life and non-life



leader of the market was still LOVCEN (member of the Slovenian TRIGLAV Group) - an almost 48% market share, followed by the other Slovenian-owned insurer: SAVA Montenegro - a 19% market share.

On the insurance market there were eleven players (five non-life and six life companies) and as for the capital structure, of the EUR 44 million, the foreign shareholders accounted for 76% of the total market capitalization. (...) For example, the life insurance segment is dominated by the Austrian groups while the main players in non-life segment are the Slovenian TRIGLAV and SAVA, pointed Boris SABAN.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	GRAWE Insurance	4.69	4.94	-5.07	49.19	54.55
2	UNQA Life Ins.	1.57	1.42	10.86	16.52	15.69
3	LOVČEN Life Ins.	1.41	1.27	11.19	14.81	14.02
4	MERKUR Insurance	0.97	0.81	19.99	10.17	8.92
5	WIENER STAEDTISCHE Life Ins.	0.64	0.27	135.65	6.72	3.00
6	ATLAS Life	0.18	0.15	14.71	1.84	1.69
7	DELTA GENERALI Life Ins.	0.07	0.19	-62.48	0.76	2.13
TOTAL MARKET		9.53	9.06	5.28	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	LOVČEN Insurance	27.28	29.40	-7.21	47.59	52.75
2	SAVA Montenegro	10.87	10.34	5.15	18.97	18.55
3	DELTA GENERALI	9.48	7.15	32.66	16.54	12.82
4	UNIQA Non-Life	7.81	6.65	17.37	13.63	11.94
5	SWISS Insurance	1.88	2.19	-14.23	3.28	3.93
TOTAL MARKET		57.32	55.73	2.85	100.00	100.00

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Market shares

GROSS WRITTEN PREMIUMS

T1 2012		T1 2011	
EUR m.	RON m.	EUR m.	RON m.
68.29	297.28	78.64	332.24
52.46	228.35	60.31	254.81
40.70	177.17	52.32	221.05
40.04	174.28	40.75	172.17
39.60	172.35	47.49	200.65
32.09	139.66	10.69	45.16

EVOLUTION GRAPH



Poland



Category	Percentage
Life insurance	30.96%
Unit-linked	19.23%
Accident and sickness	7.49%
Other life insurance	0.39%
Accident	2.04%
Sickness	0.82%
Fire and allied perils	4.63%
Damages to property	3.59%
Motor Hull	8.98%
MTPL	14.27%
GTPL	2.79%
Credit	0.80%
Financial loss	1.16%
Travel	0.73%
Other non-life insurance	2.13%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	388.5	344.9	357.7	327.3	305.7
GDP per capita, current prices (EUR)	9,988.8	8,950.9	9,371.8	8,581.8	8,020.4
Unemployment rate (% of total labor force)	10.3	9.6	9.6	8.2	7.1
Population (millions)	38.9	38.5	38.2	38.1	38.1
Minimum wages (EUR/month)	336.5	348.7	320.9	307.2	313.3
Insurance density (EUR/capita)	393.9	335.8	358.2	327.7	372.8
Insurance penetration degree (% in GDP)	3.9	3.8	3.8	3.8	4.6
Insurance market pre-tax profit/loss (EUR m)	1,941.0	1,583.0	1,906.6	1,901.2	1,604.9
Insurance market after tax profit/loss (EUR m)	1,620.8	1,358.7	1,703.9	1,614.0	1,384.4
Exchange rate for calculations (end of the period)	4.1	4.4	4.0	4.1	4.2

The significant appreciation of the Polish currency in 2012 in relation to the euro (~8%) pushed the y-o-y growth rates of the Polish insurance market in the double digit territory, confirming the trend observed after the first nine months of 2012. Thus, GWP amounted to EUR 15.32 billion, 18.4% up y-o-y. In national currency, the nominal growth rate was of 9.6% y-o-y. Life insurance accounted for 58% of the market portfolio, increasing the share by over 2 pp as a result of the 23.4% y-o-y growth in premium, to EUR 8.9 billion. Non-life insurance lines' premium production increased to a lesser extent, by "only" 12.15% y-o-y, to EUR 6.42 billion.

On the life insurance side, the UL insurance line recorded the highest growth rate, of 26.3% y-o-y, up to EUR 2.95

billion, while the traditional life insurance products recorded a total GWP volume of RUT 4.7 billion, 24.4% up y-o-y. PZU Zycie remains the life insurance leader, with a 25.6% market share, although in the last 12 months it has recorded just a 2.6% growth in GWP, to EUR 2.28 billion, and lost 5 pp of its weight.

The second best position in the life insurance ranking was occupied, by the end of 2012, by BENEFIA Tu na Zycie VIG, the company resulted following the merger of two VIG subsidiaries, BENEFIA and ROYAL Poland Life Insurance. Yet, its advancement in the market ranking is not a result of the merger, considering that the two VIG companies had an aggregated market share of only 2.78% in 2011, but the result of the 34.5% y-o-y growth in GWP reported by BENEFIA,

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	15,322.79	12,939.36	18.42	9,774.85	9,012.91	8.45	100.00	100.00
TOTAL LIFE	8,898.15	7,210.79	23.40	6,339.38	5,902.17	7.41	58.07	55.73
Life insurance	4,743.25	3,811.90	24.43	4,245.36	4,160.26	2.05	30.96	29.46
Unit-linked	2,947.08	2,333.70	26.28	1,624.03	1,311.29	23.85	19.23	18.04
Accident and sickness	1,147.95	1,005.48	14.17	420.54	383.74	9.59	7.49	7.77
Other life insurance (reinsurance accepted included)	59.87	59.71	0.27	49.46	46.88	5.50	0.39	0.46
TOTAL NON-LIFE	6,424.64	5,728.57	12.15	3,435.47	3,110.74	10.44	41.93	44.27
Accident	312.78	281.87	10.96	77.00	72.26	6.55	2.04	2.18
Sickness	125.36	98.75	26.95	41.19	38.13	8.01	0.82	0.76
Overall property insurance	1,259.60	1,090.44	15.51	598.81	529.80	13.03	8.22	8.43
Fire and allied perils	709.78	639.82	10.93	281.24	317.70	-11.48	4.63	4.94
Damages to property	549.82	450.62	22.02	317.57	212.10	49.73	3.59	3.48
Overall motor insurance	3,562.28	3,251.97	9.54	2,173.86	2,075.37	4.75	23.25	25.13
Motor Hull	1,376.48	1,304.93	5.48	841.50	838.05	0.41	8.98	10.08
MTPL	2,185.80	1,947.05	12.26	1,332.36	1,237.32	7.68	14.27	15.05
GTPL	427.17	326.00	31.03	150.19	142.52	5.38	2.79	2.52
Credit	122.67	123.33	-0.54	71.19	39.73	79.18	0.80	0.95
Financial loss	176.98	173.11	2.24	32.48	34.41	-5.63	1.16	1.34
Travel	111.23	91.99	20.92	56.21	54.33	3.45	0.73	0.71
Other non-life insurance (reinsurance accepted included)	326.56	291.09	12.18	234.55	124.19	88.87	2.13	2.25

SOURCE:

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 = 4.0882 ZLOTS - PLN

(DECEMBER 31ST, 2012)

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Market indicators (in EUR and PLN)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and PLN)

Life and non-life

was mostly driven by the short-term endowment single premium business.

OPEN Life TU Zycie, the youngest company of the EUROPA Group, is ranking third, after increasing its market share by 7pp, to 9.16%. In fact, the company is holding the most impressive performance in relative terms, with a growth rate of 473%. Starting operation "from scratch" in 2011, in 3Q2012 the company reached GWP PLN 2.5 billion, a figure which is already higher than the 2 billion target announced for the full year 2012, and ended the year with a GWP of PLN 3.3 billion, almost 50% over the target.

The non-life portfolio's structure remained almost unchanged as compared with 2011, except for the motor insurance lines which lost almost 2pp, mainly due to the lower growth rate recorded for the Motor Hull line. In fact, when looking at the market figures denominated in the local currency (PLN), Motor Hull is one of the very few business lines recording a negative trend.

No doubt, PZU remains the absolute non-life market leader, with a constant 32% market share, despite the 10.7% growth rate reported by the company, a little lower than the market average. WARTA, the company acquired by the German group TALANX and the

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU ŻYCIE	2,278.12	2,220.19	2.61	1,964.53	1,763.64	11.39	25.60	30.79
2	BENEFIA TU na ŻYCIE VIG	891.91	200.48	344.89	662.63	170.13	289.49	10.02	2.78
3	OPEN LIFE TU ŻYCIE	815.17	142.35	472.66	77.29	0.12	63,999	9.16	1.97
4	TUnŻ WARTA	655.52	563.46	16.34	439.07	557.46	-21.24	7.37	7.81
5	TU na ŻYCIE EUROPA	596.20	580.79	2.65	596.68	816.15	-26.89	6.70	8.05
6	AVIVA TUnŻ	448.39	409.73	9.43	379.52	350.84	8.17	5.04	5.68
7	ING TUnŻ	432.26	461.72	-6.38	367.84	355.15	3.57	4.86	6.40
8	TU ALLIANZ ŻYCIE POLSKA	423.74	347.62	21.90	313.96	336.20	-6.61	4.76	4.82
9	AMPLICO LIFE	416.71	377.67	10.34	223.39	242.72	-7.96	4.68	5.24
10	NORDEA POLSKA TU na ŻYCIE	351.19	384.50	-8.66	352.79	441.57	-20.11	3.95	5.33
11	GENERALI ŻYCIE TU	234.48	201.83	16.18	146.13	139.63	4.66	2.64	2.80
12	AXA ŻYCIE TU	225.15	213.56	5.43	96.11	73.38	30.98	2.53	2.96
13	AEGON TU na ŻYCIE	193.29	168.34	14.82	201.93	191.38	5.51	2.17	2.33
14	STUnŻ ERGO HESTIA	181.92	195.75	-7.06	79.46	34.85	128.00	2.04	2.71
15	COMPENSA TU na ŻYCIE VIG	157.35	119.26	31.94	117.05	63.44	84.51	1.77	1.65
16	BZWBK - AVIVA TUnŻ	129.82	105.74	22.77	53.19	36.65	45.12	1.46	1.47
17	SKANDIA ŻYCIE TU	93.46	92.75	0.77	60.11	54.38	10.53	1.05	1.29
18	HDI - GERLING ŻYCIE TU	87.86	141.86	-38.07	83.25	72.82	14.32	0.99	1.97
19	TUnŻ CARDIF POLSKA	80.17	78.09	2.67	10.12	9.11	11.07	0.90	1.08
20	UNIQA TU na ŻYCIE	78.55	92.44	-15.02	62.49	147.93	-57.76	0.88	1.28
21	PRAMERICA ŻYCIE TU iR	42.64	34.76	22.67	11.63	9.43	23.39	0.48	0.48
22	POLISA - ŻYCIE	32.21	27.67	16.43	24.42	20.70	18.02	0.36	0.38
23	TU SKOK ŻYCIE	25.82	27.01	-4.44	6.35	5.72	10.98	0.29	0.37
24	CONCORDIA CAPITAL	11.16	9.10	22.71	3.74	2.54	47.22	0.13	0.13
25	SIGNAL IDUNA ŻYCIE POLSKA TU	8.59	8.78	-2.18	3.67	4.43	-17.27	0.10	0.12
26	TUW REJENT - LIFE	3.03	2.73	11.11	1.03	1.01	2.18	0.03	0.04
27	MACIF ŻYCIE TUW	2.42	1.90	27.65	0.39	0.36	8.31	0.03	0.03
28	TU INTER - ŻYCIE POLSKA	1.00	0.72	38.62	0.63	0.45	39.67	0.01	0.01
TOTAL MARKET		8,898.15	7,210.79	23.40	6,339.38	5,902.17	7.41	100.00	100.00



Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PZU SA	2,067.78	1,867.24	10.74	1,107.60	1,144.03	-3.18	32.19	32.60
2	TUIR WARTA	852.73	516.04	65.25	470.62	273.09	72.33	13.27	9.01
3	STU ERGO HESTIA	670.93	599.49	11.92	297.44	286.40	3.85	10.44	10.46
4	TUIR ALLIANZ POLSKA	433.77	421.20	2.98	288.59	252.74	14.18	6.75	7.35
5	UNIQA TU	282.21	236.74	19.21	147.54	137.19	7.54	4.39	4.13
6	INTERRISK VIG	275.03	241.06	14.09	165.63	126.37	31.07	4.28	4.21
7	COMPENSA TU VIG	268.56	233.74	14.90	139.72	124.52	12.21	4.18	4.08
8	GENERALI TU	258.31	217.72	18.64	121.08	104.47	15.90	4.02	3.80
9	MOJE Towarzystwo Ubezpieczeń	183.16	155.48	17.80	102.65	84.11	22.03	2.85	2.71
10	GOTHAER TU	124.60	108.30	15.05	71.10	66.33	7.20	1.94	1.89
11	TUW TUW	109.40	83.55	30.94	58.66	45.31	29.45	1.70	1.46
12	TU EUROPA	92.51	106.85	-13.42	9.81	5.04	94.70	1.44	1.87
13	PTR	91.89	70.25	30.80	50.63	42.71	18.54	1.43	1.23
14	CONCORDIA POLSKA TUW	91.77	73.78	24.39	117.83	54.27	117.13	1.43	1.29
15	AVIVA TU OGÓLNYCH	90.23	76.16	18.48	53.09	39.85	33.24	1.40	1.33
16	LINK4 TU	78.68	70.18	12.11	42.55	34.77	22.38	1.22	1.23
17	TU EULER HERMES	69.16	58.52	18.17	57.57	21.87	163.19	1.08	1.02
18	BENEFIA TU VIG	67.65	58.82	15.01	38.03	31.05	22.49	1.05	1.03
19	TUW SKOK	53.34	59.87	-10.91	3.89	3.15	23.44	0.83	1.05
20	TUW TUZ	50.52	30.65	64.85	14.81	8.51	74.07	0.79	0.53
21	BRE UBEZPIECZENIA TUIR	46.80	35.22	32.89	14.95	10.16	47.11	0.73	0.61
22	AXA TUIR	45.08	33.33	35.24	19.34	13.03	48.46	0.70	0.58
23	BZ WBK - AVIVA TU OGÓLNYCH	37.21	28.75	29.41	3.22	2.21	46.11	0.58	0.50
24	TU INTER POLSKA	27.91	21.39	30.45	8.63	7.70	12.00	0.43	0.37
25	SIGNAL IDUNA POLSKA TU	13.49	11.53	17.01	8.62	9.22	-6.54	0.21	0.20
26	T.U.W. POCZTOWE	11.55	11.55	0.03	6.52	6.96	-6.33	0.18	0.20
27	KUKE	10.19	10.74	-5.09	9.45	5.88	60.68	0.16	0.19
28	TUW - CUPRUM	9.03	7.45	21.18	1.38	4.61	-69.99	0.14	0.13
29	MEDICA POLSKA TU	6.02	3.14	91.71	3.32	0.76	334.65	0.09	0.05
30	D.A.S. TU OCHRONY PRAWNEJ	4.55	4.23	7.48	1.06	0.97	9.39	0.07	0.07
31	TUIR PARTNER	0.58	0.52	11.09	0.15	0.04	282.51	0.01	0.01
32	HDI ASEKURACJA TU	-	231.34	-	-	133.81	-	-	4.04
33	PZM TU VIG	-	43.72	-	-	29.62	-	-	0.76
TOTAL MARKET		6,424.64	5,728.57	12.15	3,435.47	3,110.74	10.44	100.00	100.00



Japanese MEIJI YASUDA in 2012, already made the first steps towards its 15-17% market share target, managing to gain 4 pp in weight, to a 13.3% market share. Thus, the company currently ranks second, while ERGO HESTIA stepped down to the third position, with a 10.4% market share.

The Polish insurance market ended 2012 with an aggregated net profit of EUR 1.467 billion, while the technical result was of EUR 1.71 billion.

PZU, the top CEE insurer, aims to become also a top regional player

PZU's international expansion plans could address the Slovenian insurer TRIGLAV, which is rumored to be for sale, announces PAP news agency quoting Andrzej KLESYK, CEO PZU. *We are waiting for the declaration of the Slovenian government about how many shares it wants to sell*, KLESYK said. *We clearly say that we are interested exclusively in a stake assuring over 50% of the company.*

KLESYK explained that the Polish insurance group's policy is to have control over the entities it takes over. Yet, according to Triglav's CEO Matjaz RAKOVEC, although it is almost sure that the new Slovenian government intends to sell its 63% stake in TRIGLAV, the country's biggest insurer, there are two working scenarios on the table: the full exit of the state from the shareholder structure or a partial sale allowing the state to keep 25% plus one share. *In my opinion the sale process will start in the coming weeks, probably at the beginning of October*, said RAKOVEC.

Meanwhile PZU has already taken firm steps to launch its Baltic operations. By the end of 2012 it started its Latvian branch, while Estonia will follow, in Q2 2013, according to the Group's statements. PZU Lietuva, the Lithuanian arm of the Polish Group, is carrying out the Baltic expansion, providing the necessary business support for the Latvian and Estonian branches. Thanks to the integrated structure, it takes very little time and is cost effective to find solutions that suit customers the best, the PZU representatives explained. **D.G.**



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Romania



Category	Percentage
Annuities and supplementary ins.	13.66%
Unit-linked	7.53%
Other life insurance	0.04%
Accidents and illness	3.19%
Health	0.93%
Fire and allied perils	12.85%
Damages to property	1.91%
Motor Hull	23.55%
MTPL	25.57%
GTPL	5.04%
Credit	1.40%
Warranties	1.78%
Travel	0.68%
Other non-life insurance	1.88%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	131.8	131.4	124.4	118.3	139.8
GDP per capita, current prices (EUR)	6,176.0	6,143.1	5,800.2	5,504.9	6,495.6
Unemployment rate (% of total labor force)	7.0	7.4	7.3	6.9	5.8
Population (millions)	21.3	21.4	21.4	21.5	21.5
Minimum wages (EUR/month)	161.9	157.2	141.6	149.2	138.6
Insurance density (EUR/capita)	88.8	87.1	92.9	97.7	113.2
Insurance penetration degree (% in GDP)	1.4	1.4	1.6	1.8	1.7
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	-76.9	-9.8	-24.4	-158.2
Exchange rate for calculations (average)	4.5	4.2	4.2	4.2	3.7

After four consecutive years of decline, the insurance sector recorded the first increase in late 2012. Of course, with only EUR 30 million above the insurance business since 2011, we can only speak of a statistical increase while the proper term to characterize the market evolution last year should probably be 'stabilization'...

As compared with the past 5 years' peak of EUR 2.4 billion, recorded in 2008, the market dropped - steeply in 2009 (EUR -337 million), slowly in the years that followed, until the last year brought a stabilization at about EUR 1.9 billion, which makes us see the return over the EUR 2 billion threshold as an achievable goal for 2013.

Compared with a Gross Domestic Product amounting to EUR 131.8 billion, the insurance field has stabilized the penetration of GDP to 1.44%, showing a very slight increase over the value recorded for this indicator in 2011.

The insurance density also increased slightly to EUR 88 EUR/capita. Most likely, the market will approach the historical peak of

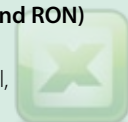
Access www.xprimm.com and download in MS Excel format:

Market indicators (in EUR and RON)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and RON)

Overall market, life, non-life, accidents, health, motor hull, MTPL, GTPL and property



113 EUR/capita, using a statistical trick at the end of the year after the publication of the results of the latest census. Currently, this indicator is taking into account a population of about 21.3 million inhabitants.

What caused these results?

The year 2012 ended with a slight increase in the GWP volume, by 1.8% in euro, to EUR 1.89 billion. Life insurance underwritings totaled almost EUR 403 million, up by 0.4% y-o-y. On the non-life side, 2012 ended with a EUR 1.5 billion in premium production, 2.16% up y-o-y.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,895.67	1,862.43	1.78	1,050.01	1,063.13	-1.23	100.00	100.00
TOTAL LIFE	402.38	400.72	0.41	41.51	67.09	-38.12	21.23	21.52
Annuities and supplementary ins.	258.95	255.66	1.29	39.15	58.62	-33.21	13.66	13.73
Unit-linked	142.76	144.59	-1.27	2.23	8.43	-73.57	7.53	7.76
Other life insurance	0.67	0.46	44.78	0.13	0.04	223.40	0.04	0.02
TOTAL NON-LIFE	1,493.29	1,461.72	2.16	1,008.49	996.04	1.25	78.77	78.48
Accidents and illness	60.47	18.99	218.37	3.28	3.64	-9.92	3.19	1.02
Health	17.64	12.23	44.30	5.15	2.47	108.43	0.93	0.66
Overall property insurance	279.74	316.45	-11.60	66.77	69.66	-4.14	14.76	16.99
Fire and allied perils	243.50	278.51	-12.57	48.72	56.25	-13.38	12.85	14.95
Damages to property	36.24	37.94	-4.49	18.05	13.41	34.62	1.91	2.04
Overall motor insurance	931.04	943.74	-1.35	861.05	864.48	-0.40	49.11	50.67
Motor Hull	446.40	478.77	-6.76	443.04	473.44	-6.42	23.55	25.71
MTPL	484.64	464.98	4.23	418.01	391.04	6.90	25.57	24.97
GTPL	95.48	63.74	49.79	13.07	11.97	9.17	5.04	3.42
Credit	26.58	29.81	-10.83	34.04	27.95	21.81	1.40	1.60
Warranties	33.71	26.90	25.33	1.85	1.01	84.21	1.78	1.44
Travel	12.89	14.44	-10.74	4.66	5.01	-7.09	0.68	0.78
Other non-life insurance	35.73	35.41	0.92	18.61	9.85	88.96	1.88	1.90

ASF started the integrated financial supervision



On the 24th of April, the Romanian Parliament ratified, in the common assembly of the two Chambers, the management of ASF - the Financial Supervisory Authority. The new structure started its activity in May and it took over the attributions and functions of CNVM - the Romanian National Securities Commission, CSA - the Insurance Supervisory Commission and CSSPP - The Private Pension System Supervisory Commission, authorities that were dissolved.

Dan Radu RUȘANU (photo), former President of the Committee for Budget, Finance, and Banks of the Chamber of Deputies, was elected by the joint plenum of the Senate and the Deputies' Chamber as President. As First Vice President, was voted Daniel DAIANU, economic adviser of the Prime Minister and former President of the Romanian National Bank's Supervising Council (2005 - 2007), while as Vicepresidents were elected Mircea URSACHE (Capital Market), Daniel TUDOR (Insurance Market) and Ion GIURESCU (Private Pensions Market).

What is somehow surprising, however, is the source of growth in 2012, which lies in two insurance classes, other than property or motor.

■ The "Accident and sickness" insurance line was the big surprise of the past year. This class recorded an atypical increase, as related to its past evolution. Thus, GWP more than tripled as compared with 2011, to over EUR 60 million.

■ The second insurance class recording an above average growth was GTPL insurance. With an almost EUR 32 million increase, the mentioned insurance type increased by almost 50% over the amount recorded in 2011.

V.B.

SOURCE:

INSURANCE PROFILE REVIEW
WWW.INSURANCEPROFILE.RO

ROMANIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

RON 4.2379/EUR - IN 2011
RON 4.4560/EUR - IN 2012

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ING Asigurari de Viata	121.80	130.39	-6.59	5.04	16.43	-69.32	30.27	32.54
2	BCR Asig. de Viata VIG	92.37	79.30	16.47	4.82	6.22	-22.55	22.96	19.79
3	METROPOLITAN Life	56.46	59.42	-4.98	-	8.74	-	14.03	14.83
4	ALLIANZ-TIRIAC	20.99	20.37	3.06	1.61	1.80	-10.30	5.22	5.08
5	ASIROM VIG	18.87	19.32	-2.31	13.01	15.25	-14.70	4.69	4.82
6	GENERALI Romania	18.77	22.02	-14.76	2.35	5.95	-60.60	4.66	5.49
7	BRD Asig. de Viata	13.91	10.45	33.08	1.37	0.82	68.29	3.46	2.61
8	GRAWE Romania	11.99	12.75	-5.94	3.32	0.89	272.75	2.98	3.18
9	GROUPAMA Asigurari	10.42	13.41	-22.30	4.28	5.11	-16.18	2.59	3.35
10	EUREKO Asigurari	7.00	7.30	-4.12	3.94	1.12	250.69	1.74	1.82
11	ASTRA Asigurari	5.60	3.99	40.42	0.35	0.70	-50.47	1.39	1.00
12	AXA Life Insurance	5.21	4.03	29.46	0.35	2.22	-84.38	1.30	1.01
13	AEON Romania	4.98	2.20	126.28	0.01	0.02	-30.51	1.24	0.55
14	CARDIF Romania	4.69	3.12	50.54	0.34	0.25	37.74	1.17	0.78
15	ERGO Asig. de Viata	3.95	6.40	-38.31	0.07	0.02	289.02	0.98	1.60
16	ERB Asig. de Viata	3.34	2.40	39.11	0.27	0.85	-67.60	0.83	0.60
17	UNIQA Asig. de Viata	0.96	0.25	290.40	0.00	-	-	0.24	0.06
18	GARANTA Asigurari	0.91	0.96	-5.07	0.37	0.41	-9.25	0.23	0.24
19	SIGNAL IDUNA	0.15	0.36	-57.04	0.00	0.00	-69.16	0.04	0.09
TOTAL MARKET		402.38	400.72	0.41	41.51	67.09	-38.12	100.00	100.00

Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ASTRA Asigurari	248.67	233.99	6.27	135.82	143.09	-5.08	16.65	16.01
2	OMNIASIG VIG	230.55	283.77	-18.75	231.74	227.34	1.94	15.44	19.41
3	ALLIANZ-TIRIAC	181.04	191.63	-5.53	124.68	135.94	-8.28	12.12	13.11
4	GROUPAMA Asigurari	170.75	153.72	11.08	127.76	124.09	2.96	11.43	10.52
5	ASIROM VIG	114.98	128.87	-10.78	85.39	65.16	31.04	7.70	8.82
6	UNIQA Asigurari	113.31	90.46	25.27	72.10	87.23	-17.35	7.59	6.19
7	EUROINS Romania	101.60	68.97	47.32	64.38	44.61	44.31	6.80	4.72
8	GENERALI Romania	78.14	98.66	-20.80	63.33	94.74	-33.15	5.23	6.75
9	CARPATICA ASIG	66.94	47.16	41.95	43.01	27.22	57.98	4.48	3.23
10	CITY Insurance	59.20	47.15	25.54	5.60	1.43	291.06	3.96	3.23
11	GARANTA Asigurari	19.47	18.24	6.79	15.35	17.22	-10.86	1.30	1.25
12	ASITO KAPITAL	11.50	13.50	-14.86	1.58	1.95	-19.04	0.77	0.92
13	PORSCHE Asigurari	10.32	8.97	15.14	6.11	4.80	27.36	0.69	0.61
14	CERTASIG	9.86	7.05	39.86	6.28	4.20	49.49	0.66	0.48
15	CREDIT EUROPE Asig.	9.39	8.10	15.97	3.53	4.68	-24.50	0.63	0.55
16	GOTHAER Asigurari	8.53	4.27	99.98	1.24	1.43	-13.60	0.57	0.29
17	LIG Insurance	8.51	3.33	155.70	-	-	-	0.57	0.23
18	EximAsig Romania	7.72	2.00	285.42	1.16	0.01	12,800.35	0.52	0.14
19	METROPOLITAN Life	6.37	6.71	-4.98	-	0.49	-	0.43	0.46
20	FATA Asigurari	6.17	4.89	26.09	3.40	3.15	8.11	0.41	0.33
21	PAID	5.43	8.33	-34.82	0.06	0.08	-19.60	0.36	0.57
22	CARDIF Romania	5.23	3.43	52.68	0.39	0.24	64.02	0.35	0.23
23	ABC Asigurari	3.97	3.86	3.08	1.52	1.76	-13.61	0.27	0.26
24	FORTE Asigurari	3.07	1.09	182.75	0.16	0.12	35.52	0.21	0.07
25	BCR Asig. de Viata VIG	3.05	2.02	51.03	1.55	-	-	0.20	0.14
26	EUREKO Asigurari	2.53	2.62	-3.50	10.55	2.00	428.27	0.17	0.18
27	SIGNAL IDUNA	2.28	1.54	48.57	0.78	0.36	116.44	0.15	0.11
28	AXA Life Insurance	2.08	1.83	13.70	0.59	0.30	93.16	0.14	0.13
29	ERB Asig. Generale	1.57	1.24	26.38	0.07	0.03	147.93	0.11	0.08
30	ING Asigurari de Viata	0.41	0.44	-6.32	0.09	0.05	78.51	0.03	0.03
31	ATE Insurance	0.38	0.46	-16.91	0.23	0.05	330.83	0.03	0.03
32	GRAWE Romania	0.25	0.25	-1.53	0.04	0.01	213.53	0.02	0.02
TOTAL MARKET		1,493.29	1,461.72	2.16	1,008.49	996.04	1.25	100.00	100.00



Serbia



Life insurance	19.29%
Accidents insurance	6.41%
Health insurance	1.76%
Goods in transit	1.29%
Fire and allied perils	7.67%
Damages to property	14.53%
Motor Hull	11.27%
MTPL	31.45%
GTPL	1.85%
Financial loss	0.84%
Travel	2.03%
Other non-life insurance	1.60%

SOURCE:

NATIONAL BANK OF SERBIA

SERBIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

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

1 EUR = 113.7183 DINARS - RSD
(DECEMBER 31ST, 2012)

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	28.9	30.3	27.3	28.5	30.1
GDP per capita, current prices (EUR)	3,819.3	4,010.4	3,643.2	3,886.5	4,099.0
Unemployment rate (% of total labor force)	23.1	24.4	20.0	17.4	14.7
Population (millions)	7.6	7.6	7.5	7.3	7.4
Minimum wages (EUR/month)	na	na	na	na	na
Insurance density (EUR/capita)	71.4	72.4	71.5	76.5	80.4
Insurance penetration degree (% in GDP)	1.9	1.8	2.0	2.0	2.0
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	na	na	na	na	na
Exchange rate for calculations (end of the period)	113.7	104.6	105.5	95.6	88.3

With a 1.3% annual decrease in GWP, the Serbian insurance market mirrored the recession challenging the country in 2012. *The second wave of the global economic crisis, which broke out in 2011, has taken its toll on Serbian economy. In 2012, real GDP dropped by two percent, growth in imports and exports was slowed down, and inflation level went up. Diminished economic activity also led to rise in unemployment and Dinar weakening, stopped real wage growth, and shrunk foreign exchange reserves,* explains Dr. Marko CULIBRK, General Director, DUNAV insurance company, the Serbian insurance market leader.

The mentioned decrease rate corresponds to the market figures denominated in European currency and is obviously affected by the 8% depreciation of the Serbian currency in relation to Euro. Thus, in Serbian Dinars, the insurance market showed a positive evolution last year, of 7.2%.

The total GWP amounted to EUR 540.5 million, with EUR 7 million less than in 2011, while obviously the growth



Dr. Marko CULIBRK
General Director,
DUNAV insurance
company

recorded on the life insurance segment couldn't offset the continuous fall in the motor insurance business. The downward trend installed five years ago on both motor insurance lines continued also in 2012, with a 4.9% decrease on the MTPL class, to EUR 170 million, and an 11% fall of the Motor Hull business, to EUR 61 million. On the paid claims side, insurers' expenses for the motor claims have also decreased by about 11%, to a total sum of EUR 113 million.

Property insurance, the second important non-life segment, recorded an almost 8% growth in local currency while in Euro, the figures remained close to the 2011 results

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	540.49	547.72	-1.32	220.76	227.89	-3.13	100.00	100.00
TOTAL LIFE	104.25	95.50	9.17	27.61	21.07	31.03	19.29	17.44
TOTAL NON-LIFE	436.24	452.23	-3.54	193.15	206.82	-6.61	80.71	82.56
Accidents insurance	34.65	37.02	-6.40	18.91	19.38	-2.41	6.41	6.76
Health insurance	9.53	9.29	2.57	5.38	5.06	6.24	1.76	1.70
Goods in transit	7.00	7.48	-6.42	2.48	3.51	-29.37	1.29	1.37
Overall property insurance	119.96	120.74	-0.65	44.51	40.32	10.38	22.19	22.04
Fire and allied insurance	41.44	42.08	-1.54	15.08	7.89	91.11	7.67	7.68
Damages to property	78.52	78.66	-0.18	29.43	32.43	-9.26	14.53	14.36
Overall motor insurance	230.92	247.39	-6.66	113.13	127.17	-11.04	42.72	45.17
Motor Hull	60.92	68.59	-11.18	39.60	44.89	-11.78	11.27	12.52
MTPL	170.00	178.80	-4.92	73.53	82.28	-10.63	31.45	32.64
GTPL	10.02	10.07	-0.45	2.37	2.16	9.85	1.85	1.84
Financial loss	4.55	1.36	233.65	0.07	0.27	-73.31	0.84	0.25
Travel	10.99	10.76	2.12	4.23	3.55	19.37	2.03	1.97
Other non-life insurance	8.62	8.11	6.33	2.06	5.41	-61.82	1.60	1.48

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Market indicators (in EUR and RSD)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and RSD)

Overall market, life and non-life

with a total GWP of EUR 120 million.

Life insurance witnessed a quite impressive increase in premium - 18.6% in RSD, 9.2% in EUR -, to a total amount of EUR 104 million, but its share in the market portfolio remains still under the 20% threshold.

However, despite the difficult current economic environment, *the Serbian market's potential is huge*, points out Dr. CULIBRK. *In Serbia, insurance premium account for 80 EUR per citizen, which is far below the average in the developed European countries. This information confirms that there is room for further development. Currently there are 28 insurance companies operating in the Serbian insurance market- some of them big foreign insurance companies and financial organisations and funds. Appearance of foreign insurance companies had a stimulating effect on domestic insurers, including DUNAV Insurance Company. Strong competition has motivated us to make additional efforts toward improvement and further development of our services. DUNAV Insurance is the only national insurance company in this region registered for all insurance lines, with more than 90 types of services within its range and a unique system of seven controlled companies operating in conformity with international business standards. Our leading market position and achieved growth are not put into question. All of that supports the fact that we properly responded to all the challenges of modern business, said the market leader's CEO.*

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DELTA GENERALI	27.18	23.84	13.99	5.60	3.94	42.25	26.07	24.97
2	WIENER	24.18	23.52	2.82	6.44	5.64	14.22	23.19	24.63
3	GRAWE	19.01	18.70	1.67	5.56	4.78	16.30	18.24	19.58
4	DUNAV	9.64	7.67	25.71	1.68	1.40	20.67	9.25	8.03
5	UNIQA Zivot	8.71	7.67	13.56	2.05	2.63	-21.92	8.36	8.04
6	MERKUR	5.32	4.56	16.50	0.57	0.38	51.46	5.10	4.78
7	DDOR	5.14	5.24	-1.85	5.15	1.92	168.77	4.93	5.49
8	METLIFE	1.17	0.51	130.07	0.05	0.01	260.23	1.12	0.53
9	AXA Zivot	1.02	1.23	-17.31	0.20	0.12	57.91	0.98	1.29
10	SOCIETE Gen.	0.89	0.99	-10.00	0.04	0.00	3,446.39	0.86	1.04
11	SAVA Zivotno	0.75	0.55	36.50	0.09	0.01	635.25	0.72	0.58
12	BASLER Zivot	0.65	0.41	59.14	0.02	0.02	28.43	0.62	0.43
13	TRIGLAV	0.58	0.60	-2.40	0.15	0.23	-33.58	0.56	0.63
TOTAL MARKET		104.25	95.50	9.17	27.61	21.07	31.03	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	DUNAV	147.53	139.84	5.50	62.12	66.15	-6.10	33.82	30.92
2	DELTA GENERALI	80.89	80.20	0.86	27.89	27.26	2.32	18.54	17.73
3	DDOR	67.09	89.03	-24.65	42.89	47.78	-10.22	15.38	19.69
4	UNIQA Nezivot	30.64	28.85	6.19	11.49	12.24	-6.11	7.02	6.38
5	WIENER	25.60	25.55	0.20	12.17	13.31	-8.59	5.87	5.65
6	TAKOVO	19.70	22.03	-10.58	8.84	8.69	1.75	4.52	4.87
7	TRIGLAV	15.36	19.66	-21.86	8.13	9.51	-14.47	3.52	4.35
8	AMS	13.40	13.73	-2.35	5.44	6.35	-14.34	3.07	3.04
9	MILENIJUM	12.01	11.57	3.84	5.49	4.85	13.10	2.75	2.56
10	SAVA Nezivot	10.58	11.75	-9.92	5.19	6.32	-17.77	2.43	2.60
11	GLOBOS	3.31	3.50	-5.18	1.33	1.27	4.74	0.76	0.77
12	BASLER Nezivot	3.04	1.40	116.62	0.49	0.16	216.53	0.70	0.31
13	AS osiguranje	2.17	3.18	-31.72	1.40	2.70	-47.94	0.50	0.70
14	SOGAZ	2.17	-	-	0.01	-	-	0.50	-
15	ENERGOPROJEKT	1.23	1.58	-22.16	0.13	0.18	-25.24	0.28	0.35
16	AXA Nezivot	1.13	0.01	7,676.58	0.01	-	-	0.26	0.00
17	GRAWE	0.39	0.36	8.86	0.12	0.06	98.82	0.09	0.08
TOTAL MARKET		436.24	452.23	-3.54	193.15	206.82	-6.61	100.00	100.00

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Slovak Rep.



Traditional life insurance	55.14%
Motor Hull	12.12%
MTPL	13.52%
Other non-life	19.21%



SOURCE:

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

SLOVAK CURRENCY: EURO

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	71.5	69.1	65.9	62.8	66.8
GDP per capita, current prices (EUR)	13,138.7	12,714.7	12,149.1	11,608.3	12,387.9
Unemployment rate (% of total labor force)	14.0	13.6	14.5	12.1	9.6
Population (millions)	5.4	5.4	5.4	5.4	5.4
Minimum wages (EUR/month)	327.0	317.0	307.7	295.5	241.2
Insurance density (EUR/capita)	388.9	375.4	371.6	367.1	389.2
Insurance penetration degree (% in GDP)	3.0	3.0	3.1	3.2	3.1
Insurance market pre-tax profit/loss (EUR m)	na	na	na	na	na
Insurance market after tax profit/loss (EUR m)	155.0	193.0	133.7	138.2	108.0

The 23 members of the Slovak Insurance Association (SLASPO) reported for the financial year 2012 a total volume of gross written premiums of EUR 2.1 billion. The value is 3.7% higher as compared with audited figures published by The National Bank of Slovakia (NBS) for FY2011. In terms of profitability, the after tax financial result of insurers amounted to EUR 155 million, representing a 20% drop as compared to FY2011. The National Bank of Slovakia (NBS) ascribes this decrease to particularly high profits earned by the insurers in 2011 (EUR 193 million). According NBS figures, the 2012 profit recorded by insurers is second highest since 2008.

At the same time, the market growth was fuelled mainly by the life insurance segment, which was up by 6.6% to more than EUR 1.1 billion. Here, a large increase was registered in U-L life insurance class, where premiums were 20% more than a year before.

The value of GWP recorded by the non-life insurers grew by only 0.3% to EUR 949 million, equivalent to 45% of total market. At the same time, both

motor insurance lines reported negative change. In case of motor hull insurances, the value of GWP lowered by 3.4% than in 2011. Regarding MTPL, the decline was only 0.04% compared with 2011 and more than 10% compared with the 2008 figure, due the increasing level of the non-insured vehicles. According local media, in Slovak Republic, more than 183 thousand motor vehicles are not covered by MTPL. The Slovak Insurers' Bureau (SKP) registered at the end of 2012 a total of 2.36 million insured vehicles. *Thus the number of uninsured vehicles accounted for 7.2% of all registered vehicles. In the previous year, 171 thousand vehicles were without liability insurance, The Slovak Spectator wrote.*

Private health insurers on the verge of nationalization

According to a plan approved by the Slovak government in 2012, the two private health insurance companies currently operating in Slovakia will have to leave the market this year, as the government intends to reinstate a single

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012*	2011**	Change	2012*	2011**	Change	2012*	2011**
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,115.01	2,040.21	3.67	1,192.55	1,176.57	1.36	100.00	100.00
TOTAL LIFE	1,166.29	1,094.05	6.60	727.21	658.90	10.37	55.14	53.62
Traditional life ins.	na	572.44	-	na	521.00	-	-	28.06
Unit-Linked	406.69	338.41	20.17	na	82.99	-	19.23	16.59
Other life insurance	na	183.20	-	na	54.91	-	-	8.98
TOTAL NON-LIFE	948.72	946.16	0.27	465.34	517.67	-10.11	44.86	46.38
Accident and health	na	30.45	-	na	10.80	-	-	1.49
Overall motor insurance	542.38	551.65	-1.68	na	345.91	-	25.64	27.04
Motor Hull	256.43	265.58	-3.44	na	183.68	-	12.12	13.02
MTPL	285.95	286.07	-0.04	na	162.23	-	13.52	14.02
Overall property insurance	na	231.58	-	na	106.73	-	-	11.35
GTPL	na	56.12	-	na	12.48	-	-	2.75
Legal expenses insurance	na	2.81	-	na	0.86	-	-	0.14
Assistance insurance	na	24.00	-	na	8.21	-	-	1.18
Other non-life insurance	na	49.54	-	na	32.68	-	-	2.43

* according SLASPO

** according NBS

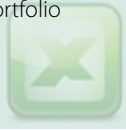
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Market indicators

GWP, claims, growth rates, portfolio

Market rankings

Overall market, life, non-life,
UL, motor hull and MTPL



public health-insurer system starting 2014 in order to stop the inflow of funds to private provider.

According to Premier Robert FICO's statement, the government will negotiate with the two private health insurance providers the buyout terms during the entire 2013 year, but if they will fail to reach a reasonable agreement by the end of the year, the two companies will be, most probably, expropriated.

Robert FICO accused private health insurers of making profit from public funds, which instead should be spent fully on treatment. The government says a unified system will channel more funds for health care.

The two private operators subjected to the future nationalization are: DOVERA, owned by Czech-Slovak private equity group Penta, managing the health contracts of 1.4 million clients, and UNION, a subsidiary of the Dutch insurer ACHMEA, with a portfolio of 400,000 clients. The state-run General Health Insurance Company controls the health insurance issues for the rest of 3.6 Slovak citizens.

For the time being, in February 2013 the Dutch insurer Achmea gave a Notice of Arbitration to the government of the Slovak Republic which opens a new arbitration procedure between Achmea and the Slovak Republic with regard to the plans of the Slovak government to expropriate private health insurers. The notice is given pursuant to art. 3 of the United Nations Commission on International Trade Law Arbitration Rules of 1976 and art. 8 of the Investment Treaty between the Kingdom of The Netherlands and the Slovak Republic.

This new arbitration procedure follows shortly after an International Arbitration Tribunal in December 2012 ruled in ACHMEA's favour and decided that the Slovak Republic must pay compensation for the damages ACHMEA incurred when its ownership rights of UZP were violated between 2007 and 2011, during the first PM FICO's mandate.

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ALLIANZ Slovenská	244.08	248.73	-1.87	20.93	21.72
2	KOOPERATIVA poisťovňa VIG	241.79	233.17	3.70	20.73	20.36
3	AMSLICO poisťovňa	117.54	118.67	-0.95	10.08	10.36
4	KOMUNÁLNA poisťovňa VIG	106.72	104.04	2.57	9.15	9.09
5	GENERALI Slovensko	79.22	83.59	-5.23	6.79	7.30
6	ING Ž.p.	78.45	80.15	-2.12	6.73	7.00
7	ČSOB Poisťovňa	53.27	47.80	11.43	4.57	4.17
8	Poisťovňa Slovenskej sporiteľne VIG	53.02	44.27	19.76	4.55	3.87
9	AXA životní poisťovna	52.37	50.57	3.56	4.49	4.42
10	WÜSTENROT poisťovňa	33.50	30.27	10.67	2.87	2.64
11	AEGON Ž.p.	33.00	30.13	9.52	2.83	2.63
12	UNIQA poisťovňa	31.56	29.77	6.02	2.71	2.60
13	ERGO Ž.p.	12.15	12.73	-4.58	1.04	1.11
14	UNION poisťovňa	10.54	11.17	-5.59	0.90	0.98
15	Poisťovňa Poštovej banky	7.15	5.40	32.49	0.61	0.47
16	D.R. Lebensversicherung	5.78	5.65	2.34	0.50	0.49
17	CARDIF Slovakia	4.01	2.51	59.81	0.34	0.22
18	VICTORIA – VOLKSBANKEN	1.70	5.70	-70.19	0.15	0.50
19	GROUPAMA GARANCIA	0.46	0.71	-35.63	0.04	0.06
TOTAL MARKET (SLASPO)		1,166.29	1,145.00	1.86	100.00	100.00

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Non-Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ALLIANZ Slovenská	338.96	349.54	-3.03	35.73	36.25
2	KOOPERATIVA poisťovňa VIG	249.97	253.14	-1.25	26.35	26.25
3	GENERALI Slovensko	101.91	106.69	-4.48	10.74	11.06
4	UNIQA poisťovňa	70.77	70.13	0.91	7.46	7.27
5	KOMUNÁLNA poisťovňa VIG	58.84	55.05	6.88	6.20	5.71
6	UNION poisťovňa	31.78	32.18	-1.22	3.35	3.34
7	ČSOB Poisťovňa	25.38	24.21	4.84	2.68	2.51
8	WÜSTENROT poisťovňa	23.88	25.71	-7.11	2.52	2.67
9	AXA poisťovna	12.16	12.88	-5.61	1.28	1.34
10	CARDIF Slovakia	11.93	12.51	-4.62	1.26	1.30
11	AMSLICO poisťovňa	6.87	5.92	15.92	0.72	0.61
12	GROUPAMA GARANCIA	6.42	7.00	-8.36	0.68	0.73
13	D.R. Sachversicherung	3.78	3.65	3.54	0.40	0.38
14	D.A.S. poisťovňa právnej ochrany	2.49	2.40	3.96	0.26	0.25
15	AXA životní poisťovna	1.57	1.67	-5.66	0.17	0.17
16	Poisťovňa Poštovej banky	1.14	1.03	11.12	0.12	0.11
17	VICTORIA – VOLKSBANKEN	0.86	0.63	37.14	0.09	0.07
18	Slovenská kancelária poisťovateľov	0.01	0.01	71.43	0.00	0.00
TOTAL MARKET (SLASPO)		948.72	964.34	-1.62	100.00	100.00



Slovenia



Insurance Class	Percentage
Life assurance	10.86%
Unit-linked	16.48%
Other life insurance	1.11%
Accident insurance	4.98%
Health insurance	23.00%
Fire and allied perils	5.46%
Damages to property	6.16%
Motor Hull	11.76%
MTPL	12.99%
Goods in transit	0.43%
GTPL	2.84%
Credit insurance	2.10%
Financial loss	0.29%
Travel insurance	0.95%
Other non-life insurance	0.60%

Basic macroeconomic & insurance indicators	2012	2011	2010	2009	2008
GDP, current prices (EUR b)	35.5	36.2	35.6	35.6	37.2
GDP per capita, current prices (EUR)	17,254.4	17,643.2	17,394.9	17,495.0	18,527.1
Unemployment rate (% of total labor force)	9.0	8.2	7.3	5.9	4.4
Population (millions)	2.1	2.1	2.0	2.0	2.0
Minimum wages (EUR/month)	763.1	748.1	597.4	589.2	538.5
Insurance density (EUR/capita)	991.0	1,020.3	1,023.3	1,020.1	1,008.8
Insurance penetration degree (% in GDP)	5.7	5.8	5.9	5.8	5.4
Insurance market pre-tax profit/loss (EUR m)	na	127.2	105.4	36.1	4.3
Insurance market after tax profit/loss (EUR m)	na	99.4	77.9	23.1	2.2

The Slovenian insurance market ended 2012 with a 2.6% decrease in written premiums, to EUR 2.03 billion, while the amount of paid claims grew by 7.6%, to 1.38 billion. However, despite the slight decrease in underwriting, the market profitability remained at a fairly constant level, the total profit after taxes amounting to EUR 100 million.

The unit-linked life insurance line was the main driver of the negative evolution in premium production, recording a 14.9% decrease in GWP and an almost 54% augmentation of the paid indemnities volume. Moreover, the life insurance weight in the market portfolio decreased by 2pp, to 28.45%.

On the non-life side, the overall evolution recorded in 2012 showed a quasi steady trend, with a total 0.2% growth in GWP, to EUR 1.46 billion. Yet, a closer look at the main insurance lines results reveals a mixed evolution. Thus, while most of the

classes with a "marginal" contribution to the market portfolio, as GTPL, goods in transit or travel insurance, recorded positive changes in the GWP volume, of 6 - 9%, the sole major business line that recorded a positive growth rate in terms of GWP was the Health insurance one (9.3% up y-o-y).

Premiums written for property insurance decreased by 2% y-o-y, to a total GWP amount of EUR 236.56 million, as the 12.44% growth in GWP for the "Fire and allied perils", to EUR 111 million, couldn't offset the 12% decrease in underwritings for the "damages to property" class. Paid claims for property insurance grew by 8.2%, to EUR 122 million.

The motor insurance line maintained a downward trend, both the Motor Hull and the MTPL lines recording negative changes of about 6% in terms of GWP. Expenses related to the Motor Hull claims

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,036.43	2,091.52	-2.63	1,380.59	1,283.22	7.59	100.00	100.00
TOTAL LIFE	579.36	637.55	-9.13	425.66	339.04	25.55	28.45	30.48
Life assurance	221.20	222.47	-0.57	185.93	176.57	5.30	10.86	10.64
Unit-linked	335.56	394.13	-14.86	209.41	136.34	53.59	16.48	18.84
Other life insurance	22.60	20.95	7.86	30.32	26.12	16.05	1.11	1.00
TOTAL NON-LIFE	1,457.07	1,453.97	0.21	954.93	944.18	1.14	71.55	69.52
Accident insurance	101.50	103.69	-2.12	35.22	37.69	-6.54	4.98	4.96
Health insurance	468.37	428.52	9.30	400.41	375.44	6.65	23.00	20.49
Overall property insurance	236.56	241.58	-2.07	122.22	112.94	8.22	11.62	11.55
Fire and allied perils	111.10	98.81	12.44	46.62	40.28	15.75	5.46	4.72
Damages to property	125.46	142.77	-12.12	75.60	72.66	4.04	6.16	6.83
Overall motor insurance	503.88	537.91	-6.33	318.76	333.89	-4.53	24.74	25.72
Motor Hull	239.42	254.49	-5.92	174.95	178.73	-2.12	11.76	12.17
MTPL	264.46	283.41	-6.69	143.81	155.16	-7.32	12.99	13.55
Goods in transit	8.78	8.23	6.73	2.49	2.55	-2.70	0.43	0.39
GTPL	57.79	52.59	9.89	26.02	27.99	-7.05	2.84	2.51
Credit insurance	42.76	44.41	-3.72	31.70	38.11	-16.80	2.10	2.12
Financial loss	5.91	6.48	-8.74	2.44	3.72	-34.34	0.29	0.31
Travel insurance	19.30	18.21	6.02	9.26	7.77	19.24	0.95	0.87
Other non-life insurance	12.21	12.35	-1.15	6.41	4.09	56.84	0.60	0.59

SOURCE:

SLOVENIAN INSURANCE ASSOCIATION

SLOVENIAN CURRENCY: EURO

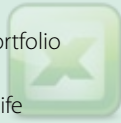
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Market indicators

GWP, claims, growth rates, portfolio

Market rankings

Overall market, life and non-life



decreased by 2%, while for the MTPL class a 7.3% decrease was recorded.

The TRIGLAV Group's companies are leading the market rankings both on the life and non-life insurance segments, holding market shares of over 30%.

VZAJEMNA, the largest voluntary health insurance company in Slovenia, and ADRIATIC Slovenica, a composite company 100%-owned by the KD Group, are ranking second and third on the non-life insurance market, with market shares of about 18.6% and 17.6%, respectively. On the life insurance side, the second position of the ranking is held by MODRA Zavarovalnica, with a 16.4% market share, followed by MARIBOR, with 13.3%.

SAVA Re and TRIGLAV Re, the two reinsurance companies headquartered in Slovenia, underwrote EUR 269 million in 2012, a slightly higher figure than in 2011.

Finally, the second half of 2012 brought on the Slovenian insurance market a change that may be considered more significant than any "figures" - the Zavarovalnica MARIBOR's sale, an operation which will end with the full ownership of SAVA Re on MARIBOR and the creation of a stronger competitor for the market leader TRIGLAV. According to Zvonko IVANUSIC, CEO SAVA Re, the Slovene reinsurer becomes, by purchasing MARIBOR, "the second largest insurance group in the Western Balkans".

D.G.

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	TRIGLAV	191.82	200.95	-4.54	33.11	31.52
2	MODRA Zavarovalnica	94.81	139.92	-32.24	16.37	21.95
3	MARIBOR	76.99	75.40	2.11	13.29	11.83
4	KD ŽIVLJENJE	51.26	62.49	-17.96	8.85	9.80
5	MERKUR	39.94	40.29	-0.88	6.89	6.32
6	NLB VITA	35.62	30.08	18.41	6.15	4.72
7	GENERALI	22.08	19.62	12.54	3.81	3.08
8	GRAWE	20.43	21.64	-5.61	3.53	3.39
9	WIENER STÄDTISCHE	15.61	14.93	4.56	2.69	2.34
10	ADRIATIC Slovenica	12.35	12.63	-2.22	2.13	1.98
11	TILIA	9.98	10.28	-2.93	1.72	1.61
12	ERGO Življenjska	3.20	3.51	-8.81	0.55	0.55
13	SOP	2.78	3.04	-8.46	0.48	0.48
14	ERGO	2.48	2.77	-10.64	0.43	0.43
TOTAL MARKET		579.36	637.55	-9.13	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	TRIGLAV	453.80	494.01	-8.14	31.14	33.98
2	VZAJEMNA	270.88	249.07	8.76	18.59	17.13
3	ADRIATIC Slovenica	256.53	252.67	1.52	17.61	17.38
4	MARIBOR	186.92	187.84	-0.49	12.83	12.92
5	TRIGLAV Zdravstvena	91.45	80.19	14.05	6.28	5.52
6	TILIA	72.57	68.61	5.76	4.98	4.72
7	GENERALI	66.07	66.62	-0.82	4.53	4.58
8	SID-PKZ	20.41	21.07	-3.12	1.40	1.45
9	GRAWE	13.27	12.74	4.15	0.91	0.88
10	WIENER STÄDTISCHE	7.63	5.97	27.82	0.52	0.41
11	MERKUR	7.23	7.22	0.19	0.50	0.50
12	ALLIANZ Hungaria	4.99	3.73	33.77	0.34	0.26
13	ERGO	2.09	0.32	551.17	0.14	0.02
14	ARAG SE	1.74	2.17	-19.89	0.12	0.15
15	NLB VITA	1.49	1.73	-14.02	0.10	0.12
TOTAL MARKET		1,457.07	1,453.97	0.21	100.00	100.00

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Cyprus



Life insurance	43.62%
Accident & health	12.48%
Motor	21.76%
MAT	0.57%
Fire	14.26%
Liability	5.26%
Credit	0.03%
Miscellaneous	2.01%



SOURCE:
INSURANCE ASSOCIATION OF CYPRUS
CYPRUS CURRENCY: EURO

Current economic status drives insurance companies over the cliff

With 28 insurance companies operating on the island, Cyprus' insurance sector was considered to the current crisis very attractive and highly concentrated. Thus, the major concern of the beginning of the year for Cypriot insurers was if this industry will be included in the agreement for the haircut applied to bank accounts over EUR 100,000.

The answer came in late April, when under a decree issued by the Central Bank, insurance companies are no longer exempt. The Central Bank expected that the losses for the insurance companies currently operating on the island to reach 27.5% of their deposit accounts.

Under a deal of EUR 10 billion in aid from international lenders, Cyprus is winding down its second-largest bank Popular (LAIKI), while up to 60% of uninsured deposits exceeding EUR 100,000 in Bank of Cyprus are seized and converted to equity to bolster its capital levels. According local media, to recoup losses, the companies might be tempted to raise premiums.

At the same time, *there are so many different types of policies out there, and insurance companies' money is invested in other assets than deposits, such as real estate and so forth*, declared Stephie DRACOS, General Manager, Insurance Association of Cyprus. *Plus, companies keep some of their money in foreign banks. It's hard to determine how far they will be affected... it's not one size to fit all*, DRACOS said, quoted by Cyprus-Mail.com.

2012 in figures

According to data published by The Insurance Association of Cyprus, the 2012 total amount of GWP reached EUR 819.06 million - 2.65% less compared with financial year 2011.



Stephie DRACOS
General Manager
Insurance Association
of Cyprus

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Market indicators

GWP, growth rates, portfolio

Market rankings

Life and non-life



Separately, life insurance has decreased significantly over the past 12 months, by -7.09% compared to the same period in 2011. This drop affected the overall market's image, since life insurance represents 43.62% of the Cypriot market.

Non-life insurance maintained positive results during 2012 and the fiscal year closed with a 1.10% increase or EUR 461.76 million (compared to EUR 456.74 million in 2011). Accident & health and liability business lines have marked notable one digit increases - by 5.67% and 6.86% respectively.

Market leaders with a banking background

The largest insurance companies in Cyprus are subsidiaries or affiliates of banks. In the life segment EUROLIFE and LAIKI Cyprialife had the largest market share in 2012, each of them accounting for almost 30 per cent, followed by Universal Life with around 14 per cent. In the non-life sector LAIKI Insurance (15% market share), a subsidiary of the LAIKI Bank, and GENERAL Insurance of Cyprus are leading the market (12%).

V.B.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2012	2011	Change	2012	2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	819.06	841.32	-2.65	100.00	100.00
TOTAL LIFE	357.30	384.59	-7.09	43.62	45.71
TOTAL NON-LIFE	461.76	456.74	1.10	56.38	54.29
Accident & health*	102.25	96.76	5.67	12.48	11.50
Motor	178.21	185.93	-4.15	21.76	22.10
MAT	4.67	5.22	-10.49	0.57	0.62
Fire	116.83	114.82	1.75	14.26	13.65
Liability	43.11	40.35	6.86	5.26	4.80
Credit	0.22	0.21	3.71	0.03	0.03
Miscellaneous	16.47	13.45	22.42	2.01	1.60

*Including A&H premiums by Life Companies



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	EUROLIFE	102.23	106.65	-4.15	28.61	27.73
2	LAIKI CYPRIALIFE	93.90	111.84	-16.04	26.28	29.08
3	UNIVERSAL LIFE	51.14	53.88	-5.09	14.31	14.01
4	METLIFE ALICO	24.84	26.70	-6.96	6.95	6.94
5	PRIME	24.52	25.09	-2.27	6.86	6.52
6	ALLIANZ HELLAS	20.09	18.39	9.25	5.62	4.78

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
7	ALPHA	13.71	12.66	8.26	3.84	3.29
8	HELLENIC ALICO	12.29	12.69	-3.20	3.44	3.30
9	ETHNIKI INSURANCE	6.40	7.44	-13.92	1.79	1.93
10	LIBERTY LIFE	6.09	6.83	-10.87	1.70	1.78
11	MINERVA	2.10	2.41	-12.80	0.59	0.63
TOTAL MARKET		357.30	384.59	-7.09	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	LAIKI Insurance	68.81	67.39	2.11	14.90	14.76
2	GENERAL Ins. of Cyprus	55.75	54.52	2.26	12.07	11.94
3	PANCYPRIAN	34.10	34.36	-0.77	7.38	7.52
4	UNIVERSAL Life	30.21	27.47	9.98	6.54	6.01
5	AIG	25.07	25.69	-2.44	5.43	5.63
6	COSMOS	23.93	25.45	-5.98	5.18	5.57
7	ATLANTIC	23.11	21.99	5.05	5.00	4.82
8	PRIME	18.04	20.02	-9.93	3.91	4.38
9	ALPHA	15.71	15.27	2.88	3.40	3.34
10	TRUST	14.55	10.91	33.37	3.15	2.39
11	METLIFE ALICO	13.48	12.49	7.89	2.92	2.74
12	EUROLIFE	12.68	11.76	7.83	2.75	2.57
13	ALLIANZ Hellas	12.52	11.96	4.70	2.71	2.62
14	LAIKI Cyprialife	12.11	12.60	-3.89	2.62	2.76
15	COMMERCIAL General Ins.	12.01	12.81	-6.20	2.60	2.80

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
16	MINERVA	11.58	13.18	-12.18	2.51	2.89
17	HYDRA	10.86	11.14	-2.55	2.35	2.44
18	ETHNIKI General Ins.	10.71	10.67	0.36	2.32	2.34
19	ROYAL CROWN	10.21	10.72	-4.78	2.21	2.35
20	GAN DIRECT	10.16	9.04	12.35	2.20	1.98
21	YDROGIOS	7.30	7.66	-4.63	1.58	1.68
22	EUROSURE	7.18	6.98	2.91	1.56	1.53
23	OLYMPIC	7.17	7.73	-7.27	1.55	1.69
24	KENTRIKI	5.35	5.83	-8.19	1.16	1.28
25	PROGRESSIVE	4.37	4.62	-5.36	0.95	1.01
26	LIBERTY LIFE	2.99	2.95	1.40	0.65	0.65
27	LUMEN	1.27	0.89	42.99	0.28	0.20
28	HELLENIC ALICO	0.54	0.63	-13.53	0.12	0.14
TOTAL MARKET		461.76	456.74	1.10	100.00	100.00

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Greece



Business line	Percentage
Annuities and supplementary ins.	27.21%
Unit-linked	9.54%
Other life insurance	8.08%
Accidents	1.03%
Fire and allied perils	9.11%
Damages to property	3.09%
Motor Hull	6.21%
MTPL	27.83%
GTPL	1.84%
Credit	0.83%
Legal protection	1.02%
Travel	1.94%
Other non-life insurance	2.28%

SOURCE:

HELLENIC ASSOCIATION OF INSURANCE COMPANIES

GREEK CURRENCY: EURO

FinMin considers imposing compulsory property insurance

Greek finance ministry intends to introduce a mandatory form of property insurance against earthquake and floods. According to daily KATHIMERINI, this type of compulsory insurance is being considered by the finance ministry as an attempt to forestall the possibility of a widespread economic damage from an unexpected event such as an earthquake or flood. According local media, a special legislative committee has been already set up that to investigate the issue. The model under discussion refers to the creation of a fund managed by insurance companies. Basic level of insurance policy is being considered to be 100,000 euro. In such case, the insure cost would be 100-150 euro per year will be covered by the property owner. At the same time, owners will be able to insure their properties for higher amounts depending on the property value.

Safe investments lead to losses

With the total GWP reaching EUR 4.3 billion and a 10.71% drop in comparison with the previous year, one can say that the Greek market is in serious trouble also for 2013. The total non-life GWP reached EUR 2.37 billion. From EUR 2.69 billion in 2011 the fall stopped at 11.76%.

Major Motor Insurance business lines such as MTPL and Motor Hull had a 14% and respectively a 21.93% reduction in premiums for the year 2012, leading the overall motor insurance market to a 15.57% drop, from EUR 1.73 billion the year before to EUR 1.46 billion in 2012.

On the other hand, life segments managed a total of EUR 1.93 billion, marking a decrease by 9.4% in comparison with the same period of 2011. Unit Linked products had an increase in premiums by 10.84%, up to EUR 410.8 million, while the rest of the life insurance segments saw only decreases with one of the most important lines annuities and supplementary insurance classes dropping by 10.59%, to EUR 1.17 million, from EUR 1.30 million in 2011.

Before the crisis, one would say with certainty that there was no safer investment for the Greek insurance companies than in Greek securities and shares of companies

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traded on the Athens Stock Exchange. From 2010 onwards the situation has forever changed in the country in what concerns the concept of safe investments. The Greek Parliament has destroyed confidence in bonds and the value of the shares on the Athens Stock Exchange slacked off.

To insurance companies, negotiations on the PSI and the 50% haircut of Greek bonds resulted in direct losses of about 75% in absolute value. In the last two years, the losses have been gradually repaid at the request of the association of insurance companies HEAC and under the strict supervision of the Bank of Greece.

Some companies have managed either to sell most of the Greek bonds they were holding, to increase their capitalization in order to cover damages or to separate their malignant businesses and sell the healthy parts in order to get saved.

As a result, the Greek insurance market had a lot to suffer and along with the overall economic disintegration the market has gone back to the 2005 figures. **V.B.**

Rain and precipitation of over EUR 5 million

The paid claims due to the heavy rainfall that devastated the region of Attica and the whole territory of Greece by the end of February 2013 will be more than EUR 5 million, according to the first data published by HAIC. The 756 claim files reported by the property insurers are estimated to EUR 5.3 million, thus the average claim is EUR 7,000. The research was conducted with the data gathered from 26 insurance companies holding together a 96.4% share of the specialty market.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2012	2011	Change	2012	2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	4,307.17	4,823.64	-10.71	100.00	100.00
TOTAL LIFE	1,930.52	2,130.35	-9.38	44.82	44.16
Annuities and supplementary ins.	1,171.83	1,310.60	-10.59	27.21	27.17
Unit-linked	410.80	370.62	10.84	9.54	7.68
Other life insurance (incl. health)	347.89	449.13	-22.54	8.08	9.31
TOTAL NON-LIFE	2,376.65	2,693.29	-11.76	55.18	55.84
Accidents	44.48	56.05	-20.64	1.03	1.16
Overall property insurance	525.25	539.87	-2.71	12.19	11.19
Fire and allied perils	392.37	419.68	-6.51	9.11	8.70
Damages to property	132.88	120.20	10.56	3.09	2.49
Overall motor insurance	1,466.40	1,736.83	-15.57	34.05	36.01
Motor Hull	267.66	342.85	-21.93	6.21	7.11
MTPL	1,198.74	1,393.98	-14.01	27.83	28.90
GTPL	79.11	76.83	2.97	1.84	1.59
Credit	35.56	44.54	-20.17	0.83	0.92
Legal protection	44.01	51.93	-15.25	1.02	1.08
Travel	83.70	85.33	-1.91	1.94	1.77
Other non-life insurance	98.13	101.91	-3.70	2.28	2.11



Unity Re is working on the Russian and CIS reinsurance markets for more than eight years. At the present, based on the results achieved in 2010 – 2012, Unity Re holds the leading position among the specialized reinsurers from Russian Federation and former Soviet Union countries.

A fully open market player, Unity Re is the part of Group RESO, one of the leading insurance groups in Russia. Acting as a reinsurance center of the Group RESO company provides reinsurance cover for all major lines of business and accounts situated both domestically and overseas:

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

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

Efficient and reliable professional activity of the Unity Re on inward reinsurance is assured, besides the company's financial resources, by an excellent security panel of the treaty protection led by Lloyd's syndicate covering all major classes with a total capacity of USD 50 million, which taking into consideration the limits and coverage structure makes Unity re one of the biggest reinsurers in Russian Federation and former Soviet Union countries.

The main territorial scope of Unity Re's activities is outlined by the borders of Russian Federation and CIS, where the partners are over 360 market leading insurance companies and brokers. Along, since 2007 Unity Re has actively promoted to overseas markets where the company now provides reinsurance cover for clients from about 40 countries from Europe, South America, South-East Asia and Middle East.

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





Turkey



Life insurance	13.67%
Accident	3.38%
Health	11.28%
Goods in transit	1.91%
Fire and allied perils	13.34%
Damages to property	8.79%
Motor Hull	22.87%
MTPL	19.86%
GTPL	2.12%
Other non-life insurance	2.79%



SOURCE:

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

TURKISH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2.4556 TURKISH LIRA - TRY
(DECEMBER 31ST, 2011)
1 EUR = 2.3565 TURKISH LIRA - TRY
(DECEMBER 31ST, 2012)

Basic macroeconomic indicators

	2011	2012
GDP, current prices (EUR billion)	531.18	627.89
GDP per capita, current prices (EUR)	7,182.90	8,384.77
Gross national savings (% of GDP)	12.49	11.96
Unemployment rate (of total labor force)	9.89	10.33
Population (millions)	73.95	74.89
Exchange rate for calculations (end of the period)	2.46	2.36

Turkey's annual GDP increased by 9.2% in 2012, reaching TL 1.4 trillion, showing one of the highest dynamics among the countries considered in this report. Yet, as compared with 2011, when the country recorded an annual GDP growth rate of over 18% and international investors became somehow frightened that the Turkish economy could overheat, the 2012 result shows a clear slowdown. It seems that weak domestic demand and spillover from the European debt crisis took its toll after two years of rapid expansion that rivaled China.

Beside the bear macroeconomic figures, the current realities of Turkey are continuously demonstrating the huge potential of this rapid expanding market for the European insurers: fast growing economy, many successful industries, a huge transportation network, young population... and on top of all these, a still low insurance penetration degree, which leaves place to a substantial market growth.

Two simple, statistical examples may illustrate this potential without any other further considerations:

- By the end of December, the number of vehicles registered to the traffic overstepped the 17 million threshold, of which 50.8% were cars; in comparison with December 2011, the total number

of registered vehicles grew by almost 1 million;

- The population of Turkey will be of 84.2 million in 2023 and is expected to increase slowly to the year 2050, when it will reach to its highest value, of about 93.5 million.

- The median age of the population of Turkey was 30.1 in 2012, it will increase to 34 in 2023, while the 65+ segment of the population will increase its share in the demographic structure from 7.5% in 2012 to about 10% in 2023.

In this context, the 2012 figures show an insurance penetration degree of about 1.4%, far below the European average, and a total average annual expense for insurance of about EUR 111/capita.

2012 – driven by motor insurance

With motor insurance lines working as a locomotive, the Turkish insurance market will set the course for even higher picks in 2013. The total GWP for the year 2012 was EUR 8.41 billion, a change by 20.36% in comparison with 2011, according with the data published by the Association of Insurance companies in Turkey.

With a market share of 86.3%, the non-life

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2012	2011	Change	2012	2011
	EUR m	EUR m	%	%	%
TOTAL MARKET	8,413.53	6,990.18	20.36	100.00	100.00
TOTAL LIFE	1,150.34	1,093.69	5.18	13.67	15.65
TOTAL NON-LIFE	7,263.19	5,896.48	23.18	86.33	84.35
Accident	284.28	269.89	5.33	3.38	3.86
Health	949.33	814.04	16.62	11.28	11.65
Goods in transit	160.36	146.00	9.84	1.91	2.09
Overall property insurance	1,861.69	1,540.82	20.82	22.13	22.04
Fire and allied perils	1,122.48	940.44	19.36	13.34	13.45
Damages to property	739.21	600.38	23.12	8.79	8.59
Overall motor insurance	3,594.62	2,753.52	30.55	42.72	39.39
Motor Hull	1,923.90	1,542.36	24.74	22.87	22.06
MTPL	1,670.72	1,211.16	37.94	19.86	17.33
GTPL	178.23	157.31	13.30	2.12	2.25
Other non-life insurance	234.68	214.90	9.21	2.79	3.07

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Market indicators (in EUR and TRY)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and TRY)

Overall market, life, non-life, accidents, health, motor hull, MTPL, GTPL, fire & allied perils and damages to property

insurance segment went up 23.2% to EUR 7.26 billion over the last year. Non-life premiums of EUR 3.6 billion come from motor insurance, which increased by 30.6% during 2012, holding 42.72% of the market. Separately, MTPL and Motor Hull lines of business increased by 38% and 24.7%, respectively, over 2012.

Although the evolution in the premium volume wasn't as spectacular in the life insurance sector as it was for non-life, with a single digit growth of 5.2% and a 13.7% market share, the total life GWP didn't surpass EUR 1.15 billion in 2012.

The life insurance sector struggles on its way for growth primarily due to the fact that life insurance penetration in Turkey is one of the lowest in Europe - 0.2% in 2010, while Turkey's life insurance segment is dominated by bancassurance's distribution channel. Agents are the second largest distribution channel in the country. Yet, the sector has gained new momentum after the social security reform that has introduced universal health insurance.

Question marks

According to a 10-year growth plan presented by the Insurance Association of Turkey, the Turkish market should become until 2023 one of the top insurance and pension markets in the world and the biggest in the region. The plan envisions a quadruplication of the non-life insurance market, to about EUR 26.6 billion, and a raise of the life and pensions market up to EUR 174 billion.

In order to render this plan feasible, a number of actions and changes are required. The paper characterizes the current market status in a less enthusiastic picture than the simple figures mentioned above could draw: *an insurance market that suffers from low penetration, very low profitability compared to other developing and developed markets, very low savings rate, limited customer awareness and credibility of insurance companies. The market is also threatened by lack of cultural/institutional mindset towards insurance hindering adoption, limited availability of local resources (talent with insurance skills) and disproportionate allocation of economic value across the value chain e.g. limited control over external*

Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	ZIRAAT HAYAT VE EMEKLILIK	250.22	328.23	-23.77	21.75	30.01
2	ANADOLU HAYAT EMEKLILIK	155.76	141.56	10.04	13.54	12.94
3	GARANTI EMEKLILIK	111.54	97.93	13.90	9.70	8.95
4	YAPI KREDI EMEKLILIK	88.29	70.06	26.01	7.68	6.41
5	HALK HAYAT VE EMEKLILIK	76.67	74.85	2.44	6.67	6.84
6	AVIVASA	70.11	49.53	41.53	6.09	4.53
7	FINANS EMEKLILIK VE HAYAT	68.34	50.75	34.65	5.94	4.64
8	VAKIF EMEKLILIK	65.35	51.56	26.75	5.68	4.71
9	METLIFE EMEKLILIK VE HAYAT	52.80	57.07	-7.49	4.59	5.22
10	ALLIANZ HAYAT VE EMEKLILIK	38.35	33.97	12.90	3.33	3.11
11	GROUPAMA EMEKLILIK	30.99	24.02	29.00	2.69	2.20
12	AXA HAYAT VE EMEKLILIK	26.45	22.22	19.06	2.30	2.03
13	AEGON EMEKLILIK VE HAYAT	23.57	12.13	94.36	2.05	1.11
14	BNP PARIBAS CARDIF EMEKLILIK	22.63	4.40	414.48	1.97	0.40
15	ING EMEKLILIK	20.45	15.26	34.01	1.78	1.40
16	BNP PARIBAS CARDIF HAYAT	17.02	31.07	-45.21	1.48	2.84
17	CIV HAYAT	14.21	10.27	38.29	1.24	0.94
18	ERGO EMEKLILIK VE HAYAT	9.21	9.71	-5.17	0.80	0.89
19	MAPFRE GENEL YASAM	4.12	4.91	-16.05	0.36	0.45
20	DEMIR HAYAT	1.99	1.87	6.26	0.17	0.17
21	ACIBADEM SAGLIK VE HAYAT	1.98	1.84	7.57	0.17	0.17
22	NEW LIFE YAŞAM	0.20	0.33	-40.78	0.02	0.03
23	RUMELI HAYAT	0.03	0.05	-47.05	0.00	0.00
24	AK	0.02	0.06	-60.47	0.00	0.01
25	CIGNA HAYAT	0.01	0.01	23.23	0.00	0.00
26	GENERALI	0.00	0.00	338.70	0.00	0.00
TOTAL MARKET		1,150.34	1,093.69	5.18	100.00	100.00

parties such as auto repair shops.

Therefore in order for the insurance market in Turkey to fulfill its potential there must be a clear and focused plan that will concentrate action in raising penetration levels in all business lines and understand where the market "hurts".

For example in order for Turkey to reach the same level as Poland in pension funds there must be an increase by 14 times in pension savings. According to 2010 data the total amount paid by private pension programs in the country was at 0.6%.

The same goes also for the coverage of private insurance to natural disasters such as the Van Earthquake in 2011 that cost the country USD 1.2 billion. The share of coverage of private insurance industry in Turkey was 9% whereas the total amount of private insurance coverage for worldwide catastrophe losses in 2011 was 30%. At the scale of the Turkish economy a 30% insurance coverage for local catastrophes would have resulted in an additional saving of USD 750 million to the government for the reported period.

The European "invasion"

Know-how and good practice examples are what the Turkish insurers need from their European peers. A large growth reservoir is what the European insurers need and may find in Turkey. As a result, presenting a huge market for global insurance companies with only a limited portion of its population of about 75 million having coverage, Turkey will see more foreign investors in the insurance arm of the financial services sector in the near future, according to the President of the Investment Support and Promotion Agency of Turkey (ISPAT).

The market's perspectives are huge, which is why over 70% of the share capital of Turkish insurers is now foreign-owned. There is a tremendous growth field for the foreign, European giants which have already exhausted the growth resources in their own markets, explained Muzaffer AKTAS, Managing Director with WILLIS Re. He also pointed out that, although beneficial in terms of market development, the strong interest of the foreign players in the

Top 50 Non-life insurance companies

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	AXA	1,012.62	813.49	24.48	13.94	13.80
2	ANADOLU	948.28	784.37	20.90	13.06	13.30
3	ALLIANZ	613.15	459.78	33.36	8.44	7.80
4	AK	556.45	462.86	20.22	7.66	7.85
5	YAPI KREDI	520.85	396.28	31.44	7.17	6.72
6	GUNES	391.45	333.91	17.23	5.39	5.66
7	MAPFRE GENEL	376.23	227.15	65.63	5.18	3.85
8	GROUPAMA	350.86	333.22	5.29	4.83	5.65
9	EUREKO	290.85	288.75	0.73	4.00	4.90
10	ERGO	289.96	285.05	1.72	3.99	4.83
11	SOMPO JAPAN	191.29	134.26	42.47	2.63	2.28
12	HDI	169.13	117.25	44.24	2.33	1.99
13	HALK	167.69	84.09	99.41	2.31	1.43
14	ZIRAAT	160.74	129.69	23.94	2.21	2.20
15	ZURICH	145.11	128.83	12.64	2.00	2.18
16	AVIVA	144.26	122.55	17.71	1.99	2.08
17	RAY	128.56	103.61	24.09	1.77	1.76
18	ACIBADEM SAGLIK VE HAYAT	98.68	70.16	40.65	1.36	1.19
19	AIG	92.31	81.32	13.51	1.27	1.38
20	EURO	75.05	40.86	83.68	1.03	0.69
21	ISIK	70.30	56.22	25.04	0.97	0.95
22	LIBERTY	68.48	38.06	79.94	0.94	0.65
23	ANKARA	64.72	57.52	12.53	0.89	0.98
24	NEOVA	55.65	34.59	60.90	0.77	0.59
25	GENERALI	35.57	43.49	-18.20	0.49	0.74
26	DUBAI GROUP	30.03	47.10	-36.24	0.41	0.80
27	SBN	25.88	27.98	-7.51	0.36	0.47
28	HUR	24.20	20.40	18.63	0.33	0.35
29	DEMIR HAYAT	23.06	18.59	23.99	0.32	0.32
30	METLIFE EMEKLILIK VE HAYAT	19.76	21.50	-8.07	0.27	0.36
31	ACE EUROPE	15.67	9.95	57.47	0.22	0.17
32	AVIVASA	13.72	10.91	25.83	0.19	0.18
33	COFACE	13.67	9.69	41.02	0.19	0.16
34	T.NIPPON	12.90	14.63	-11.86	0.18	0.25
35	KORU	12.59	0.85	1,380.96	0.17	0.01
36	EULER HERMES	10.68	4.78	123.21	0.15	0.08
37	GROUPAMA EMEKLILIK	8.82	6.88	28.11	0.12	0.12
38	DEMIR	8.28	6.98	18.62	0.11	0.12
39	VAKIF EMEKLILIK	8.16	5.97	36.84	0.11	0.10
40	BNP PARIBAS CARDIF	4.73	4.59	3.00	0.07	0.08
41	ATRADIUS	3.90	3.29	18.77	0.05	0.06
42	CIV HAYAT	2.26	1.73	30.79	0.03	0.03
43	ING EMEKLILIK	2.25	1.08	108.61	0.03	0.02
44	YAPI KREDI EMEKLILIK	1.87	1.61	16.60	0.03	0.03
45	MAPFRE GENEL YASAM	0.41	47.32	-99.13	0.01	0.80
46	ANADOLU HAYAT EMEKLILIK	0.39	0.34	13.97	0.01	0.01
47	HALK HAYAT VE EMEKLILIK	0.33	0.07	376.14	0.00	0.00
48	BNP PARIBAS CARDIF HAYAT	0.32	0.61	-46.93	0.00	0.01
49	ZIRAAT HAYAT VE EMEKLILIK	0.31	1.67	-81.35	0.00	0.03
50	ALLIANZ HAYAT VE EMEKLILIK	0.28	0.25	12.35	0.00	0.00
TOTAL MARKET		7,263.19	5,896.48	23.18	100.00	100.00

Turkish markets has also its shortcomings, as it has created a sharp competition. Competition is good in many respects, but because of the harsh fight for the market share, things have been pushed a little too far during and the market's stability can be affected, said WILLIS Re's representative.

At the moment, the most important M&A operation which confirms the European interest for the Turkish market was announced in the beginning of 2013 by the German Group ALLIANZ SE, which is going to buy the Turkish YAPI KREDI Sigorta, the 5th largest property and casualty insurer in the country, including its subsidiary YAPI KREDI Emeklilik, the life and pension business, ranked 4th. The deal also includes a 15-year exclusive distribution agreement with the YAPI KREDI Bank. The combination of ALLIANZ Turkey with the YAPI KREDI insurance operations will create the number 1 non-life insurer, the number 2 pensions provider and the number 3 life insurer in Turkey, a strategically important market for ALLIANZ where the group already has a 90-year history. **D.G.**

2012 - a profitable year for MILLI Re

In its 84th year in operation, MILLI Re reached equivalent of EUR 261 million in capital, cca. EUR 750 million in total assets and EUR 440 million in total premiums, while the share of premiums generated on the international portfolio was 24%.



Mahmut MAGEMİZOĞLU
Chairman of the Board,
Milli Re

As a result of its operations in 2012, our Company posted TL 98 million in profit (cca. EUR 42 million), and increased its shareholders' equity by 47% to TRY 658 million (EUR 280 million), declared Mahmut MAGEMİZOĞLU, Chairman of the Board of Directors, MILLI Re.

Regarding the premiums distribution, "our local production showed a limited increase as a result of our underwriting policy under which we do not participate in the reinsurance agreements of branches such as Land Vehicles and Health [...], the ratio of premiums derived on our international business reached 24% of our total premium production thanks to our consistently growing international portfolio."

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Armenia



Accidents	0.98%
Health	36.19%
Fire and allied perils	6.52%
Other damages to property	0.84%
Motor Hull	5.50%
MTPL	42.59%
CARGO	1.54%
GTPL	1.23%
Travel	1.18%
Other	3.45%

SOURCE:

ARMINFO NEWS AGENCY
CENTRAL BANK OF ARMENIA

ARMENIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 498.72 DRAM - AMD
(DECEMBER 31ST, 2011)
1 EUR = 532.24 DRAM - AMD
(DECEMBER 31ST, 2012)

According to preliminary financial data provided by ArmInfo News Agency, on December 31st 2012 gross written premiums recorded by insurance companies totaled AMD 35. billion, up by 75.7%. This significant growth was achieved due to the introduction of two mandatory insurance lines in Armenia, MTPL and the mandatory medical insurance.

Compulsory health insurance

Armenia is not yet ready for the compulsory health insurance, affirms Vache GABRIELIAN, the Armenian Minister of Finance, thus explaining the reason for postponing the introduction of this type of insurance, planned for 2013. In his opinion, a clearly defined system for the compulsory health insurance still does not exist, and the financing method is yet to be clarified. However, the social program for budgetary workers will help us understand the working mechanism for the future compulsory health insurance system, Vache GABRIELIAN said.

Starting January 2012, social packages for 120,000 budgetary workers were introduced in Armenia. A social package includes 4 elements totaling AMD 132,000 (EUR 275): the voluntary health insurance, the annual leave payment and the coverage of mortgages. The voluntary health insurance minimum value is AMD 52,000 (approximately EUR 108). The sum does not cover all medical services - thus, the insurers created additional packages differentiated depending on every insured's needs and budget.

Last year, the insurance companies in Armenia activating on the voluntary health insurance segment underwrote AMD 12.8 billion, out of which a significant part was underwritten in the social State program, said Elita BABAYAN, Insurance Specialist, ArmInfo News Agency.

However, there is the possibility that the



Elita BABAYAN
Insurance Specialist,
ArmInfo News Agency

deadline of the possible introduction of a compulsory health insurance system in the country will be in 2014.

Consolidation of insurance market continues

The process of consolidation on the Armenian insurance market continues. ArmInfo News Agency has been informed by a reliable source that the largest insurance player, ROSGOSSTRAKH Armenia, a subsidiary of ROSGOSSTRAKH (Russia), is acquiring GARANT Insurance, which specializes in health insurance. At the moment the deal is still not official confirmed and we don't know if it will be a portfolio purchase or an acquisition. However, the source says that on the verge of the possible introduction of a compulsory health insurance system in the country in 2014, the deal will make ROSGOSSTRAKH Armenia's positions in this segment of the market even stronger, added the ArmInfo News Agency's representative. It should be noted that the shareholders of GARANT Insurance are 2 individuals together with the ARABKIR Medical Center, but the ultimate beneficiary of the deal would be Ara BABLOYAN, former Minister of Health and owner of ARABKIR Medical Center, commented Elita BABAYAN.

Let's not forget that in the first half of 2012, the insurance market in Armenia has experienced the merger of two insurance companies - INGO Armenia and CASCADE

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	66.74	40.54	64.61	27.22	14.62	86.15	100.00	100.00
Accidents	0.65	0.56	15.91	0.09	0.04	138.52	0.98	1.39
Health	24.15	2.21	991.55	5.72	1.51	277.55	36.19	5.46
Overall property insurance	4.91	3.31	48.40	0.25	0.28	-8.03	7.36	8.16
Fire and allied perils	4.35	2.81	54.68	0.25	0.27	-8.33	6.52	6.94
Other damages to property	0.56	0.50	12.77	0.00	0.00	13.21	0.84	1.22
Overall motor insurance	32.09	30.67	4.64	19.61	12.07	62.51	48.08	75.64
Motor Hull	3.67	2.63	39.34	2.51	1.67	49.81	5.50	6.49
MTPL	28.42	28.04	1.38	17.11	10.40	64.55	42.59	69.15
CARGO	1.03	1.00	3.09	0.04	0.08	-46.25	1.54	2.46
GTPL	0.82	0.84	-2.28	0.99	0.18	442.07	1.23	2.07
Travel	0.79	0.63	25.74	0.25	0.15	64.38	1.18	1.55
Other	2.30	1.33	73.27	0.26	0.31	-16.62	3.45	3.28

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and download in MS Excel format:

Market indicators (in EUR and AMD)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and AMD)

Life and non-life

Insurance, the insurance portfolio of CASCADE Insurance being transferred to INGO Armenia. As a result, CASCADE Insurance has ceased to exist.

Bonus-malus system – a reality in 2013

Starting January 1, 2013 in Armenia was partly introduced the bonus-malus system, based on the driving history of the car owner.

The bonus component of this system was introduced in the republic on January 1, and the malus system will be introduced in November 2013. The bonus will represent 3% of the insurance premium paid by the drivers over 2012, and the malus rate is not defined yet, added Elita BABAYAN.

According to Eduard HOVHANNISYAN, Chairman of Achilles Center for Protection of Drivers' Rights, *there were nearly 60 thousand road accidents fixed by the insurance companies in 2012. This means that in 2012 there were about 30 thousand violators, and the malus system will cover them. Armenia has about 450 thousand vehicles and nearly 400 thousand drivers. The rest of 370 thousand drivers will receive bonuses; however, their total amount is small and will not considerably increase the loss ratio of motor third party liability insurance.*

All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ROSOSSTRAKH Armenia	18.57	13.12	41.55	7.94	4.88	62.65	27.83	32.36
2	INGO Armenia	17.33	9.73	78.03	6.71	3.42	96.45	25.97	24.01
3	RESO	9.75	4.72	106.37	2.98	1.63	82.15	14.61	11.65
4	NAIRI Insurance	8.06	5.35	50.64	3.86	1.70	126.52	12.08	13.20
5	GARANT Insurance	6.39	3.37	89.59	3.12	1.49	109.74	9.58	8.32
6	ARMENIA Insurance	3.76	2.38	57.92	1.30	0.77	69.36	5.64	5.88
7	SIL Insurance	2.87	1.86	54.51	1.31	0.73	79.55	4.31	4.59
TOTAL MARKET		66.74	40.54	64.61	27.22	14.62	86.15	100.00	100.00

This system will allow the insurers to reduce the risks concerning the most undisciplined drivers, particularly taxi drivers. The insurers think that in terms of this category of drivers, the MTPL loss ratio exceeds 110%.

State Export Insurance Agency

This year is marked by an important project for the local insurance market, namely the creation of the State Export Insurance Agency of Armenia by late 2013. To this purpose, a bill of amendments was prepared to the Armenian Law "On insurance and insurance activities". According to the amendments, the state will have the right to take up insurance, which has been the prerogative of private companies so far.

The specified agency will be managed by professional managers; it will be created in line with the practice of export-import banks, whose authorized capital is owned by the state. In the case of the Armenian State Export Insurance Agency (with a capital of over AMD 1.5 billion or USD 3.621

million) the matter concerns insurance of the companies' export-related risks, and this will contribute to the export growth from Armenia, explained Elita BABAYAN.

BABAYAN pointed out that by creating this agency, the state will contribute to the reduction of export-related risks that may arise when the companies attract export credits or delay payments, or when payments are delayed by a foreign company which is a party to the export contract. She added that insurance of these risks by the state will contribute to reduction of export loan interest rates. Insurance of export loans will not be compulsory.

In addition, the private sector and international financial organizations will have a share in the State Insurance Agency's authorized capital, and this will make the agency's activity flexible.

The statistics submitted to the analysis have been supplied by:



O.A.

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Azerbaijan



Voluntary life insurance	4.40%
Compulsory life insurance	6.34%
Accident and diseases (V)	3.02%
Medical insurance (V)	17.47%
Fire and other perils insurance (V)	10.85%
Aircraft insurance (V)	1.76%
Ships insurance (V)	0.28%
Cargo insurance (V)	4.69%
Aircraft liability insurance (V)	0.56%
GTPL (V)	1.10%
Motor Hull (V)	16.56%
Motor Vehicle liability (V)	0.64%
Liability for owners of motor vehicles (M)	21.10%
Immovable property (M)	3.33%
Military servants (M)	4.60%
Servants of judicial and law-enforcement bodies (M)	1.69%
Other non-life insurance (V)+(M)	1.59%

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



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 = 1.0377 MANAT - AZN
(DECEMBER 31st, 2012)

The Azerbaijani insurance market ended 2012 with a 60.8% y-o-y growth rate in GWP, to AZN 343 million or EUR 330 million, while payments amounted to AZN 94 million (52% more), according to data presented by the Ministry of Finance of the Republic of Azerbaijan. Despite the market growth in 2012, its potential is far from being fully used. *We expect the market growth to include such a segment as mandatory MTPL because the number of cars is continuously growing. Definite prospects also exist on the insurance of property, as well as on goodwill life insurance. We expect the market to expand and deepen this year,* declared Namik KHALILOV, Head of State Insurance Supervision Service, Ministry of Finance of Azerbaijan.

In 2012, GWP of the life insurers totaled almost EUR 35.4 million or 11% of the total market. As for the previous reporting periods, the basis of the life insurance market consisted of compulsory types of insurance - GWP of EUR 21 million.

At the same time, the insurance companies' overall non-life GWP amounted to EUR 295 million, 58% more compared with 2011. The largest share of the segment was represented by civil liability for owners of motor vehicles insurance class (more than 21% of the total market), followed by medical insurance (17.5%), Motor Hull (almost 17%) and fire and other perils insurance (equivalent to 11% of the total market).

Mandatory property insurance is working

In 2012, the mandatory property insurance coverage in Azerbaijan reached 15%. The obligation to insure the buildings owned by natural and legal persons, including those owned by the State, was introduced in the legislation a year ago. Until now, this insurance segment reached EUR 11 million in underwritings, declared Orkhan BAYRAMOV, President of the Azerbaijan Insurers Association.

This insurance covers a large variety of risks, including catastrophe risks. The insurance premium is EUR 50, and the mandatory insured amount is EUR 25,000.

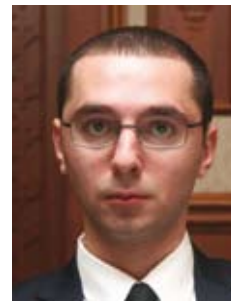
At the moment, we are collaborating with the insurance companies to create and implement a unique data base, similar to the one for the MTPL segment, which

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(in EUR and AZN) the insurance market indicators (GWP, claims, growth rates, portfolio) – and the market ranking



Namik KHALILOV
Head of State Insurance Supervision Service, Ministry of Finance of Azerbaijan



Orkhan BAYRAMOV
President of the Azerbaijan Insurers Association

will facilitate the coordination between companies and improve the underwriting and claims payment processes, BAYRAMOV explained.

Agricultural insurance to be mandatory

Azerbaijan planned to introduce a new type of compulsory insurance. The State Insurance Supervision Service is examining the experience of Russia and Turkey in preparing a bill to introduce the compulsory agricultural insurance, *and this could be a separate law and by means of amendments to the existing law on Compulsory types of insurance,* explained Orkhan BAYRAMOV, President of the Azerbaijan Insurers Association.

Agriculture is a strategically important area of the economy. This law will be directed to insure the risks in the agricultural sector, which may arise as a result of natural disasters, and to recover those losses, said Orkhan BAYRAMOV.

Compulsory health insurance system becomes a reality

Implementation of compulsory health insurance in Azerbaijan is planned within the health care reform framework. Like in most of the European countries, in Azerbaijan the application of compulsory health insurance has been accepted as a positive step.

Foreign experience in the compulsory health insurance is studied in Azerbaijan by the State Insurance Supervision Service.

The main problem while introducing compulsory health insurance is the

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	330.08	209.26	57.74	90.45	60.49	49.53	100.00	100.00
TOTAL LIFE INSURANCE	35.47	22.16	60.08	4.07	0.46	781.42	10.75	10.59
Voluntary life insurance	14.54	3.59	305.06	2.93	0.17	1,581.23	4.40	1.72
Compulsory life insurance*	20.94	18.57	12.74	1.14	0.29	295.52	6.34	8.87
TOTAL NON-LIFE INSURANCE	294.60	187.10	57.46	86.38	60.03	43.90	89.25	89.41
Accident and diseases (V)	9.98	8.14	22.55	1.52	1.68	-9.55	3.02	3.89
Medical insurance (V)	57.68	27.92	106.61	39.40	18.94	108.05	17.47	13.34
Fire and other perils insurance (V)	35.81	29.24	22.49	2.34	3.67	-36.22	10.85	13.97
Aircraft insurance (V)	5.81	15.28	-61.95	0.86	8.88	-90.35	1.76	7.30
Ships insurance (V)	0.92	2.04	-55.00	0.72	0.08	768.28	0.28	0.97
Cargo insurance (V)	15.50	12.53	23.69	0.35	1.13	-68.74	4.69	5.99
Aircraft liability insurance (V)	1.85	5.65	-67.20	1.15	0.17	563.75	0.56	2.70
GTPL (V)	3.63	5.98	-39.40	0.14	0.07	99.55	1.10	2.86
Overall motor insurance	126.42	49.51	155.36	29.87	16.79	77.94	38.30	23.66
Motor Hull (V)	54.64	44.08	23.97	22.01	15.53	41.73	16.56	21.07
Motor Vehicle liability (V)	2.12	1.06	99.39	0.25	0.26	-5.25	0.64	0.51
Liability for owners of motor vehicles (M)	69.66	0.10	72,007.36	7.05	-	-	21.10	0.05
MTPL (M)	-	4.27	-	0.56	0.99	-43.87	-	2.04
Immovable property (M)	11.00	0.00	-	0.88	-	-	3.33	0.00
Military servants (M)	15.20	15.59	-2.51	7.03	6.99	0.61	4.60	7.45
Fire insurance (M)	-	6.99	-	0.42	0.58	-26.94	-	3.34
Servants of judicial and law-enforcement bodies (M)	5.56	4.41	26.12	0.79	0.82	-3.56	1.69	2.11
Other non-life insurance (V)+(M)	5.25	3.83	37.11	0.92	0.24	275.24	1.59	1.83

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

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

administration of the system, said Namik KHALILOV. This system is so complex...that it will be ineffective to introduce compulsory health insurance without proper training, as this requires a large volume of technical work, reform of healthcare financing and paying for labor at medical institutions. Much methodical work must be carried out in terms of describing various diseases, the cost of services and so on. Moreover, very sophisticated, complex software is required. That is a lot of hard and laborious work and it is necessary that activity to be undertaken jointly with other state bodies to be really effective after compulsory health insurance is introduced.

The Law on Compulsory Medical Insurance was adopted in 1999. However, it has not been enforced, despite the establishment of the Compulsory Health Insurance Agency in 2009. **O.A.**


All insurance lines ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PASHA Sigorta	44.99	10.32	335.81	22.04	2.15	923.57	13.63	4.93
2	AzSigorta	38.35	20.42	87.77	3.52	1.94	81.28	11.62	9.76
3	ATESHGAGH Sigorta	36.44	18.22	99.96	9.09	6.10	49.08	11.04	8.71
4	AZERSIGORTA	33.31	25.69	29.66	11.34	10.88	4.22	10.09	12.28
5	STANDART Insurance	20.54	9.55	115.01	5.14	2.74	87.80	6.22	4.57
6	AXA MBASK	17.05	12.50	36.41	5.65	3.19	77.43	5.17	5.97
7	ATESHGAGH-Hayat	15.19	9.36	62.28	3.58	0.17	2,051.85	4.60	4.47
8	BEYNALXALQ Sigorta	14.24	12.19	16.83	6.20	5.59	10.92	4.32	5.83
9	PASHA Life Insurance	14.16	8.04	76.11	0.35	0.18	95.05	4.29	3.84
10	A-QROUP Sigorta	13.44	7.96	68.73	5.84	5.25	11.32	4.07	3.81
11	XALQ Sigorta	12.13	8.60	41.02	2.15	2.55	-15.57	3.67	4.11
12	ATASIGORTA	10.25	5.35	91.82	2.51	2.05	22.66	3.11	2.55
13	İPEK YOLU Sigorta	8.25	21.20	-61.11	1.77	8.82	-79.95	2.50	10.13
14	QARANT Sigorta	8.14	7.95	2.43	1.49	1.23	20.98	2.47	3.80
15	AZERBAIJAN SENAYE Sigorta	7.53	6.58	14.48	1.57	1.77	-11.39	2.28	3.14
16	QALA Life	6.13	4.68	30.98	0.14	0.04	226.77	1.86	2.23
17	BAKI Sigorta	5.49	4.46	22.96	2.41	1.00	140.68	1.66	2.13
18	ALFA Insurance	5.15	3.00	71.62	1.09	0.53	107.01	1.56	1.43
19	MEQA Sigorta	4.21	1.72	144.92	0.51	0.12	312.15	1.28	0.82
20	BASHAK INAM	3.28	2.82	16.07	0.92	1.26	-27.03	0.99	1.35
21	RAVAN Sigorta	3.27	2.03	61.14	1.13	0.82	37.63	0.99	0.97
22	BUTA Sigorta	2.71	-	-	0.30	-	-	0.82	-
23	CHARTIS Azerbaijan	1.77	1.58	12.08	0.05	0.01	227.48	0.54	0.75
24	AZERQARANT Sigorta	1.65	1.26	31.11	0.45	0.31	46.64	0.50	0.60
25	EMRAH Sigorta	1.01	0.64	57.77	0.46	0.36	26.57	0.31	0.31
26	ERA-TRANS	0.88	1.77	-50.21	0.59	0.90	-34.04	0.27	0.85
27	GUNAY Sigorta	0.44	0.48	-8.06	0.14	0.19	-30.07	0.13	0.23
28	ROYAL Sigorta	0.08	-	-	0.00	-	-	0.02	-
29	THAMES Insurance Group	-	0.60	-	-	0.14	-	-	0.29
30	FIDAN Sigorta	-	0.27	-	-	0.20	-	-	0.13
TOTAL MARKET		330.08	209.26	57.74	90.45	60.49	49.53	100.00	100.00



Belarus



Life insurance	4.87%
Non-Life insurance	95.13%

SOURCE:

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

BELARUSIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 10,800.00 RUBLE - BYR
(DECEMBER 31ST, 2011)
1 EUR = 11,340.00 RUBLE - BYR
(DECEMBER 31ST, 2012)

Access www.xprimm.com
and download in MS Excel format:
Market indicators (in EUR and BYR)
GWP, claims, growth rates, portfolio
Market rankings (in EUR and BYR)
Overall market, life and non-life

In 2012 Belarusian insurers received insurance premiums for direct insurance and coinsurance in the amount of EUR 404.9 million. It is difficult to assess the total premium increase if compared with 2011, as the devaluation of the national currency was rather high in 2011. In the local currency the growth was 83% in 2012. The revenue growth rate from January 2013 to January 2012 was 23%. The insurance premium per capita was about 42 Euro.

The share of voluntary insurance in the total amount of insurance premiums reached 49.0% (in 2011 - 48.3%). In the structure of voluntary insurance, personal insurance accounts for 25.1%, property insurance - 68.4%, and liability insurance - 6.5%.

The share of compulsory insurance in the total amount of insurance premiums was 51.0% (in 2011 - 51.7%), of which private insurance - 40.0%, property - 7.9%, and liability insurance - 52.1%.

The level of insurance payments in the amount of collected premiums in 2012 was 47.6% (in 2011 - 56.6%), of which the share of voluntary insurance is 43.7% and compulsory insurance - 56.3%.

The ratio of insurance premiums to GDP - 0.86%. Government agencies have prepared a draft decree to liberalize the insurance industry; however, the document has not been ratified yet. Besides, an entire stratum of legal documents will be required to build upon the decree.

Life insurance continued to develop but it claims only 5 percent of the whole insurance premiums. Stabilization of the exchange rate of the national currency came as a result of tight monetary policy and very high refinancing rates. That was a necessary measure in order to cope with inflation, but it created difficulties to the lending market as commercial banks derive their interest rates from the refinancing rate



Anton NEDVEDSKIY
External Relations
Manager, Belarusian
Association of Insurers

set up by the National Bank.

As for the distribution channels development, there are 8 insurance brokers in Belarus. The market of insurance agents who have registered as legal entities is actively developing nowadays. The personal loan credit insurance is the main form of cooperation between banks and insurers. In comparison with 2011, the credit life insurance increased by 1.5 times.

Concerning the major legislative initiatives, it should be mentioned that the government abolished the payment of tax (34%) to the Social Security Fund, the payments for compulsory insurance against industrial accidents at work and occupational diseases, for insurance premiums paid by employees, for additional pension insurance, as well as the life and health insurance. Insurance companies switched to accrual accounting in 2012. The method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows in order to provide a more accurate picture of a company's current financial performance.

The officials predict that the economic situation is going to normalize in 2013 while the inflation and the refinancing rate are decreasing. These factors are expected to drive the insurance market as the purchasing power is growing and bank loans are becoming cheaper. **O.A.**

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	382.50	219.04	74.63	182.08	123.95	46.89	100.00	100.00
LIFE INSURANCE	18.63	9.99	86.52	3.60	3.27	9.97	4.87	4.56
NON-LIFE INSURANCE	363.88	209.05	74.06	178.48	120.68	47.90	95.13	95.44

Life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	STRAVITA	13.57	6.96	94.97	2.24	1.76	27.38	72.87	69.71
2	Nat. Belorussian Ins.PensionFund.	2.78	1.47	89.86	0.49	0.51	-4.35	14.95	14.68
3	SEDYMAIA LINYA	1.75	1.39	25.76	0.85	0.99	-13.61	9.40	13.94
4	PENSIONNIE GARANTII	0.52	0.17	210.84	0.01	0.01	9.17	2.79	1.67
TOTAL MARKET		18.63	9.99	86.52	3.60	3.27	9.97	100.00	100.00

Non-life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	BELGOSSTRAKH	188.94	108.01	74.92	99.23	68.61	44.63	51.92	51.67
2	TASK	32.65	19.83	64.67	17.86	11.68	52.93	8.97	9.48
3	PromTransInvest	27.28	15.19	79.52	12.51	7.69	62.72	7.50	7.27
4	EXIMGARANT OF BELARUS	20.93	11.76	78.01	4.73	3.03	56.17	5.75	5.62
5	B&B Insurance	20.92	11.55	81.03	12.70	9.89	28.41	5.75	5.53
6	BELNEFTESTRAKH	20.54	13.34	53.94	8.93	6.00	48.80	5.64	6.38
7	BELKOOPTSSTRAKH	13.46	8.52	58.08	6.28	4.01	56.43	3.70	4.07
8	BELROSSTRAKH	11.09	5.99	85.19	5.37	3.17	69.63	3.05	2.87
9	KUPALA	7.46	3.07	142.91	1.90	1.24	53.40	2.05	1.47
10	BELINGOSSTRAKH	5.90	3.23	82.53	3.29	1.86	76.99	1.62	1.55
11	BELVNESHTRAKH	3.63	1.96	85.30	1.83	0.90	103.07	1.00	0.94
12	KENTAVR	3.08	1.99	54.96	1.50	0.71	111.24	0.85	0.95
13	GENERALI	2.74	1.81	51.43	0.01	0.01	119.43	0.75	0.87
14	ERGO	2.58	1.31	96.30	1.68	0.95	77.71	0.71	0.63
15	GARANTYA	1.09	0.66	64.93	0.04	0.04	3.70	0.30	0.31
16	ZEPTEP Insurance	0.59	0.44	32.65	0.29	0.67	-56.27	0.16	0.21
17	BAGACH	0.56	0.27	106.04	0.27	0.22	19.64	0.15	0.13
18	ROSGOSSTRAH	0.41	0.11	284.62	0.07	0.02	301.26	0.11	0.05
19	VARTMA Insurance	0.01	-	-	-	-	-	0.00	-
20	DELTA Insurance	0.01	0.00	662.78	0.01	-	-	0.00	0.00
TOTAL MARKET		363.88	209.05	74.06	178.48	120.68	47.90	100.00	100.00

BELARUS Re: Top 3 largest insurance indemnities paid in 2012

Last year was a successful one for BELARUS Re, the company managing not only to follow its business plan for 2012, but to achieve better results than expected in terms of premium production. Moreover, despite the difficult economic times, BELARUS Re was able to reduce the loss ratio for its portfolio from 12.39% in 2011 to 9.02% in 2012.

It is noteworthy that the loss ratio reduction took place in a year during which BELARUS Re had the opportunity to demonstrate its capacity of rapidly indemnifying significant losses. Three examples of some large insurance indemnities paid in 2012 by the Republican Unitary Enterprise "Belarusian National Reinsurance Organization" (BELARUS Re) may fairly illustrate the company's ability to support its customers in challenging situations:

- **Westa-Dnepr fire (Ukraine):** a USD 7.6 million loss was recorded following the major fire occurred at Westa-Dnepr business premises, in Ukraine. The fire was born by the hydrogen combustion caused by the overheating of the electric circuit. As a result, the accumulator batteries stock in the shop was destroyed, as well as a significant part of the technological equipment of the plant.

State enterprise has fulfilled its obligations under the reinsurance contract, by paying its share of the reinsurance recovery. Total size of the reinsurance indemnity paid in 2012 by the State enterprise amounted to USD 450 thousand.

- **Segezha Packaging fire (Russia):** Another similar case occurred in Russian Federation where, on August 19th, 2011, the fire damaged the equipment, as well as the industrial and office buildings at Segezha Packaging business premises.

The total loss caused to the Insured by the fire amounted

to USD 2.2 million. The share of the State enterprise in this loss was of USD 167 thousand and was transferred to the Reinsured in August 2012.

- **The Telkom-3 satellite loss:** In November 2012, State enterprise has paid an indemnity for the damage caused due to abnormal Telkom-3 satellite launch (PERUSAHAAN PERSEROAN (PERSERO) PT. TELEKOMUNIKASI INDONESIA, TBK as an Insured). The satellite launch was conducted from Baikonur Cosmodrome, Kazakhstan. Due to abnormal operation of Breeze M, TELKOM-3 satellite has been injected into incorrect orbit. Using its jet engine, TELKOM-3 failed to reach the designated geostationary orbit, which resulted in its Total Constructive Loss. Due to the damage caused to the Insured and the inability to continue to use the satellite for its intended purpose, State enterprise paid its share of the reinsurance indemnity in the amount of USD 150 thousand. The total loss amounted to USD 185.3 million.

Although important, the above three examples are not representing the biggest claims by BELARUS Re since the company's setting out. The biggest claim was paid in 2008, following the total loss of CRJ-100LR Aircraft while taking off on Zvartnots Airport, in Armenia. The indemnity paid to the insured aviation company, BELAVIA amounted to USD 1.96 billion.



The market remains soft...

Interview with

Mikhail I. BULAVKIN

Director General, BELARUS Re

XPRIMM: Will you tell us about your company's results for the past 2012?

Mikhail BULAVKIN: It would be no exaggeration to say that the past year was a successful one for BELARUS Re: the indicators as targeted by the business plan in the form of the premiums to be received were not merely realized, but they were achieved with good results.

Thus, at the end of the year 2012, the amount of the reinsurance premiums earned was USD 28.0 million. As compared with 2011, the growth is 122.8% (USD 22.8 million in 2011). The reimbursements for 2012 amounted to USD 2.5 million versus USD 2.8 million in 2011. Thereby, the loss ratio on a portfolio basis was decreased from 12.39% in 2011 to 9.02% in 2012. At the same time, the combined ratio was turned to a positive value from 45.51% in 2011 to 29.8% in 2012. According to preliminary data, the net profit of BELARUS Re for 2012 amounted to about USD 9.0 million (in 2011 - USD 2.5 million).

What are your expectations for 2013 with regard to the insurance market of Belarus and BELARUS Re?

M. B.: The year 2013 for the Company will not be less intensive than the expiring previous year. However, we expect an increase in premiums written in all areas of our business. And this positive trend will be maintained both by traditional insurance (Green Card, Airline Risks, Property), and some large investment projects (NPP construction, Space

Programs, etc.), as well as the by the extension of the cooperation with non-residents and the development of new markets for us - first of all, the Middle East and South East Asia.

Even natural disasters that occurred in 2012, such as the devastating Hurricane Sandy, having caused significant losses for insurance and reinsurance companies, failed to reverse the softening trend

As for the insurance market of the Republic of Belarus, there are grounds to believe that it will continue its development; it is expected to adopt a number of laws aimed at liberalizing the insurance activity and the transition to international financial reporting standards.

XPRIMM: What are the main arguments that could be helpful to insurers in order to persuade the society of the necessity of insurance products, especially in times of economic crisis?

M. B.: Nowadays the insurance business plays a rather insignificant role in the economics of our country. Total insurance

collections make up less than the GDP rate.

That is why there is a great potential in this sphere for insurers as well as for reinsurers. According to the statistic data, only 50% of the population uses insurance services. This fact speaks not so much of the standard of well-being, as of the insufficient knowledge in this sphere. And still, the insurance business is the main element of risk management and economics pertaining not only to a legal entity, but also to a household.

At the same time, in times of economic recession and crisis the insurance business plays a much more important role. Due to high prices, other instruments to restore the damaged property, such as credit, turn out to be economically unprofitable, while insurance, with relatively small expenses, guarantees the indemnification of losses.

It is very important to make customers realize that insurance is the most effective form of risk management. This is the duty of insurance companies, and with the help of advertisements they strive to demonstrate the benefits of such instrument.

XPRIMM: What kind of year will be 2013 as compared with 2012 for the international reinsurance market? What should be expected?

M. B.: Analyzing the situation in respect of the main types of risks in 2012, the international reinsurance market continues to hold excess insurance and reinsurance capacity. No peculiar preconditions to change an established trend in 2013 are in view, so we can expect a further gradual reduction of insurance rates. Even natural disasters that occurred in 2012, such as the devastating Hurricane Sandy, having caused significant losses for insurance and reinsurance companies, failed to reverse this trend and trigger the rise in rates, but just kept the rates at the average of 2012. In addition, we believe that in the global insurance and reinsurance markets

Brief history of the BELARUS Re

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

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



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Management team

Mikhail I. BULAVKIN - Director General of the Republican Unitary Enterprise "Belarusian National Reinsurance Organization"

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

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

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

Andrei T. UNTON

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

Reinsurance Directorate

Valery I. LOKTIONOV, Head of Reinsurance Directorate

International Reinsurance Department

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

Domestic Reinsurance Department

Andrei V. RYCHKO, Head of Domestic Reinsurance Department

Actuarial Department

Olga E. ARTISHEVSKAYA, Head of Actuarial Department

the role of financial institutions, whose activities are not related directly to insurance and reinsurance, will increase. In particular, this is due to the increasing popularity of catastrophic bonds (cat bonds), which are tools of securitization of catastrophe risks, by which insurance companies transfer the liability for catastrophe risks to investors who buy such bonds. This financial instrument is the most relevant against the background of observed climate change and the growing number of natural disasters that entail severe consequences for international insurers and reinsurers.

XPRIMM: What are the targets for 2013?

M. B.: Traditionally, the objectives for further growth, optimization and diversification of risk portfolios, as well as the launching of new products and the implementation of measures aimed at the development of the national insurance market are set before BELARUS Re every year. According to the plans of our Company, a priority goal is to further increase the volume of reinsurance

coverage both for domestic and foreign partners, and an acceptable financial result. BELARUS Re follows the principles of the international reinsurance company, providing its customers around the world with comprehensive protection in accordance with international standards. Therefore one of the main objectives of our Company the geographic expansion, the search for new partners and reinsurance coverage for major investment projects, both in the Republic of Belarus and abroad. BELARUS Re, being a start-up company, has not had a rich history or great experience yet in the global reinsurance market. In this regard, the current goal is to increase awareness of BELARUS Re in the international market, the formation of its own company's image, and improving the mechanisms and forms of cooperation with foreign partners. The operation of our Company is aimed at the firm improvement and development. Therefore, an important objective is also continuing the education and training of the staff, abroad as well.

O.A.

Our task is to become a regional reinsurer

Denis TUR

Head of the International Reinsurance Department
BELARUS Re

Taking into account the three member states (Russia, Belarus and Kazakhstan) founding the Customs Union in the Eurasian Economic Community, one necessity arose: to unify the legislation of these three countries also with regard to the insurance sector. Thus, on June 4, 2012, an interstate insurers' union was created, under the name of the Eurasian Insurance Organizations Congress (EIOC). The Congress' main objective is the regulation of the insurance legislation and the unification of the insurance markets in the Eurasian Economic Community.

XPRIMM: How do you evaluate this initiative?

Denis TUR: The initiative to create a common insurance market uniting the insurance companies of the countries members of the common economic area of comprising Russia, Kazakhstan and Belarus has its pros and cons. However, to make a detailed assessment of the said initiative prospects is rather complicated, since the execution of a project for creating a common market is in the initial stage so far. Apparently, a common insurance area will cause competition between insurance and reinsurance companies, which may lead to intensive dumping, on the one hand and to insurance product diversification, improvement in service quality and more intensive promotion of advanced IT solutions, on the other hand. Due to intensification of competition within the common insurance market, a tendency of insurers to specialize in certain classes of business is deemed obvious. For successful implementation of this initiative, it is absolutely necessary to build up a general concept of common insurance market operation, which will be admissible for all participants on the market.

XPRIMM: Is the Belarusian insurance market ready for potential fundamental changes, in particular the legal framework, the development of

common capital requirements, of supervisory procedures, etc.?

D. T.: Currently, it is difficult to say whether the insurance market of the Republic of Belarus is ready for the creation of a common insurance area. This process demands significant efforts to be made by the legislative and regulating authorities: first of all, in order to harmonize the legislative and normative basis, provided that this activity shall be accomplished with the participation of government agencies responsible for integration within the Customs Union.

For successful implementation of the unified EEC market, it is absolutely necessary to build up a general concept of common insurance market operation, which will be admissible for all participants on the market.

Special consideration should be given to the requirements for the insurers' assets allocation and unification of these requirements, subject to the market peculiarities of the participating countries.

Thus, the work necessary to prepare the market for entry into the common insurance area should be done in an integrated manner and touch upon all the aspects of the insurance activity.

XPRIMM: Does this affect the activity of BELARUS Re and competition from other companies (Russia, Kazakhstan)?

D. T.: One of the tasks for BELARUS Re is to acquire the status of regional reinsurer. At present, our company is dynamically developing an international reinsurance segment, where BELARUS Re faces a fierce competition and other phenomena specific to the global reinsurance market.

To increase the competitive advantage in reinsurance transactions on the world market, our company is constantly working on improving the personnel skill level, efficiency of decision-making, the provision of capital adequacy level for the liabilities assumed and the loss settlement procedures. In case of the common insurance area, BELARUS Re anticipates competitive expansion from companies in the Russian Federation and Kazakhstan, but we are sure that the above measures will enable BELARUS Re not only to maintain the positions taken, but also to expand the presence of our company on the common insurance market.



Belarusian National Reinsurance Organization

Rated "B-" by Standard & Poor's

Building up a strong foundation for your business





Georgia Ex CIS



Life insurance	4.39%
Accidents	0.56%
Health	73.78%
Motor Hull	6.09%
MTPL	0.82%
Property	7.96%
CARGO	0.74%
GTPL	1.55%
Suretyship	0.94%
Travel	0.71%
Other	2.45%

SOURCE:

NATIONAL BANK OF GEORGIA

GEORGIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 2.1614 LARI - GEL
(DECEMBER 31ST, 2011)

1 EUR = 2.1825 LARI - GEL
(DECEMBER 31ST, 2012)

Health above all

The Georgian insurance market ended the financial year 2012 in black, as gross written premiums increased by 60.5% y-o-y to GEL 515 million (EUR 236 million), according to the National Bank of Georgia report. About three quarters of this value was generated by only one segment: health insurance. Among the issued insurance policies, 2.2 million of the total 3.2 million, were related to health insurance.

The value of GWP by the Georgian insurers in the health segment totaled GEL 380 million (EUR 174 million), representing a spectacular increase of 90%. The share of the health business in the consolidated insurance market increased from 62% (in 2011) to almost 75% (in 2012).

What is the explanation? Why Georgia is so different compared to other regional insurance markets?

Since its independence in 1991, Georgia has had to reestablish itself and reform many of its governmental structures, including its health care system. The country has made a significant effort to adapt health policy and the health system to the new environment. Mandatory social health insurance was introduced after independence, but was abolished after the 2003-2004 "Rose Revolution", which brought about fundamental change in the role of government in providing, financing and managing public services like healthcare. Now, healthcare and health insurance are privatized.

At the same time, after the majority of hospitals in the whole country have been put on tender by the Government and afterwards transferred to be managed by private insurance companies – the

accessibility of health services across the country has raised. *The new owners invested in restructuring and rehabilitation of the clinics, providing them with new medical equipment and human resources* (FINANCIAL Brokers Georgia). Furthermore, the health insurance products *became more acceptable for the customers in aspects of limits and diseases covered. Most of the insurance packages now include cancer treatment, preexisting diseases and other more.*

Non-health insurance market

Excluding from the calculations the share of health insurance, the insurance market would have totaled only GEL 135 million (EUR 62 million) and had a growth rate of only 12% compared with 2011, while the property insurance remained, with a GWP of GEL 41 million, the most representative class for the whole market.

According to the results published by the market authority, the life insurance line registered a total of GEL 23 million in premiums, representing a significant 38% improvement over the 2011 figures. At the same time, a strong growth was recorded in travel insurance (+23% y-o-y), GTPL (+31%) or CARGO (+23%), but this types of insurance are still significantly under-represented, with a share of less than 2% in the total premium volume.

Regarding motor insurance, this segment generated only GEL 35 million or EUR 16 million - representing 7% of the total market. Of this value, GEL 31 million was related to Motor Hull policies, and GEL 4 million to MTPL.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	236.18	148.58	58.96	121.30	102.67	18.15	100.00	100.00
TOTAL LIFE	10.37	7.57	36.98	0.71	1.10	-35.67	4.39	5.10
TOTAL NON-LIFE	225.81	141.01	60.14	120.59	101.57	18.73	95.61	94.90
Accidents	1.33	1.37	-2.65	0.08	0.22	-64.57	0.56	0.92
Health	174.27	92.81	87.77	107.81	81.16	32.84	73.78	62.46
Overall motor insurance	16.33	14.64	11.51	8.65	6.85	26.25	6.91	9.85
Motor Hull	14.39	12.86	11.93	7.67	6.00	27.87	6.09	8.65
MTPL	1.94	1.78	8.47	0.98	0.85	14.87	0.82	1.20
Property	18.80	18.46	1.83	1.68	1.03	63.32	7.96	12.42
CARGO	1.75	1.44	21.49	0.15	0.13	18.35	0.74	0.97
GTPL	3.66	2.82	29.65	0.05	0.05	9.54	1.55	1.90
Suretyship	2.22	3.25	-31.80	1.88	4.54	-58.60	0.94	2.19
Travel	1.68	1.38	21.75	0.14	0.23	-37.52	0.71	0.93
Other	5.79	4.85	19.45	0.15	7.36	-97.98	2.45	3.26

Access www.xprimm.com

and download in MS Excel format:

Market indicators (in EUR and GEL)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and GEL)

Overall market, life and non-life

Market leaders

According to the results published by the National Bank of Georgia, in the analyzed period, ALDAGI BCI was the market leader (market share of 20%). ALDAGI BCI was founded in 1990 as the Georgia's first privately held insurance company. GPI Holding (member of Austrian VIG) ranked second, with a market share of over 15%, while the third position were accounted by ARCHIMEDES Global (founded in 2007 by Israeli company ARCHIMEDES Global) – market share of 13%. In 2011, the company's market share was only 3.2%.

Top 5 were completed by IMEDI-L International and IRAO Vienna Insurance Group. In terms of gross written premium, the insurance market concentration (5 largest insurers) increased from 62.3% in 2011 to 68% in 2012, indicating an increase in the activity of bigger companies.

V.B.



Life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	PSP Insurance	4.17	0.20	1,985.56	0.04	-	-	40.16	2.64
2	ALDAGI BCI	2.14	1.03	108.20	0.17	0.51	-66.23	20.59	13.55
3	GPI Holding	1.77	1.57	12.64	0.21	0.29	-27.47	17.09	20.78
4	IMEDI-L International	1.12	2.55	-56.32	0.14	0.23	-41.37	10.75	33.72
5	TAO	0.69	0.88	-21.39	-	0.00	-100.00	6.67	11.62
6	ALPHA	0.19	0.89	-78.52	0.07	0.04	82.31	1.85	11.82
7	ARCHIMEDES Global	0.15	0.23	-37.62	0.02	0.01	46.65	1.41	3.09
8	IC Group	0.10	0.19	-49.73	0.02	0.01	214.30	0.93	2.53
9	IRAO	0.05	0.02	201.74	0.04	0.00	702.17	0.52	0.24
10	CARTU	0.00	0.00	632.50	-	-	-	0.02	0.00
TOTAL MARKET		10.37	7.57	36.98	0.71	1.10	-35.67	100.00	100.00

Non-life insurance ranking

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	ALDAGI BCI	45.13	25.56	76.57	22.42	16.25	37.94	19.98	18.12
2	GPI Holding	34.38	25.29	35.98	22.25	17.34	28.34	15.23	17.93
3	ARCHIMEDES Global	30.57	4.49	581.57	9.06	2.65	241.16	13.54	3.18
4	IMEDI-L International	23.10	21.50	7.45	13.62	14.31	-4.88	10.23	15.25
5	IRAO	22.33	10.39	114.90	12.44	8.78	41.77	9.89	7.37
6	IC Group	21.50	14.78	45.42	11.56	15.49	-25.39	9.52	10.48
7	ALPHA	18.21	18.32	-0.62	16.14	17.90	-9.82	8.06	13.00
8	UNISON	9.57	8.17	17.11	0.33	0.04	693.67	4.24	5.80
9	PSP Insurance	7.92	2.47	219.91	5.05	1.75	188.82	3.51	1.75
10	CARTU	4.23	4.52	-6.24	4.28	3.67	16.59	1.87	3.20
11	ARDI Group	3.88	1.59	143.59	1.11	0.56	96.18	1.72	1.13
12	TAO	3.43	2.65	29.57	2.04	1.93	5.47	1.52	1.88
13	STANDARD Insurance	1.18	0.38	210.76	0.22	0.79	-72.11	0.52	0.27
14	CHARTIS Sigorta	0.27	-	-	0.08	-	-	0.12	-
15	CHARTIS Europe	0.11	0.90	-87.40	0.00	0.09	-98.59	0.05	0.64
TOTAL MARKET		225.81	141.01	60.14	120.59	101.57	18.73	100.00	100.00

Your insurance channel online



Kazakhstan



Insurance Class	Percentage
Life insurance (v)	6.34%
Annuity (v)	15.78%
Accidents (v)	7.67%
Sickness (v)	6.98%
Property insurance (v)	19.75%
Motor Hull (v)	2.84%
MTPL (c)	11.78%
CARGO (v)	1.91%
GTPL (v)	5.10%
Financial losses (v)	5.99%
Worker against accidents (c)	10.94%
Others (c)+(v)	4.93%

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

SOURCE:

NATIONAL BANK OF KAZAKHSTAN
AGENCY OF THE REPUBLIC OF KAZAKHSTAN ON
REGULATION AND SUPERVISION OF FINANCIAL MARKET
AND FINANCIAL ORGANIZATIONS

KAZAKH CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 191.72 TENGE - KZT
(DECEMBER 31ST, 2011)
1 EUR = 199.22 TENGE - KZT
(DECEMBER 31ST, 2012)

Growth rate will be maintained in 2013

Kazakh insurance companies ended 2012 with a y-o-y 15% increase in GWP, to EUR 1.2 billion, while claims paid amounted to EUR 380 million, rising by 58% y-o-y, as reported the Regulation and Supervision Authority for Financial Markets and Financial Organizations.

By insurance classes, the non-life one increased in the local currency by 10%, to KZT 185 billion (EUR 927 million), while the life segment rose by over 72%, amounting to over 22% of the market, in comparison with 15% a year before. This result is due to the fact that in January 2012 was adopted a new Law *Mandatory insurance of employees against workplace accidents, and the right to engage in this type to mandatory insurance was given only to life insurance companies. In this case, non-life insurance companies may reinsure risks for this class. The main idea of this innovation was to avoid a conflict of interests between Life and Non-Life insurance companies in claims payment*, said Marina SHIPOVALOVA, General Director, INTERCONSULT Info, Kazakhstan.

Moreover, in May 2012 new reinsurance rules were introduced. More specifically, insurance companies will cede up to 75% of risks to a reinsurer in the country and requirements for the reinsurer's rating have increased. The purpose of these initiatives is to improve the quality of reinsurance and to reduce the share of ceded risks to non domestic reinsurers.

According to SHIPOVALOVA, these two major changes in the insurance law will have a serious impact on the market development. Moreover, the Kazakh insurance market is expected to maintain the development trends recorded in 2012



Marina SHIPOVALOVA
General Director
INTERCONSULT Info,
Kazakhstan

and will most likely grow within the limits of 10-15% due to a favorable macroeconomic situation and steady oil prices. Presently, the insurance business accounts for 0.6% of Kazakhstan's GDP.

Voice market about amicable report

Introduction of the form of amicable report of damages due to road accidents is currently on the Kazakh markets' agenda. *To realize this, we should be solving key problems, such as: establishing a unified treatment of the insured event, in which case drivers can use amicable report, as well as adopting a unified methodology to assess the damages caused by an accident*, added Marina SHIPOVALOVA.

Opinions on the market are divided: some believe that once the introduction of amicable report in Kazakhstan insurance companies will move from a simple collection of premiums to service competition, others say that this could increase insurance fraud.

An insurance scheme against natural disasters

Currently Kazakhstan is developing a new Law "On compulsory natural and manmade disasters insurance". Firstly, the law defines

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,190.36	1,035.38	14.97	379.97	240.66	57.89	100.00	100.00
TOTAL LIFE	263.23	158.98	65.58	147.80	73.24	101.81	22.11	15.35
Life insurance (v)	75.41	33.76	123.34	2.26	1.28	77.49	6.34	3.26
Annuity (v)	187.82	125.21	50.00	145.54	71.96	102.24	15.78	12.09
TOTAL NON-LIFE	927.13	876.41	5.79	232.17	167.42	38.67	77.89	84.65
Accidents (v)	91.28	59.86	52.49	4.44	2.75	61.11	7.67	5.78
Sickness (v)	83.07	64.69	28.40	54.27	46.95	15.59	6.98	6.25
Property insurance (v)	235.15	242.28	-2.95	61.35	10.82	466.90	19.75	23.40
Overall motor insurance	173.98	165.81	4.93	55.99	45.11	24.12	14.62	16.01
Motor Hull (v)	33.81	22.30	51.64	9.25	7.70	20.07	2.84	2.15
MTPL (c)	140.17	143.51	-2.33	46.75	37.41	24.96	11.78	13.86
CARGO (v)	22.68	27.52	-17.60	1.83	2.21	-16.82	1.91	2.66
GTPL (v)	60.69	80.38	-24.49	9.38	2.59	262.27	5.10	7.76
Financial losses (v)	71.36	57.05	25.09	0.25	22.42	-98.89	5.99	5.51
Worker against accidents (c)	130.28	117.88	10.52	35.44	28.32	25.14	10.94	11.39
Others (c)+(v)	58.64	60.93	-3.76	9.22	6.26	47.37	4.93	5.88

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

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and download in MS Excel format:

Market indicators (in EUR and KZT)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and KZT)

Overall market, life and non-life

the instruments for protection from the aftermath of manmade disasters. Secondly, it is aimed at protecting people and their property in case of natural disasters. This request comes after the hurricane that hit the South of the country causing, according to preliminary data, economic losses of USD 17 million.

Seven regions of Kazakhstan are situated in high earthquake activity zones. Additionally, we have regions which regularly suffer from floods. People believe that the state should provide insurance for property, which can suffer from manmade disasters, and for people, who can be injured in natural disasters, added Sergei LAVRENTYEV, Member, Kazakh Association of Insurers. According him, in case of a disaster, the insurer will pay only 50% of the coverage, as another half should be paid by the state. *This is why we suggest creating a State Insurance Fund similar to an agricultural one, which is owned and run by the Ministry of Emergency Situations. In this case, we would like the National Bank to manage this fund,* explained LAVRENTYEV.

The unique insurance market turns into reality

After Russia, Belarus and Kazakhstan founded the Customs Union in the Eurasian Economic Community, one necessity arose: to unify the legislation of these three countries also with regard to the insurance sector. Thus, on June 4, 2012, an interstate insurers' union was created, under the name of the Eurasian Insurance Organizations Congress (EIOC), with the main objective of harmonizing the insurance legislation and the unification of the insurance markets in the Eurasian Economic Community. In this case, the Russian reinsurance market will be accessible to Kazakhstan, which is now closed for the Kazakh companies.

According to Sergey SARKISOV, EIOC's President, *in the first stage of the congress we should reduce the requirements regarding the reinsurance companies' rating in order to set the base for a unique reinsurance market. Moreover, the cross-border problem of the MTPL insurance could be solved by creating a unique data base that provides information for the entire economic region and by adopting a legislation that will allow for a mutual recognition of the addendum.*

The unique economic market for Russia, Belarus and Kazakhstan must be functional until 2019, according to the authorities' plan.

O.A.

Life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	KAZKOMMERTS Life	49.76	29.74	67.30	18.35	12.75	43.94	18.90	18.71
2	NOMAD LIFE*	48.22	12.55	284.21	33.42	6.03	454.30	18.32	7.90
3	BTA Life	42.84	21.45	99.73	28.50	10.32	176.16	16.27	13.49
4	HALYK Life	42.54	27.87	52.63	31.76	15.03	111.24	16.16	17.53
5	GENERALI LIFE Life	40.78	18.17	124.44	0.80	0.41	94.47	15.49	11.43
6	LIC State Annuity Company	26.73	33.99	-21.36	21.36	20.11	6.17	10.16	21.38
7	ALLIANCE Life	12.35	15.20	-18.74	13.61	8.58	58.69	4.69	9.56
TOTAL MARKET		263.23	158.98	65.58	147.80	73.24	101.81	100.00	100.00

* former name ASTANA Finance Life

Non-life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	EURASIA	135.94	121.45	11.94	51.00	20.69	146.50	14.66	13.86
2	KASPI Insurance*	113.95	43.29	163.26	0.43	1.71	-75.08	12.29	4.94
3	HALYK-KAZAKHINSTRAKH	87.77	126.87	-30.82	28.01	24.49	14.33	9.47	14.48
4	NOMAD Insurance	70.75	62.65	12.93	15.28	7.35	107.82	7.63	7.15
5	OIL Insurance Company	51.28	46.98	9.15	12.50	10.02	24.78	5.53	5.36
6	TSESNA Garant	48.35	10.42	364.04	4.09	0.15	2,601.80	5.22	1.19
7	NOMAD LIFE**	44.00	0.00	3,219,346	0.37	-	-	4.75	0.00
8	KAZKOMMERTS Policy	41.85	58.43	-28.39	14.71	9.33	57.73	4.51	6.67
9	BTA Insurance	32.61	22.14	47.30	12.72	7.10	79.20	3.52	2.53
10	LONDON-ALMATY	24.43	35.67	-31.51	5.30	3.05	73.94	2.63	4.07
11	AMANAT insurance	23.93	27.12	-11.76	4.87	3.42	42.13	2.58	3.09
12	KAZAKHMYS	23.08	27.28	-15.39	7.33	5.05	45.25	2.49	3.11
13	BTA Life	19.29	0.55	3,411.74	0.08	0.13	-43.45	2.08	0.06
14	CENTRAS Insurance	17.60	18.14	-3.02	5.82	5.79	0.46	1.90	2.07
15	GENERALI LIFE Life	17.49	10.74	62.87	0.04	0.09	-49.97	1.89	1.23
16	VICTORY	16.08	56.24	-71.41	1.26	1.35	-6.65	1.73	6.42
17	STANDARD***	15.51	11.21	38.39	2.98	3.25	-8.16	1.67	1.28
18	CHARTIS Kazakhstan	14.62	19.46	-24.88	0.32	24.08	-98.68	1.58	2.22
19	KOMMESK-OMIR	14.59	17.28	-15.55	25.94	5.80	347.41	1.57	1.97
20	InterTeach	13.80	12.14	13.68	8.03	7.62	5.34	1.49	1.39
21	KOMPETENZ	13.14	31.18	-57.87	3.39	2.49	36.07	1.42	3.56
22	ALLIANCE Policy	12.52	17.11	-26.82	9.45	5.32	77.78	1.35	1.95
23	ALATAU	11.06	11.53	-4.09	2.58	1.77	45.32	1.19	1.32
24	ASKO	8.74	9.05	-3.36	1.99	1.29	53.69	0.94	1.03
25	KAZKOMMERTS Life	8.33	2.25	269.73	0.64	0.07	833.59	0.90	0.26
26	HALYK Life	8.18	3.14	160.82	0.38	0.19	100.82	0.88	0.36
27	LIC State Annuity Company	7.49	0.18	3,995.80	0.14	1.22	-88.66	0.81	0.02
28	ARCHIMEDES Kazakhstan	5.98	3.02	98.31	4.51	3.62	24.54	0.65	0.34
29	TransOil	5.69	7.70	-26.16	1.66	1.68	-1.12	0.61	0.88
30	GRAIN Ins. Company	5.01	4.28	17.01	3.44	0.27	1,188.49	0.54	0.49
31	ALLIANCE Life	3.35	0.02	19,209.58	0.07	0.00	58,731.86	0.36	0.00
32	NURPOLICY	3.07	2.59	18.26	1.86	1.44	28.85	0.33	0.30
33	KazExportGarant	2.84	2.64	7.42	0.06	0.23	-72.68	0.31	0.30
34	TRUST Insurance	2.48	2.34	5.88	0.03	0.09	-63.05	0.27	0.27
35	SAYA	2.36	3.67	-35.75	0.90	1.29	-30.54	0.25	0.42
36	EKO Policy	-	11.99	-	-	2.99	-	-	1.37
37	TSASO	-	15.51	-	-	0.03	-	-	1.77
38	ALLIANZ Kazakhstan	-	20.16	-	-	2.95	-	-	2.30
TOTAL MARKET		927.13	876.41	5.79	232.17	167.42	38.67	100.00	100.00

* former name ALMATY Int. Ins. Group, ** former name ASTANA Finance Life, *** former name ASTANA Finance



Kyrgyzstan



SOURCE:
NATIONAL BANK OF THE KYRGYZ REPUBLIC
FSA - GOSFINNADZORA

There were 14 companies on the Kyrgyzstan insurance market by December 2012. Two of them were reinsurance companies (STRAKHOVOY REZERV and FAVORIT) and 5 were non-resident insurance companies, such as KYRGYZINSSTRAKH, ROSSTRAKH-KYRGYSTAN, LONDON-BISHKEK, STRAKHOVOY Rezerv, and OIL Insurance. During the reference period, Kyrgyzstan reinsurers increased their share capital to KGS 100 million.

Currently, 9 insurance companies are licensed to operate on compulsory insurance, which increased the share capital to more than KGS 50 million. Three insurers realized only voluntary types of insurance and increased their capital to KGS 25 million.

There is foreign equity participation in several companies: there are two companies with British and Russian participation and one Kazakh Company has established a branch in the Kyrgyz Republic.

At present, in the Kyrgyz Republic don't exist state-owned insurance companies and the State Financial Supervision Authority exercises control over the activity of existing insurance companies which operate 84 types of voluntary and 4 types of compulsory insurance, introduced on 1 July 2010.

Positive side of crisis

The financial crisis had of course a negative impact on the insurance industry, but it also had a positive side, for example, the obligation to check the insurance companies for financial stability. Changes

in the insurance sector became apparent by the end of 2011. If in 2009-2010, the insurance market consisted of 19 insurance and reinsurance companies, now there are 14 companies, of which only 6 have kept a positive development, as considers Elimira SEYDAHMETOVA, Chairman of the Board, KYRGYZINSSTRAKH and President, Kyrgyz Association of Insurers.

According to Elimira SEYDAHMETOVA, the State Financial Supervision Authority has done much to improve the transparency of the insurance market and the financial stability of insurers, and last but not least, increased the requirements for the amount of the authorized capital of insurance companies.

As result, five insurance companies – STRAKHOVOY DOM, ENGLISH - KYRGYZ Ins. Company, STOLICINOE STRAKHOVOE OBSCESTVO, AUB Insurance, KYRGYZ Reinsurance Company – have suspended their business activities.

Will MTPL be a reality?

The introduction of compulsory insurance MTPL is very present in Kyrgyzstan. The draft has been produced with input from the World Bank following consultation with interested ministries, authorities and businesses, including the Kyrgyz Association of Insurers. At the beginning of this year, Yuruslan TOYCHYUBEKOV, Chairman of the State of Regulation and Supervision of Financial Market of the Kyrgyz Republic has presented a draft of Mandatory motor third party liability insurance (MTPL) at the meeting of the Parliamentary Committee on Economic and Fiscal Policy.

According to the head of the State Financial Supervision Authority, this draft of law couldn't be adopted within the last five years, that is why, the Kyrgyz Republic is farther behind on this segment than other countries.

Since 2005, motor vehicle accidents have increased by 251%, trucks – by 158%, buses – by 145%, bikes – by 247%. In the adopted law of MTPL insurance, companies will pay damages for the car and for the received injuries, said Yuruslan TOYCHYUBEKOV, writing the local press KNEWS.KG.

Moreover, in his opinion, since the adoption of such draft of law it will be necessary to create the Kyrgyz Association of Insurers and a Guarantee Fund. **O.A.**

Insurance undertakings by local/foreign share capital

No	Company	Capital	Share (%)
1	ATN Polis	Kyrgyz	100%
2	KYRGYZINSSTRAKH	Russian	93%
3	ZDOROVIE	Kyrgyz	100%
4	LONDON-BISHKEK	English	100%
5	AK-JOL	Kyrgyz	100%
6	DOS-Invest	Kyrgyz	100%
7	KYRGYZSTAN	Kyrgyz	100%
8	ROSSTRAKH KYRGYSTAN	Russian	100%
9	INKOMPOLIS	Kyrgyz	100%
10	STRAKHOVOY Rezerv Reins. Company	English	100%
11	OIL Insurance Company	Kazakh	100%
12	FAVORIT	Kyrgyz	100%
13	FCB Insurance	Kyrgyz	100%
14	MEGA Insurance Group	Kyrgyz	100%

Kyrgyz insurance market (2007 - oct. 2012)

	2007	2008	2009	2010	2011	Oct-12
GWP in KGS million	196.50	276.70	478.18	531.58	725.78	733.39
Nominal change (in KGS)	30.91%	40.81%	72.81%	11.17%	36.53%	16.10%
EUR exchange rate (end of the period)	52.01	55.48	63.52	61.79	60.07	60.98
GWP in EUR million	3.78	4.99	7.53	8.60	12.08	12.03



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4th Edition

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June 20th-21st, 2013

Jumeirah Hotel, Baku, Republic of Azerbaijan

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Moldova



Life insurance	6.31%
Accidents insurance	2.08%
Health - valid in Moldova	1.57%
Health - valid outside Moldova	2.46%
Fire and allied perils	10.67%
Damages to property	3.55%
Motor Hull	17.71%
MTPL	20.81%
Green Card	19.39%
Other motor insurance	2.44%
Aircraft insurance	3.17%
Aircraft liability	6.24%
Goods in transit	0.79%
GTPL	1.92%
Other non-life insurance	0.89%

SOURCE:

NATIONAL COMMISSION OF FINANCIAL MARKET
NATIONAL BANK OF MOLDOVA

MOLDAVIAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

MDL 15.5632/EUR - IN 2012
MDL 16.3369/EUR - IN 2011

For the second consecutive year, the Moldovan insurance market reported a business volume exceeding one billion MDL. Thus, GWP amounted to MDL 1.09 billion (EUR 69.9 million), an increase of over 8% compared with December 2011, as shows the preliminary data gathered by the market's supervisory authority. In European currency, the insurance market grew by over 13%, statistically helped by the Moldovan currency appreciation related to the euro.

At the same time, the cumulated share capital of insurance companies in Moldova totaled EUR 35.8 million (MDL 556.7 million), while gross financial result amounted to EUR 3.7 million (MDL 58 million), about 30% less compared to the figure recorded in December 2011.

Although it was a difficult year, insurers have managed to maintain market stability, and increase the volume of GWP by over 8%, even in conditions when the country's GDP in 2012 decreased according to preliminary statistics by about 0.8%, which makes us believe in the untapped potential of insurance in Moldova,



Vladimir ȘTIRBU
General Director of
Insurance Supervision
CNPF

said Vladimir ȘTIRBU, General Director of Insurance Supervision CNPF.

Claims paid by the 19 insurance companies that have reported operations for 2012 reached MDL 430 million or EUR 27.7 million - equivalent to 40% of the total subscriptions. The year before, the 22 active insurers reported a compensation volume of MDL 348 million, MDL 82 million less than in 2012.

Life insurance contributed only 6.3% to the total GWP with MDL 68.6 million (EUR 4.4 million), this value being obtained by the contribution of only three insurance companies: GRAWE

Starting 1st of February, MTPL and Green Card policies are issued online

From the 1st February, the compulsory MTPL and Green Card insurance policies are issued only in electronic form, according to the decision taken by the Supervisory Authorities of Moldova. Discussions for the implementation of such a system began in 2009 due to several delays provoked by technical and institutional aspects. According to Vladimir ȘTIRBU, the processing of an insurance contract in normal conditions takes about one minute. Also, those who buy the MTPL insurance policy will pay according to their risk profile which will be determined by the number of accidents they produced over the previous year.

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	69.87	61.60	13.42	27.65	21.33	29.65	100.00	100.00
TOTAL LIFE	4.41	4.01	9.86	0.59	0.60	-0.93	6.31	6.51
TOTAL NON-LIFE	65.46	57.59	13.67	27.06	20.73	30.53	93.69	93.49
Accidents insurance	1.45	0.97	49.61	0.22	0.19	14.30	2.08	1.58
Overall health insurance	2.81	3.09	-9.04	1.25	1.38	-9.89	4.03	5.02
Health - valid in Moldova	1.10	1.30	-15.39	0.80	1.04	-23.76	1.57	2.10
Health - valid outside Moldova	1.72	1.80	-4.45	0.45	0.34	32.59	2.46	2.92
Overall property insurance	9.93	6.58	50.93	6.79	2.40	183.18	14.22	10.69
Fire and allied perils	7.46	5.60	33.06	5.86	2.35	149.54	10.67	9.10
Damages to property	2.48	0.98	153.37	0.93	0.05	1,821.47	3.55	1.59
Overall motor insurance	42.16	39.05	7.99	18.60	16.64	11.75	60.35	63.39
Motor Hull	12.37	11.79	4.93	7.82	7.58	3.26	17.71	19.14
MTPL	14.54	14.06	3.40	5.56	5.36	3.78	20.81	22.83
Green Card	13.55	11.69	15.94	5.13	3.64	41.21	19.39	18.97
Other motor insurance	1.71	1.51	13.12	0.08	0.07	11.51	2.44	2.45
Aircraft insurance	2.22	2.27	-2.41	0.06	0.00	9,156.06	3.17	3.69
Aircraft liability	4.36	3.12	39.91	-	0.00	-	6.24	5.06
Goods in transit	0.55	1.20	-54.09	0.04	0.03	16.78	0.79	1.96
GTPL	1.34	1.00	34.48	0.02	0.08	-77.20	1.92	1.62
Other non-life insurance	0.62	0.30	105.39	0.09	0.00	2,861.73	0.89	0.49

Access www.xprimm.com

and download in MS Excel format:

Market indicators (in EUR and MDL)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and MDL)

Overall market, life, non-life, motor hull, MTPL, Green Card, property and GTPL

Insurance brokerage market up to EUR 19 million

Premiums managed by insurance brokers in Moldova are likely to total EUR 18.8 million in 2012, according to representatives of the Insurance Supervision. This value represents 27% of total gross premiums to be subscribed by insurers. At the same time, the revenues of the brokerage companies, reported by a total of 80 companies, totaled almost MDL 99 million (equivalent to EUR 6.4 million), as follows: 95% - commissions and 5% - income from other activities in connection with the object of activity.

CARAT Asigurari (95% - market share), SIGUR-ASIGUR (4%) and ASITO - about 1%.

As in previous reporting periods, non-life insurance has generated more than 90% of the total market: 93.7% equivalent to MDL 1.02 billion (EUR 65.5 million). Also, these types of insurance have generated the most notable amount of paid claims, MDL 421 million (98% of the total).

Among all classes of general insurance, the motor type ranked first in owning the market's consolidated portfolio. Motor Hull insurances generated 17.7% of all operations of the Moldovan insurers, maintaining approximately the value of 2011: a GWP of about MDL 192 million. Green Card policies have seen an increase of over 10%, up to MDL 211 million or 19.4% of the market, while MTPL dropped by 1.5%, to MDL 226 million (meaning 20.8% of the total value).

Other types of general insurance that had a notable contribution to the entire insurance market were the property line of business, with underwritings of MDL 154.6 million or EUR 9.9 million, health insurance (valid both in Moldova and outside of the country) - MDL 43.8 million or EUR 2.8 million, accidents and GTPL, about 2% of the total market for both types of classes, respectively aircraft insurance (liability and voluntary, cumulated): a total underwriting volume of MDL 102 million (equivalent to 9.4% of the total market).

V.B.

Life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	GRAWE CARAT	4.18	3.75	11.57	0.09	0.08	11.88	94.84	93.39
2	SIGUR-ASIGUR	0.19	0.22	-11.40	0.00	0.00	74.33	4.33	5.37
3	ASITO	0.04	0.04	-12.67	0.49	0.51	-3.40	0.83	1.04
4	ASTERRA GRUP	-	0.01	-	-	-	-	-	0.20
5	VICTORIA Asigurări	-	-	-	0.01	0.01	7.04	-	-
TOTAL MARKET		4.41	4.01	9.86	0.59	0.60	-0.93	100.00	100.00

Non-life insurance

No.	Company	GROSS WRITTEN PREMIUMS			PAID CLAIMS			MARKET SHARE	
		2012	2011	Change	2012	2011	Change	2012	2011
		EUR m	EUR m	%	EUR m	EUR m	%	%	%
1	MOLDASIG	21.48	17.26	24.50	10.34	5.97	73.39	32.82	29.97
2	ASITO	10.64	9.54	11.59	3.32	3.68	-9.93	16.25	16.56
3	MOLDCARGO	8.40	5.80	44.83	2.83	1.38	104.89	12.83	10.07
4	DONARIS-GROUP	5.48	5.17	5.95	2.22	1.81	22.84	8.37	8.98
5	GRAWE CARAT	3.45	3.33	3.42	1.34	1.43	-6.20	5.27	5.79
6	EUROASIG	2.92	2.46	18.63	1.14	1.12	2.42	4.46	4.27
7	VICTORIA Asigurări	2.63	2.25	16.86	1.29	1.29	0.02	4.02	3.91
8	ACORD-GRUP	2.54	3.26	-21.99	0.16	0.06	188.54	3.88	5.66
9	TRANSELIT	1.84	1.53	20.48	0.55	0.39	42.52	2.82	2.66
10	KLASSIKA Asigurări	1.21	1.52	-20.15	0.60	0.64	-6.24	1.85	2.63
11	ASTERRA GRUP	1.14	0.71	61.63	0.24	0.20	18.60	1.75	1.23
12	EXIM-ASINT	1.00	1.02	-2.65	0.23	0.30	-22.79	1.52	1.78
13	AUTO-SIGURANȚA	0.82	0.87	-4.91	0.42	0.35	18.87	1.26	1.50
14	GALAS	0.60	0.60	1.24	0.32	0.40	-19.79	0.92	1.03
15	GARANȚIE	0.58	0.85	-32.60	0.27	0.75	-63.30	0.88	1.48
16	MOLDOVA-ASTROVAZ	0.50	0.61	-17.34	1.61	0.43	273.49	0.77	1.05
17	VITORIASIG	0.23	0.33	-29.82	0.10	0.11	-7.00	0.35	0.57
18	ALIANȚA-MOLDCOOP	0.00	0.05	-94.72	0.00	0.02	-80.46	0.00	0.09
19	IDEEA Asigurări	-	0.33	-	0.04	0.23	-81.85	-	0.57
20	ARTAS	-	0.12	-	0.02	0.16	-87.39	-	0.21
21	SIGUR-ASIGUR	-	0.00	-	-	0.00	-	-	0.01
22	GARANT	-	0.00	-	0.00	0.01	-75.48	-	0.00
23	AFES-MOLDOVA	-	-	-	-	0.01	-	-	-
24	EDICT	-	-	-	0.00	0.00	-84.16	-	-
TOTAL MARKET		65.46	57.59	13.67	27.06	20.73	30.53	100.00	100.00





Russia



Category	Percentage
Life insurance (V)	6.65%
Accidents (V)	9.12%
Health (V)	13.43%
Motor hull (V)	24.14%
Other goods (V)	16.20%
Agricultural ins. (V)	1.65%
Cargo, Railway, aircraft and ships (V)	4.13%
Financial and business risks (V)	2.45%
Liabilities (V)	3.70%
Mandatory personal ins.	2.40%
MTPL	14.98%
Mandatory ins. addressed to the owners of hazardous industrial properties	1.12%
Other mandatory ins.	0.03%

Outlook for the Russian insurance market

The Russian insurance market has undergone serious changes in 2012 such, witnessing a significant growth of the total insurance premiums while the number of insurers has dropped. Still, the insurance penetration in this country remains relatively low and currently a number of initiatives are under way to help increase demand for insurance.

In particular, according to data published by Federal Insurance Supervision Service over the past three years - from 2010 to 2012 inclusive - insurance premiums demonstrated steady growth, which significantly outpaced the growth of paid claims. For example, in 2010 year the premiums (in RUB) increased by 9% (claims - 3%), in 2011, premium growth was already 19% (claims increased again by only 3%).

But as for 2012 year, the rate of growth in premiums and claims reported 22%, commented Andrey VESELKOV, General Director, Media – Information Group, “Insurance Today”.

According to data computed by “Insurance Today”, at the end of 2012, gross written premiums collected by the Russian insurers totaled RUB 809 billion (EUR 20.11 billion) while paid claims amounted to RUB 369 billion (EUR 9.17 billion). Yet, the penetration of insurance premiums to GDP increased only to 1.3% from 1.22% a year earlier, corresponding to an upswing of the insurance density to



Andrey VESELKOV
General Director
Media–Information
Group, “Insurance Today”

RUB 5.6 thousand (aprox. EUR 139) from RUB 4.6 thousand (EUR 110.4) in 2011.

During to 2012 the insurance market narrowed down by 103 insurance companies or 19% of the total number of players. In other words, during 2012 the market lost almost one in five of the insurance companies - an absolute record for the Russian insurance market, added VESELKOV.

Legislative changes

The legal environment in which insurers operate has undergone significant changes also. Thus, over 2011 and 2012 two new obligatory lines of business have been introduced, both showing the potential to become a market driver in the next years.

Firstly, a law addressing the liability insurance of the owners of hazardous industrial facilities - Law “On Compulsory Insurance of Liability of an Owner of a Hazardous Facility for Harm Caused by an Accident at a Hazardous Facility”. According to the state registry, in Russia

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2012	2011	Change	2012	2011
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET*	20,111.56	15,926.02	26.28	9,183.51	7,274.40	26.24	100.00	100.00
LIFE INSURANCE (V)	1,337.96	832.69	60.68	331.84	183.87	80.47	6.65	5.23
NON-LIFE INSURANCE	18,773.60	15,093.33	24.38	8,851.67	7,090.52	24.84	93.35	94.77
Personal insurance (V)	4,534.22	3,493.45	29.79	2,282.07	1,949.76	17.04	22.55	21.94
Accidents (V)	1,833.31	1,165.71	57.27	254.87	191.92	32.80	9.12	7.32
Health (V)	2,700.91	2,327.74	16.03	2,027.20	1,757.85	15.32	13.43	14.62
Property insurance (V)	10,512.26	8,940.87	17.58	4,683.56	3,636.55	28.79	52.27	56.14
Motor hull (V)	4,854.52	3,948.22	22.95	3,124.26	2,537.52	23.12	24.14	24.79
Other goods (V)	3,259.03	2,888.22	12.84	971.70	610.89	59.06	16.20	18.14
Agricultural ins. (V)	331.01	389.30	-14.97	191.83	197.12	-2.69	1.65	2.44
Cargo, Railway, aircraft and ships (V)	831.11	770.43	7.88	212.54	167.17	27.14	4.13	4.84
Financial and business risks (V)	492.01	288.84	70.34	51.25	35.54	44.21	2.45	1.81
Liabilities (V)	744.58	655.86	13.53	131.98	88.31	49.46	3.70	4.12
Mandatory personal ins.	481.96	173.86	177.20	290.91	151.54	91.96	2.40	1.09
MTPL	3,013.07	2,478.86	21.55	1,588.98	1,348.56	17.83	14.98	15.56
Mandatory ins. addressed to the owners of hazardous industrial properties	225.23	na	-	3.60	na	-	1.12	-
Other mandatory ins.	6.87	6.28	9.41	2.56	4.11	-37.62	0.03	0.04
TOTAL VOLUNTARY INSURANCE	16,384.44	13,267.02	23.50	7,297.47	5,770.19	26.47	81.47	83.30
TOTAL MANDATORY INSURANCE*	3,727.12	2,659.08	40.17	1,886.04	1,504.21	25.38	18.53	16.70
MANDATORY HEALTH INSURANCE	NA	14,498.88	-	NA	14,044.48	-	-	-

* except mandatory health insurance

(V) - Voluntary insurance

TOP 20 - Life insurance

Company	Region	GWP 2012	MARKET SHARE
		EUR m	%
RENAISSANS Life	Moscow	179.74	13.43
ROSGOSSTRAKH Life	Moscow	166.56	12.45
ALICO	Moscow	156.39	11.69
ALFASTRAKHOVANIE Life	Moscow	149.76	11.19
RUSSIAN Standard Ins.	Moscow	146.86	10.98
SOGAZ Life	Moscow	87.11	6.51
ALLIANZ Rosno Life	Moscow	85.56	6.39
SOGEKAP Life Insurance	Moscow	80.01	5.98
CIV Life	Moscow	56.65	4.23
RAIFFEISEN Life	Moscow	43.62	3.26
GENERALI PPF Life	Moscow	42.82	3.20
CHULPAN Life	Almetyevsk	15.19	1.14
ROSSIA	Moscow	13.74	1.03
DISKONT	Saratov	13.09	0.98
SBERBANK Insurance	Moscow	12.98	0.97
URALSIB Life	Moscow	10.29	0.77
NSG Life	Moscow	8.76	0.65
INGOSSTRAKH Life	Moscow	7.84	0.59
SOYUZ Life	Rostov-on-Don	7.50	0.56
KOLYMSKAYA	Khabarovsk	7.23	0.54
FIRST 10 COMPANIES		1,152.26	86.12
FIRST 20 COMPANIES		1,291.70	96.54
TOTAL MARKET		1,337.96	100.00

Top 20 - Voluntary personal insurance

Company	Region	GWP 2012	MARKET SHARE
		EUR m	%
SOGAZ	Moscow	601.75	13.27
GENERALI PPF Life	Moscow	341.07	7.52
VTB Insurance	Moscow	234.27	5.17
ZHASO	Moscow	217.31	4.79
RESO-Garantia	Moscow	216.15	4.77
INGOSSTRAKH	Moscow	205.65	4.54
ROSGOSSTRAKH	Lyubertsy	202.18	4.46
ALLIANZ	Moscow	201.06	4.43
VSK	Moscow	169.77	3.74
ALFASTRAKHOVANIE	Moscow	161.81	3.57
SOGLASIE	Moscow	139.54	3.08
RENAISSANS Ins. Group	Moscow	96.84	2.14
CARDIF Ins. Company	Moscow	94.97	2.09
TRANSNEFT	Moscow	91.14	2.01
AVIVA	Moscow	75.30	1.66
MASK	Moscow	61.46	1.36
URALSIB	Moscow	56.36	1.24
RUSSIAN Standard Ins.	Moscow	55.56	1.23
KAPITAL Insurance	Kogalym	50.62	1.12
ENERGOGARANT	Moscow	49.21	1.09
TOTAL TOP 10		2,551.01	56.26
TOTAL TOP 20		3,322.00	73.27
TOTAL MARKET		4,534.22	100.00

there are over 300,000 hazardous industrial properties and over 30,000 gas stations and stations provided with natural gas cylinders which represent a danger to civilians and the environment. Just in Siberia this number represents approximately 3% of the total number of existing hazardous facilities in Russia. According to preliminary results for the first nine months of 2012, 57 insurance companies licensed to this class of insurance produced premiums written of approximately RUB 8.49 billion. Secondly, it was introduced the Law "On Compulsory Insurance of Carriers Liability for Damage Caused to Life, Health and Property of Passengers and On the Procedure for Compensation of Such Damages Caused During the Carriage of Passengers by the Underground Railway". According to Andrey VESELKOV, *major changes are also taken place in the mandatory health insurance system, to the extend that there is no more way to speak about "insurance" in this area which turned into a system of budget money distribution for medical entities. In fact, mandatory health insurance was already excluded from the Federal Insurance Supervision Service reporting, which makes sense.*

The Russian Ministry of Health has published a draft law on compulsory insurance against medical mistakes. However, experts point out that proving the fact of medical malpractice is extremely difficult in Russia. According to the bill, in case of death, the payout will

amount to RUB 2 million; in case of first-degree disability RUB 1.5 million; in case of second-degree disability RUB 1 million; and, in case of third-degree disability, RUB 500,000. If a child receives a disability, RUB 1 million will be paid out, reads the draft.

Another issue of the insurance market is consumers protection, which has been lately addressed by the Supreme Court of the Russian Federation which issued a Law "On Court Review of Civil Cases Involving Disputes on the Protection of Consumer Rights", dated June 28, 2012, added Andrey VESELKOV. As of today, the supervisory authority works on updating the insurance legislation in accordance with international standards, meaning that the insurance services should become more transparent for the customers and insurance intermediaries should be more responsible and controllable.

Finally, an important legal novelty was appending to the Criminal Code of the Russian Federation a special article about responsibility for insurance fraud, because *insurance fraud is a disease that comes along with market maturity*, said Andrey VESELKOV.

The reform of agricultural insurance

According to Andrey VESELKOV, in 2012 it has been introduced the new Law "On state support in agricultural insurance" aiming to support the agriculture industry with regard to the damages produced by

SOURCE:

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 = 40.2286 RUBLE - RUB
(DECEMBER 31st, 2012)

Access www.xprimm.com

and download in MS Excel format:

Market indicators (in EUR and RUB)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and RUB)

Life, personal, property and MTPL

the abnormal weather conditions. This law has substantially changed the system to receive state subsidies for crop insurance, but did not succeed to completely eliminate the cases of state subsidies misuse or corruption. The agricultural insurance segment represented around 1.6% of the total market in 2012.

Moreover, the agricultural insurers in Russia intend to form an unique association similar to the Motor Insurance Bureau. At the moment, two different associations, backed up by the State, are operating on the agricultural insurance market in Russia: The National Union of Agricultural Insurers and AGROPROMSTRACH. The National Union



Top 20 - Voluntary property insurance

Company	Region	GWP 2012	MARKET SHARE
		EUR m	%
SOGAZ	Moscow	1,212.13	11.53
ROSGOSSTRAKH	Lyubertsy	1,206.54	11.48
INGOSSTRAKH	Moscow	1,159.48	11.03
RESO-Garantia	Moscow	804.58	7.65
SOGLASIE	Moscow	550.80	5.24
ALFASTRAKHOVANIE	Moscow	542.02	5.16
VSK	Moscow	462.69	4.40
ALLIANZ	Moscow	330.56	3.14
RENAISSANS Ins. Group	Moscow	288.94	2.75
MSK Ins. Group	Kazan	257.83	2.45
URALSIB	Moscow	181.41	1.73
KAPITAL Insurance	Kogalym	174.69	1.66
ZURICH	Moscow	166.53	1.58
GENERALI PPF Non-Life	Moscow	127.34	1.21
YUGORIA	Khanty-Mansiysk	119.46	1.14
VTB Insurance	Moscow	115.40	1.10
GUTA Insurance	Moscow	109.39	1.04
ENERGOGARANT	Moscow	107.43	1.02
TRANSNEFT	Moscow	106.49	1.01
MASK	Moscow	97.10	0.92
FIRST 10 COMPANIES		6,815.56	64.83
FIRST 20 COMPANIES		8,120.81	77.25
TOTAL MARKET		10,512.26	100.00

Top 20 - MTPL

Company	Region	GWP 2012	MARKET SHARE
		EUR m	%
ROSGOSSTRAKH	Lyubertsy	974.32	32.34
INGOSSTRAKH	Moscow	302.27	10.03
RESO-Garantia	Moscow	256.64	8.52
MSK Ins. Group	Kazan	192.09	6.38
VSK	Moscow	175.10	5.81
SOGLASIE	Moscow	127.83	4.24
ALFASTRAKHOVANIE	Moscow	127.82	4.24
ALLIANZ	Moscow	82.37	2.73
URALSIB	Moscow	77.15	2.56
RENAISSANS Ins. Group	Moscow	58.98	1.96
MASK	Moscow	56.68	1.88
GUTA Insurance	Moscow	47.89	1.59
ROSSIA	Moscow	46.26	1.54
YUGORIA	Khanty-Mansiysk	45.40	1.51
ZURICH	Moscow	36.37	1.21
SOGAZ	Moscow	35.83	1.19
ENERGOGARANT	Moscow	25.77	0.86
KAZNA	Yekaterinburg	19.48	0.65
ASKO	Naberezhnye Chelny	18.83	0.63
RUSSIAN TRANSPORT Ins. Company	Moscow	18.47	0.61
TOTAL TOP 10		2,374.58	78.81
TOTAL TOP 20		2,725.57	90.46
TOTAL MARKET		3,013.07	100.00

of Agricultural Insurers was founded in 2007, reuniting 27 members, while AGROPROMSTRAKH began its activity in 1995 and currently has 21 members. According to the current legislation, only those companies that are part of a specialized professional union can sell agricultural insurance, and the existence of more associations with a similar profile activating on the market is not forbidden. However, a number of companies specialized in this insurance product consider that only one profile association should exist and function in the country.

Features of the Russian insurance

As in previous years, the State had the strongest impact on the Russian insurance market. 10 years ago was introduced MTPL insurance that has stimulated the development of retail types of insurance. In 2012, a fairly strong momentum to the development of the market was given by the introduction of compulsory insurance of hazardous objects. Continued growth sales of new car and car loans gave a good momentum for the growth of insurance land transport (by 18% per year), said Andrey VESELKOV.

The Russia insurance business in is also quite sensitive to world's prices for hydrocarbons - statistics shows a high correlation between the oil barrel's price and the volume of new cars sales, and therefore, the growth of motor insurance.

The market perspectives for 2013

The perspectives for the development of the insurance market in 2013 are the most uncertain in the last few years and this is due to several factors.

First, in 2013 will change radically the system of regulation and supervision of the insurance market, as insurers' supervision should move to a new institution - the financial mega-regulator, created within the Central Bank.

Secondly, motor insurance is becoming more and more unprofitable. Shaft of legal proceedings are growing. Bodily injury claims are not yet a problem on the Russian market, as the compensation limit is only EUR 4.000 per person and insurers do not cover medical expenses if medical treatment is included in the mandatory health insurance system, as Svetlana NIKITINA, Vice President, Russian Association of Motor Insurers. Nevertheless, next year will come into force a new MTPL law that stipulates an increase of the above mentioned limits to EUR 12.000. Meanwhile, the most important problem is lawyers hunting down car accidents cases, that generated a 300% increase in the number of insurance claims over the last years. *Some lawyers even go the crash sites and buy the victims' rights for compensation. After that they are directly addressing to court,*



Svetlana NIKITINA,
Vice President, Russian
Association of Motor
Insurers

without notifying the insurer, demanding the compensation value, plus 50% penalties and also moral claims, NIKITINA explained. Starting January 1st, 2013 an unique informational database on MTPL policies has been introduced. Currently, the State Duma is considering a bill to amend the MTPL Law that refers, among others, to the limits and the process of compensations for bodily injuries. Namely, increasing the limit of insurance compensation in case of death/lost of the person who assured the income – less than EUR 12 000 and funeral expenses, to the persons who made these expenses not less than EUR 1000.

On the positive side – the implementation, since January 2013, of the law on liability insurance for transporters and the law on insurance of hazardous production facilities was extended to state and municipal enterprises, which should give an increase of premiums for this type by 30% to 50%. **O.A.**



Tajikistan



SOURCE:

NATIONAL BANK OF TAJIKISTAN
TAJIK STATE INSURANCE COMPANY "TOJIKSUGURTA"

TAJIKISTAN'S CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 6.3009 SOMONI - TJS
(DECEMBER 31ST 2012)

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

According our estimations, the Tajikistan insurance market ended 2012 with total premiums of about EUR 26 million, representing about 0.4%-0.5% of GDP (EUR 5.7 billion in 2012 – according International Monetary Fund), the 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

Short economy overview

Tajikistan has one of the lowest per capita GDPs among the 15 former Soviet republics. Because of a lack of employment opportunities in Tajikistan, more than one million Tajik citizens work abroad, almost all of them in Russia, supporting families in Tajikistan through remittances. Less than 7% of the land area is arable, the cotton being the most important crop, and its production is closely monitored, and in many cases controlled, by the government.

At the same time, mineral resources include silver, gold, uranium, and tungsten, while the industry consists

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 GOSSTRACH) and TAJIKSARMOYAGUZOR, and 14 private companies, of which the most important one is ORIEN Insurance. **V.B.**

mainly of a large aluminum plant, hydropower facilities, and small obsolete factories mostly in light industry and food processing.

The civil war (1992-97) severely damaged the already weak economic infrastructure and caused a sharp decline in industrial and agricultural production. Tajikistan's economic situation remains fragile due to uneven implementation of structural reforms, corruption, weak governance, seasonal power shortages, and the external debt burden.

Source: CIA World FactbookEm fachili



Turkmenistan



SOURCE:

THE CENTRAL BANK OF TURKMENISTAN
STATE INSURANCE ORGANIZATION OF TURKMENISTAN

TURKMENISTAN CURRENCY EXCHANGE RATE FOR CALCULATIONS:

1 EUR = 3.7811 MANAT - TMT
(DECEMBER 31ST 2012)

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

The most recent market data available for the Turkmenistan's insurance market are as at December 31st, 2011: gross written premiums of EUR 45.7 million, up 15% y-o-y, of which, voluntary segment accounted for 95%. Looking at the past results, one should notice that the insurance market increased six times in between 2007-2011. Responsible for the development of the insurance industry was TURKMEN GOSSTRACH or, translated into English - "State Insurance Organization of Turkmenistan", the single insurance market player that operates in the country.

The insurance market was not always a monopoly. After the collapse of the Soviet Union in 1991, the insurance market was partially opened to competition, and both state and private companies were operating. In 2000, the government cancelled the licenses of all the private insurers operating in the market, and

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

TURKMEN GOSSTRACH has an extensive network in the country - more than 40 offices. At this stage, the organization is expanding partnerships with leading international insurance and reinsurance companies and insurance brokers. In this sense, a considerable part of the reinsurance is through the largest insurance brokers in London insurance market, such as MARSH Ltd, AON Ltd, COLEMONT Ltd, HSBC, WILLIS Ltd. **V.B.**

The Government will imposes compulsory environmental insurance

Starting 1st July 2013, enterprises conducting ecologically risky activities in Turkmenistan will have to pay for environmental insurance, informed universalnewswires.com. The new regulations will apply to all companies which are independently pursuing ecologically risky activities, the Trend news agency reported.

The insurance will be provided by the State Insurance Company of Turkmenistan, while Turkmenistan's ministry of nature protection will oversee the implementation of the decree. According local media, the decree does not apply to state-operated enterprises, which comprise the bulk of Turkmen industry.



Ukraine



Life insurance	8.41%
Motor hull	16.87%
MTPL	11.33%
Green Card	1.62%
Property	22.71%
Medical	6.28%
Liability	4.81%
Accidents	3.92%
Other non-life ins.	24.04%

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 = 10.537172 HRYVNIA - UAH
(DECEMBER 31ST, 2012)

Reduction in the number of insurance companies is coming

At the end of 2012, on the Ukrainian market there were 414 registered and active insurers, which were 28 less than in 2011. Last year, by decision of the State Commission for Regulation of Financial Services Markets in Ukraine were eliminated another 26 non-life and 2 life insurance companies. Moreover, about 200 companies froze their activity (they occupy not more than 1% of the market) and are not able to create any competition on the market.

It is likely that in 2013 the Commission will continue the strategy of reducing the number of insurance companies, which will allow to improve the quality of the supervision and the overall investment attractiveness of the domestic insurance market, said Alexandr ZALETOV, Deputy Chairman of the Council of the League of Insurance Organizations in Ukraine and Editor in Chief, Insurance TOP Magazine.

In 2012, 112 foreign owned companies were operating in Ukraine, while the total foreign investment on the domestic insurance market amounted to EUR 468.3 million.

Local market vs. the crisis

Overall, insurance in the country is developing by inertia, passively following the fluctuations of macroeconomic conditions and bank lending. This is confirmed by the ongoing decrease in the share of insurance premiums in GDP: in 2008 it was 1.7% and in 2012 - 1.3%, pointed out ZALETOV. He explained that the economic crisis, though it did not lead



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

Access www.xprimm.com and download in MS Excel format:

Market indicators (in EUR and UAH)

GWP, claims, growth rates, portfolio

Market rankings (in EUR and UAH)

Life and non-life

to collapse the insurance market in Ukraine, caused the emergence of disturbing trends. The first market reaction to the crisis was expressed in the reductions of Motor Hull and Property insurance, primarily on the banking and dealer channels. Then it has increased low-cost distribution channels for insurance products. Thus, this has become more of a current problem of one-sided development of the insurance market in Ukraine.

Motor Hull stagnates

Total number of Motor Hull active policies decreased in 2012 by 5% y-o-y, to about 340 thousand, which is 2.5 times less than in the pre-crisis 2008 year. The negative trend is related to the 1.38% drop of the car market in 2012, but also to the fact that owners of new purchased cars are buying

Market portfolio as of December 31st, 2012

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2012	2011	Change	2011	Change	2012	2011	
	EUR m	EUR m	%	EUR m	EUR m	%	%	
TOTAL MARKET	2,040.47	2,203.67	-7.41	488.72	472.32	3.47	100.00	100.00
TOTAL LIFE INSURANCE	171.69	130.74	31.32	7.25	6.86	5.76	8.41	5.93
TOTAL NON-LIFE	1,868.78	2,072.93	-9.85	481.47	465.47	3.44	91.59	94.07
Overall motor insurance	608.40	597.50	1.82	240.73	232.90	3.36	29.82	27.11
Motor hull	344.24	na	-	140.14	na	-	16.87	-
MTPL	231.19	226.26	2.18	92.44	88.56	4.39	11.33	10.27
Green Card	32.97	na	-	8.14	na	-	1.62	-
Property	463.48	320.33	44.69	52.47	25.06	109.36	22.71	14.54
Medical	128.19	113.17	13.28	85.40	73.06	16.89	6.28	5.14
Liability	98.14	116.32	-15.63	2.33	na	-	4.81	5.28
Accidents	80.05	65.34	22.51	4.87	na	-	3.92	2.97
Other non-life ins.	490.52	860.26	-42.98	95.67	na	-	24.04	39.04

Evolution of MTPL

Indicator	2005	2006	2007	2008	2009	2010	2011	2012
Number of contracts (ths. pieces)	2,231	2,523	4,318	6,737	7,128	8,144	8,371	8,299
GWP (EUR m)	70	66	108	118	117	117	226	231
Average price for 1 policy (EUR)	31	26	25	18	17	17	27	28
Settled insurance claims (pieces)	8,327	22,785	36,843	69,686	75,791	95,011	103,720	109,637
Claims (EUR m)	6	16	26	42	48	48	89	92
Average size of paid claims (EUR)	700	701	712	598	638	638	854	843

less insurance than previously (45% in 2012, as compared to 70% in 2008).

In addition, there has been a significant reduction in the potentially insurable fleet, shown by the average age of cars increase, from 17, to 19 years.

Risks of MTPL development

GWP for MTPL insurance went up by 4.5% y-o-y, to UAH 2.44 billion, although the number of issued policies decreased by 0.9%, to 8.3 million units. The change originates is the result of entering into force of the new Law on "Mandatory insurance of civil liability of vehicle owners", since September 19th 2011, which stipulates that the compulsory insurance contracts are concluded for 1 year. The average premium on the MTPL insurance policy amounted to UAH 293.5 or EUR 28, which is 5.4% more than in 2011.

On the claims side, material losses represented 98%, but for 2013 it is expected that insurance claims for the reimbursement of injury to a third person will be 20%.

Talking about the development of MTPL in Ukraine, ZALETOV listed the principal risks, such as deterioration of the financial condition of insurers with a consequent loss of membership in the Motor (Transport) Insurance Bureau in Ukraine – MTIBU; bankruptcy, defaults and late payment of insurance claims; inadequate supervision by the relevant government authorities of the vehicles involved in road traffic; insufficiently controlled circulation of forms of insurance documents and the process of insurance payments received by insurance intermediaries; confrontation of individual members of the Bureau with preventive anti-dumping measures on the MTPL market and low quality of insurance services and its maintenance.

What shall be expected by the end of 2013?

For Ukraine, the year 2013 does not predict anything positive in terms of economic growth. Our country's economy is highly dependent on the world's markets and the demands for commodity products on foreign markets are still fragile.

Debt problems in the European region, political instability in the Middle East, the deterioration of trade relations with Russia, increased competition on export markets – these will all affect the Ukrainian producers in 2013, commented ZALETOV.

According to him, the deterioration of the investment environment and the resulting outflow of capital from Ukraine will also limit the pace of economic growth and the insurance market development. **O.A.**

The statistics submitted to the analysis have been supplied by:



Life Insurance - Top 20

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	RENESANS Life	30.62	31.38	-2.43	1.69	2.33
2	ALICO Ukraine	23.39	21.17	10.51	1.29	1.57
3	ASKA Life	21.49	3.51	512.91	1.19	0.26
4	UNIQA Life	20.87	9.74	114.26	1.15	0.72
5	GRAWE Ukraine Life	14.46	14.57	-0.74	0.80	1.08
6	TAS	13.01	13.29	-2.08	0.72	0.99
7	FIDEM Life	10.34	5.52	87.24	0.57	0.41
8	DELYTA Life	9.63	4.21	129.00	0.53	0.31
9	PZU Ukraine Life	9.18	7.58	21.22	0.51	0.56
10	VIG - Yupiter Life	2.87	2.65	8.30	0.16	0.20
11	LEMMA Life	2.30	2.93	-21.69	0.13	0.22
12	YLICHEVSKAYA	2.06	1.42	44.75	0.11	0.11
13	GARANT Life	1.82	1.58	15.32	0.10	0.12
14	KD Life	1.60	1.81	-11.80	0.09	0.13
15	SEB Life	1.38	0.71	94.84	0.08	0.05
16	FORTE Life	0.93	0.84	11.06	0.05	0.06
17	GENERALI PPF	0.88	0.64	38.46	0.05	0.05
18	ECCO	0.81	0.88	-7.80	0.05	0.07
19	UKRAINIAN Ins. Group	0.58	0.87	-32.99	0.03	0.06
20	ORANTA Life	0.55	1.02	-45.92	0.03	0.08
TOTAL MARKET		171.69	130.74	31.32	9.49	9.71

Non- Life Insurance - Top 30

No.	Company	GROSS WRITTEN PREMIUMS			MARKET SHARE	
		2012	2011	Change	2012	2011
		EUR m	EUR m	%	%	%
1	AXA Insurance	74.68	70.74	5.56	0.38	0.33
2	ASKA	64.38	40.78	57.88	0.33	0.19
3	UNIQA	63.18	61.70	2.41	0.32	0.29
4	PROVIDNA	60.16	58.74	2.42	0.31	0.28
5	KREMENY	57.68	117.61	-50.96	0.29	0.55
6	ORANTA	53.72	61.86	-13.16	0.27	0.29
7	INGO Ukraine	51.62	49.32	4.67	0.26	0.23
8	ARSENAL Insurance	47.75	32.02	49.11	0.24	0.15
9	ALFA Insurance	43.89	34.91	25.75	0.22	0.16
10	Ukrainian Ins. Group, VIG	42.72	39.59	7.90	0.22	0.19
11	UPSK	37.55	42.91	-12.51	0.19	0.20
12	LEMMA	35.90	57.88	-37.97	0.18	0.27
13	TAS	34.32	36.86	-6.88	0.17	0.17
14	AIIIANCE	34.19	19.35	76.66	0.17	0.09
15	PZU Ukraine	33.74	31.59	6.79	0.17	0.15
16	UNIVERSALNA Ins. Company	27.49	24.55	11.99	0.14	0.11
17	VUSO	23.16	17.29	33.91	0.12	0.08
18	NEFTEGASSTRAKH	21.85	13.23	65.21	0.11	0.06
19	GARANT-AVTO	19.71	27.55	-28.45	0.10	0.13
20	PROSTO Insurance	19.49	18.26	6.75	0.10	0.09
21	KNIAZHA VIG	19.40	16.39	18.37	0.10	0.08
22	GARANTIA	14.70	9.32	57.62	0.07	0.04
23	PERSHA	14.06	12.88	9.14	0.07	0.06
24	YLICHEVSKAYA	13.46	13.13	2.47	0.07	0.06
25	KRAIYNA Ins. Company	13.23	11.24	17.70	0.07	0.05
26	ALLIANZ Ukraine	12.99	13.81	-5.96	0.07	0.06
27	BROKBUSINESS-LIFE	12.58	14.17	-11.21	0.06	0.07
28	EXPRESS Insurance	12.45	9.51	30.87	0.06	0.04
29	SKAYD Ins. Company	12.07	7.18	68.05	0.06	0.03
30	HDI Insurance	11.08	3.71	198.24	0.06	0.02
TOTAL MARKET		1,868.78	2,072.93	-9.85	9.49	9.71



Uzbekistan



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 = 2620.31 SOM - UZS
(DECEMBER 31ST, 2012)

UZBEK insurance market (2009 - 2012)

	2009	2010	2011	2012
GWP in UZS million	146,100.00	175,500.00	221,800.00	285,900.00
Nominal change (in UZS)	65.80%	16.00%	26.40%	28.90%
CLAIMS in UZS million	20,700.00	27,600.00	45,100.00	50,500.00
Nominal change (in UZS)	33.50%	33.30%	63.40%	12.00%
EUR exchange rate (end of the period)	2,213.75	2,167.07	2,335.78	2,620.31
GWP in EUR million	66.00	80.98	94.96	109.11
CLAIMS in EUR million	9.35	12.74	19.31	19.27

Legislative changes contribute to the market's evolution?

The Uzbek insurance market ended 2012 with a total gross written premiums volume of UZS 285.9 billion (EUR 109 million), up by 28.9% in national currency, as compared with the similar period of 2011, according to the market data provided by Information-Rating Agency SAIPRO.

Moreover, over the years, the Ministry of Finance, which is the state body authorized to regulate and contribute to the development of the insurance market of the Republic of Uzbekistan, has been taken a series of measures aiming to stimulate the development and the expansion of the infrastructure in this domain. One of these measures refers to the companies' capitalization improvement.

According to SAIPRO, in 2012, 33 insurance companies were active in the market, as well as one reinsurance company and three insurance brokers. The aggregate amount of the authorized capital of Uzbek insurers exceeded USD 150 million. Also, in accordance with the new legislative requirements regarding the minimum capital of insurers, starting July 1st, 2012 and up until 2015, the insurance companies in Uzbekistan must increase their social capital, almost up to a double amount.

The state became closer to insurance

According to recently entered into force amendment to the law "On insurance activity", the Uzbek State Insurance Supervision Service acquires right to participate in several insurance companies' share capital.

According to the prior legislation, the State Insurance Supervision Service employees did not have the right to participate in the statutory funds and management bodies of professional participants of the insurance market as well as act as insurance intermediaries.

The amended law stipulates that the specially authorized state body (State Insurance Supervision Service under the Ministry of Finance) and its employees have an exceptional right to participate in the share capital and management bodies of public joint-stock companies UZBEKINVEST, UZAGROSUGURTA and KAFOLAT.

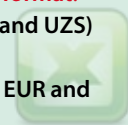
O.A.

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Market indicators (in EUR and UZS)

GWP, claims, growth rates

Top 20 market ranking (in EUR and UZS)



TOP 20 - ALL INSURANCE LINES RANKING

No.	Company	GWP - 2012	CLAIMS - 2012	SHARE - 2012
		EUR m	EUR m	%
1	UZAGROSUGURTA	21.71	3.70	19.90
2	UZBEKINVEST	20.29	3.06	18.60
3	ASIA Insurance	14.08	5.17	12.90
4	KAFOLAT	9.82	1.19	9.00
5	TRANSINSURANCE Plus	8.29	1.10	7.60
6	KAPITAL Insurance	6.44	1.10	5.90
7	ALSKOM	6.00	0.52	5.50
8	TEMIR Yo'l Sugurta	5.24	0.15	4.80
9	O'ZBEKINVEST Hayot	3.38	2.10	3.10
10	AGRO Invest Sugurta	2.07	0.48	1.90
11	XALQ Sugurta	1.96	0.23	1.80
12	ISHONCH	1.64	0.13	1.50
13	SUGURTA uz	1.64	0.06	1.50
14	GROSS Insurance	1.31	-	1.20
15	EUROASIA insurance	1.09	0.10	1.00
16	KAFIL Sugurta	1.09	0.02	1.00
17	ASKO Vostok	0.87	0.04	0.80
18	DD GENERAL Insurance	0.76	0.08	0.70
19	SILK ROAD Insurance	0.76	0.04	0.70
20	HAMKOR Sugurta	0.44	0.02	0.40
TOTAL MARKET		109.11	19.27	100.00

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